



Agenda Item No: 2.3

UK Shared Prosperity Fund Investment Plan Update

To: Business Board

Meeting Date: 11 July 2022

Public report: Yes

Lead Member: Acting Chair of the Business Board, Andy Neely

From: SRO for LGF, Market Insight & Evaluation, Steve Clarke

Key decision: Key Decision for the Combined Authority Board on 27th July 2022

Forward Plan ref: 2022/010

Recommendations: The Business Board is asked to:

Note the progress to date and next steps for the Cambridgeshire and Peterborough Local Investment Plan for the UK Shared Prosperity Fund.

1. Purpose

- 1.1 This paper provides an update on the progress to collectively develop the UK Shared Prosperity Fund (UKSPF) Local Investment Plan for Cambridgeshire and Peterborough to secure the indicative allocation being offered by the Government.
- 1.2 The list of proposed projects to be included within the Local Investment Plan is provided in headline form with this report.
- 1.3 The paper also outlines the process and governance mechanism to approve the Local Investment Plan and to manage delivery of the funding to projects.

2. Background

- 2.1 The Shared Prosperity Fund succeeds EU structural funds. The Government’s intention is to support the Levelling Up policy agenda through the mechanism of a fund which they wish to see being less bureaucratic than EU funding. In totality it provides £2.6b nationally over the period to March 2025. All areas of the UK will receive an allocation from the fund via a funding formula, which it is promised will recognise pockets of deprivation in better-off areas, as well as wider need.
- 2.2 On 13th April 2022, the Government launched the UKSPF prospectus and full guidance, while also announcing details of the indicative allocations for all areas of the UK. All lower tier local authorities have been offered an indicative allocation, apart from Combined Authority (CA) areas, where a combined allocation across the constituent authorities is offered. For the Cambridgeshire and Peterborough Combined Authority, the indicative allocation is shown in the table below, which includes Core UKSPF focusing on three pillars of Communities and Place, Local Business, and People and Skills. The Multiply element is focused entirely on Adult Numeracy:

Combined authority	UKSPF core	Multiply	Total
Cambridgeshire and Peterborough	£9,872,624	£3,999,186	£13,871,811

- 2.3 UKSPF Funding will taper in from late 2022-23. Nationally, the peak allocation will be in year three, reaching £1.5b by 2024-25. This reflects the fact that one of the scheme’s three priority areas for funding (People and Skills) is not due to commence until year three of the funding.
- 2.4 The prospectus, indicative allocations and guidance are available on the Government’s website: <https://www.gov.uk/government/publications/uk-shared-prosperity-fund-prospectus>
- 2.5 The funding is a mixture of revenue and capital, with the capital component increasing over the first three years as a minimum element in the allocations in England. This minimum level of capital spend in each year is 10% in year one, 13% in year two and 20% in year three of the indicative allocation.
- 2.6 To secure the indicative allocation, each area is required to develop a Local Investment

Plan (LIP), and this plan must be agreed by the Government to release the funding allocation. The LIPs need to be based on agreed local strategies and evidenced with clear impacts and outcomes. The Combined Authority will be accountable for providing assurance over the use of the funds and for reporting progress on impacts achieved through funding. The Government's target outcomes for the fund are set out in the prospectus and launch guidance.

- 2.7 The Government is placing an emphasis on projects that have early visible impact for the first two years, and the first two pillars listed in section 2.2 of this report are only being funded in the first two years, with the People and Skills pillar not starting until year three.
- 2.8 The LIP for the core UKSPF must be submitted online between 30th June 2022 and 1st August 2022 along with required supporting documentation, and the first year's payment to the Combined Authority is expected in October 2022, once the LIP has been approved by the Department for Levelling Up, Housing and Communities (DLUHC).

Development of the Core UKSPF Local Investment Plan

- 2.9 The LIP development is being led by the Combined Authority in its capacity as the Lead Authority, as designated by DLUHC, but to ensure that there is a collaborative and collective focus, the Cambridgeshire Public Service Board (CPSB) was identified as an existing group that represents all the key local stakeholders required to develop and agree the LIP for UKSPF, with the additional benefit of it being a non-political, operationally focused partnership board.
- 2.10 The CPSB was approached with a request to fulfil the consultative support function, acting in the capacity of the UKSPF Partnership Board role. The adoption or creation of partnership boards to support development and oversight of local UKSPF is as advised in the published guidance for Lead Authorities.
- 2.11 In common with other MCAs, and in the spirit of the Combined Authority's agreed purpose statement around the importance of collective leadership acting for the whole Cambridgeshire and Peterborough geography, the Local Authorities and Public Sector partners, via the CPSB, have been working together on the priorities within the LIP that will deliver the greatest social and economic returns for our area.
- 2.12 The process for collating projects from the CPSB organisations was developed, and this was completed via a series of documents designed to capture the key project information for proposed interventions and the challenges / opportunities those projects are addressing in each of the three pillars within the UKSPF.
- 2.13 In parallel, it was agreed at the CPSB meeting on 27th April 2022 that the Combined Authority would develop and propose into the LIP Cambridgeshire and Peterborough wide People and Skills projects that were strategically focused to deliver against some of the key recommendations in the Cambridgeshire and Peterborough Employment and Skills Strategy.
- 2.14 Combined Authority officers have co-ordinated the collation of all project data returned from this process and conducted analysis and challenge across all the proposed projects. Analysis has also been undertaken by the Cambridgeshire Clinical Commissioning Group

on health priorities, the Police and Crime Commissioner's office on Community Safety priorities, and the Combined Authority's Evaluation Team on the six capitals.

- 2.15 The CPSB has discussed the initial compiled list and the final list of projects, including those put forward by the Combined Authority, at its meetings on 25th May 2022 and 15th June 2022, to affirm and agree the final list within each pillar, and to also consider how the strategic area wide projects fit across all districts from the funding share.
- 2.16 The full list of proposed projects and interventions which are currently being developed into the LIP are attached at Appendix 1. The range of proposed interventions cover a wide range of themes and currently break down into the following number of proposed projects within each pillar:
 - 25 projects in Communities and Place
 - 16 projects in Local Business
 - 4 projects in People and Skills
- 2.17 Analysis of the projects against Health priorities, Community Safety priorities and Six Capitals can also be seen in Appendix 1.

3. Finalising the Plan and Submission – Next Steps

- 3.1 The final list of projects in each pillar has been agreed in discussion with the CPSB, and the drafting of the narrative required to complete the LIP is well underway, with Combined Authority officers being supported by Metro Dynamics to complete this task.
- 3.2 The refinement of detail on the proposed projects and the collective input into the LIP is continuing with all the local authority Chief Executives and their Economic Development Managers or officers.
- 3.3 The CPSB has been consulted throughout in its role as the partnership board for the oversight of the UKSPF, and this includes the various drafts of the LIP.
- 3.4 All local MPs and their constituency teams have been invited to a briefing on the UKSPF LIP being held on 1st July 2022, and this will also be seeking their backing for the plan.
- 3.5 The early draft of the LIP is being shared with the Skills Committee and Business Board, with the current working draft attached at Appendix 2. It will also be considered at the forthcoming Combined Authority Leaders Strategy Meeting, following which a final version will be presented to the Combined Authority Board at its meeting on 27th July 2022.
- 3.6 The window for submitting completed LIPs online to DLUHC opens on 30th June 2022 and closes on 1st August 2022. Therefore, the Combined Authority would immediately submit its LIP if it is approved by the Combined Authority Board on 27th July 2022.
- 3.8 A decision on the approval of LIPs is expected to be given during September or October 2022, with payment of the first year's allocated budget paid to the Combined Authority in October 2022.
- 3.7 The Combined Authority will work with the local authorities and proposed project delivery organisations before October 2022 to look at the most efficient delivery arrangements, and

as the Lead Authority, the Combined Authority will determine and issue project contract or funding agreement documentation to enable delivery to begin when funding has been released. This will include the development and approval of appropriate project or business plans, expenditure profiles, risk registers and subsidy control advice. Legal documentation will be required to release funding, and this will be provided by the Combined Authority as part of its support and delivery of the funding for UKSPF.

Significant Implications

4. Financial Implications

- 4.1 DLUHC has already paid the Combined Authority a one-off £40k payment, which is for Lead Authorities to support the development of their LIPs. This funding is currently being utilised to pay for writing support from Metro Dynamics on creating the LIP and supporting documents ready for submission.
- 4.2 The allocations of UKSPF are all indicative and will not be fully secured and paid until all elements of the LIP are fully approved by DLUHC.
- 4.3 The indicative allocation also includes a 4% management fee, which Lead Authorities can use in managing the programme, including funding agreements, contracts, reporting to DLUHC and monitoring across the three years. For the Combined Authority, this would equate to £394,905.

5. Legal Implications

- 5.1 Once the LIP is formally agreed by DLUHC, the allocation of funds will be legally covered by a grant agreement between DLUHC and the Combined Authority.
- 5.2 The Combined Authority will utilise its grant funding agreements or standard contracts to sign with the delivery partners before any claims are paid against the programme.

6. Public Health implications

- 6.1 The draft LIP has three projects that directly focus only to support health outcomes, and twenty-seven projects which have been assessed as contributing to one or more of the Integrated Care Partnership priorities across Cambridgeshire and Peterborough.

7. Environmental and Climate Change Implications

- 7.1 The draft LIP has eight projects being proposed that have been assessed as contributing towards natural capital priority across Cambridgeshire and Peterborough.

8. Other Significant Implications

- 8.1 The draft LIP has proposed projects which contribute towards reducing inequalities cross Cambridgeshire and Peterborough, with sixteen projects specifically focused on social capital outcomes.

9. Appendices

- 9.1 Appendix 1 – Proposed List of Projects in the Local Investment Plan
- 9.2 Appendix 2 – Draft Local Investment Plan

10. Background Papers

- 10.1 Strategic Funds Management Review (Section 8 of the report) - [Business Board 9th May 2022 item 2.1](#)