

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO CABINET

22 JULY 2022

JOINT REPORT OF THE CORPORATE DIRECTOR COMMUNITIES AND THE CORPORATE DIRECTOR EDUCATION AND FAMILY SUPPORT

THE UNITED KINGDOM SHARED PROSPERITY FUND

1. Purpose of report

- 1.1 The purpose of the report is to update Cabinet on the United Kingdom Shared Prosperity Fund (UKSPF). The report seeks Cabinet approval to authorise Rhondda Cynon Taff County Borough Council (RCTCBC) to be the 'Lead Local Authority' for the Cardiff Capital Region for the submission to UK Government of a Local Investment Plan for the Cardiff Capital Region (CCR) for the delivery of the UK Shared Prosperity Fund. The report seeks authority to submit to Rhondda Cynon Taff County Borough Council the Bridgend County Local Investment Plan information (as at July 2022) for delivering the Bridgend County UKSPF funding allocation to feed into the development of the CCR Local Investment Plan submission to UK Government. The report also seeks authority to be delegated to the Corporate Director Communities, in consultation with the Chief Officer – Legal, and Regulatory Services, HR and Corporate Policy, Chief Officer – Finance, Performance and Change and the Corporate Director – Education and Family Support to negotiate and enter into a CCR regional funding agreement with RCTCBC acting as lead authority and to enter into any further deeds and documents which are ancillary to the agreement or that are necessary to deliver the UKSPF.

2. Connection to corporate well-being objectives / other corporate priorities

- 2.1 This report assists in the achievement of the following corporate well-being objectives under the **Well-being of Future Generations (Wales) Act 2015**:
- **Supporting a successful sustainable economy** – taking steps to make the county borough a great place to do business, for people to live, work, study and visit, and to ensure that our schools are focussed on raising the skills, qualifications and ambitions for all people in the county borough.
 - **Helping people and communities to be more healthy and resilient** – taking steps to reduce or prevent people from becoming vulnerable or dependent on the Council and its services. Supporting individuals and communities to build resilience, and enable them to develop solutions to have active, healthy and independent lives.
 - **Smarter use of resources** – ensuring that all resources (financial, physical, ecological, human and technological) are used as effectively and efficiently as possible and support the creation of resources throughout the community that can help to deliver the Council's well-being objectives.

3. Background

- 3.1 Following the withdrawal of the UK from the European Union on 31 January 2020, the UKSPF is the UK government's replacement for the European Structural Investment Funds (ESIF).
- 3.2 The UKSPF is a key part of the UK government's Levelling Up agenda, forming part of complementary funding, including the Levelling Up Fund and Community Ownership Fund.
- 3.3 The UKSPF will support the UK government's wider commitment to level up all parts of the UK by delivering on each of the levelling up objectives to:
- Boost productivity, pay, jobs and living standards by growing the private sector, especially in those places where they are lagging
 - Spread opportunities and improve public services, especially in those places where they are weakest
 - Restore a sense of community, local pride and belonging, especially in those places where they have been lost
 - Empower local leaders and communities, especially in those places lacking local agency
- 3.4 The primary aim of the fund is to build pride in place and increase life chances across the UK. Underpinning this aim are three investment Priorities: communities and place; supporting local business and people and skills.
- The **Communities and Place** investment priority will enable places to invest to restore their community spaces and relationships and create the foundations for economic development at the neighbourhood-level. The intention of this is to strengthen the social fabric of communities, supporting in building pride in place.
 - The **Supporting Local Business** investment priority will enable places to fund interventions that support local businesses to thrive, innovate and grow.
 - The **People and Skills** investment priority will help reduce the barriers some people face to employment and support them to move towards employment and education. Places can also target funding into skills for local areas to support employment and local growth.
- As part of the People and Skills priority there is a dedicated and ringfenced element of the UKSPF called Multiply which seeks to improve adult numeracy skills.
- 3.5 Within the context of the Fund's primary aim there is the flexibility to invest across a range of activities that represent the right solutions to improve local pride in place, increase life chances, to help spread and create opportunity, and a sense of community and belonging. The balance of priorities should reflect local need and opportunity.

4. Current situation/proposal

- 4.1 Local authorities within the CCR have been invited to collaborate and feed into one regional Local Investment Plan for CCR that sets out proposals to deliver the UKSPF to March 2025. As part of this process there is a need to appoint one local authority to assume the role of the 'Lead Local Authority' for the region for the UKSPF, and it is proposed that RCTCBC performs this role.
- 4.2 Bridgend County Borough Council (BCBC) is not therefore required to develop its own Local Investment Plan to submit to UK Government. However, it is considered important that BCBC develop Bridgend County Borough Local Investment Plan information to submit to RCTCBC to inform the region's Local Investment Plan and to provide clarity at the local level on the Bridgend County specific proposals the Council wants to achieve through the UKSPF.
- 4.3 Each local authority within the CCR will have flexibility over how they deliver UKSPF. Guidance from UK Government highlights that a mixture of options are available: competitions for grant funding; procurement; commissioning, and in-house provision.
- 4.4 Following a series of internal workshops with officers from across all Directorates within the Council a draft set of proposals was developed. This set of proposals was then discussed with the County Borough's Economic Partnership and the Public Service Board (PSB). In addition, the proposals have been shared and discussed with Members of the Senedd and Bridgend County's two Members of Parliament, whose support is required for the proposed activity outlined in the Bridgend County Borough Local Investment Plan information. Following engagement and feedback proposals were revised and a summary is available in Appendix 1.
- 4.5 Appendix 1 is an overview of the proposals at this point in time and is based on the information and guidance currently available. As information and guidance evolves and further detail is provided it may be the case that proposals change.
- 4.6 Appendix 1 is set against the challenges and opportunities that have been evidenced through the Bridgend Economic Strategy, the Bridgend Local Development Plan, the (draft) Bridgend Net Zero Carbon Strategy and the Bridgend and Cwm Taf Wellbeing Assessment. Whilst there are clear areas of alignment between these documents and opportunities through UKSPF it is not the case that all areas are aligned, nor is it the case that UKSPF is the only source of funding available to deliver these key strategic documents.
- 4.7 An overview of the current set of Bridgend County Borough Local Investment Plan proposals is set out below under a series of regional theme descriptions, which were developed by RCTCBC:

Communities and Place

Regional Theme Description*	Proposed Bridgend County delivery
Development and resilience of communities by improving facilities and access to services and supporting community-based organisations	Bridgend County Local Resilience Planning
Action to support individuals and community-based organisations to deal with the challenges of the current economic environment and cost of living crisis	
Supporting the improvement and redevelopment of town centres and community places to revitalise them.	Bridgend County Thriving Communities
Improving access to and facilities for local people and communities in sport, culture, arts and heritage.	
Supporting action to improve services and facilities for young people.	
Action to support decarbonisation, energy efficiency and green initiatives in communities and places.	Bridgend County Green Spaces Enhancement Scheme
Other activity such as feasibility studies	Bridgend County Community Future Scoping Programme

*Bridgend County Prosperity Co-Production Framework may offer an opportunity to deliver across all.

Supporting Local Business

Regional Theme Description*	Proposed Bridgend County delivery
Business premises development and improvement.	Bridgend County Centres of Enterprise
Small business support and development including finance for growth and resilience.	-Bridgend County Business Prosperity Programme -Bridgend County Local Enterprise Support Programme
Small business support for key growth sectors, research and development and innovation.	
Action to support decarbonisation, energy efficiency and green economy initiatives for businesses and social enterprises.	
Support for the growth and development of the visitor economy including businesses, facilities, and events.	- Bridgend County Tourism Events Support - Bridgend County Local Destination Management and Marketing
Other activity such as feasibility studies	Bridgend County Business Future Scoping Programme

*Bridgend County Prosperity Co-Production Framework may offer an opportunity to deliver across all.

People and Skills

Regional Theme Description*	Proposed Bridgend County delivery
Regional Employability and Skills Framework Package <ul style="list-style-type: none"> • People in employment and key sectors • Unemployed and economically inactive people • Young people to enter employment 	-CELT**+ <i>Bridgend Inspire 2 Work / Achieve</i> -CELT +
Regional joint commissioning Jointly commission FE/HE/ training providers / specific organisations to provide the following type of support <ul style="list-style-type: none"> • Wrap-around support for those at risk of disengaging from FE • Upskilling at work • Upskilling to meet skill gaps in sectors i.e., green jobs, manufacturing, creative and digital. 	<i>Employability - Bridgend County</i> -CELT+ <i>Regional Joint Commissioning</i>

*Bridgend County Prosperity Co-Production Framework may offer an opportunity to deliver across all.

**Connect Engage Listen Thrive

- 4.8 It is currently considered that the proposals will be taken forward via a mixture of delivery models considered best suited to the activities involved and at a delivery level considered to be most suitable as outlined in Appendix 1.
- 4.9 The Local Investment Plan for the CCR will need to be submitted to UK Government by 1 August 2022. The anticipated date for the first investment plans to be approved and payment awarded is October 2022 onward. The current delivery period for the UKSPF is to March 2025.
- 4.10 It is therefore proposed that Appendix 1 be submitted to RCTCBC as the Bridgend County Borough Local Investment Plan information (July 2022) for delivering the Bridgend County UKSPF funding to feed into the development of the CCR Local Investment Plan submission to UK Government. It is to be noted that these proposals have been developed in the absence of detailed fund guidance from UK Government and as such are subject to change in relation to proposed activities, delivery models and funding values.
- 4.11 The lead authority will have responsibility for a single funding agreement with the UK government for the full South East Wales UKSPF allocation of £278.5M and will be accountable for all aspects of monitoring and claiming the allocation. There will be a requirement for appropriate agreements between the lead authority and the nine other South East local authorities to pass on accountability and the terms and conditions of the funding to deliver UKSPF. It is currently proposed by RCTCBC that this be taken forward via back-to-back agreements. These are in development and will require further detailed guidance from UK Government before they can be finalised. It is therefore proposed that authority be delegated to the Corporate Director Communities, in consultation with the Chief Officer – Legal, and Regulatory Services, HR and Corporate Policy, Chief Officer – Finance, Performance and Change and the Corporate Director – Education and Family Support to negotiate and enter into a CCR regional funding agreement with RCTCBC acting as lead authority and to enter into any further deeds and documents which are ancillary to the agreement or that are necessary to deliver the UKSPF.

- 4.12 Whilst the development of the regional governance model and the required legal agreements is on-going, the governance model created at a local level through the Economic Strategy is in place.
- 4.13 A two-tier governance structure has recently been implemented as the result of the 2022 Economic Strategy, resulting in the establishment of the Bridgend Economic Partnership, which reports to the BCBC Economic Programme Board. Given that the majority of the UKSPF funded programmes address economic development challenges, it is proposed that the Economic Partnership and Economic Programme Board be involved in the governance and oversight of the UKSPF programmes within Bridgend County Borough. Close liaison and interaction will be required for oversight of the programmes that align more closely to the Public Services Board (PSB) agenda.

5. Effect upon policy framework and procedure rules

- 5.1 There is no effect upon the Council's policy framework or procedure rules as a result of this report.

6. Equality Act 2010 implications

- 6.1 An initial Equality Impact Assessment (EIA) screening has identified that there would be no negative impact on those with one or more of the protected characteristics, on socio-economic disadvantage or the use of the Welsh language. It is therefore not necessary to carry out a full EIA on this policy or proposal at this stage.

7. Well-being of Future Generations (Wales) Act 2015 implications

- 7.1 The proposed UKSPF Local Investment Plan for Bridgend County Borough demonstrates the sustainable development principle by ensuring that by meeting the needs of the present they do not compromise the ability of future generations to meet their own needs. This is evidenced through the 5 ways of working as follows:

Long-term: The elements that make up the proposed Local Investment Plan have been identified following discussion with key stakeholders and in relation to current understanding of the potential long-term challenges on the County Borough. Building on the process of developing and creating the Economic Strategy, the Local Development Plan (LDP) and the Wellbeing Plan for the County Borough it has been possible to set out a long-term response.

Prevention: BCBC has for many years worked closely with stakeholders and the local business community to support the local economy in a wide variety of proactive ways. As well as a continuation of BCBC's ability to react to local situations, the development of the UKSPF Local Investment Plan builds on strengths to plan for the future, take proactive action and support local businesses and local communities.

Integration: The work to develop the UKSPF Local Investment Plan is closely aligned with the BCBC Corporate Plan, the Local Development Plan and the Public Service Board's Well-being Plan and the Bridgend County Economic Strategy.

Collaboration: The development of the UKSPF Local Investment Plan has been steered by a BCBC officer group and is being developed and will be delivered in partnership with key stakeholders.

Involvement: For the UKSPF Local Investment Plan to successfully operate it will require the involvement of senior members of local public sectors organisations, community leaders, business leaders, representatives of business sectors and trade bodies and other key stakeholders.

8. Financial implications

8.1 The UKSPF provides £2.6 billion of new funding for local investment by March 2025, with all areas of the UK receiving an allocation from the Fund via a funding formula rather than a competition.

8.2 All places in the UK will receive a conditional allocation from the UKSPF to cover the period up to March 2025. Table 1 below details the allocation per Authority for the CCR.

Table 1: UKSPF allocation in CCR

Individual authorities	Core UKSPF £	Multiply £	Total £	% of regional allocation
Blaenau Gwent	23,301,572	4,863,920	28,165,492	10.11
Bridgend	19,116,296	3,990,295	23,106,591	8.30
Caerphilly	28,272,298	5,901,499	34,173,797	12.27
Cardiff	34,587,594	7,219,740	41,807,334	15.01
Merthyr Tydfil	22,698,977	4,738,136	27,437,113	9.85
Monmouthshire	5,919,533	1,235,631	7,155,164	2.57
Newport	27,177,563	5,672,986	32,850,549	11.79
Rhondda Cynon Taf	37,320,994	7,790,305	45,111,299	16.20
Torfaen	20,431,241	4,264,774	24,696,015	8.86
Vale of Glamorgan	11,606,505	2,422,717	14,029,222	5.04
Total for the region	230,432,573	48,100,003	278,532,576	100.00

8.3 Bridgend's allocation is 8.3% of the total allocation for the region. Guidance from UK Government currently suggests that funding is broken down to a fixed yearly allocation for core UKSPF; 12% in Year 1 (22/23), 24% in Year 2 (23/24) and 64% in Year 3 (24/25). For Multiply allocations, the breakdown is 30% in Year 1 (2022/23), 35% in Year 2 (2023/24) and 35% in Year 3 (2024/25) as shown in table 2 below.

Table 2: Bridgend County UKSPF allocation

	2022/23	2023/24	2024/25	Totals
Core UKSPF	£2,293,955.52	£4,587,911.04	£12,234,429.44	£19,116,296.00
Multiply	£1,197,088.50	£1,396,603.25	£1,396,603.25	£3,990,295.00
Totals	£3,491,044.02	£5,984,514.29	£13,631,032.69	£23,106,591.00
	15%	26%	59%	100%

- 8.4 It is important to note therefore that this suggests that currently any funding not utilised in-year cannot be carried forward and will be lost if it is not spent in line with allocations. Mechanisms are being explored with other Local Authorities in the region and with UK Government in relation to flexibility around this. In addition, current guidance suggests that up to 4% of each area's allocation can be used for administration purposes, either local and/or regional associated costs. Further guidance is expected from UK Government in relation to this.
- 8.5 Bridgend's allocation through the UKSPF is currently £23,106,591 (inclusive of a possible 4% administration budget). The current profiled expenditure in table 3 below, inclusive of a possible 4% administration budget and Multiply, is £25,295,345. As a result, the programme is currently over-committed by £2,188,754.00.

Table 3: Bridgend County UKSPF proposals

	Total
Total to date	£ 25,295,345.00
Allocation	£ 23,106,591.00
Over allocation	£2,188,754.00

- 8.6 In addition, officers have been advised of a request by the Cardiff Capital Region City Deal Team to 'top-slice' an element of Bridgend's UKSPF allocation for delivery of a regional proposal. The value of the top-slice is £334,000. This would result in table 4 below.

Table 4: Bridgend County UKSPF proposals including regional top-slice

	Total
Total to date	£25,295,345.00
Top-slice	£334,535.00
uplifted total	£25,629,880.00
Allocation	£23,106,591.00
Over allocation including top-slice	£2,523,289.00

- 8.7 Once further guidance is issued and reviewed these values may change. If, however, the programme remains over-allocated then it is proposed that the responsibility for identifying gap funds for each of the proposed areas of delivery rests with the respective BCBC lead directorates. Should gap funds not be identified prior to delivery then available budgets for delivery will only be those available through the UKSPF and the scope of proposals will have to be revised accordingly as spend cannot exceed available budgets.

9. Recommendations

- 9.1 Cabinet is recommended to:

- Agree that Rhondda Cynon Taff County Borough Council assume the role of the 'Lead Local Authority' for the UKSPF for the Cardiff Capital Region.
- Delegate authority to the Corporate Director Communities to submit to Rhondda Cynon Taff County Borough Council the Bridgend County Borough Local

Investment Plan information (July 2022), Appendix 1, for delivering the Bridgend County UKSPF funding allocation to feed into the development of the CCR Local Investment Plan submission to UK Government. If amendments are required prior to 1 August 2022 as a result of further information and guidance from UK Government that impact upon finances and/or legal procedures these are to be agreed in consultation with the Chief Officer – Legal, and Regulatory Services, HR and Corporate Policy and Chief Officer – Finance, Performance and Change.

- Delegate authority to the Corporate Director Communities, in consultation with the Chief Officer – Legal, and Regulatory Services, HR and Corporate Policy, Chief Officer – Finance, Performance and Change and the Corporate Director – Education and Family Support to negotiate and enter into a CCR regional funding agreement with RCTCBC acting as lead authority and to enter into any further deeds and documents which are ancillary to the agreement or that are necessary to deliver the UKSPF.
- Subject to the internal governance requirements of the Council agree that the Economic Partnership and Economic Programme Board be involved in the local governance and oversight of the UKSPF programmes within Bridgend County Borough.

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