

<b>Meeting of:</b>	<b>SUBJECT OVERVIEW AND SCRUTINY COMMITTEE 3</b>
<b>Date of Meeting:</b>	<b>19 JUNE 2023</b>
<b>Report Title:</b>	<b>UPDATE ON THE SHARED PROSPERITY FUND</b>
<b>Report Owner / Corporate Director:</b>	<b>CORPORATE DIRECTOR COMMUNITIES</b>
<b>Responsible Officer:</b>	<b>IEUAN SHERWOOD, GROUP MANAGER, ECONOMY, NATURAL RESOURCES &amp; SUSTAINABILITY</b>
<b>Policy Framework and Procedure Rules:</b>	<b>There is no effect upon the Council's policy framework or procedure rules as a result of this report.</b>
<b>Executive Summary:</b>	<p><b>The purpose of this report is to update on the progress with the delivery of the Bridgend County Local Investment Plan, funded through the United Kingdom Shared Prosperity Fund (UKSPF)</b></p> <p><b>This will include progress against the 3 main objectives of the Investment Plan, People &amp; Place, Supporting Local Businesses and People &amp; Skills. It will also set out the new grant funds that are being launched, these include:-</b></p> <ul style="list-style-type: none"> <li><b>• Bridgend Valley Placemaking Property Improvement Grant</b></li> <li><b>• Empty Property Survey Grants</b></li> <li><b>• Community Feasibility Fund</b></li> <li><b>• The Business Development Grant</b></li> <li><b>• Bridgend County Business Future Scoping Programme</b></li> <li><b>• Bridgend County Tourism Events Support</b></li> </ul>

## **1. Purpose of Report**

- 1.1** The purpose of the report is to update Subject Overview and Scrutiny Committee 3 on the Shared Prosperity Fund (UKSPF) and to provide an overview of proposed grant schemes that are to be commenced.

## 2. Background

2.1 In September 2022, Subject Overview and Scrutiny Committee 3 (SOC3) received a report on the United Kingdom Shared Prosperity Fund (UKSPF) which provided an overview of the proposals that may go forward via the UKSPF.

2.2 The UKSPF was described as 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. The UKSPF was intended to 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

2.3 It was outlined that the primary aim of the fund was 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.

2.4 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.

- 2.5 The report set out the operating arrangements for the UKSPF in the Cardiff Capital Region (CCR). The 10 Local authorities were 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, at its meeting in July 2022 Bridgend County Borough Council's Cabinet agreed to support Rhondda Cynon Taff County Borough Council (RCTCBC) assuming the role of the 'Lead Local Authority' for the UKSPF for the Cardiff Capital Region.
- 2.6 As a result of this Bridgend was not required to develop its own Local Investment Plan to submit to UK Government. However, we did develop a Bridgend County Borough Local Investment Plan and submitted this to RCTCBC to inform the region's Local Investment Plan. That provided clarity at the local level on the Bridgend County specific proposals the Council wants to achieve through the UKSPF. This information was presented to Cabinet in July 2022 and Cabinet delegated 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), for delivering the Bridgend County UKSPF funding allocation to feed into the development of the CCR Local Investment Plan submission to UK Government.
- 2.7 The proposals that were submitted were discussed with the County Borough's Economic Partnership and the Public Service Board (PSB), in addition to being 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.
- 2.8 The Local Investment Plan for the CCR was submitted to UK Government on the 1 August 2022. The funding offer was eventually approved on the 28<sup>th</sup> of March 2023, with the current delivery period for the UKSPF to be upto March 2025. Which meant that year 1 could not be spent and this is now proposed to be rolled forward into Year 2 subject to agreement with UK Government.
- 2.9 Table 1 overleaf sets out the UKSPF that was allocated to the CCR local authorities. Bridgend's allocation was 8.3% of the total allocation for the region. Guidance from UK Government suggested that funding had to be 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).

**Table 1: UKSPF allocation in CCR**

<b>Individual authorities</b>	<b>Core UKSPF £</b>	<b>Multiply £</b>	<b>Total £</b>	<b>% of regional allocation</b>
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
<b>Total for the region</b>	<b>230,432,573</b>	<b>48,100,003</b>	<b>278,532,576</b>	<b>100.00</b>

- 2.10 Bridgend's allocation through the UKSPF was £23,106,591, inclusive of a 4% administration budget. This was profiled over three years and is set out in table 2 below. This did include some programming that over-committed BCBC by £2,188,754.00. This was set out in the Cabinet Report in July 2022, where it was acknowledged that a growth pressure bid would need to be made as part of the Medium Term Financial Strategy (MTFS). If this was not approved, and the programme remained over-allocated, then the responsibility for identifying gap funds for each of the proposed areas of delivery rests with the respective BCBC lead directorates. It also sets out that should gap funds not be identified prior to delivery then available budgets for delivery will only be those available through the UKSPF and the proposals delivered will be those already developed in line with the UKSPF funding allocation as spend cannot exceed available budgets. If however gap funding was identified then it would be possible to enhance delivery.

**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
<b>Totals</b>	<b>£3,491,044.02</b>	<b>£5,984,514.29</b>	<b>£13,631,032.69</b>	<b>£23,106,591.00</b>
	15%	26%	59%	100%

### 3. Current situation / proposal

- 3.1 As the agreement for the UKSPF was not received and signed off until the 28<sup>th</sup> of March 2023, it was not possible for BCBC undertake projects and schemes in year 1 as planned. As set out in paragraph 2.9 above, we have now approached UK Government to see whether this funding can be rolled over into year 2. We are awaiting a decision on this in July 2023. In addition, the growth pressure bid for the additional £2.1m to cover the over committed schemes as set out above, was unfortunately not successful, set against the Council's other pressures in the MTFS. Therefore, BCBC's allocation for SPF reverted to the original £23,106,591.
- 3.2 There has been some real significant progress against the three main themes of the UKSPF fund however and these are detailed in the paragraphs below.
- 3.3 Under the **Communities and Place theme** a grant scheme has been developed in relation to the Thriving Communities project (set out in detail below) and it has been recommended to Cabinet that authority be granted to officers to launch this fund. The Green Spaces project has appointed an officer who takes up post on 1<sup>st</sup> July 2023. The credible plan submitted to RCTCBC for consideration by UK Government involved roll forward of 2022/23 underspend into the Bridgend Prosperity Framework. Discussions have been held with BCBC Procurement officers to establish a suitable commissioning framework to take forward this project.
- 3.4 Under the **Local Business theme** grant schemes have been developed (set out in detail below) and it has been recommended to Cabinet that authority be granted to

officers to launch these grant schemes during the summer of 2023. These grants relate to the Prosperity Programme and the Future Scoping Programme. The Bridgend Local Enterprise Support Programme is now live and officers took up post in April 2023. Commissioning is underway through the Bridgend County Local Destination Management and Marketing project and officers have developed a grant fund through the Bridgend County Tourism Events Support Project, with a recommendation to Cabinet that authority be granted to officers to launch this fund.

3.5 Under the **People and Skills theme**, staff have been employed and the Employability Programme and Inspire projects are now mobilising and supporting potential beneficiaries. The launch of the re-shaped Employability Programme is the 29 June 2023. The Multiply Programme has appointed key roles with more staff in the process of recruitment and discussions are on-going with Torfaen County Borough Council in relation to options about the future approach towards any potential regional procurement.

3.6 In addition to the above, the Council is also about to launch a series of grant funds as part of the delivery programme for the Bridgend Local Investment Plan. These are the subject of a Cabinet Report on the 20<sup>th</sup> June 2023, which seeks delegation to be granted to the Corporate Director Communities to establish, deliver and award the grant funds.

3.7 The following projects are to be delivered, either in part or wholly, via these grant funds:

- Bridgend County Thriving Communities
- Bridgend County Community Future Scoping Programme
- Bridgend County Business Prosperity Programme
- Bridgend County Business Future Scoping Programme
- Bridgend County Tourism Events Support

3.8 The grant funds include the following:-

<b>Name of Project</b>	<b>Bridgend County Thriving Communities</b>
<b>Name of fund</b>	<b>Bridgend Valley Placemaking Property Improvement Grant</b>
Purpose of fund	<p>There are two elements to this:</p> <p>1) To enhance building frontages and bring vacant commercial floor space back into beneficial use, by supporting commercial property frontage improvements, along with other external and internal works.</p> <p>2) To convert vacant upper-floor space into new residential accommodation above commercial units, including internal and</p>

	external works to bring vacant space back into use for residential purposes.
Areas covered	The District Centres & Local Service centres in the valleys of the Llynfi, Garw and Ogmore (excluding Maesteg Town Centre).
Grant Rate	The grant will be a maximum of 80% of reasonable eligible costs, up to a maximum grant award of: o £30,000 for occupied properties o £50,000 for properties that have been vacant for more than 6 months. This will be subject to on-going review
Maximum Grant	As above
Total funds available in grant	Minimum of £270,000

<b>Name of Project</b>	<b>Bridgend County Thriving Communities</b>
<b>Name of fund</b>	<b>Empty Property Survey Grants</b>
Purpose of fund	To offer applicants the opportunity to undertake building condition surveys/architectural assessments and concept designs in order to progress the redevelopment of empty commercial properties.
Areas covered	The District Centres & Local Service centres in the valleys of the Llynfi, Garw and Ogmore (excluding Maesteg Town Centre).
Grant Rate	100% of reasonable eligible costs
Maximum Grant	Up to £2,000 for Condition Surveys (depending on size of property) Up to £3,000 for Architectural Assessments and Concept Designs This will be subject to on-going review
Total funds available in grant	Minimum of £20,000

<b>Name of Project</b>	<b>Bridgend County Community Future Scoping Programme</b>
<b>Name of fund</b>	<b>Community Feasibility Fund</b>
Purpose of fund	The fund has been set up to test the feasibility of longer-term community-led ideas. It will provide communities in the Borough the opportunity to gather evidence to support locally led community project ideas. Focusing on Health, Climate and Economy they will provide the required data,

	knowledge and understanding with the ambition to lead to future funding bids and continue community resilience planning.
Areas covered	Whole County
Grant Rate	Up to 100%
Maximum Grant	Up to £35,316
Total funds available in grant	£282,531

<b>Name of Project</b>	<b>Bridgend County Business Prosperity Programme</b>
<b>Name of fund</b>	<b>The Business Development Grant</b>
Purpose of fund	The Business Development Grant will support Small and medium-sized enterprises (SMEs) in Bridgend County Borough to diversify, decarbonise and grow which will contribute to creating a vibrant and strong local economy.
Areas covered	Whole County
Grant Rate	Provides 50% of eligible capital projects costs. The minimum grant is £5,000 and the maximum grant available is £25,000 (excluding VAT).
Maximum Grant	Up to £25,000 (excluding VAT).
Total funds available in grant	£392,377

<b>Name of Project</b>	<b>Bridgend County Business Future Scoping Programme</b>
<b>Name of fund</b>	<b>The Business Feasibility Grant</b>
Purpose of fund	The Business Feasibility Grant is to support businesses to explore feasibility of longer-term options to diversify, decarbonise and grow including: <ul style="list-style-type: none"> <li>- Preparation of plans and studies, e.g. Business Plans/Feasibility Studies</li> <li>- Before purchasing a piece of machinery, the study could determine the market for increased production or new product is financially viable.</li> <li>- Explore using space in retail, hospitality to introduce new service / product e.g. new hotel spa</li> <li>- Cost benefit analysis to introduce Green procurement</li> </ul>
Areas covered	Whole County
Grant Rate	Provides 100% of eligible revenue projects costs. The minimum grant is £5,000 and the maximum grant available is £25,000 (excluding VAT).
Maximum Grant	Up to £25,000 (excluding VAT).
Total funds available in grant	£255,000

<b>Name of Project</b>	<b>Bridgend County Tourism Events Support</b>
<b>Name of fund</b>	<b>Bridgend County Tourism Events Support</b>
Purpose of fund	To support tourism events which <ul style="list-style-type: none"> <li>- have strong potential to attract visitors from outside the local area, whether that is from other regions or other countries.</li> <li>- have a positive impact on the local economy, such as by generating revenue for local businesses, creating jobs, or promoting the region as a tourist destination.</li> <li>- have cultural significance or highlight a unique aspect of the local area's history, culture, or identity.</li> <li>- have the potential to raise the profile of the county borough in a positive way</li> </ul>
Areas covered	Whole County
Grant Rate	Tier 1 - Up to 50% of eligible revenue costs Tier 2 - Up to 20% of eligible revenue costs
Maximum Grant	Tier 1 - Up to £2,500 Tier 2 - Up to £10,000
Total funds available in grant	Up to £100,000

3.9 A grant panel will be set up to oversee and make recommendations for approval for the grants and the panel will include relevant BCBC departments, e.g. finance, regeneration and enterprise. All decisions relating to award of grants will be made in line with the Scheme of Delegation and the Council's Grants Policy. Each scheme will have its own assessment criteria, which will be robust but proportionate, depending on the different level of financial assistance available. Assessment criteria will be agreed by the grant panel. Any required statutory consents (e.g. planning permission, SuDS Approving Body) remain the responsibility of any grant applicant for any of the grant funds. The allocations of funding available through each grant fund and their associated criteria and processes will be kept under review and should changes be required these will be considered in line with BCBC policies and procedures.

#### **4. Equality implications (including Socio-economic Duty and Welsh Language)**

4.1 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.

#### **5. Well-being of Future Generations implications and connection to Corporate Well-being Objectives**

5.1 BCBC is committed to promoting sustainable development and to discharge its duties under the Well-being of Future Generations (Wales) Act 2015. A summary relating



to the five ways of working and how they connect to the Corporate Well-being Objectives is below:

**Long-term:** The grant funds outlined in section 3 that are included within the Bridgend 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 and the grant funds contained within it 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 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.

## 6. Climate Change Implications

- 6.1 The grant funds outlined in 3, will contain within the criteria detail relating to the expectations of applicants to support BCBC Climate Change and Decarbonisation ambitions. Assessment of applications will consider the relevance of proposals to the criteria and decisions made as a result.

## 7. Safeguarding and Corporate Parent Implications

- 7.1 There are no safeguarding or corporate parent implications arising from this report.

## 8. Financial Implications

- 8.1 Bridgend County Borough's allocation of UKSPF funding is outlined below:

Individual authorities	Core UKSPF £	Multiply £	Total £
Bridgend	19,116,296	3,990,295	23,106,591

- 8.2 The amounts available through the grant funds outlined within section 3 are contained within the overall programme budget which is set out in the funding agreement which is in place with RCTCBC and its ancillary documents.
- 8.3 Regular monitoring, reporting and claims will ensure that commitments and expenditure are in line with the funding agreement and its associated annual profiles.
- 8.4 There is a potential impact of losing the year 1 monies from the programme, that is £3.491m (15%) if UK Government do not approve the rolling forward of the fund into year 2. This decision should be known in July 2023.

## **9. Recommendation**

- 9.1 It is recommended that the Subject Overview and Scrutiny Committee 3 notes the report and the progress with the delivery of the Bridgend County Local Investment Plan, funded through the United Kingdom Shared Prosperity Fund.

## **Background documents**

None