

Mayoral Combined Authority Board

25 July 2022

UKSPF Investment Plan

Is the paper exempt from the press and public?	No
Reason why exempt:	Not applicable
Purpose of this report:	Policy Decision
Funding Stream:	Not applicable
Is this a Key Decision?	No
Has it been included on the Forward Plan?	Not applicable

Director Approving Submission of the Report:
Felix Kumi-Ampofu, Director of Corporate Policy

Report Author(s):
Joseph Quinn
Joseph.Quinn@SouthYorkshire-CA.gov.uk

Paul Johnson
Paul.Johnson@SouthYorkshire-CA.gov.uk

Executive Summary:

This paper summarises the progress of submitting the MCA's UK Shared Prosperity Fund Investment Plan to Government in advance of the 1 August deadline.

What does this mean for businesses, people and places in South Yorkshire?

The UK Shared Prosperity Fund (UKSPF) is a key fund for economic development and will impact on the quality of life and growth opportunities of residents, businesses, and places in South Yorkshire.

Recommendations:

That Board members note the summary of progress made developing the UKSPF Investment Plan and agree to delegate approval for sign off by the MCA statutory officers subject to consultation with the Mayor, and Leaders of the Local Authorities to submit to Government by the deadline of 1st August 2022.

Consideration by any other Board, Committee, Assurance or Advisory Panel

1. Background

- 1.1 UKSPF is the Government's major economic development fund to replace EU Structural and Investment Funds. A report was presented to the MCA Board meeting on 6 June, which provided an update on release of the UKSPF allocations and prospectus, provided commentary on the amount of funding allocated, an option for how this could be accessed and associated issues.

2. Key Issues

- 2.1 The MCA has been working collaboratively with our Local Authorities, and with technical support from Mutual Ventures to develop the Investment Plan. Due to short timescales implemented by Government, work will be ongoing ahead of the MCA meeting on the 25 July. Therefore, this report updates on the Investment Plan at the time of writing and planned work up to the deadline of 1 August. A verbal progress update will also be given at the meeting.

- 2.2 To date work has focused on narrowing down Government's 42 interventions for the three investment priorities:

- Community and place
- Supporting local business
- People and skills.

The following strategic ambition statement has been agreed between the MCA and Local Authority officers for consideration by the Board:

"We will use the SPF to help us build a stronger, fairer and greener local economy that materially raises the life chances of our whole population and boosts pride and confidence in South Yorkshire. Whilst we are realistic that the total value of SPF to the region delivers a net reduction in funding, we are determined to use the increased freedom around how we direct this funding to deliver the greatest level of impact. Our primary ambition is to focus SPF investment on driving up levels of economic activity and community participation. Our collaborative approach to co-designing South Yorkshire's SPF Investment Plan is indicative of a new and important change in how the region is working together."

It is proposed that we target our interventions at the right scale to leverage the greatest impact, distributing leadership of key interventions across local areas and targeting outcomes that bring benefit to our whole population.

- 2.3 In order to bring the strategic ambition to life, we have identified a suite of interventions that aim to enable individuals, organisations and local communities to be successful and resilient. In line with the SPF investment priorities, and co-designed in a collaborative development process between the MCA and the Local Authorities, we have identified seven critical local themes under which we have streamlined our interventions:

Places and Communities

- Supporting communities to address cost of living
- Promoting the cultural and visitor economy

Supporting Local Businesses

- Providing a total business support offer
- Driving up R&D and innovation
- Stimulating enterprise and growth

People and Skills

- Ensuring skills training is accessible to all
- Promoting a skills-driven green economy

Using these themes, officers have identified 20 priority interventions. Work has also been undertaken to provide a robust local evidence base and alignment to local strategies to support each intervention. A list of the 20 interventions is in Appendix A. These interventions are broad and so enable scope for development by the MCA and Local Authorities. At this stage, we are required to submit a high-level Investment Plan to Government to unlock South Yorkshire's UKSPF allocation. Government has committed to reporting back on Investment Plans in October 2022. Detail on how programmes will be designed, procured and delivered will come after the Investment Plan has been submitted.

- 2.4 Wider engagement on the Investment Plan has commenced and is ongoing. A public webinar was held on 14 June, explaining the process and deadlines. This was an information giving session rather than an interactive one. It was recorded and made available to interested stakeholders to watch online. Feedback has been received and responded to. A second webinar has been arranged for 29 July. As with the first webinar, it will explain the process and progress so far.

A session with local stakeholders – including representatives from universities, colleges, business groups, directors of public health, charities, and others – is also being organised. MPs will also be consulted as part of the process.

Wider and more meaningful engagement will occur after the Investment Plan has been submitted. At this stage, it is a high-level document, and the interventions are at a broad level, so therefore there remains time and opportunity for a range of stakeholders to influence how programmes are designed.

3. Options Considered and Recommended Proposal

- 3.1 Government has designated the MCA as the lead body for delivering the UKSPF. This paper is to update and to inform.

4. Consultation on Proposal

- 4.1 This is being undertaken as described in Section 2.4 above.

5. Timetable and Accountability for Implementing this Decision:

- 5.1 The submission window for the Investment Plan ends on 1 August 2022. Subject to the submission of a satisfactory Investment Plan, the first payments are expected to be made as early as October 2022.

6. Financial and Procurement Implications and Advice

- 6.1 Government has pre-allocated funds for every part of the UK for the years 2022-23, 2023-24 and 2024-25, for both the core UKSPF and the adult numeracy programme Multiply. The South Yorkshire UKSPF allocation totals £46.162m for the three years, made up of £7.256m Multiply and £38.906m “Core” UKSPF. The Government will pay SYMCA annually in advance on a “use it or lose it basis”. In 2022-23, funding will be paid once the local Investment Plan has been signed off. In 2023-24 and 2024-25, funding will be released at the start of the financial year. SYMCA will receive a grant determination letter and Memorandum of Understanding setting out Fund requirements and obligations. Lead authorities will be asked to return any underspends at the end of each financial year. Alignment to the SY Renewal Fund, should mitigate risks of underspend.

7. Legal Implications and Advice

- 7.1 The MCA is tasked with designing the project selection and contracting processes such that there are mechanisms to recover funding where beneficiaries do not comply with fund parameters, UK law or any local requirements. The MCA is also being asked to notify Government of any current or emerging operational or financial risks, or issues, and any contingency measures put in place. This will form a section in the investment plan and in monitoring reports thereafter.

SYMCA will have to evidence "their capacity and capability to manage" subsidies as part of the investment plan. Investment plans will only be approved where SYMCA has satisfied Central Government that they have appropriate processes in place. In practical terms, this will involve demonstrating that there is sufficient expertise to identify when a subsidy is present and to compliantly award such funding within the Subsidy Control rules.

- 7.2 The Assurance Framework sets out for Government how the MCA complies with these requirements for other funding regimes. The proposal is to review the requirements of UKSPF and ensure the current Assurance Framework of the MCA is updated, if necessary, and to use this as the basis of governance assurance and compliance.

8. Human Resources Implications and Advice

- 8.1 Administering the requirements of a Lead Authority will require additional capability and capacity secured to deliver the fund and maximise the impact and uptake of the fund. As part of the development of the Plan a gap analysis of capability and capacity will be undertaken to consider any risks or resources required.

9. Equality and Diversity Implications and Advice

- 9.1 The Investment Plan will need to consider this and given its prominence in the SEP would be expected to be identified throughout. A recommendation is that an Equalities Impact Assessment be undertaken on the final plan.

10. Climate Change Implications and Advice

10.1 The MCA is in the unique position of being able to contribute strategically to climate action for South Yorkshire, whilst also being able to facilitate local action across all areas. In developing the plan and options for investment, the MCA should undertake an Environmental Impact Assessment to ensure the plan contributes to the MCA desire for actions to mitigate climate change.

11. Information and Communication Technology Implications and Advice

11.1 It is expected that the functions of the Lead Authority can be contained within the current technology available to the MCA, e.g. the utilisation of VERTO for programme and project management. This will be monitored for sufficiency, and any gaps considered as part of the MCA Executive Business Planning process.

12. Communications and Marketing Implications and Advice

12.1 The UK SPF prospectus provides clear guidance on how projects should be branded and how communications should be made. This is usual for government funds and was closely monitored as part of the recent Local Growth Fund programme. A schedule of branding and communication requirements will be developed and added to any funding agreement issued and monitored as part of regular contract monitoring.

List of Appendices Included

Appendix A - Interventions List.

Background Papers

None

Appendix A – Interventions List

Theme	Intervention
Communities and Place	Funding for improvements to town centres and high streets, including better accessibility for disabled people, including capital spend and running costs.
	Funding for new, or improvements to existing, community and neighbourhood infrastructure projects including those that increase communities' resilience to natural hazards, such as flooding. This could cover capital spend and running costs.
	Funding for impactful volunteering and/or social action projects to develop social and human capital in local places
	Investment in capacity building and infrastructure support for local civil society and community groups
	Community measures to reduce the cost of living, including through measures to improve energy efficiency, and combat fuel poverty and climate change
	Enhanced support for existing cultural, historic and heritage institutions that make up the local cultural heritage offer.
	Support for local arts, cultural, heritage and creative activities
Supporting Local Business	Investment in open markets and improvements to town centre retail and service sector infrastructure, with wrap around support for small businesses
	Strengthening local entrepreneurial ecosystems, and supporting businesses at all stages of their development to start, sustain, grow and innovate, including through local networks
	Funding for new and improvements to existing training hubs, business support offers, 'incubators' and 'accelerators' for local enterprise (including social enterprise) which can support entrepreneurs and start-ups through the early stages of development and growth by offering a combination of services including account management, advice, resources, training, coaching, mentorship and access to workspace
	Support for growing the local social economy, including community businesses, cooperatives and social enterprises
	Business support measures to drive employment growth, particularly in areas of higher unemployment
	Funding for the development and promotion (both trade and consumer) of the visitor economy, such as local attractions, trails, tours and tourism products more generally
	Supporting decarbonisation and improving the natural environment whilst growing the local economy. Taking a whole systems approach to invest in infrastructure to deliver effective decarbonisation across energy, buildings and transport and beyond, in line with our legally binding climate target. Maximising existing or emerging local strengths in low carbon technologies, goods and services to take advantage of the growing global
People and Skills	Employment support for economically inactive people: Intensive and wrap-around one-to-one support to move people closer towards mainstream provision and employment,

	supplemented by additional and/or specialist life and basic skills (digital, English, maths ie Multiply and ESOL) support where there are local provision gaps.
	Activities such as enrichment and volunteering to improve opportunities and promote wellbeing.
	Tailored support to help people in employment, who are not supported by mainstream provision to address barriers to accessing education and training courses.
	Support for local areas to fund local skills needs. This includes technical and vocational qualifications and courses up to level 2 and training for vocational licences relevant to local area needs and high-value qualifications where there is a need for additional skills capacity that cannot be met through mainstream funding
	Green skills courses targeted around ensuring we have the skilled workforce to achieve the government's net zero and wider environmental ambitions.
	Retraining support for those in high carbon sectors.