

Committee/Board Name and Date of Meeting:
Local Enterprise Partnership

Meeting Date:
03 November 2022

Report Title
UK Shared Prosperity Fund Implementation

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

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Executive Summary

This paper provides an update on the UK Shared Prosperity Fund (UKSPF), particularly the South Yorkshire allocation, progress to date, and the key business focused interventions that South Yorkshire will prioritise in newly commissioned activity.

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

The 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 the Board notes the update on progress in shaping what the UKSPF will look like in South Yorkshire and the proposed interventions.

1. Background

- 1.1 The UKSPF is the Government's major economic development fund to replace EU Structural and Investment Funds (ESIF). It is a largely revenue fund aiming to boost productivity, tackle geographical inequalities and improve life chances, especially in deprived areas.
- 1.2 Government has pre-allocated funds for every part of the UK for the years 2022-23, 2023-24 and 2024-25. The figures below are the sum totals for all three years. South Yorkshire has been allocated £46.2m, made up of £7.3m Multiply and £38.9m "Core" UKSPF. Whilst the SPF scales up to what the UK used to receive annually from ESIF (c.£1.5bn per year) in 2024/25, it is still nearly half (c.£15m) of what the region used to receive (c.£25m per annum) over the three-year period.
- 1.3 An Investment Plan was submitted to Government in August to unlock funding. Government committed to respond by early October. However, at the time of writing, no feedback has been offered to any MCA or local authority.
- 1.4 The South Yorkshire submission picked up on the SEP objectives to build a stronger, fairer, and greener local economy that materially improves the life chances of our whole population (especially the most deprived) and boosts pride and confidence. The primary ambition is to focus SPF on driving up levels of economic activity and community participation.

2. Key Issues

- 2.1 A suite of interventions was identified in the Investment Plan to enable individuals, organisations, and local communities to be successful and resilient. In line with the three national investment priorities, and co-designed by the MCA, Local Authorities and partners, seven local themes were identified:

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

Within this, 20 interventions were selected from a government provided list:

- Community cost of living

- Improving town centres
- Volunteering, enrichment support
- Volunteering, social action
- VCSE capacity building
- Community infrastructure
- Visitor economy
- Arts, culture, heritage, creative
- Cultural heritage organisations
- Entrepreneur ecosystem support
- Enterprise advice and training support
- Targeted employment growth support
- Social economy support
- Retail services infrastructure
- Economically inactive in employment
- Targeted in-work support
- Local areas skills support
- Decarbonisation infrastructure
- Green skills support
- Carbon sectors retraining

This formed the basis of the Investment Plan. Most of the work since then has been with the local authorities to develop a process of how we work effectively together in delivering UKSPF in South Yorkshire.

- 2.2 To inform the intervention design, an external assessment of European funded business support projects has been commissioned to help determine what should be continued, reshaped, or not delivered in the future.

3. Options Considered and Recommended Proposal

- 3.1 **Option 1**
N/A

- 3.4 **Option 1 Risks and Mitigations:**
N/A

- 3.5 **Option 2**
N/A

- 3.8 **Option 2 Risks and Mitigations:**
N/A

- 3.13 **Recommended Option**
N/A

4. Consultation on Proposal:

- 4.1 The focus of discussions around process has been with the four local authorities, but as part of the Investment Plan development a wide range of partners have been consulted, including the third sector, HE and FE, MPs, and other partners who have delivered previous EU investments. Webinars were also organised to share information and elicit input. More engagement, including with the LEP will occur as plans are developed. The Partnership Group will have a key role in shaping delivery.

5. Timetable and Accountability for Implementing this Decision

- 5.1 Announcements from Government have already been delayed; however, work is still progressing to agree the process of delivery. The delivery model for Year 1 will be signed off imminently, and the aim is to agree the approach for Years 2 and 3 by the end of 2022.

6. Financial and Procurement Implications and Advice:

- 6.1 Funding is confirmed for three financial years: 2022-23, 2023-24, and 2024-25. 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.
- 6.2 The resourcing requirements associated with being a Lead Authority will necessitate the development of a resource plan. The Government guidance states that all lead authorities can use “up to 4% of their UKSPF allocation to support the delivery of their chosen interventions and by exception, lead authorities will be able to use more than 4% if required”.

7. Legal Implications and Advice

- 7.1 The Assurance Framework sets MCA compliance and governance. The requirements of UKSPF will be reviewed as part of the annual process and will be updated, if necessary.

8. Human Resources Implications and Advice

- 8.1 The MCA, as the Lead Authority, will require additional capability and capacity to deliver the fund and maximise the impact and uptake. So far, a full-time position for programme coordinator has been established, with support from other parts of the organisation.

9. Equality and Diversity Implications and Advice

- 9.1 Inclusion was a key part of South Yorkshire’s Investment Plan with deprived areas being a focus for delivery. Additionally, community participation is one of the main aims of the programme.

10. Climate Change Implications and Advice

- 10.1 Adapting to climate change is a part of the Investment Plan, especially for the Skills element with green skills and retraining for high carbon sectors being key interventions.

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 Business Planning process.

12. Communications and Marketing Implications and Advice:

- 12.1 The UK SPF prospectus provides clear guidance on branding and communications. This is usual for government funds including the Local Growth Fund. A schedule of branding and communication requirements will be developed and added to all funding agreements.

List of Appendices Included

None

Background Papers

None