

## Mayoral Combined Authority Board

14 November 2022

### Shared Prosperity Fund

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Is the paper exempt from the press and public?	No
Purpose of this report:	Discussion
Is this a Key Decision?	No
Has it been included on the Forward Plan?	No

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#### Director Approving Submission of the Report:

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#### Executive Summary

This report provides an update on delivering the UK Shared Prosperity Fund (UKSPF) in South Yorkshire and asks for delegated powers to initiate this process.

#### 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 MCA Board:

1. Delegates authority to the MCA Chief Executive and s73 officer to enter into funding agreements in accordance with the submitted Investment Plan, local delivery plans and any conditions agreed with Government.
2. Notes that in the event of the funding allocations being materially different to the submitted investment plan, further discussion with the MCA will be required.
3. Notes that the MCA Executive team will work with Local Authority Chief Executives to develop and agree a framework and delivery model for years 2 and 3 and engage with the appropriate thematic board.
4. Delegates authority to the MCA Chief Executive in consultation with the Mayor and Leaders to submit a rural-focused UKSPF addendum to its Investment Plan by the end of November.

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

LEP Board – 3 November

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## 1. Background

- 1.1 The UKSPF is the Government's major economic development fund to replace EU Structural and Investment Funds. It is a largely revenue fund aiming to boost productivity. The MCA submitted its Investment Plan to Government in August 2022 following approval by the Board in July.
- 1.2 The focus of the Plan is to materially improve the life chances of residents (especially the most deprived) and boost pride and confidence in South Yorkshire. The primary ambition is to focus SPF investment on driving up levels of economic activity and community participation.
- 1.3 Government committed to reporting back on Investment Plans in early October; however, this has been delayed. MCA officers have been working closely with local authority officers to develop an approach that enables the MCA to operationalise UKSPF when there are announcements. This paper provides a number of updates of progress to date and work that is ongoing.

A Partnership Group is being established to advise on delivery, as specified by central government. The first meeting will be in November.

## 2. Key Issues

### 2.1 Deploying Year 1 Funding

The bulk of the funding for year 1 is for Communities and Place focused schemes, with a cost-of-living response the focus at the heart of on interventions. An approach based on that used on the Community Renewal Fund process is being adopted. This process will effectively act as Local Authority Delivery Plans. These agreed plans will unlock funding from the MCA.

### 2.2 Funding Uncertainty

We have not yet received confirmation of funding from government. In the event of the funding allocations being materially different to the submitted investment plan, further discussion with the MCA will be required.

### 2.3 Year 2 and Year 3 Process

Whilst the immediate priority is Year 1, work to develop and shape delivery for Year 2 and Year 3 is underway. This will be focused largely on the business support element. The MCA Executive team will work with Local Authority Chief Executives to develop and agree a framework and delivery model for years 2 and 3 with business support programmes discussed through the Business, Growth and Recovery Board and the Education, Skills and Employment Board respectively.

### 2.4 Rural

After the UKSPF Investment Plan was submitted, Government announced a separate rural element to UKSPF. South Yorkshire has been allocated £1.34m (all capital, unlike the rest of UKSPF which is mainly revenue) broken down as:

- Barnsley - £400,000
- Doncaster - £634,000
- Rotherham - £400,000

The MCA needs to submit a rural-focused UKSPF addendum to its Investment Plan by the end of November.

### **3. Options Considered and Recommended Proposal**

#### **3.1 Option 1**

To agree the recommendations as set out in this report.

#### **3.2 Option 1 Risks and Mitigations**

These recommendations enable the delivery of the agreed UKSPF delivery plan.

Should the Government's allocation of funding be reduced or substantively changed, we may need to reprioritise.

### **4. Consultation on Proposal**

There has been discussion with external partners in developing the Investment Plan and more will be done in November to help shape the Rural submission. Once plans are more developed, the Partnership Group will be the key vehicle for consultation. MPs will also need to be contacted about the Rural submission.

### **5. Timetable and Accountability for Implementing this Decision**

Announcements from Government have already been delayed; however, work is still progressing to agree the process of delivery. The approach for Year 1 spend 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**

South Yorkshire has been allocated £38.9m for core UKSPF funding, £7.3m for Multiply, and £1.3m for Rural SPF. 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.

### **7. Legal Implications and Advice**

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**

Administering the requirements of a Lead Authority will require additional capability and capacity is secured to deliver the fund and maximise the impact and uptake of the fund. So far, a full-time position for project coordinator has been established, with support from other parts of the organisation.

## **9. Equality and Diversity Implications and Advice**

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

## **10. Climate Change Implications and Advice**

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**

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**

The UKSPF 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**

None

### **Background Papers**

None