NORWICH
City Council

Committee Name: Cabinet
Committee Date: 06/07/2022
Report Title: Application to the UK Shared Prosperity Fund

Portfolio: Councillor Giles, Cabinet member for community wellbeing

Report from: Executive director of community services

Wards: All Wards

OPEN PUBLIC ITEM

Purpose

To seek delegated authority for the Executive Director of Community Services to submit the Norwich City Council Investment Plan to UK Shared Prosperity Fund (UKSPF) and develop a costed project plan.

To seek approval to amend General Fund revenue budgets and the General Fund capital programme to reflect the approved Investment Plan.

Recommendation:

1. To delegate to the Executive Director of Community Services, in dialogue with the relevant portfolio holder, the submission of the investment plan and subsequent spending decisions in order to meet the timescales from central government.

2. That following the award of funding, approve an amendment to the 2022/23, 2023/24 and 2024/25 General Fund capital programme to create budgets funded from UK Shared Prosperity Fund in accordance with the approved investment plan.

3. That following award of funding, approve the creation of additional 2022/23, 2023/24 and 2024/25 General Fund revenue budgets funded from UK Shared Prosperity Fund in accordance with the approved investment plan.

Policy Framework

The Council has five corporate priorities, which are:

- People live independently and well in a diverse and safe city.
- Norwich is a sustainable and healthy city.
- Norwich has the infrastructure and housing it needs to be a successful city.
- The city has an inclusive economy in which residents have equal opportunity to flourish.
- Norwich City Council is in good shape to serve the city.

This report meets the people live independently and well in a diverse and safe city; Norwich is a sustainable and healthy city; Norwich has the infrastructure and housing it needs to be a successful city; The city has an inclusive economy in which residents have equal opportunity to flourish corporate priorities.

This report addresses a wide range of strategic actions in the corporate plan, including providing the right support to residents at the right time, with a focus on early help and prevention; Celebrate culture, heritage and diversity, inspiring and connecting communities; Listen to communities and use their views in decision-making; Protect and invest in our parks, green spaces and biodiversity; Work with partners to support good jobs, skills and opportunities for Norwich, including making the city a Living Wage Place and create the conditions for businesses to thrive

This report helps to meet Equality, Diversity and Inclusion and Citizen Participation adopted policies of the Council

This report helps to meet Business and the local economy and Harnessing Social Capital objective of the COVID-19 Recovery Plan

Report Details

Overview of the UK Shared Prosperity Fund

1. The UK Shared Prosperity Fund (UKSPF) is the government's post-Brexit replacement to European Funding streams (mainly European Social Fund) which is aligned to the outcomes sought by the Levelling Up white paper and runs in tandem with other funding streams, mainly Levelling Up Fund (LUF) and Community Ownership Fund.

2. This fund has not been designed as a competitive process, rather all areas in the UK have been allocated funding based on a set of metrics around the economy defined by Government including employment levels and productivity alongside investment made by EU funds in previous years.

3. The government list the overall objective of the UKSPF as:

   To build pride in place and increase life chances across the UK. This aligns with Levelling Up White Paper missions, particularly: 'By 2030, pride in place, such as people's satisfaction with their town centre and engagement in local culture and community, will have risen in every area of the UK, with the gap between the top performing and other areas closing.'

4. There are three thematic areas under which projects and spending can take place, of which each has a defined list of interventions and outcomes which are expected to be met.
   a. Communities and Place
   b. Local Business
   c. People and Skills

5. This is broken down into four core themes:
   a. Boost productivity, pay, jobs and living standards by growing the private sector, especially in those places where they are lagging
   b. Spread opportunities and improve public services, especially in those places where they are weakest
   c. Restore a sense of community, local pride and belonging, especially in those places where they have been lost
   d. Empower local leaders and communities, especially in those places lacking local agency

6. There are a total of 42 different interventions listed in the prospectus for councils to choose from which dictate how funding can be allocated. These are all high level priorities with different possible ways of putting the intervention into practice E.g. "Funding for impactful volunteering and/or social action projects to develop social and human capital in local places".

7. Each intervention listed has an approved list of outputs and outcomes attached to evidence impact which are required to draw down funding. While more evaluation is not required, there is a recommendation to complement this with localised evaluation of funded activity.

8. Councils are unable to spend money on the People and Skills interventions

until 2024/25 (year three) unless this is to fund existing VCSE-led provision which has EU funding ending before then and is considered a priority to maintain.

9. All councils must submit an investment plan by August 1st 2022 which sets out the percentage of funding which will be spent against each intervention selected. This includes a breakdown of which output and outcome measures are being used and an approximate target figure. E.g. Investment in Social Enterprise, 10% of yearly revenue budget allocated (£16,636), output of 10 new social enterprises given non-monetary support by way of advice.

10. Detailed project plans are not expected within the Investment Plan. These can be made once the plan is approved and refined for those spending priorities in later years during the funding cycle.

11. Central government is expected to review and agree these plans by October 2022 at which point year one funding is released; in addition, the Council will receive £20,000 in recognition of the costs of the planning work undertaken at that point.

12. From this point, plans are reviewed and updated yearly so predictions for years 2 and 3 can be amended based on specific project plans and budgets being drawn up in more depth. Any unused funding in a year cannot be rolled over and would have to be returned to the government as unspent so it is important that funding is used in year.

The Council's allocations and development

13. The allocations to councils have been made as a three-year settlement plan (2022-2025), with no competitive bidding process. Investment plans must be subject to initial approval and a further annual review..

14. The total allocated to Norwich is £1,586,556 which is divided between the three years. 4% (£63,462.24) can be used for administration and between 10-20% can be used as capital funding, increasing over the three-year period.

	2022/23	2023/24	2024/25
Total	192,543.00	385,086.00	1,008,926.00
of which 4% admin	7,701.72	15,403.44	40,357.04
of which capital	18,484.13	48,058.73	193,713.79
of which revenue	166,357.15	321,623.83	777,855.17

15. This allocation is much smaller than was expected and is less that the city received under previous EU funds, so careful planning is essential.

16. The programme of work which Norwich City Council is developing is based on:

    a. Strategic need, as established by the Norwich 2040 City Vision and its Corporate Plan
    b. Lessons from existing programmes around related issues such as the Norwich Good Economy Commission, Community Renewal Fund projects and skills programmes previously funded by the EU.

c. The council's local knowledge of gaps in provision identified by the above projects, such as lack of business support suitable for social enterprise and foundational businesses.
d. Opportunities to maximise the impact of SPF funding by considering where additional funding could be leveraged in; for example, Community Infrastructure Levy (CIL), Neighbourhood Community Infrastructure Levy (NCIL), match funding from other agencies and external grants.

17. Key initial themes and learning from other programmes evaluations and feedback:

    a. Ensuring that people with additional barriers or disabled people are not excluded from employment and social opportunities.
    b. Business support is keys for foundational economy (hairdressers, market traders, etc.) where they may not be able to access self-directed or mainstream support
    c. Social enterprise development which meets local needs and gaps in local provision such as neighbourhood hospitality or retail, or activities which prevent formal expensive care needs
    d. Green space importance to residents and projects in those spaces having knock-on cost saving benefits (reduction of ASB, crime)
    e. Digital connectivity underpins engagement and access to wider support offers
    f. Cost of living is impacting people's ability to engage in skills programmes which needs to be a running theme within projects
    g. Need to focus on key neighbourhoods as well as the City Centre as transport costs can be prohibitive
    h. Local knowledge can help make better investment decisions with less risk of needing to undertake expensive retrospective corrections
    i. Cross-organisation teams deliver better impact, with shared resources and core costs such as administration and premises
    j. Shared evaluation is key to make best use of resource and creates better joined up working and a better learning to inform other projects
    k. Cross-programme marketing gives best value for money and needs to consider offline as well as digital to be effective
    l. Avoiding duplication is fundamental to create value for money and best activity for residents
    m. More generic elements (such as business support) could be delivered Countywide but local approaches to community and local economy often deliver better results

18. Engagement with stakeholders has focused on narrowing the large number of interventions down, amalgamating some into wider themes, and suggesting specific activity which delivers the outcomes and outputs required by the funding prospectus.

19. This engagement includes grants for community of interest specific VCSEs to ensure many voices are brought into the design of project delivery and priorities.

20. Due to the lower-than-expected levels of funding, the engagement and planning work has looked at what other external and internal funding has been

available to align to UKSPF money in order to maximize outcomes for residents.

Delivery

21. Once the investment plan is approved, the council will then be able to seek specific partners to deliver interventions which will meet the priority areas identified in the plan.

22. This can be done in four ways:

    a. In-house council delivery
    b. Direct commissioning of identified partners
    c. Open calls for commissioning partners
    d. Grant programmes

23. The right route for use of budgets will be dictated by the intervention selected and how this can be best delivered locally for maximum impact. These do not have to be specified within the investment plan.

Consultation

24. All investment plans and resulting projects are required to have been developed in conjunction with a Local Partnership Board. For Norwich, the City Vision Board meets these requirements and can be asked to review the investment plan delivery and engage in planning.

25. Going beyond this the stakeholder collaboration has included the Towns Deal Board, Norwich Good Economy Commissioners, members of the council facilitated Equality, Diversity and Inclusion board, organisations involved in previous European Funded projects and key VCSEs for the city.

26. Both Norwich MPs have been briefed on the planning

27. Members have been invited to consult on the planning

28. Key VCSE groups representing the interests of marginalised groups were funded to undertake engagement and feedback from their existing memberships to widen the scope of voices

29. While there is no public consultation, given the time constraints, input from other projects including the Norwich Good Economy Commission, Community Conversations and feedback on Get Talking Norwich have been considered in the planning so local voices have been included.

Implications

Financial and Resources

Any decision to reduce or increase resources or alternatively increase income must be made within the context of the council’s stated priorities, as set out in its Corporate Plan and Budget.

30. The Investment Plan links to external funding, not impacting existing General Fund or Housing Revenue Account budgets and therefore has no direct impact on the council's MTFS or HRA business plan.

31. Any additional costs to the council for enabling services to deliver the plan and projects within the investment plan, will be recharged via administration costs with project management costs which exceed the administration allocation, to be included in the intervention and project budgets.

32. Use of this external funding may be used to leverage additional matched funding to contribute to the council's overall vision and corporate priorities, easing pressure on existing budgets.

33. On 22nd February 2022, Council approved to delegate to Cabinet, to include in the capital programme, additional capital schemes funded wholly by grant where it meets the Council's aims.

34. It is proposed that General Fund revenue budgets and the General Fund capital programme will be amended to include the appropriate budgets in line with the approved investment plan, but not exceeding the value of UKSPF funding received.

Legal

35. The Council's general power of competence enables it to submit bids for funding. When it does so, s.151 of the Local Government Act 1972 requires the Council to ensure there is proper arrangements in place to manage its financial affairs.

36. Funding agreements from central government, when issued, will need to be examined by nplaw to identify risks.

On receipt of any funding agreements, these will be submitted to nplaw for comment and taken to CLT for approval before financial commitments are made. Funding will not be spent until these agreements are signed off by legal advisors.

Statutory Considerations

Consideration	**Details of any implications and proposed measures to address:**
Equality and Diversity	The basis of the interventions should present the opportunity to improve equality for all residents, including those with protected characteristics. Each project within the plan will need a minimum of an Equality Impact Statement, and a full assessment where appropriate. All efforts have been made to include communities of interest and their views within the stakeholder planning.

Consideration	Details of any implications and proposed measures to address:
Health, Social and Economic Impact	The use of this fund, under the appropriate interventions, should have a positive impact on the health, social and economic status of residents. Projects will be evaluated on their impact on individuals and be designed with the reduction of inequality in mind.
Crime and Disorder	Elements which can be funded within the interventions include better use of existing public space to reduce anti-social behaviour and crime, therefore the use of this funding should have a positive impact on reducing ASB and crime. Aims on community cohesion and resilience should have a positive indirect effect on these as well.
Children and Adults Safeguarding	Any element of the project which is deemed a risk category will have DBS checked staff to run this although this is not expected within the types of intervention.
Environmental Impact	Any funded partners will be expected to hold appropriate safeguarding policies and act in accordance with them while delivering projects.

Risk Management

Risk	Consequence	Controls Required
Incorrect use of funds	Resulting in claw back or lower allocations	Programme management oversight and clear reflection of the constraints and reporting functions required by the agreement
Recruitment into core team roles in a short space of time	Project funded through the programme are delayed in starting and cannot meet the time scales required by the funding resulting in claw back and/or a lack of results and outcomes	Identify existing staff with suitable skills for key roles where required. Work with delivery partners ahead of funding to ensure adequate time for recruitment.
Oversight of commissioned projects exceeds capacity of back office teams	Not able to manage the contracts robustly and risk mis-use of funds or lack of paperwork returned	Commission a small number of larger projects which operate in a cross-organisational team model to ensure shared administrative burden and reduce time from back office teams.

Risk	Consequence	Controls Required
Ensuring no duplication with existing services	Poor value for money and splitting the beneficiaries between projects	Working alongside existing employment and skills projects and organisations to ensure this project is bridging gaps and adding value.
Externally funded projects do not complete required paperwork	Resulting in claw back or lower allocations	Programme management and a shared team model to ensure all paperwork needed to evidence spend is fully completed

Other Options Considered

37. The main alternative to this course of action is to decline the funding from central government.

38. Discussion amongst Norfolk authorities has taken place on whether to pool the administration of funding However, it was concluded to proceed on an individual authority basis. There may still be priorities which could be co-commissioned by districts on a wider geographic footprint which is being discussed as plans are developed.

Reasons for the decision/recommendation

39. The time scales set by central government only allowed a limited time from prospectus release to submission of the Investment Plan but required significant stakeholder engagement, therefore there is no time within the model to be able to consult specifically on the allocations against priority themes.

40. The Investment Plan being indicative means there remains flexibility within the plan to accommodate changes over the three years in some places and leave further time for the agreement of appropriate delivery partners.

41. There is a need to spend year 1 funding by March 2023, however as the government will agree plans in October 22, the council needs to remain agile to approve decisions in order to not risk claw back of funding from government.

42. Year 2 planning will need to also be undertaken in order to allow partners to plan for capacity and resourcing into 2023/24, however for year 3 when there is more funding in the plan, there will be more time to work collaboratively to plan year 3 specific spending.

Background papers:

UKSPF Prospectus – UK Shared Prosperity Fund: prospectus - GOV.UK (www.gov.uk)

UKSPF allocations - UKSPF allocations - GOV.UK (www.gov.uk)

Appendices: None

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