



UK Shared Prosperity Fund

Lead director: Mike Dalzell

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IF THIS IS A KEY DECISION HAS IT APPEARED ON THE PUBLISHED FORWARD PLAN	No
ANTICIPATED DATE FOR DECISION (if required)	
DATE OF RELEVANT SCRUTINY COMMISSION – please detail name of commission(s)	EDTCE 22 nd March 2023
DATE OF PAPERWORK ENTERING PUBLIC DOMAIN (note: if considered by scrutiny, this will be the scrutiny agenda publication date)	
MEDIA CONSIDERATIONS: Is a press release required? Will this be proactive or reactive?	No
PLEASE INCLUDE DETAILS OF OTHER RELEVANT MEETINGS/BRIEFINGS AS PART OF DECISION/CONSULTATION PROCESS: This should include details of discussions with relevant stakeholders and/or ward councillors.	Various LMBs with Cllr Myers Discussions with steering group referred to in report

Useful information

- Ward(s) affected: All
- Report author: Mike Dalzell
- Author contact details: Mike.dalzell@leicester.gov.uk
- Report version number : 1

1. Purpose of report

The purpose of the report is

- to update Members on the current position with Leicester's UK Shared Prosperity Fund (UKSPF) programme
- to note the work required and the timetable to generate allocations for the final two years of the programme 2023/24 and 2024/25

2. Background to UKSPF

- 2.1 The UKSPF is intended by government to replace the previous regime of European Union Structural Funds (ESIF) that have operated for many years. ESIF programmes typically supported individuals to improve skills and gain jobs using European Social Fund resource (ESF) and drive business growth using European Regional Development Funds (ERDF).
- 2.2 ESIF programmes concentrated resource to tackle areas of economic disadvantage and have historically supported and prioritised activity in Leicester. Many ESF and ERDF projects continue to operate in the city now but all are scheduled to end at various point in 2023.
- 2.3 Government guidance in spring 2022 was issued inviting all local authority areas to prepare and submit UKSPF programme Investment Plans. This amounts to a major reallocation of resource with each District council across the county area now having a guaranteed level of UKSPF such that the majority of funds will now be allocated outside the city. District councils will allocate circa £12m of UKSPF resource over the period compared to circa £9m for the city.
- 2.4 Analysis suggests that the comparative loss of resource for the city as a result of the new UKSPF approach is circa 50% so our starting point is there will be much less resource overall to allocate.
- 2.5 UKSPF guidance now allows for interventions that offer much greater emphasis on 'community and place' such that resource can be used for projects to improve town centres etc rather than focus on individual support or business growth as per the previous ESF and ERDF programmes. Analysis of the various Investment Plans of Leicestershire District Councils shows that the great majority of spend (£8m of the total £12m) is intended to support 'community and place' interventions and only £1m will be targeted at 'people and skills' support.

3. Leicester UKSPF programme and current position

3.1 As per government guidance the city council submitted a UKSPF Investment Plan in summer 2022 for a UK SPF programme over three financial years for a total value of £9.193m. This plan is attached as an **appendix**. This was approved by government in December 2022, a couple of months later than planned. The predetermined financial profile is shown below and demonstrates that the programme is heavily backloaded.

Financial year spend profile	2022/23	2023/24	2024/25	TOTAL
Leicester	£1,115,665	£2,231,331	£5,846,087	£9,193,083

3.2 The submitted Investment Plan included detailed allocations for spend in yr 1 2022/23, mostly via city council interventions. It also earmarked some allocations for priority activities in yrs 2 and 3 i.e. 2023/24 and 2024/25 such as supporting Levelling Up workspace projects, work with the Textiles sector, Inward Investment etc.

3.3 However, the Plan also flagged that decisions for the bulk of spend in years 2 and 3 would be based on evaluation and consideration of existing EU funded projects, the 5 Community Renewal Fund schemes that were still operational in summer 2022 and other considerations. As the appointed Lead Body the city council has the option to directly deliver UKSPF activities itself if it feels this is appropriate for certain activities and interventions. However, typically delivery by third parties is procured by way of open calls that allow different organisations to bid for resource.

3.4 The city council has procured FOCUS consultants to assist in the evaluation of existing EU and CRF projects. That work has progressed and is nearing completion but at the time of writing has not been finalised so is not yet available. A steering group including representatives from the Leicester and Leicestershire Enterprise Partnership, Small Business Federation, DWP and internal council officers including the Race Equality Officer, the Head of Economic Regeneration and the Head of Adult Education have been helping to guide and comment on that evaluation.

4 Next Steps and Timing

4.1 The final version of the evaluation report will be received shortly. The final evaluation report will be released in April with an opportunity for all to comment.

4.2 Throughout April and the first part of May the city council team will be drafting options for the commissioning plans

4.3 Once local elections conclude in early May the council will confirm activities to be delivered in house and issue the detailed timetable and process for allocating remaining Yr 2 and 3 resources by way of open calls etc. This process needs to be signed off by the leadership of the council. If there were to

be a change of political leadership at the council following the May elections this could impact subsequent timing.

5. Financial, legal, and other implications

5.1 Financial implications

This report provides an update on progress in allocating and distributing the UK Shared Prosperity Funding. The funding totals just under £9.2m covering both revenue and capital schemes.

Stuart McAvoy – Head of Finance

5.2 Legal implications

This report is to provide an update on the current position of the UKSPF programme and associated work required and timetable up to 2024/25.

The report notes that delivery by third parties may be procured and therefore the Public Contracts Regulations 2015 and the Council's Contract Procedure Rules will need to be considered. Procurement and Legal to be consulted as early as possible to provide advice and ensure compliance.

If any funds are to be provided as a grant the subsidy controls set out in the Subsidy Control Act 2022 will also need to be considered.

Ongoing legal assistance should be sought as and when required.

Alex Powers, Solicitor (Commercial) 37 2489

5.3 Climate Change and Carbon Reduction implications

Following the council's declaration of a climate emergency and ambition to reach net zero carbon emissions for itself and the city, the council has a key role to play in addressing carbon emissions in the city. It is recommended that the council's climate emergency aims are embedded within the commissioning process and considered as part of the development of internal projects, to identify opportunities to reduce carbon emissions through the delivery of the programme.

Aidan Davis, Sustainability Officer, Ext 37 2284

5.4 Equalities Implications

5.5 Other Implications (You will need to have considered other implications in preparing this report. Please indicate which ones apply?)

6. Background information and other papers:

7. Summary of appendices:

Appendix 1: Leicester UKSPF Investment Plan

8. Is this a private report (If so, please indicated the reasons and state why it is not in the public interest to be dealt with publicly)?

No

9. Is this a “key decision”?

No

10. If a key decision, please explain reason

In determining whether it is a key decision you will need consider if it is likely:

- to result in the Council incurring expenditure which is, or the making of savings which are, significant having regard to the Council’s budget for the service or function to which the decision relates.
- to be significant in terms of its effects on communities living or working *in two or more wards in the City*.

Expenditure or savings will be regarded as significant if:

- (a) In the case of additional recurrent revenue expenditure, it is not included in the approved revenue budget, and would cost in excess of £0.5m p.a.;
- (b) In the case of reductions in recurrent revenue expenditure, the provision is not included in the approved revenue budget, and savings of over £0.5m p.a. would be achieved;
- (c) In the case of one off or capital expenditure, spending of over £1m is to be committed on a scheme that has not been specifically authorised by Council.

In deciding whether a decision is significant you need to take into account:

- Whether the decision may incur a significant social, economic, or environmental risk.
- The likely extent of the impact of the decision both within and outside of the City.
- The extent to which the decision is likely to result in substantial public interest
- The existence of significant communities of interest that cannot be defined spatially.