

Carlisle City Council

Report to Executive

Report details

Meeting Date:	25 July 2022
Portfolio:	Economy, Enterprise and Housing
Key Decision:	No
Policy and Budget Framework	No
Public / Private	Public
Title:	Shared Prosperity Fund Investment Plan
Report of:	Corporate Director of Economic Development
Report Number:	ED17/22

Purpose / Summary:

The Government has allocated £4.1 million for the Carlisle area from the UK Shared Prosperity Fund (UKSPF). To draw it down the Council must submit an investment plan to Government setting out how it intends to use and deliver the funding.

This report outlines the format and the required content of the investment plan, including the arrangements for its production. In this regard, the report also seeks approval from the Executive to delegate the submission of the investment plan to the Corporate Director of Economic Development in consultation with the Leader of the Council, the Chief Executive, the Monitoring Officer, and the Section 151 Officer.

Recommendations:

The Executive is asked to:

1. Note the format, content, and arrangements for the production of the investment plan of the investment plan outlined in Sections 2 and 3 of this report.
2. Delegate authority to the Corporate Director of Economic Development, following consultation with the Leader, the Chief Executive, the Corporate Director of Governance and Regulatory Services and the Corporate Director of Finance and Resources, to finalise and submit the investment plan to the Department for Levelling Up, Housing and Communities.

Tracking

Executive:	25 July 2022
Scrutiny:	
Council:	

1. Background

- 1.1 The £2.6billion UK Shared Prosperity Fund (UKSPF) was launched on the 13 April 2022. The fund is a central pillar of the Government's Levelling Up agenda and will provide new funding for investment between 2022 and 2025.
- 1.2 The UKSPF replaces the European Regional Development Fund and European Social Fund and has been allocated via a funding formula rather than a competition. Carlisle City Council has been allocated £4,104,659
- 1.3 The overarching objective of the fund is to build pride in place and increase life chances. This objective aligns with missions set out in the Levelling Up White Paper and is underpinned by three investment priorities:
 - Community and place
 - Supporting local business
 - People and skills
- 1.4 In Cumbria the district local authorities are the lead local authorities for the UKSPF. The prospectus for the fund refers explicitly to local government reorganisation in the county and sets out an expectation of close collaboration between districts and the shadow unitary councils in the development of proposals.

2. Proposals

- 2.1 To access their UKSPF funding allocation, the Council must produce an investment plan, setting out how it intends to use and deliver the funding. The investment plan will be submitted to the UK government for approval via an online portal by the 1 August 2022.
- 2.2 Investment Plans must have approval from the Leader of the Council, Chief Executive, Monitoring Officer and Section 151 Officer.
- 2.3 The format of the investment plans includes of three key sections
 - 2.3.1 **Local context:** setting out local evidence of opportunities and challenges through the lens of the three investment priorities for UKSPF.
 - 2.3.2 **Outcomes and interventions:** identifying the outcomes and the interventions they wish to prioritise, which should be clearly linked to local opportunities and challenges.
 - 2.3.3 **Delivery:** setting out the approach to (a) delivery and governance (b) expenditure and deliverables, including a spend profile / outputs / outcomes for the three years of the fund and (c) capability and resource, outlining the resource to manage and work on UKSPF and capability / previous experience of delivering similar funds.

- 2.4 In terms of 2.2.2 and the interventions the Council wishes to deliver, there are 41 eligible interventions set out in the UKSPF prospectus (See appendix 1). The Council has the flexibility to select those that will best address the local issues and opportunities in the district.
- 2.5 In terms of 2.2.3 and the spend profile, the Council will be required to detail their intended budgets at priority and intervention level. The Council must set out a minimum amount of capital funding to invest each year in their investment plan.
- 2.6 In developing the Investment Plan the Council are encouraged to work with other authorities to agree and commission activity over a larger scale. The Government expects the Council to collaborate closely with the other authorities that will make up Cumberland Council. Consent is required from the Cumberland Shadow Authority before submission.
- 2.7 As part of the funding process the Council must work with local partners to develop the investment plan and to achieve the fund outcomes in their areas. As the lead local authority, the Council must convene a local partnership (comprising of diverse range of local stakeholders, civil society organisations, employer bodies responsible for identifying local skills plans and businesses or business representative groups) to provide advice on strategic fit and deliverability.

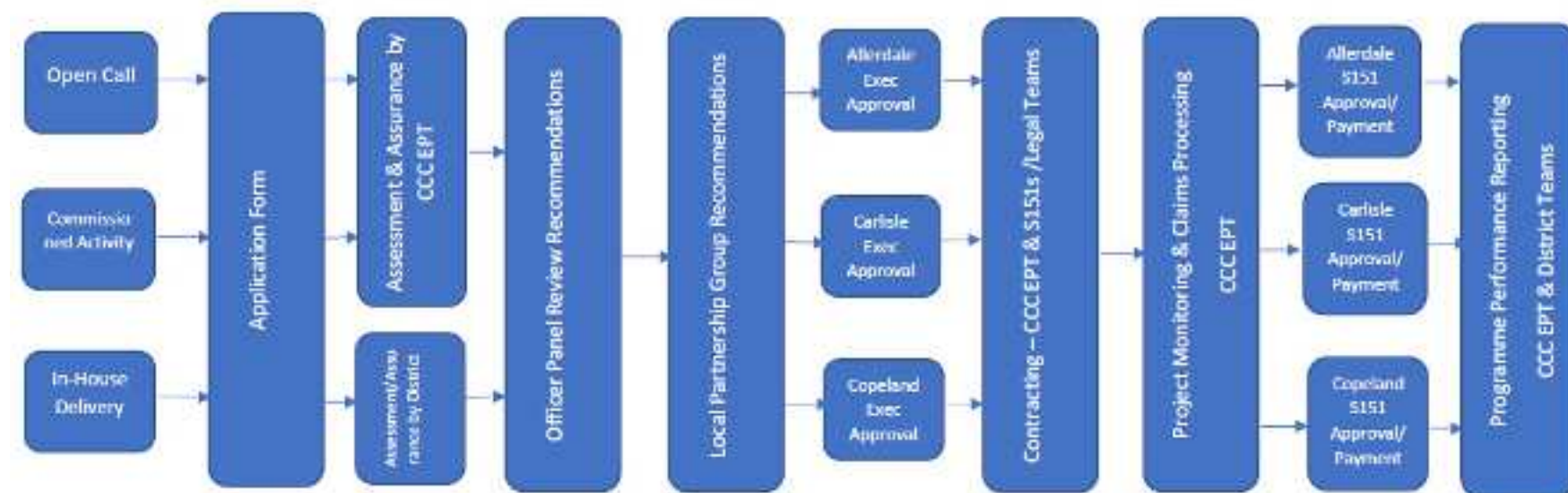
3. Delivery arrangements

3.1 Preparation of the investment plan

- 3.1.1 The investment plan for Carlisle will be developed utilising a mixture of in-house resources and external consultancy support. £20,000 capacity funding has been provided by Department of Levelling Up, Housing and Communities to support the development of the investment plan.
- 3.1.2 The three districts councils that make up the new Cumberland Council area have pooled their capacity funding and jointly commissioned Mott McDonald to support this work.

3.2 Delivery of the investment plan

- 3.2.1 The Council will have flexibility over the delivery of the fund. For example, it may wish to use a mix of competitions for grant funding, procurement commissioning or deliver some activity through in house teams.
- 3.2.2 In terms of programme management, the Council may utilise 4% of the total allocation for this purpose i.e., for assessing and approving applications, processing payments and monitoring / evaluation.
- 3.2.3 Cumbria County Council have offered to undertake the programme management function on behalf of the district councils and some process mapping has been undertaken to understand how this could work in practice (see Fig 1 below).



Open calls launched on pre-agreed timetable by District Councils.

Common application form for all funding routes to ensure capture of key information.

Assumes districts will want to assess in-house activity

Includes provision for district officers to review assessment findings.

District officers to draft recommendation/approval papers.

LPG provides strategic fit/deliverability views on each project.

Approval by District Exec or delegated group.

CCC/District Legal teams to draft grant funding agreements.

Regular project monitoring & claims processing undertaken by CCC EPT.

Claims reviewed and approved for payment by S151s.

Performance issues highlighted to Districts.

CCC/District Legal teams to draft variations.

Performance information collated by CCC EPT.

District officers to draft performance reports and secure necessary approvals for submission.

Fig 1. Draft UKSPF Process Map

3.2.4 The County Council has considerable experience in managing programmes and funds such as UKSPF. In the proposed approach the County Economic Programmes Team would, on behalf of the district councils,

- Manage the process of developing / launching calls for projects
- Assessment and assurance of applications received
- Make recommendations for funding offers for the district councils to review and approve
- Provide support with contracting and associated grant funding agreements
- Supporting the accountable body function and S151 officers within the district councils.

4. Risks

4.1 The following risks have been identified in relation to the successful development, submission, and approval of the investment plan.

Risk	Consequence	Mitigation
The Council does not submit the investment plan in accordance with the prescribed timescale and guidance	Delays in accessing the allocated UKSPF funding and the delivery of eligible projects / interventions	Additional levels of capacity provided to the development of the investment plan <ul style="list-style-type: none"> - PMO / Community services teams providing support - External consultancy support secured
Unable to gain consent of the shadow authority to submit the investment plan	Delays in accessing the allocated UKSPF funding and the delivery of eligible projects / interventions	Early and ongoing discussions with the shadow authority. Report on the shadow executive forward plan.
Local partnership does not endorse strategic fit and deliverability of the investment plan	Delays in accessing the allocated UKSPF funding and the delivery of eligible projects / interventions	Ensure that the outcomes and interventions set out in the plan are clearly linked to local opportunities and challenges. Development of a prioritisation framework that allows project / intervention to be assessed objectively and transparently.

The deliverability of the investment plan in terms of programme management is not set out appropriately	Delays in accessing the allocated UKSPF funding and the delivery of eligible projects / interventions	<p>Agree a robust programme management arrangement underpinned by a comprehensive local assurance framework that sets out how the fund is to be managed.</p> <p>Continue the dialogue with Cumbria County Council regarding their undertaking of the programme management function.</p>
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5. Consultation

- 5.1 With regards to consultation and as mentioned earlier in the report, the Council must (a) work with local partners to develop the investment plan and (b) convene a local partnership to provide advice on its strategic fit and deliverability.
- 5.2 With regards to (a), a workshop was held at the Civic Centre on 8 June 2022, conducted on a Cumberland-wide footprint facilitated by corporate officers from Carlisle, Allerdale and Copeland councils. The workshop was attended by stakeholders from across the Cumberland geography, representing the Carlisle, Allerdale and Copeland districts. An overview of the UKSPF programme was provided by the City Councils Corporate Director of Economic Development, followed by a session to establish local issues and priorities, and launch a call for projects / interventions to be considered for funding.
- 5.3 With regards to (b), the composition and membership of Cumberland-wide local partnership is being finalised with a view to convening an inaugural meeting for the group to advise on the strategic fit and deliverability on the investment plan towards the end of July 2022.

6. Conclusion and reasons for recommendations

- 6.1 The UKSPF programme represents a significant funding stream for Carlisle and constitutes the direct replacement for the EU funding streams that have now ended following Brexit.
- 6.2 The UK government have stipulated how this UKSPF funding is to be accessed, via the production of investment plans containing interventions linked to local opportunities and challenges, selected from eligible prescribed lists.

- 6.3 The timescales for submission are challenging, with investment plans to be submitted to UK government for approval via an online portal by the 1 August 2022. This timeframe includes the development / finalisation of the plan and the securing of the necessary approvals to submit.
- 6.4 On this basis the Executive is asked to:
1. Note the format, content, and arrangements for the production of the investment plan of the investment plan outlined in Sections 2 and 3 of this report.
 2. Delegate authority to the Corporate Director of Economic Development, following consultation with the Leader, the Chief Executive, the Corporate Director of Governance and Regulatory Services and the Corporate Director of Finance and Resources, to finalise and submit the investment plan to the Department for Levelling Up, Housing and Communities.

7. Contribution to the Carlisle Plan Priorities

- 7.1 The successful development and delivery of the UKSPF programme will support the delivery of the vision set out in the Carlisle Plan, which is to enable Carlisle to grow and prosper as the capital of the Borderlands region.
- 7.2 The projects / interventions delivered through the UKSPF programme will contribute directly to the priority of delivering inclusive and sustainable economic growth, by improving the health and wellbeing of our local communities and making Carlisle a more attractive place for investment.

Contact details:

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Appendices attached to report:

- Appendix 1 – UKSPF List of Interventions

Note: in compliance with section 100d of the Local Government Act 1972 the report has been prepared in part from the following papers:

- None

Corporate Implications:

Legal –

Subsidy Control Regime

The Council will need to be sure that any onward transmission of the funding would be compliant with the subsidy control rules set out in the Trade and Co-operation Agreement between the United Kingdom and the European Union, the Subsidy Control Act 2022, as when the legislation comes into force and any supporting guidance.

The assessment should be carried out as part of the bid once the Investment Plan is available and more information is understood on what the funding will be spent on.

Governance

Once the investment plan has been finalised and the projects agreed, a report should be brought back for Executive consideration to provide grant funding via a Grant Funding Agreement to third parties.

Property Services – Any property implications will be considered as the Investment Plan is developed and matters requiring Executive consent will be brought back to Members in due course.

Finance – The Council's allocation of £4,104,659 from the UK Shared Prosperity Fund is conditional on the successful submission of an investment plan. The funding allocated can support both capital and revenue projects and could be delivered directly by the Council or through a grant funding agreement with a third-party organisation. The Council will act as accountable body for the funding for the first year and so will have responsibility to ensure that it is utilised in line with the UKSPF programme and guidelines. There is no responsibility on the Council to provide any match funding alongside the grant award. The accountable body responsibility in future years will rest with the new Cumberland Council.

Once the final award is confirmed in line with the proposed investment plan, the Council will need to add the funding and deliverable projects to its budgets (either capital or revenue) and a further report will be required for the Executive to accept the funding, add it to the Council's budgets and allocate it to the relevant projects as well as accepting the responsibility of being accountable body.

Equality - The Intervention List includes interventions and objectives relating directly to protected characteristics.

Information Governance- None

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 5. [UK Shared Prosperity Fund: interventions, outputs and indicators \(https://www.gov.uk/government/publications/uk-shared-prosperity-fund-interventions-outputs-and-indicators\)](https://www.gov.uk/government/publications/uk-shared-prosperity-fund-interventions-outputs-and-indicators)
- [Department for Levelling Up, Housing & Communities \(https://www.gov.uk/government/organisations/department-for-levelling-up-housing-and-communities\)](https://www.gov.uk/government/organisations/department-for-levelling-up-housing-and-communities)

Guidance

Interventions list for England

Published 13 April 2022

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Places are encouraged to review the interventions and identify activities that would support UKSPF objectives in their area, including any interventions that are best delivered at a larger scale in collaboration with other places, or more locally. When a larger geographic delivery is more appropriate, we strongly encourage delivery of interventions at this scale. Places should also consider how implementation of the interventions they chose can be adapted to suit local characteristics, reflecting the distinct opportunities and challenges that different communities face.

1. Communities and place

Objectives:

- Strengthening our social fabric and fostering a sense of local pride and belonging, through investment in activities that enhance physical, cultural and social ties and amenities, such as community infrastructure and local green space, and community-led projects.
- Building resilient, safe and healthy neighbourhoods, through investment in quality places that people want to live, work, play and learn in, through targeted improvements to the built environment and innovative approaches to crime prevention.

Interventions

- E1: Funding for improvements to town centres and high streets, including better accessibility for disabled people, including capital spend and running costs.
- E2: 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.
- E3: Creation of and improvements to local green spaces, community gardens, watercourses and embankments, along with incorporating natural features into wider public spaces.
- E4: Enhanced support for existing cultural, historic and heritage institutions that make up the local cultural heritage offer.
- E5: Design and management of the built and landscaped environment to 'design out crime'.
- E6: Support for local arts, cultural, heritage and creative activities.
- E7: Support for active travel enhancements in the local area.
- E8: Funding for the development and promotion of wider campaigns which encourage people to visit and explore the local area.
- E9: Funding for impactful volunteering and/or social action projects to develop social and human capital in local places.
- E10: Funding for local sports facilities, tournaments, teams and leagues; to bring people together.
- E11: Investment in capacity building and infrastructure support for local civil society and community groups.
- E12: Investment in community engagement schemes to support community involvement in decision making in local regeneration.
- E13: Community measures to reduce the cost of living, including through measures to improve energy efficiency, and combat fuel poverty and climate change.
- E14: Funding to support relevant feasibility studies.

- E15: Investment and support for digital infrastructure for local community facilities.

2. Supporting local business

Lead Authorities should consider segmenting their business population, focusing on specific interventions that will best meet local business need. This can be informed by early engagement with local business representatives.

Objectives:

- Creating jobs and boosting community cohesion, through investments that build on existing industries and institutions, and range from support for starting businesses to visible improvements to local retail, hospitality and leisure sector facilities.
- Promoting networking and collaboration, through interventions that bring together businesses and partners within and across sectors to share knowledge, expertise and resources, and stimulate innovation and growth.
- Increasing private sector investment in growth-enhancing activities, through targeted support for small and medium-sized businesses to undertake new-to-firm innovation, adopt productivity-enhancing, energy efficient and low carbon technologies and techniques, and start or grow their exports.

Interventions

- E16: Investment in open markets and improvements to town centre retail and service sector infrastructure, with wrap around support for small businesses.
- E17: 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.
- E18: Supporting Made Smarter Adoption: Providing tailored expert advice, matched grants and leadership training to enable manufacturing SMEs to adopt industrial digital technology solutions including artificial intelligence; robotics and autonomous systems; additive manufacturing; industrial internet of things; virtual reality; data analytics. The support is proven to leverage high levels of private investment into technologies that drive growth, productivity, efficiency and resilience in manufacturing.
- E19: Increasing investment in research and development at the local level. Investment to support the diffusion of innovation knowledge and activities. Support the commercialisation of ideas, encouraging collaboration and accelerating the path to market so that more ideas translate into industrial and commercial practices.
- E20: Research and development grants supporting the development of innovative products and services.
- E21: Funding for the development and support of appropriate innovation infrastructure at the local level.
- E22: Investing in enterprise infrastructure and employment/innovation site development projects. This can help to unlock site development projects which will support growth in places.
- E23: Strengthening local entrepreneurial ecosystems, and supporting businesses at all stages of their development to start, sustain, grow and innovate, including through local networks.

- E24: 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.
- E25: Grants to help places bid for and host international business events and conferences that support wider local growth sectors.
- E26: Support for growing the local social economy, including community businesses, cooperatives and social enterprises.
- E27: Funding to develop angel investor networks nationwide.
- E28: Export Grants to support businesses to grow their overseas trading, supporting local employment.
- E29: 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 opportunity.
- E30: Business support measures to drive employment growth, particularly in areas of higher unemployment.
- E31: Funding to support relevant feasibility studies.
- E32: Investment in resilience infrastructure and nature based solutions that protect local businesses and community areas from natural hazards including flooding and coastal erosion.

3. People and skills

Lead local authorities and partners must note that the Fund will focus on communities and place and local business interventions in 2022-23 and 2023-24, alongside support for people through the Multiply adult numeracy programme. This complements residual employment and skills funding from the European Social Fund. UKSPF investment to support people and skills will follow from 2024-25, when the funding pot reaches its full extent.

This means that places will be able to select people and skills interventions from 2024-2025 onwards, unless they meet the voluntary sector considerations outlined below.

Alignment with current provision

UKSPF will be the main source of funding to support employment provision for economically inactive people.^{[\[footnote 1\]](#)} To reduce levels of economic inactivity, local areas should ensure investment in employment support is tailored to local needs. This should facilitate the join-up of mainstream provision and local services, through the use of keyworker support and community interventions to improve employment outcomes for economically inactive people, including engagement with integrated care systems where appropriate.

To maximise outcomes and avoid duplication local areas should collaborate with a range of local partners to consider the provision already available locally as well as through the Jobcentre Plus network and the Adult Education Budget.

Lead local authorities should consider current European Social Fund interventions for people and skills, emerging people and skills needs and proposed Multiply interventions, when developing a local investment plan. This will then inform proposed people and skills support from 2024-25 onwards.

Alignment with Multiply

Each place should also read the [Multiply prospectus for England](https://www.gov.uk/government/publications/multiply-funding-available-to-improve-numeracy-skills) (<https://www.gov.uk/government/publications/multiply-funding-available-to-improve-numeracy-skills>) which seeks proposals for adult numeracy interventions for 2022-23, 2023-24 and 2024-25, operating at upper-tier or Mayoral Combined Authority/London scale. They should take account of the aims, objective and priorities of Multiply when developing local plans for people and skills interventions.

Voluntary and community sector provision

Lead local authorities have the flexibility to fund targeted people and skills provision in 2022-23 and 2023-24 where this is a continuing priority for 2024-25 and may be at significant risk of ending due to the tail off of EU funds. This flexibility may only be used where provision is currently delivered by voluntary and community organisations, having regard for the focus of the Fund and available funding.

Objectives:

- Boosting core skills and support adults to progress in work, by targeting adults with no or low level qualifications and skills in maths, and upskill the working population, yielding personal and societal economic impact, and by encouraging innovative approaches to reducing adult learning barriers.
- Reducing levels of economic inactivity [\[footnote 1\]](#) through investment in bespoke intensive life and employment support tailored to local need. Investment should facilitate the join-up of mainstream provision and local services within an area for participants, through the use of one-to-one keyworker support, improving employment outcomes for specific cohorts who face labour market barriers.
 - Expected cohorts include, but are not limited to people aged over 50, people with a disability and health condition, women, people from an ethnic minority, young people not in education, employment or training and people with multiple complex needs (homeless, care leavers, ex/ offenders, people with substance abuse problems and victims of domestic violence).
- Supporting people furthest from the labour market to overcome barriers to work by providing cohesive, locally tailored support, including access to basic skills.
- Supporting local areas to fund gaps in local skills provision to support people to progress in work, and supplement local adult skills provision e.g. by providing additional volumes; delivering provision through wider range of routes or enabling more intensive/innovative provision, both qualification based and non-qualification based. This should be supplementary to provision available through national employment and skills programmes.

Interventions

Supporting economically inactive people to overcome barriers to work by providing cohesive, locally tailored support including access to basic skills

- E33: 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* and ESOL) support where there are local provision gaps.

This provision can include project promoting the importance of work to help people to live healthier and more independent lives, alongside building future financial resilience and wellbeing. Beyond that, this intervention will also contribute to building community cohesion and facilitate greater shared civil pride, leading to better integration for those benefitting from ESOL support.

Expected cohorts include, but are not limited to people aged over 50, people with a disability and health condition, women, people from an ethnic minority, young people not in education, employment or training and people with multiple complex needs (homeless, care leavers, ex/offenders, people with substance abuse problems and victims of domestic violence).

*via Multiply.

Supporting people furthest from the labour market through access to basic skills

- E34: Courses including basic skills (digital, English, maths (via Multiply) and ESOL), and life skills and career skills** provision for people who are unable to access training through the adult education budget or wrap around support detailed above. Supplemented by financial support for learners to enrol onto courses and complete qualifications.

Beyond that, this intervention will also contribute to building community cohesion and facilitate greater shared civil pride, leading to better integration for those benefitting from ESOL support.

**where not being met through Department for Work and Pensions provision.

- E35: Activities such as enrichment and volunteering to improve opportunities and promote wellbeing.
- E36: Intervention to increase levels of digital inclusion, with a focus on essential digital skills, communicating the benefits of getting (safely) online, and in-community support to provide users with the confidence and trust to stay online.

Skills to progress in work and to fund local skills needs

- E37: Tailored support to help people in employment, who are not supported by mainstream provision to address barriers to accessing education and training courses. This includes supporting the retention of groups who are likely to leave the labour market early.
- E38: 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 is not being met through other provision.
- E39: Green skills courses targeted around ensuring we have the skilled workforce to achieve the government's net zero and wider environmental ambitions.
- E40: Retraining support for those in high carbon sectors.
- E41: Funding to support local digital skills.

1. Economic inactivity refers to those without a job who have not sought work in the last four weeks and/or are not available to start work in the next two weeks although in practice many people who are inactive will have been so for a long time. For UKSPF, people and skills investments the term includes people not in work who are on and off benefits, with the exception of Universal Credit, Jobseekers Allowance or Employment and Support Allowance claimants who are in the all work related requirements legal conditionality groups (i.e. Light Touch and Intensive Work Search).
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