



**Cabinet**

**Tuesday, 12 July 2022**

**Endorsement of the Investment Plan for the UK Shared Prosperity Fund and Levelling Up Funding Bid**

## **Report of the Chief Executive**

### **Cabinet Portfolio Holder for Business and Growth, Councillor A Edyvean**

#### **1. Purpose of report**

- 1.1. In April 2022, Government launched the UK Shared Prosperity Fund (UKSPF). This is a £2.6bn fund for the next three years which replaces the EU Structural funds which were previously allocated through Local Enterprise Partnerships.
- 1.2. The UKSPF is being delivered through a direct allocation to local authorities, via a funding formula rather than competition. Rushcliffe's allocation is £2,571,462 for three years (2022/23 to 2024/25). This is allocated across the three years:
  - 2022/23 - £312,071
  - 2023/24 - £624,141
  - 2024/25 - £1,635,250.
- 1.3. To secure this funding local authorities need to complete an Investment Plan, which sets out how they will spend their allocation against the three priorities; communities and place, business support and people and skills. Areas are encouraged to engage with key local stakeholders in the development of their plans and also to work across a wider geography where appropriate.
- 1.4. This report sets out the steps taken to develop Rushcliffe's Investment Plan and seeks endorsement for the Plan ready for submission to Government in time for the deadline of 1 August 2022.
- 1.5. The report also seeks Cabinet's endorsement of the Levelling Up Funding (LUF) bid which was submitted on 6 July 2022.

#### **2. Recommendation**

It is RECOMMENDED that Cabinet:

- a) endorses the identified priority interventions for Rushcliffe's Investment Plan and the local principles for the allocation of funding;
- b) endorses the identified long list of interventions for Rushcliffe's Investment Plan for year 1 (Appendix B);

- c) delegates sign off of the Investment Plan to the Leader, Chief Executive and S151 Officer, including refinement of projects for year 1 and allocations for years 2 and 3, with both revenue and capital implications reported in future Financial reports to Cabinet and the MTFS to Full Council; and
- d) endorses the submission of the Levelling Up Funding bid with the Capital Programme to be updated accordingly and reported in future financial reports.

### **3. Reasons for Recommendation**

- 3.1. It is a requirement of the UKSPF that an Investment Plan is submitted, which sets out how the lead local authority intends to spend its allocation. This report is seeking sign off of the principles for the Rushcliffe allocation, the long list of projects for year 1 (which requires refinement) and agrees for the Investment Plan sign off to be delegated to the Leader, Chief Executive and S151 Officer.
- 3.2. The report is also seeking retrospective endorsement of the LUF bid, which was submitted to Government by the required deadline of 6 July. A previous report to Cabinet had identified East Leake Health Centre as a possible opportunity for the LUF bid but due the timescales for the delivery of that it is not a realistic option for LUF. Alternative options have been explored and it was agreed to progress with the application for the connectivity on the south of the river to support and enhance the new connection, which will be offered by the construction of the new pedestrian and cycle bridge across the Trent.

### **4. Supporting Information**

#### **UKSPF**

- 4.1. Lead local authorities have to submit an Investment Plan by 1 August to identify how they are going to spend their allocation against the three priorities; communities and place, business support and people and skills. Within each priority there are a list of interventions and funding has to be allocated against those. The people and skills theme will be focussed on 2024/25, taking account of the fact that there are existing European Social Funded projects that are still delivering across the country.
- 4.2. Government have indicated any underspend in each year will be lost and therefore it is important to realistically plan activity that can be delivered each year. The funding is a mix of capital and revenue and Government have set a minimum capital level each year. The Council can use funding to support activity from April 2022 as long as it fits with priorities in the Investment Plan. This will be at risk until the Investment Plan is signed off, which is expected to be October 2022.
- 4.3. Lead local authorities for each area will have flexibility over how they deliver the Fund, for example they may wish to use a mix of procurement, local

competitions or deliver some activity through in-house teams. 4% (£102,858 over the three years) can be used to support ongoing admin/monitoring etc. requirements of funding (including assessing and approving project applications, processing payments and day to day monitoring).

- 4.4. Government have encouraged local authorities to work together to create alignment across an area, this is particularly on the business support and people and skills interventions. This has been discussed with colleagues from other local authorities and the report sets out interventions where there is alignment across Nottinghamshire and so an opportunity for future joint commissioning.

### **Interventions**

- 4.5. As already identified 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 (County Council led). UKSPF investment to support people and skills will follow from 2024/25.
- 4.6. The full list of interventions can be found at Appendix A of this report. They have been highlighted to identify the priority interventions for Rushcliffe. These have been selected based on engagement with a number of internal and external stakeholders including; local businesses, community and voluntary services, education providers, police, and health. In addition data has been analysed to help further inform this selection. The Investment Plan will include a request for flexibility over the life of the Plan so new interventions can be introduced based on changing demands in the area.
- 4.7. The interventions are listed under each of the themes, communities, and place, supporting local business and people and skills.
- 4.8. Communities and Place has the following overarching 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.
- 4.9. Supporting local business has the following overarching 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.

4.10. People and skills has the following overarching 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 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.

4.11. Areas are able to submit bespoke interventions that are not included on the list as long as justification in the form of evidence is provided for this. Based on feedback from stakeholders and the review by officers at the Council it is not thought that bespoke interventions are required. As can be seen at Appendix A the interventions are broad and allow for a wide range of activity, projects identified to date can fit into one of the identified interventions.

4.12. In addition to the above objectives it is important for Cabinet to identify and agree the local principles that will apply for the allocation of funding. This will help over the coming weeks to further inform and shape the Investment Plan. The identified principles are:

- The overarching principle is for alignment with Governments levelling up objectives and the UKSPF objectives.

- Initiatives must demonstrate how they contribute towards supporting delivery of the Councils corporate priorities:
  - Quality of life
  - Efficient services
  - Sustainable growth
  - The environment.
- Supporting communities and businesses across the Rushcliffe, reflecting the diverse needs of the whole Borough.
- Projects need to demonstrate they are deliverable within the required timeframes, and this is particularly important in year 1 of the funding where timescales are tight.
- Projects will need to demonstrate value for money which may include requirements for match funding where appropriate.
- Projects should add value and not duplicate other support available.
- Projects should be able to demonstrate the need for the chosen intervention and what outputs and outcomes will be delivered.

4.13. Work has been done with colleagues across Nottinghamshire to identify areas of alignment. Government are encouraging areas to work with neighbouring local authorities particularly on the business support and people and skills priorities. Following an initial prioritisation exercise it looks like across Nottinghamshire there is alignment on the following interventions:

- E23: Strengthening local entrepreneurial ecosystems and supporting businesses at all stages of their development to start, sustain, grow, and innovate, including through local networks.
- 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.
- 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.

4.14. Officers will continue to work with colleagues across Nottinghamshire to look at joint commissioning across the area on these priorities as well as any other future identified shared priorities.

4.15. The Investment Plan will identify priority interventions and indicative allocations in each year against those interventions. Some specific projects have been identified for this financial year to help ensure the allocation is spent and not lost (Appendix B). For future years though this detail is not required and the specifics of the projects to be supported within the intervention will be developed over the next few months/years. The Investment Plan will therefore include the identified priority interventions with funding allocated to those. In

addition, as already set out, flexibility will be requested and is allowed to move funding around subject to an identified need/new priority.

- 4.16. At this stage the detail of the Investment Plan is still being developed. However, Appendix A gives detail on identified priority interventions and Appendix B shows the long list of projects that have been identified that could be supported in year 1. It is important to note that as it stands the funding for this year is oversubscribed and so this list needs refinement. Projects identified for year 1 need to be deliverable and so this will help with the refinement of this list. One challenge will be delivering projects to a tight timeline (ie for year 1 by 31 March 2023) and it is possible those not included in year 1 could be moved to year 2. Underspend cannot be carried forward and it is therefore essential the Council has confidence in their delivery by the deadlines and following proper financial processes.

### **Levelling Up funding**

- 4.17. In 2021, Government committed an initial £4 billion for the LUF for England over the next four years (up to 2024/25). Round one of the funding was opened in spring 2021 and 105 of the bids received were approved totalling £1.7bn.
- 4.18. In April 2022, Government announced round two of the LUF with the deadline for applications being noon on 6 July, and an announcement of successful bids in the autumn. Areas are prioritised as 1, 2 or 3 based on need and following a re-scoring in response to the impact of Covid-19 Rushcliffe remains a priority 3 area. This means a stronger case for funding needs to be demonstrated but funding can still be accessed.
- 4.19. As with the first round, funding is available for local authorities to bid for (one bid per parliamentary constituency) and can be a bid for an individual project or a package bid consisting of multiple projects. Match funding of 10% is encouraged but not mandatory.
- 4.20. There are three investment themes for LUF:
- Transport investments including (but not limited to) public transport, active travel, bridge repairs, bus priority lanes, local road improvements and major structural maintenance, and accessibility improvements. We are requesting proposals for high-impact small, medium and by exception larger local transport schemes to reduce carbon emissions, improve air quality, cut congestion, support economic growth, and improve the experience of transport users.
  - Regeneration and town centre investment, building on the Towns Fund framework to upgrade eyesore buildings and dated infrastructure, acquire and regenerate brownfield sites, invest in secure community infrastructure and crime reduction, and bring public services and safe community spaces into town and city centres.

- Cultural investment maintaining, regenerating, or creatively repurposing museums, galleries, visitor attractions (and associated green spaces) and heritage assets as well as creating new community-owned spaces to support the arts and serve as cultural spaces.
- 4.21. A gateway criteria for the funding is that there must be some spend in this financial year (2022/23). This limits the projects that can be put forward as they need to already be at an advanced stage to achieve this.
- 4.22. The footbridge across the Trent is a project that has received support of the Council's Cabinet and it is anticipated that a planning application for this will be submitted later this year. Costs are increasing; however, and the City are therefore reviewing the scheme costs in light of certain pressures such as hyper-inflation, global supply chains and the impact on key materials such as steel. This means that some of the wider connectivity planned may not be deliverable within the budget remaining.
- 4.23. It is the intention of the Borough Council therefore to submit a LUF bid to deliver the new infrastructure and improvements to existing walking and cycling infrastructure on the south of the river. These includes:
- Major Junction at Lady Bay Bridge / Radcliffe Road / Trent Boulevard / Edward Road.
  - Junction in estate – crossroads between Trent Boulevard and Melbourne Road.
  - Junction at Mabel Grove / Rutland Road link over Radcliffe Road.
  - Junction at Cyril Road over Radcliffe Road.
  - Junction in estate – crossroads between Cyril Road and Davies Road.
  - Improvements to the river path.
- 4.24. Due to the timescales involved the costings included are typical high level and based on documents such as SPONS price book (Spon's is a range of price estimating books and guides for the construction industry in the UK and overseas) and Sustrans design guide. This provides the level of detail needed for the LUF bid but further work on this will be required if the bid is successful. This includes detailed design work, which would need County approval before works on site began, the costs of the design work have been included in the bid.
- 4.25. County Council have provided a letter of support for the bid which is required as they are the Highways Authority. Ruth Edwards MP has also provided her support for the bid.

## **5. Alternative options considered and reasons for rejection**

- 5.1. For UKSPF, the Investment Plan identifies priority interventions and some projects, but the detail will be worked up over the coming years of what exactly is funded. Therefore, at this stage a long list of projects has been pulled together but specific projects to be funded have not been worked up in detail. It is at this

stage that alternatives, to ensure value for money and the right support for our residents and businesses, will be considered.

- 5.2. For the LUF, officers from the Council reviewed other potential projects for submission. However, as outlined, due to the requirement to spend in the 2022/23 financial year, the number of realistic options to progress was limited. To support the success of the footbridge it was agreed that this would be the project to submit.

## **6. Risks and Uncertainties**

- 6.1. There is a risk that the SPF Investment Plan is not signed off; however, this is not a competitive process and Government officials will work with Council officers to support any required resubmission.
- 6.2. The ongoing management and monitoring of the SPF could be quite significant and so there is a risk of pressure on teams in the Council. However, some of the SPF can be used for management costs (4% of total allocation) and this will be explored in more detail.
- 6.3. Any new projects commenced before the sign-off of the Investment Plan (October 2022) would, if not approved, need to be resourced by the Council. This will be mitigated by avoiding any significant commitments to new schemes and focusing on existing projects in the short term. Thus ensuring year 1 spend is delivered.
- 6.4. There is a risk that the LUF bid is unsuccessful, if this is the case the funding for the required improvements will need to be sought from elsewhere or funded via NCC highways funding over the coming years. There is a budget available from the City Council that will enable some improvements to be made but this will not be on the scale of those being submitted to LUF.

## **7. Implications**

### **7.1. Financial Implications**

Both of these projects are about requests for Government funding, one is an allocation of SPF and the other a funding bid which may be successful. In deciding on projects going forward the Council will be mindful of not committing itself to unnecessary ongoing revenue and capital costs. Further external funding enables further financial resources to be utilised for other priorities. Where possible the Council will utilise its internal resources to support projects.

### **7.2. Legal Implications**

There are no legal implications associated with this report.



### 7.3. Equalities Implications

There are no direct equalities implications associated with this report. Equalities implications will be considered for all UKSPF funded activity.

### 7.4. Section 17 of the Crime and Disorder Act 1998 Implications

There are no crime and disorder implications associated with this report.

## 8. Link to Corporate Priorities

Quality of Life	The UKSPF's focus is on supporting Governments Levelling Up ambitions and particularly pride in place. The funding offers the opportunity for the Council and other organisations to deliver new activities to support and enhance our residents quality of life.
Efficient Services	
Sustainable Growth	Objectives of the fund include supporting local businesses and people and skills, this funding will allow the council and partners to deliver local interventions that meet the needs of our businesses and community.
The Environment	Interventions within the UKSPF long list include a focus on decarbonisation and these are identified priority areas for the Council.  In addition the LUF bid will encourage more active travel in the Borough by creating better connectivity and enhancing the opportunity provided by the City bridge.

## 9. Recommendation

It is RECOMMENDED that Cabinet:

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- d) endorses the submission of the Levelling Up Funding bid with the Capital Programme to be updated accordingly and reported in future financial reports.

<b>For more information contact:</b>	Catherine Evans Service Manager Economic Growth and Property 0115 914 8552 <a href="mailto:cevens@rushcliffe.gov.uk">cevens@rushcliffe.gov.uk</a>
<b>Background papers available for Inspection:</b>	
<b>List of appendices:</b>	Appendix A priority interventions list Appendix B year one long list of projects