

Committee Name and Date of Committee Meeting

Cabinet – 07 August 2023

Report Title

UK Shared Prosperity Fund - Years two and three

Is this a Key Decision and has it been included on the Forward Plan?

Yes

Strategic Director Approving Submission of the Report

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Report Author(s)

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Ward(s) Affected

Borough-Wide

Report Summary

The report provides proposed projects and recommendations for use of Rotherham's UK Shared Prosperity Fund (UKSPF) £6.4m allocation, for 2023/24 and 2024/25.

Projects will help Rotherham businesses to start up and grow, develop the skills our residents need to get a good job and progress in their careers, and provide targeted support to local communities in the face of cost of living and other pressures. In short, this package of measures will support the Council's aspirations to build a more inclusive local economy.

The approach to the use of this funding is to work with a range of partner organisations, ensuring UKSPF enables delivery against shared partnership priorities and commitments, including key initiatives such as the Children's Capital of Culture, as well as complementing activity in the Council's Year Ahead Delivery Plan. It will also ensure that a number of projects previously funded through the European Structural Funds can continue.

Recommendations

That Cabinet:

1. Endorse the projects for submission to South Yorkshire Mayoral Combined Authority for award of UKSPF for 2023/24 and 2024/25 as follows:
 - a) Local Business Support

- i) £1,693,727 for sub-regional business support supporting three strands of “Launchpad” (start-up support); productivity and low carbon.
 - ii) £234,870 capital for Rotherham’s business incubation centres.
 - iii) £234,482 for social value to coordinate and enhance social value activity, focused on increasing local spend through anchor organisations’ procurement activity.
 - b) People and Skills
 - i) £1,291,013 for Rotherham integrated skills programme (RISP) providing four projects covering the journey from initial engagement with those hardest to reach, through to sustainable employment and career progression.
 - ii) £421,502 for Children’s Capital of Culture to extend and expand the traineeship programme with further capacity building support for partners.
 - c) Communities and Place
 - i) £471,664 for Children’s Capital of Culture, including investment in existing and new events and festivals across the Borough, building capacity in community organisations and groups and creating more resilient models for grass roots programmes.
 - ii) £370,094 for Open Arms Rotherham phase 2 for ongoing delivery of fortnightly one-stop shop sessions, in targeted neighbourhoods and further development of community infrastructure, including community leaders.
 - iii) £100,000 for Reaching Out Across Communities, establishing local equality networks to ensure that current and future interventions are informed by and effectively reach all of Rotherham’s diverse communities.
 - iv) £280,000 for town centre events to deliver a regular programme and increase footfall.
 - v) £1,068,709 for the visitor and leisure economy, supporting the delivery of capital schemes across Rotherham, focused on major attractions, increasing visitor numbers, and improving skills
 - vi) £80,000 capital for Active Lives, creating additional multi-sport play zones in local communities.
 - d) Rural
 - i) £200,000 for a small grants programme for rural businesses supporting rural micro and small enterprises and tourism and the visitor economy.
- 2. Agrees to delegate authority to the Assistant Chief Executive in consultation with the Leader of the Council to determine revised and final allocations for the UK Shared Prosperity Fund, including allocation of funding to the three capital schemes within the ‘visitor and leisure economy’ proposal. This is to include provision for other eligible actions within the use of the fund should it not be possible to achieve full spend of the grant through the allocations above.

List of Appendices Included

- Appendix 1 Financial summary
- Appendix 2 Summary of proposals by theme
- Appendix 3 Equality screening (form A)
- Appendix 4 Equality assessment (form B)
- Appendix 5 Climate impact assessment

Background Papers

South Yorkshire Mayoral Combined Authority, South Yorkshire UKSPF investment plan, August 2022

**Consideration by any other Council Committee, Scrutiny or Advisory Panel
Council Approval Required**

No

Exempt from the Press and Public

No

UK Shared Prosperity Fund - Years two and three

1. Background

- 1.1 UKSPF is a three-year government-funded programme channelled through South Yorkshire Mayoral Combined Authority (SYMCA), introduced as the successor fund to the European Structural Funds.
- 1.2 The primary goal of the Fund is to build pride in place and increase life chances across the UK, aligning in particular with the following levelling up mission: '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.'
- 1.3 This report provides details of proposed projects and recommendations for years two and three of the programme (2023/24 and 2024/25) for submission to SYMCA.

2. Key Issues

- 2.1 Rotherham's UKSPF allocation is £7.2m over three years from April 2022 to March 2025. This comprises £5.6m revenue and £1.6m capital allocated across three themes or 'investment priorities':
 - Supporting Local Business
 - People and Skills
 - Communities and Place
- 2.2 Within this £7.2m allocation, £400,000 capital has been provided to support rural communities and businesses from April 2023.
- 2.3 £825,000 was available in year one (2022/23), with the bulk of the funding in years two and three (i.e. from April 2023 to March 2025), over which period there is approximately £6.4m to invest in the Borough.
- 2.4 For years two and three, the aim has been to develop integrated proposals with clear linkages both within and across the three UKSPF themes.
- 2.5 Projects will help Rotherham businesses to start up and grow, develop the skills our residents need to get a good job and progress in their careers, and provide targeted support to local communities in the face of cost of living and other pressures. In short, this package of measures will support the Council's aspirations to build a more inclusive local economy.
- 2.6 The approach to the use of this funding is to work with a range of partner organisations, ensuring UKSPF enables delivery against shared partnership priorities and commitments, including key initiatives such as the Children's Capital of Culture, as well as complementing activity in the Council's Year

Ahead Delivery Plan. It will also ensure that a number of projects previously funded through the European Structural Funds can continue.

2.7 Consideration has also been given to the deliverability of projects, bearing in mind the relatively tight timescales and the fact that there is little flexibility within annual funding allocations.

2.8 There is, however, some scope to move funding between thematic allocations and this flexibility has been utilised in developing the proposals.

2.9 A summary of the proposals for each investment priority is set out below, with a detailed breakdown included at Appendix 2 and an overall financial summary provided in Appendix 1.

Supporting Local Business

2.10 Three projects operating across South Yorkshire will:

- Help entrepreneurs to test and develop their business ideas;
- Offer wide-ranging support to boost business productivity; and
- Provide grants to reduce businesses' energy use and carbon emissions.

2.11 The Council's network of business incubation centres will benefit from capital investment to make improvements that enhance the support offer to local start-up businesses.

2.12 Funding will also be used to promote the social value agenda in Rotherham, working with local businesses to help them access opportunities and aiming to maximise the social value generated from anchor organisations' spending and activity. This additional support will be particularly targeted at the Borough's smaller businesses, to help them engage and connect to these opportunities.

People and Skills

2.13 A number of connected projects will provide seamless support to improve skills and employability. This will range from proactive engagement with people who are furthest away from employment, to in-work help for those looking to advance their careers.

2.14 In light of the pandemic's impact on young people, a dedicated strand will address the multiple social, emotional and health barriers to learning and employment faced by some young people in Rotherham.

2.15 In the build up to Rotherham becoming the first Children's Capital of Culture in 2025, skills development for young people will increase through traineeships with key partners.

Communities and place

2.16 Building on the community-based programme of activity implemented in year one of UKSPF, this theme will see ongoing delivery of one-stop-shop support

and advice sessions in neighbourhoods across Rotherham, with targeted help for residents who are financially excluded or isolated.

2.17 Further developmental work with local volunteers and groups will help to sustain activity, which will also be integrated with other partnership-based support programmes (e.g. food in crisis, family hubs).

2.18 By developing the Council's mechanisms for engaging with its diverse community - "Reaching out across communities" - partners will ensure that current and future interventions are informed by and effectively reach all of Rotherham's diverse communities.

2.19 This theme also includes further support for organisational capacity building and delivery of local events as part of Children's Capital of Culture, as well as for an expanded events programme in the town centre.

2.20 Alongside this, a capital programme will invest in key schemes across Rotherham, focusing on the Borough's major attractions within the visitor and leisure economy, as well as contributing to new multi-sport physical activity hubs.

Rural

2.21 A grants programme for rural businesses will offer match-funded grants of up to £12,499 for small scale investment, including developing the visitor economy and local attractions. The capital programme mentioned at 2.20 above will include activity in rural areas, utilising the communities element of the rural funding.

Project and programme management

2.22 Following endorsement of the overall programme by Cabinet, it is proposed that the final and revised allocations for individual projects are approved by the Assistant Chief Executive in consultation with the Leader of the Council.

2.23 Projects will then require endorsement from SYMCA's local partnership group, which comprises representatives from a range of partner organisations across South Yorkshire, with final sign off from SYMCA's internal programme board. This is likely to be a quick turnaround of two to three weeks for each project.

2.24 Contracts can only be agreed on an annual basis, as government is confirming funding annually subject to performance reviews, but two-year projects will not require further SYMCA endorsement for year three if there are no substantive changes.

2.25 However, annual allocations are fixed and if projects underspend in 2023/24, there is no guarantee that funding will be carried forward into 2024/25. This being the case, deliverability of projects is a key consideration.

2.26 Up to 4% of the overall South Yorkshire UKSPF allocation is set aside for programme management and administration costs. This equates to £1.556m and has been top-sliced from individual local authority allocations by SYMCA.

It is anticipated that a small proportion of this funding may be made available for local authorities to either contribute to their own management costs or increase project spend and delivery.

3. Options considered and recommended proposal

- 3.1 The preferred option is the two-year programme set out above and, in the appendices, which has considered the importance of developing impactful, integrated proposals that are deliverable within the timescales.
- 3.2 The alternative option would be to develop separate one-year programmes. It is likely that this would reduce the impact of proposals and be more difficult to deliver within the timescales.

4. Consultation on proposal

- 4.1 Initial proposals for use of Rotherham's UKSPF allocation were consulted on with Council directorates and external partners over the summer of 2022.
- 4.2 Further discussions have been held with relevant services and partners to develop the proposed programme for years two and three.

5. Timetable and Accountability for Implementing this Decision

- 5.1 Outline project proposals have already been developed and initial, detailed proposals will be brought forward for approval in line with the delegation in this report in the next few weeks, subject to the endorsement of the programme by Cabinet.
- 5.2 Ongoing coordination and oversight of Rotherham's UKSPF programme will continue to be carried out by Assistant Chief Executive's directorate, supported by an internal cross-council planning and delivery group, comprising finance representatives and lead officers for each project/theme.

6. Financial and Procurement Advice and Implications

- 6.1 The report sets out the proposed allocation of UKSPF to revenue and capital projects. The funding is subject to annual review which includes the potential for grant to be withdrawn by central government. As such, there is a risk that the Council will incur costs to complete projects or if expenditure cannot be ceased in line with the funding available. The planned capital investments should not result in any material additional ongoing costs for the Council.
- 6.2 Any expenditure with 3rd party suppliers for the supply of goods, works or services arising from the project proposals indicated in this report will be subject to the Council's Financial and Procurement Procedure Rules and Public Contract Regulations (as amended).

7. Legal Advice and Implications

7.1 The proposed projects are consistent with the requirements of the UKSPF programme, and it will be necessary for the Council to comply with the funding agreements in respect of the programme. Where necessary the funding to be provided to the projects referred to in the report will need comply with the requirements of the Subsidy Control Act 2022.

8. Human Resources Advice and Implications

8.1 Due to the nature of funding arrangements, HR will provide advice in relation to the most appropriate contractual and recruitment options for any new fixed term posts required.

9. Implications for Children and Young People and Vulnerable Adults

9.1 UKSPF will have a positive impact for children and young people with £893,166 allocated to the Children's Capital of Culture. This will extend and expand the traineeship programme with further capacity building support for partners.

9.2 In addition, the People and Skills theme includes targeted support for young people who face barriers to accessing education and skills provision.

10. Equalities and Human Rights Advice and Implications

10.1 An Equalities Screening (Form A) and Equalities Assessment (Form B) have been undertaken. Both are appended to this report.

10.2 The findings of the assessment conclude that a number of connected projects will provide support to improve skills and employability. This will range from proactive engagement with people who are furthest away from employment to in-work help for those looking to advance their careers.

10.3 Specifically, by strengthening mechanisms by which the Council reaches out across its diverse communities, partners will ensure current and future interventions are informed by and effectively reach residents across the borough.

10.4 Actions provide for monitoring protected characteristic data within relevant projects. Protected characteristic data will be used to ensure that underrepresented groups are supported and included across the lifespan of the projects.

11. Implications for CO2 Emissions and Climate Change

11.1 Activity that could contribute towards a potential increase in emissions includes the expansion of local events and the borough's visitor and leisure economy, aiming to increase visitor numbers and including a number of capital projects which will generate emissions during their construction and development. This could be offset by more local events meaning people are not travelling to other areas.

11.2 Offsetting this, the business support programme includes grants for businesses to help them reduce their energy usage and carbon emissions. The social value proposal has the potential to decrease emissions by increasing local spend and encouraging local supply through anchor organisations' procurement activity.

12. Implications for Partners

12.1. Partner organisations have been consulted in the development of Rotherham's UKSPF programme and are involved in delivery.

13. Risks and Mitigation

13.1 Active management of the programme through quarterly monitoring and returns provided to SYMCA will enable any over and under commitments to be identified and adjustments made to the programme to ensure full spend and outcomes from the grant.

14. Accountable Officers

Fiona Boden, Head of Policy, Performance and Intelligence,
Assistant Chief Executive's Directorate

Approvals obtained on behalf of Statutory Officers:

	Named Officer	Date
Chief Executive	Sharon Kemp	24/07/23
Strategic Director of Finance & Customer Services (S.151 Officer)	Judith Badger	24/07/23
Assistant Director, Legal Services (Monitoring Officer)	Phil Horsfield	24/07/23

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