

Corporate Policy and Resources Committee



11 July 2022

Title	<i>Shared Prosperity Fund</i>
Purpose of the report	For decision
Report Author	<i>Heather Morgan, Group Head Regeneration and Growth</i>
Ward(s) Affected	All Wards
Exempt	No
Exemption Reason	
Corporate Priority	Community Recovery Environment
Recommendations	<p>Committee is asked to:</p> <ul style="list-style-type: none"> • Agree that the projects/proposals at Appendix B (to follow) are included in the Investment Plan to be submitted to DULHC • Agree how stakeholders will be consulted on the projects/proposals being put forward (see Appendix C) to follow • Agree that any final amendments which might need to be made to the Investment Plan document as a result of feedback from the MP or consultation are delegated to the Group Head for Regeneration and Growth in consultation with the chair and vice chair of this committee.
Reason for Recommendation	<p>The Shared Prosperity Fund (SPF) task group have considered all applications submitted and have made recommendations (Appendix B) which this committee need to make a decision on.</p> <p>The government process requires the council to engage with stakeholders, and options are set out on how to do this within the very limited time constraints (Appendix C)</p> <p>As the Investment Plan has to be submitted to government by 1 August 2022, any final amendments will need to be dealt with under the officer scheme of delegation (in consultation)</p>

1. Summary of the report

- 1.1 A report on the Shared Prosperity Fund (SPF) was considered by the Economic Development Committee on 9 June – it set out details of the fund (£1m), the split over 3 years, the governments three priority areas, and the main risk considerations. That meeting agreed to set up a SPF task group to

help guide officers in reaching a set of recommendations to be reported to the CPR Committee on 11 July.

- 1.2 This report sets out the work of the task group in (1) considering the applications which have been put forward, (2) the scorecard which has been developed to ensure a rigorous assessment of the applications could be undertaken to enable a consistent approach to be taken to decision making, (3) recommendations on which projects should be included within the Investment Plan (Appendix B) and (4) options for consulting with our stakeholders (Appendix C).
- 1.3 Due to the tight deadline for submission (1 August), it is recommended any final amendments will need to be dealt with under the officer scheme of delegation (in consultation with the chair and vice chair of this committee).

2. Key issues

- 2.1 **Appendix A** replicates key background information from the Economic Development Committee report to aid this committees overall understanding.
- 2.2 Due to time constraints, the task group has only met on three occasions. These focused meetings have centred on the need to ensure all applications were considered thoroughly, and that a transparent and rigorous approach was followed. Members were very clear on the need to ensure robust and defensible recommendations could be brought before this committee. This was particularly important as it was evident from the first meeting that the financial value of the applications was around the £1m level (with a mis-alignment of funding requests relative to the provision made by government in each of the three years).
- 2.3 Where the task group felt more detail was required before they could reach a considered view, additional information was requested. An initial high-level discussion was had on the applications using a RAG rating (red, amber, green). Whilst useful, the task group felt this approach was limited, and requested that a scorecard approach be developed to enable each of the applications to be scored objectively against the same criteria. Councillors of the task group agreed the criteria and parameters for the scorecard, which were then used to review the applications. These included elements around deliverability, legacy, community impact, other possible funding sources and external partnership.
- 2.4 The task group also considered whether or not there was scope to adjust the timeline for the delivery of some of the projects to ensure funding streams aligned with monies coming from government, officers were tasked with speaking to service areas to ascertain if this was feasible and what the impacts might be on project delivery This information was provided to the task group prior to their final deliberations.
- 2.5 The clear benefit of this approach is that it allows for consistency and also provides an audit trail, firstly for those unsuccessful applicants (which the task group felt was particularly important bearing in mind all of the applications were worthy of careful consideration) and secondly for DULHC should they have any queries about the councils decision-making process.
- 2.6 **Appendix B** sets out the recommendations of the task group on which applications/projects it considers should be included within the Investment Plan. This includes high level details of the successful projects, and the

proposed funding allocations over each of the three years. It will be for this committee to decide whether it agrees to these recommendations.

- 2.7 Whilst the assessment of the applications formed a major part of the work of the task group, councillors also considered the options around stakeholder engagement.(see section 7 below for general background). The very limited consultation window has restricted the level of engagement to less than the task group would have liked. The recommendations set out in **Appendix C** were considered to be the optimal solution in reaching as many key groups as possible.

3. Options analysis and proposal

- 3.1 On 9 June, the Economic Development Committee agreed to submit an Investment Plan in order to access the £1m fund. It is now for this committee to decide on what is included within that plan.

Option 1 - Agree projects (recommended)

- 3.2 **Appendix B** sets out the recommendations of the SPF task group who have rigorously assessed all the applications against set criteria. The view of the task group is that these projects all fit within the three broad criteria laid down by central government, allow us to focus on those interventions necessary to address some of the fundamental challenges faced by the borough, provide the greatest possible community impact and achieve deliverable outcomes. It is recommended that the committee agree this option.

Option 2 - Do not agree the projects

- 3.3 The committee could decide that none of the projects should be taken forwards for inclusion within the Investment Plan. This would leave the council with an unrealistically tight window (less than a month) to go through the process of requesting, assessing and making recommendations on a new set of applications (and then consult). Any final decision would then need to be dealt with under urgent action (due to the lack of time) which would not enable this committee to consider and debate the matter. This option is not recommended.

Option 3 – request that some of the proposed projects are further reviewed

- 3.4 The committee could instruct the task group to undertake a further review of one or more of the recommended projects. Whilst this is feasible, it would push the whole stakeholder consultation process back. There would be less time available to obtain feedback prior to submitting the Investment Plan (and would in effect make this process virtually meaningless). As in option 2 above, any further information coming out of that review process would have to be reported via urgent action (with all the limitations that go with it). This option is not recommended

4. Financial implications

- 4.1 The Government has allocated £1m to Spelthorne (the lowest level allocation) to be spent between 2022 and 2025. The monies will be paid annually each year in April - with the exception of this year, which will be paid once the Investment Plan has been approved by government which is expected to be in October. (However, the monies can be used to support projects retrospectively which started in April 2022 if Councils choose to do so).

- 4.2 Any unspent monies will need to be returned (each year), and there is an expectation that outcomes will be delivered in time and in the year as set out in the Investment Plan. Councils are able to use up to 4% of the Investment Plan allocation for project assessment, monitoring or contract management (4% over the three year period but can be front or back loaded as desired by the individual Council).
- 4.3 The table below sets out the funding profile and the minimum capital spend – capital can exceed this percentage but will require justification in the Investment Plan.

Funding profile (set by government)

	2022/23	2023/24	2024/25
Profile	£150k (15% of total)	£270k (27% of total)	£580k (58% of total)
Minimum capital spend	£15k (10% of year's total)	£35k (13% of year's total)	£116k (20% of year's total)
Total	£150k	£270k	£580k

- 4.4 There is no expectation from government at this stage that the Investment Plan provides detailed project information or a full business case - this will be a 'to follow' and will be picked up under the monitoring of the grant spend. Government have also said they understand that spend may be 'lumpy' across a particular financial year, which is not an issue as long as the outputs are achieved in that year.
- 4.5 Where joint projects are submitted, each council will still be required to submit their own individual Investment Plan. One application was submitted with Runnymede, and if this is recommended and agreed for inclusion, then officers will ensure that this is reflected in both Investment Plan.
- 4.6 Project delivery is very flexible, and can be undertaken directly by councils, with LEP's, adjoining Councils or through external partners and agencies as required. A significant number of the applications looked to lever in partners from the private and voluntary sector.
- 4.7 For information, Surrey received the standard minimum County allocation of £4.3m.

5. Risk considerations

- 5.1 The main risks and mitigations are set out below:

Key risks	Mitigation
Failing to get the Investment Plan signed off	Ensure that the Plan aligns with the three priority areas, and a strong justification is provided.
Not delivering the projects within year	Ensure that we are realistic in what is included in the Investment Plan, and ensure that they can be delivered within existing resources (or

	we use some of the monies to bolster resources to deliver)
Not spending the money in the year we say we will (money the goes back to central government)	Carefully monitor spend on a regular basis so we can look to rectify any lag on spend, and accelerate mitigating actions as required
Not adequately monitoring outcomes to ensure the interventions meet their desired ends	It is understood this will need to be submitted to government as part of the monitoring regime. It is also suggested that an outcomes report is submitted to Corporate Policy and Resources on an annual basis to ensure we are transparent with the local residents and community on the outcomes achieved.
We do not engage with stakeholders for their views	We will be making use of existing networks and groups to ensure that we obtain their views on suggestions for priorities to be included in the Investment Plan. We will separately engage with Kwasi Kwarteng MP.
An emerging County Deal might mean the money gets re-allocated once a deal is in place	DLUHC have advised that their expectation is that any SPF monies up to 2025 will remain with the individual districts, boroughs and counties. The working assumption for Spelthorne Investment Plan is that the monies will be retained by Spelthorne for the full three-year period.

6. Legal considerations

Procurement and working with partners

- 6.1 Depending on the interventions that are eventually included in the Investment Plan, we may need to go through a procurement process if for example we decide to work with external providers to deliver certain interventions. This will need to follow the appropriate procurement route.
- 6.2 If the Committee agree to submit a joint bid with Runnymede then we would look to enter into a memorandum of understanding as a minimum to ensure clear lines of responsibility and delivery (e.g. which council is the lead).

Governance – task group

- 6.3 The role of the cross-committee task group has been to reach a position where it can make recommendations on which of the applications received it considers should be taken forward and included in the Investment Plan. Those recommendations are included at Appendix A.
- 6.4 As it stands at present, the role of that Task Group is now completed. It is currently proposed that those projects included in the Investment Plan are brought forward in the usual way as part of the corporate project management process, and as such regular reporting would be fed through the Administrative Committee. It is suggested that these shared prosperity fund

projects are differentiated in some way so that councillors who are particularly interested can keep track. If Councillors wish to receive a report on delivery and outcomes achieved, then this could be considered by this committee.

- 6.5 An update was given to all councillors at a regular briefing session on 27 June, and there will be a further update on 11 July immediately preceding this committee meeting.

7. Other considerations

Stakeholder engagement

- 7.1 Guidance has also been provided setting out the Government's expectations around how councils need to engage with our communities, businesses and any local partnerships that might already exist. Where local partnerships do not exist, we can use other existing avenues. All councils will be expected to engage with their local MP (ours is Kwasi Kwarteng MP Secretary of State for Business) and to demonstrate this engagement when we submit our Investment Plan.
- 7.2 We do not have a ready-made Local Partnership which we can engage with. Due to the tight timeframe for submission of the Investment Plan, it is proposed that we maximise the links that are already in place (for example - the Spelthorne Business Forum, Staines BID, voluntary groups, health and wellbeing groups, community safety partnerships and cultural/arts organisations).
- 7.3 **Appendix C** sets out the recommendations of the Task Group on the most effective and transparent way of undertaking this consultation bearing in mind the very tight deadlines for submission of the Investment Plan. The committee are being asked to agree this strategy under the second recommendation.

Assurance and on-going monitoring

- 7.4 Monitoring spend against the budget (£1m) for the respective schemes is likely to be more complex as the applications will span across a range of Service/corporate areas. A number are also multi-year projects (though they will have certain elements they need to deliver in a specific financial year). As a Council we need to ensure we maintain an appropriate level of control, especially when working with 3rd parties where joint bids are included within the Investment Plan.
- 7.5 Discussions will be held with finance on the most appropriate mechanism to ensure that visibility is maintained over the spend, and to ensure overall responsibility for delivery of the Investment Plan and its outcomes rests in one place – likely to be Economic Development - even though budgets may be devolved to individual service areas.

8. Equality and Diversity

- 8.1 The aim of the Shared Prosperity Fund is to assist with the government's Levelling Up agenda on a macro/national level. However, the principle can be equally applied at the micro/borough level - improving the quality of our environment, supporting local business and focusing on employment and skills to help people into work.
- 8.2 Equality and Diversity will be considered as part and parcel of the decision-making process on which elements will be included within the Investment Plan.

9. Sustainability/Climate Change Implications

- 9.1 Depending on the priorities that the council take forward, there will be clear opportunities to include sustainability and climate change. For example, we could look to improve local green space (with communities), improve neighbourhoods, or provide targeted support for businesses in terms of energy efficiency and reducing carbon.

10. Timetable for implementation

- 10.1 The Investment Plan needs to be submitted to the DLUHC by 1 August 2022. They will then consider the Plan and sign off. It is expected that Plans will be signed off in the autumn, with the monies being distributed in October 2022.

11. Contact

- 11.1 Heather Morgan, Group Head Regeneration and Growth
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Background papers: There are none.

Appendices:

Appendix A – key background information on the Shared Prosperity Fund (to follow)

Appendix B – Recommendations from the Task Group on applications to be included in the Investment Plan (to follow)

Appendix C – Recommendations on the stakeholder engagement strategy (to follow)