

## UK SHARED PROSPERITY FUND INVESTMENT PLAN

Cabinet - 7 July 2022

**Report of:** Detlev Munster, Strategic Head of Commercial and Property

**Status:** For Decision

**Key Decision:** Yes

**Portfolio Holder:** Cllr Lesley Dyball and Cllr Peter Fleming

**Contact Officer:** Chris Burchell, Economic Development & Programmes Manager  
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**Recommendation to Cabinet:**

- a) That the Cabinet notes the UK Shared Prosperity Investment Plan.
- b) The Cabinet approves to delegate authority and authorises the Strategic Head of Property and Commercial following consultation with the Leader of the Council to take the necessary decisions and actions required to finalise the investment plan and accept the allocation of funds, as well as to implement and administer the scheme and all related plans in accordance with the requirements and priorities of the prospectus and the fund.

**Reason for recommendation:** The purpose of this report is to gain Cabinet approval of the UK Shared Prosperity Fund ('UKSPF') Investment plan. The Council has received a provisional allocation of £1million from the UKSPF covering the financial years 2022/23-2024/25.

The Council along with all other local authorities has to submit an investment plan to Central Government by the 1<sup>st</sup> August which has necessitated the need for an urgent decision. Extensive informal consultation has taken place to gain consensus from a range of key partners on the current challenges and opportunities in our District that UKSPF will support. The range of project interventions will ensure we deliver effective outcomes that will benefit our communities, our environment and the local economy.

### Introduction and Background

1. The UK Shared Prosperity Fund ('UKSPF') will support the UK government's wider commitment to level up all parts of the UK by delivering on each of the levelling up objectives:

- Boost productivity, pay, jobs and living standards by growing the private sector, especially in those places where they are lagging
  - Spread opportunities and improve public services, especially in those places where they are weakest
  - Restore a sense of community, local pride and belonging, especially in those places where they have been lost
  - Empower local leaders and communities, especially in those places lacking local agency
2. The primary goal of the UKSPF is to build pride in place and increase life chances across the UK. This aligns with the Levelling Up White Paper missions, particularly: ‘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.’ Alongside economic pull and push factors, people’s lives are shaped by the social and physical fabric of their communities. The local mix of social and physical capital gives local areas their unique character and shapes where people choose to live, work and invest.
  3. Across the UK, £2.6 billion of new funding for local investment was provisionally allocated to lower tier and unitary authorities (lead authorities) for the period up to March 2025, with £400 million allocated in 2022-23, and reaching £1.5 billion by 2024/25.
  4. The South East was allocated a total of £74.7m, which is considerably less than other parts of the UK, reflecting the strong role the region plays economically. For example, in comparison the South West was allocated just over £188 million. Indeed, most local authority areas in Kent have been allocated the minimum amount of £1m for the period up to March 2025, with Canterbury receiving the largest allocation in Kent - £1.22 million. It should be noted that the allocation can be used as match funding.
  5. The fund has three main investment priorities:
    - Communities and Place (including visual improvements to town centres, litter and graffiti reduction, tackling anti-social behaviour and community projects)
    - Supporting Local Business (including support for increasing footfall in town centres, developing visitor and heritage assets, and business growth and innovation support) and,
    - People and Skills (qualifications in skills gaps, addressing barriers to employment, helping with life skills and work experience opportunities)

6. The funding for the first two priorities will commence in 2022/23, while the 'People and Skills' priority will commence in 2024/25. The prospectus encourages lead authorities to work across boundaries and with different levels of local government to agree and commission provision across a wider geography, especially for employment and skills provision.
7. Lead authorities have been given the responsibility of developing local investment plans, recognising the role of local government and places in increasing pride of place and improving life chances. Lead authorities are required to submit their investment plans to Central Government by 1st August 2022 in order to receive their allocation of the fund. Lead authorities will then have the responsibility for managing the fund, assessing and approving applications (if applicable), processing payments and day-to-day monitoring. In partnership with local stakeholders, they will determine the scale of intervention.
8. These plans comprise three aspects
  - Local context - setting out the challenges and opportunities using local evidence
  - Selection of outcomes and interventions - with lead authorities identifying the outcomes they want to achieve and the interventions they wish to prioritise using the evidence from the local context section
  - Delivery - setting out the approach to delivery and governance, expenditure and deliverables and capability and resource.
9. Sevenoaks District Council has been allocated £1million for the period 2022 - 2025. The allocation is released in line with a set funding profile and capital/revenue mix as outlined below:

Year 1 -2022/23	Year 2- 2023/24	Year 3- 2024/25
£90,189	£180,338	£729,473
10% capital minimum/90% revenue	13% capital minimum/87% revenue	20% capital minimum/80% revenue

10. An investment plan has to be submitted as part of Sevenoaks District Council's proposal under the 3 investment priorities.
11. Our proposed projects to be delivered under the fund are shown in (appendix A). These projects have been developed through consultation in light of clear local themes, challenges and opportunities that we need to address/capitalise on. The four priority areas have been identified as:

- Supporting our rural economy and communities
- Town centre improvement
- Net Zero initiatives including - retrofit with a focus on education, skills and sustainable transport
- Supporting our local communities and businesses, especially in Swanley through initiatives for the economically inactive.

12. Some projects will be best delivered at the West Kent Level (such as business support and the green grants scheme) as this will provide both economies of scale and a greater catchment area. The UKSPF Prospectus highlights the importance of delivering programmes at scale where opportunities exist. Consultation on these projects took place with the West Kent Partnership on 10 June and were approved.

### Consultation

13. In order to access this allocation, the investment plan has to be developed in partnership with a local partnership group and approved by both the lead authority and the Department for Levelling Up, Housing and Communities (DLUHC) and endorsed by local MPs.

14. We have already undertaken a range of consultations with key local stakeholder groups to gain consensus on our priorities. The consultation meetings were as follows:

- Two business focus groups on 30 and 31 March
- A special meeting of the Business Board on 13 April
- The Parish and Town Council clerks on 28 April
- The Sevenoaks Voluntary Forum on the 5 May
- The Local Strategic Partnership on the 9 June
- We also had discussions with Visit Kent and some 1:1 meetings with local business owners

15. The results of the consultations were encouraging as they provided consensus on our chosen areas, for example:

- It was stressed by many that we need to build an inclusive economy by developing projects that help the unemployed or those facing significant barriers to employment
- There were opportunities to help with the rejuvenation of our key town centres through public realm and green infrastructure investment, but also through expanding our cultural offer and supporting the night time economy
- There was emphasis on appreciating and supporting the rural economy
- Net Zero was an important subject for all, with the need to boost biodiversity and help local businesses and residents to de-carbonise
- Our local businesses are still very much in recovery mode and facing mounting costs and labour shortages so they need our continued support

## Governance

16. We will need to outline our governance structure for managing the plan as part of our submission. We propose that we will utilise a reconstituted Sevenoaks Business Board, chaired by the Leader of the Council, to act as our official local partnership group who will have on-going role in providing strategic advice and guidance as we deliver the Investment Plan. Local authorities are requested to invite MPs to this group, but this may be difficult from a practical perspective. We are however, meeting our MPs to present our plan and get endorsement on the 4<sup>th</sup> July. We propose to have six monthly meetings with our MPS to advise them on progress of the Plan and capture additional strategic insights and feedback from them.

17. In addition within our governance structure we will incorporate the following to play key roles:

- The Economic Development team will have the overall responsibility with co-ordinating delivery of the plan including supporting the delivery of projects, monitoring and financial management. Regular updates on the progress of the investment plan including outputs, updates on the expenditure profile and risks shall be provided to the Improvement & Innovation and People & Places committees.
- SMT will provide Executive Management and decision making oversight (agenda item quarterly)
- The West Kent Partnership will be responsible for oversight of collaborative business support and skills projects. A six monthly update will be provided to the West Kent Partnership Board.

## Next Steps

18. Officers are currently in the process of drafting the investment plan to ensure that it is ready for final internal sign off. Key aspects of the investment plan that need to be highlighted include:

- That the plan needs to clearly articulate and evidence local challenges and opportunities being addressed under the investment priorities
- The interventions proposed to address these
- The outcomes and impacts expected over the period of the Investment Plan (and these are listed for each investment priority with some flexibility to add others)
- The local authority's capacity and skills to manage the delivery of the investment plan
- The governance structure to deliver the plan
- That a reasonable assessment of risks has been undertaken
- UKSPF funded activity needs to be branded in accordance with the prospectus' guidelines
- We need to confirm that the plan is approved by the Chief Executive Officer of the Council, the Section 151 Officer and the Leader of the Council and endorsed by our local MPs

The full Investment Plan document is currently in the process of being drafted by officers. The final Investment Plan will be submitted as a supplementary document, with adequate time for review by Members, prior to the Cabinet on the 7<sup>th</sup> July and submitted to Government by 1<sup>st</sup> August 2022

#### **Other options Considered and/or rejected**

19. The rules and parameters for the UKSPF are clearly set out in the Prospectus and accompanying documents. As highlighted we are seeking to work with colleagues in the West Kent Partnership and possibly with programmes across Kent, and local authorities are actively encouraged to collaborate across borders and at scale. We could have limited delivery of the plan within the District only, but we are likely to have been questioned on this approach.

## Key Implications

### Financial

Funding for each financial year (as highlighted in 9 above) will be paid to the local authority in advance (in 2022/23, this will be once the Investment Plan has been signed off by DLUCH around October 2022. Prior to each year's allocation, a report needs to be submitted on progress against the outputs of the Investment Plan. Lead local authorities will be asked to return any underspends at the end of each financial year, therefore regular financial and performance monitoring will be required.

£20,000 has also been made available to the Council (separate from the allocation) to assist in the preparation and set up of the plan. Officers are currently reviewing a proposal from consultants to help with a review of the investment plan prior to it being submitted. In addition, 4% of the allocation can be used for administration of the plan including commissioning services and monitoring. More administration heavy projects have in-built resources included.

### Legal Implications and Risk Assessment Statement.

Lead local authorities will receive a grant determination letter and Memorandum of Understanding setting out Fund requirements and obligations which will need to be checked for any liabilities or other undertakings required by the Council.

Risk Assessment - There are more risks associated in not approving the UK shared prosperity fund investment plan than approving it.

If the District Council does not proceed to approve the UK Shared Prosperity Fund Investment Plan the following needs to be considered:

- (a) A missed opportunity, or at least potential delays, in utilising Government funds for supporting the Levelling up agenda strengthening 'pride in place' and 'improving life chances' in our District
- (b) To fund activities and projects that would not otherwise attract funding
- (c) Failing to support our local businesses, town centres and rural economy
- (d) Reputational risks with Government and local stakeholders where other boroughs and districts are seen to deliver successful investment plans, but Sevenoaks fails to do so.
- (e) It is recognised that the fund needs careful monitoring and financial management, but officers believe that the proposed governance structures proposed will mitigate against these risks.

## Equality Assessment

Members are reminded of the requirement, under the Public Sector Equality Duty (Section 149 of the Equality Act 2010) to have due regard to (i) eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010, (ii) advance equality of opportunity between people from different groups, and foster good relations between people from different groups. The decisions recommended through the report directly impact on end users. The impact has been analysed and does not vary between groups of people.

The UK Shared Prosperity Fund investment plan, and the three investment priorities it supports, should have a positive impact on all our residents and businesses. Some initiatives, however, are targeted at specific groups that are in particular need in our community such as the unemployed or those experiencing barriers to employment. Such an approach means we are seeking to positively impact levelling up of opportunity across the District.

## Net Zero Implications

The decision recommended through this report have relevance to the council's ambition to be Net Zero by 2030. Officers believe that the UKSPF Investment Plan will help in reducing carbon emissions. In summary:

- A number of projects notably the green grants scheme and the training of retrofit advisers should positively impact local businesses and potentially emissions from Council owned assets
- Through community mobilisation we will be seeking to raise awareness of Net Zero issues and solutions
- We are seeking to deliver green infrastructure in our key centres and boost biodiversity such as at Hollybush

## **Conclusions**

The Report sets out the background to the development of the UK Shared Prosperity Investment Plan. The Plan addresses the most important current issues the District and West Kent partners are facing covering the UKSPF investment priorities of Communities & Place, Supporting Local Business and People & Skills. The Plan has been endorsed by key local stakeholders.

### **Appendices**

Appendix A - UKSPF Draft investment Plan

Background Document - Net Zero Assessment



**Detlev Munster**  
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