

Officer Non Key Executive Decision

Relevant Chief Officer (Decision Maker):	Neil Jack, Chief Executive
Relevant Cabinet Members (for consultation purposes):	Councillor Lynn Williams, Leader of the Council and Councillor Mark Smith, Cabinet Member for Business, Enterprise and Job Creation
Report Author (Officer name and title):	Nick Gerrard, Growth and Prosperity Programme Director
Implementation Date of Decision:	27 July 2022

Shared Prosperity Fund – Investment Plan Submission

1.0 Purpose of the report:

1.1 To provide an update on the Shared Prosperity Fund Investment Plan required for submission by 1 August 2022 under the terms of delegation agreed by the Executive at its meeting on 16 May (EX20/2022) and to seek authorisation for the submission.

2.0 Recommendation

2.1 To approve the submission of the Shared Prosperity Fund Investment Plan which requires the approval of the Chief Executive, Section 151 Officer and Leader of the Council.

3.0 Reasons for recommendation:

3.1 The Council has been at the forefront of Blackpool's ongoing regeneration for over a decade now, leading on a number of major development projects across the town that are catalysing longer term economic growth. The development of this Investment Plan (alongside the Multiply Investment Plan submitted on 29 June 2022 under a separate Officer Decision) outlines 13 capital and revenue projects under the themes of Communities and Place, Local Business and People and Skills". Combined, the schemes will provides a wide range of support from physical town centre regeneration, through to direct business support encouraging existing and new business development, low carbon schemes and community skills and improved learning projects for residents. The proposals will be led by the Council departments and other organisations.

3.2a Is the recommendation contrary to a plan or strategy adopted or approved by the Council?

No

3.2b Is the recommendation in accordance with the Council’s approved budget? Yes

3.3 Other alternative options to be considered:

To not provide the information requested by Government by the date requested would place the funding in jeopardy.

4.0 Council Priority:

The relevant Council Priorities are:

- “The Economy: Maximising growth and opportunity across Blackpool”
- Communities: Creating stronger communities and increasing resilience

5.0 Background Information

5.1 The Executive considered a report on 16 May 2022 which highlighted the background to the fund and how it could be accessed and agreed :

- a) To note the guidelines issued by Government for the Shared Prosperity Fund (SPF).
- b) To submit the required Blackpool Shared Prosperity Fund Investment Plan by 1st August 2022 to access the pre-determined flexible allocation of £5,114,423 (capital and revenue), noting what scheme interventions it is choosing to prioritise and setting out measurable outcomes to be delivered, with the final content of the Investment Plan to be delegated to the Chief Executive after consultation with the relevant Cabinet Member(s).
- c) To submit the required Multiply Investment Plan by 30th June 2022 to access the pre-determined Multiply funding allocation of £770,711 with the final content of this Investment Plan to be delegated to the Chief Executive after consultation with the relevant Cabinet Member(s).
- d) To approve the proposed approach to utilise the Town Deal Board (which incorporates representation from the public, private, community and voluntary sectors), with its sub-group, the Town Deal Investment Panel, as the basis of the required “Local Partnership Group” for engaging stakeholders (with the Council as the accountable body), with membership to be kept under review as necessary.
- e) For the overall management of this process to be led by the Growth and Prosperity Team with support from other Departments as required and specifically for the Multiply Investment Plan to be led by Adult Services and the Economic Services Department.
- f) To note that an external consultancy, Capita, is to be appointed from the existing Council framework panel, to support the development of the Investment Plan process with Government funding provided for this support.
- g) For the Executive to receive a future report on the Investment Plans and

progress in the implementation of the Shared Prosperity Fund

5.2 Background to the Fund

The Shared Prosperity Fund provides £2.6 billion of new funding for local investment by March 2025, with all areas of the UK receiving an allocation from the Fund via a funding formula rather than a competition.

The primary goal of the Shared Prosperity Fund is to build pride in place and increase life chances across the UK, in line with the four parts of Levelling Up:

- Boost productivity, pay, jobs and living standards, 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.

There are three investment priorities :-

1. Communities and place
2. Local businesses
3. People and skills

5.3 Blackpool's total allocation is £5,885,134 (£770,711 of which must be used to support the "Multiply" programme which aims to reach adults over the next three years to improve their functional numeracy skills).

The two Investment Plans (for the Shared Prosperity Fund and Multiply allocations) will be confirmed over three financial years – 2022/23 to 2024/25 – subject to the provision of the respective Investment Plans (NB. Multiply, was submitted separately under another ONKD on 29th June 2022 with all interventions due to end by March 2025).

Local authorities were asked to set out their preferred mix of capital and revenue funding in their Shared Prosperity Fund investment Plan, including a minimum percentage of capital funding (10% in year 1, 13% in year 2 and 20% in year 3) . The Multiply fund is all revenue focused. Outside of this it was for local authorities to provide a rationale for their preferred mix of funding. The plans will then be assessed by Government when they are submitted prior to approval being issued in the autumn.

With regard to day-to-day fund administration, each lead local authority is able to use up to 4% of their allocation by default to undertake necessary Fund administration, such as project assessment, contracting, monitoring and evaluation and ongoing stakeholder engagement. The figure is 10% for Multiply.

Lead local authorities were tasked with working with a diverse range of local and regional stakeholders, to achieve Shared Prosperity Fund outcomes in the area. Given the town-wide representation of public (including MPs), private, and community/voluntary sector organisations on the Town Deal Board which has already successfully overseen both the delivery of the Town Investment Plan required for Town Deal and the Community Renewal Fund process (the precursor to the Shared Prosperity Fund) through its sub-group, the Town Deal Investment Panel, it was agreed that the Town Deal Board fulfils this function. The Town Deal Board is also accountable to the Council's Executive.

The ring-fenced funding of £5,885,134 (of which £770,711 is ring-fenced for Multiply actions) was clearly insufficient to meet potential scheme demands across the whole town and over the three theme areas (Communities and Place, Local Businesses, and People and Skills).

It was therefore imperative that Blackpool made the most of this welcome but limited additional resource and adopted a rigorous approach to where it is focused., whilst recognising Blackpool is looking to identify additional funding through other means including the Levelling Up Fund and the wider Levelling Up agenda through Blackpool being recognised as one of UK 20 Regeneration Areas highlighted for Kings Cross style regeneration support (17th March 2022). <https://www.gov.uk/government/news/new-plans-to-level-up-blackpool-unveiled>

The strategic context for assessing these demands is provided by several existing and emerging key strategies and plans all of which have been developed based on substantial engagement with the public, private and voluntary and community sectors and hence have strong legitimacy. These were utilised to provide the basis of preparing the Investment plans and generating proposals which were prioritised on the basis of those which make the strongest contribution to the achievement of the Shared Prosperity Fund criteria and Blackpool's strategic objectives.

These key strategies and plans included:

- Blackpool Local Plan Part 2 Local District Centres Assessment (April 2019)
- Our Claremont Masterplan (June 2020)
- Council Climate Emergency Action plan (21)
- Revitalising Revoe (July 2020)
- Town Investment Plan (submitted July 2020),
- Town Prospectus (January 2022 update)
- Town Centre Strategy (May 2022)
- Blackpool South Regeneration Framework Masterplan (September 2022)*

Nb: Blackpool South Regeneration Framework Masterplan is underway now with Homes England and whilst it is not due for completion until September 2022 the commission includes the need to explore opportunities that may be suitable for SPF.

5.4 Approach / Activity To Date

The approach agreed at the 16 May 2022 Executive and the 20 May 2022 Town Deal Board has been followed.

The Council's Corporate Leadership Team undertook an initial analysis of a "long list" of schemes on 31st May made up of:

- **Blackpool Council Priority Schemes** - Projects outlined by Blackpool Council teams as priorities, but currently with no funding support. All Schemes were identified as meeting various SPF criteria
- **Opt-In and Joint Schemes** - Schemes put forward by regional level organisations for engagement by local authorities within Lancashire
- **Community Renewal Fund schemes** – those included in the 2021 bid submission, having been determined to meet the needs and priorities in Blackpool, but which were not approved by Government.

Subsequently, on 10th June, the Town Deal Investment Panel (TDIP), with additional Town Deal Board members and Council sector lead officers attended a half day Shared Prosperity Fund workshop at Blackpool Football Club. Attendees were divided into 3 sub-groups ('Communities and Place', 'Supporting Local Businesses' and 'People and Skills'), representing the Shared Prosperity Fund themes. Individuals were divided based on their sector knowledge. They were asked to:

- Discuss the key challenges affecting each of the specific sectors to identify information that will feed directly into the investment plan
- Review and score each of the projects assigned under their group headings based on key considerations including:
 - Fit to the Shared Prosperity Fund priorities and potential to demonstrate Shared Prosperity Fund outputs and outcomes generated
 - How schemes support key existing Blackpool strategies
 - Demand and need - based on experience and knowledge of sector specialists
 - Scheme cost and deliverability (procurement-related and spend in year)
 - Co-funding availability (although not a requirement of Shared Prosperity Fund, it is welcomed)

A maximum score of 30 was available and it was determined any scheme that scored below 22 would not be prioritised. Following the group discussion, all participants then regrouped and the scheme totals for each sector were reported as follows:

- People and Skills: Five projects scored over 22 points with a total spend of £1.2M.
- Supporting Local Businesses: Six projects scored over 22 points with a total spend of £1.5M.
- Communities and Place: Six projects scored over 26 points with a total spend of £4.05M.

Total funding available: £4.90M (to meet initial demand of £6.75m)

Following the full group assessment of the qualifying projects, a cost engineering exercise took place between the full group and the following project figures were agreed in line with the overall spend envelope available, the outcome of which was as follows:

a) **People and Skills**

1. Youth Hub £450K
2. Pathways to employment £250K
3. Let's get digital £112K

Total £812K

b) **Supporting Local Businesses**

4. Responsible Business Network £200K
5. General Business Support Package: *(A reduced overall £900,000k ask agreed to be subdivided between the following 4 schemes (original figures shown)).*
 - Business Support Capacity £489K
 - Incubation for Edge £265k
 - Business growth £415k
 - Blackpool Business survey £10k
6. EDGE Low Carbon Heating system £100K

Total £1.2M

c) **Community and Place**

7. Eco coaching £265K
8. Town Centre £1.5m
9. Grundy £178K
10. Community Flood £100K
11. Eco Hubs £380K
12. VCFS £295K
13. Showtown £179K

Total £2.89M

Following this each qualifying project was approached to determine the 'definitive outputs and outcomes' to be delivered by their scheme and to clarify project 'spend by year'. Further to this a clear proposed programme of schemes, cost and outcomes was collated. This was used to complete the Investment Plan for submission.

5.5

Annex A provides a brief summary of the proposed schemes. It should be noted that ongoing discussions with the Council's Procurement team are taking place over the direct appointment of certain organisations or if further tendering will be required.

It should also be noted, that following the workshops the Council's Corporate Leadership Team has given further consideration to the need to ensure progress and investment in the Council's priority regeneration areas of Claremont and Blackpool South. Whilst these areas will benefit from the proposed schemes as they are Blackpool-wide other potential schemes were insufficiently developed at this stage both those within the existing Claremont Masterplan and the Homes England led Levelling Up proposals being developed in Blackpool South the work on which will not be completed until September.

It is for this reason and in line with general good practice in programme management that it is proposed to assume 10% overprogramming at this stage (as a result of the inevitable slippage on projects) that can then be utilised to fund projects in Claremont and Blackpool South which can be further supplemented by other Council and public funds.

The Investment Plan must be submitted using an online portal. The portal submission is not in a format which can be shared hence it is not attached. However, the information required under the extensive investment plan includes (but is not limited to) providing detail on:

- Local challenges and opportunities to meet them
- Interventions to be undertaken under the 3 themes, by year and funding
- Outcomes we will deliver
- Explain how these interventions fall under the UKSPF investment priorities, and your rationale for them
- Detail on meeting with Subsidy Control – DWF LLP have been approached and have provided independent support
- Meeting with Public Sector Equality Duty – Support from the Council's Equalities and Diversity Manager has been provided
- Procurement approach (as required) with project delivery selection
- Risk
- Approach to delivery and governance - structures in place to support delivery
- Capacity and capability of the Council team to manage the funding and the resources in place for work related to SPF
- Wider capacity and resources of delivery organisations
- Engagement approach taken to date
- Support (tick box) of the Leader of the Council, Chief Executive Officer and Section 151 Officer

However, 2 annexed documents are to be produced outside the portal and uploaded separately and are attached. (Annexes B and C). These highlight in detail the spend profile and outputs and outcomes proposed to be delivered over the programme life

- **Annex B – UKSPF Expenditure Profile**
- **Annex C – UKSPF Indicative Deliverables.**

5.6 Does the information submitted include any exempt information? No

6.0 Legal considerations:

6.1 Legal Services alongside the Project Monitoring Office (PMO) in the Growth and Prosperity Team will carry out the due diligence required in respect of any future project grant approvals if the bids are successful. Contracts will be entered into with the respective parties to cover any grant conditions and the Council's own requirements. DWF as external legal advisors have provided subsidy control advice

7.0 Human Resources considerations:

7.1 The programme claims, monitoring and assurance will be led by the Council's Programme Monitoring Office (PMO) team.

With regards to day-to-day fund administration, each lead local authority will be able to use up to 4% of their allocation by default to undertake necessary Fund administration, such as project assessment, contracting, monitoring and evaluation and ongoing stakeholder engagement. This amounts to £204,000 which will be utilised to support the necessary administration of the Programme.

Council led projects will be managed by existing department teams and where additional human resource is required, it will be funded through the respective SPF projects. External delivery organisation would equally provide human resource accordingly though the project financial resource.

8.0 Equalities considerations:

8.1 A Public Sector Equalities Duty (PSED) impact assessment will be created for each project going forward.

9.0 Financial considerations:

9.1 The SPF programme and its constituent projects will only go ahead if the Investment Plan is successful. All projects have the necessary financial resources attributed to them if successful. The 4% programme management allocation will support any additional oversight costs.

10.0 Risk management considerations:

10.1 Each project will be expected to produce a project specific risk register which will be monitored and worked to during delivery stage.

11.0 Ethical considerations:

11.1 None.

12.0 Internal/ External Consultation undertaken:

12.1 Internal – Leader of the Council, Cabinet Member for Business, Enterprise and Job Creation, Chief Executive, Director of Resources, Director of Communications and Regeneration, Growth and Prosperity Programme Director and Growth & Prosperity Board.

External – Town Deal Board and Town Deal Investment Panel

13.0 Decision of Chief Officer

13.1 To approve the submission of the Shared Prosperity Fund Investment Plan, noting that this document has been approved by the Director of Resources (as the Council's Section 155 Officer) and the Leader of the Council.

14.0 Reasons for the Decision of the Chief Officer

14.1 The Shared Prosperity Fund programme will bring forward significant regeneration, community and business support activities and measures to support the economic renewal of Blackpool and enhance the lives of its residents.