

Report to:	EXECUTIVE
Relevant Officer:	Alan Cavill, Director of Communications and Regeneration
Relevant Cabinet Member:	Councillor Mark Smith, Cabinet Member for Business, Enterprise and Job Creation
Date of Meeting	23 January 2023

SHARED PROSPERITY FUND

1.0 Purpose of the report:

1.1 To provide an update on the Shared Prosperity Fund (SPF) Investment Plan submitted by 1 August 2022 under the terms of delegation agreed by the Executive at its meeting on 16 May 2022(EX20/2022) and the subsequent approval received from the Government on 5 December 2022.

2.0 Recommendations:

2.1 To note the report

2.2 To delegate to the Chief Executive, the Director of Communications and Regeneration or the Director of Strategy (Assistant Chief Executive) the authority to sign off any agreements within their area of responsibility, necessary for taking forward the Shared Prosperity Fund Investment Plan including any internal Service Level Agreements for Council led-projects.

2.3 To authorise the Head of Legal Services to enter into any contracts necessitated by the successful funding approval.

3.0 Reasons for recommendations:

3.1 Blackpool had the opportunity to submit its Shared Prosperity Fund Investment Plan by 1 August 2022, (*and Multiply Investment Plan by 30 June 2022*) to secure essential resources to support investment in the town resulting in the need to move quickly to establish arrangements for formulating bid content with the maximum chance of success.

The Shared Prosperity Fund Investment Plan outlined 13 capital and revenue projects (summarised in **Appendix 6a**) under the themes of Communities and Place, Local

Business and People and Skills. Combined, these 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 such as Blackpool and The Fylde College, BITC and Voluntary, Community, Faith and Social Enterprise organisations subject to procurement rules.

On the 5 December 2022 Blackpool received confirmation that its Investment Plan had been approved for £5,114,423 from approval to the end of March 2025 so it is now necessary to move onto the implementation of the Investment Plan.

3.2 Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

3.3 Is the recommendation in accordance with the Council's approved budget? Yes

4.0 Other alternative options to be considered:

4.1 The guidance for submission into the fund and the deadlines to be met were clearly set and immovable. Whilst it was not a competitive bidding round, the Council had a designated funding allocation based on the submission of the Investment Plans to a set timetable. For Blackpool to benefit from this Fund the only options for consideration, were around the process for determining schemes for inclusion in the Investment Plans and the schemes themselves and this was undertaken as part of the proposal to ensure that the most eligible and viable projects were incorporated. Now that it has been approved it is incumbent upon the Council and its partners to ensure those benefits are delivered.

5.0 Council priority:

5.1 The relevant Council priorities are both:

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

6.0 Background information

6.1 The Executive considered a report on 16 May 2022 (with an update paper on 5th September) which highlighted the background to the fund and how it could be accessed and which 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 1

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 after with the relevant Cabinet Member(s).

- c) To submit the required Multiply Investment Plan by 30 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*

6.2 The approach agreed at 16 May 2022 Executive has subsequently been followed, the Investment Plan was submitted on 28 July 2022 and on 5 December 2022 the Investment Plan was approved for £5,114,423 from the approval date to the end of March 2025. This was subject to 2 conditions -

Condition 1:

“Lead local authority is to review the interventions selected in the investment plan and the expenditure and deliverables spreadsheets and ensure there is consistency. There are currently inconsistencies between these documents. Lead local authority to confirm the interventions to be used and if appropriate provide updated versions of the UKSPF expenditure and deliverables spreadsheets and a summary of the impact on the investment plan”.

A response to this condition was provided on 7 December 2022 and the Department for Levelling Up, Housing and Communities responded approving this on the 16

December 2022. As the Council also returned the signed Memorandum of Understanding (**Appendix 6c**) the 2022/23 grant payment was received before Christmas.

Condition 2:

“We also identified a further condition (below) that you will be required to meet; however, the nature of the condition(s) will not affect payment of the 2022/2023 instalment of your allocation. You do not need to take any action regarding these conditions now, we will communicate to you in advance when we require further clarification for these conditions.

“Prior to committing funding to the people and skills bespoke intervention ‘Personalised employment support for 16–24-year-olds who are not in employment, education or training (NEET)’, the lead local authority is to provide Department for Levelling Up, Housing and Communities with confirmation that, in finalising the detail of these activities, it has considered mainstream provision in relevant policy areas (as it exists at the time) and has taken steps to ensure UKSPF provision does not displace activity from mainstream provision. A statement is to be provided at least three months before funding is committed to the proposed activities”.

This condition relates to The Platform (Youth Hub) project and a response will be provided in due course once required and is not anticipated to present a problem.

The Department for Levelling Up, Housing and Communities has allocated funding for 2022/23, as set out in the table below, with indicative allocations for the further two financial years up to and including 2024/25.

Allocation 2022/2023 (£)			Indicative allocation 2023/2024 (£)	Indicative allocation 2024/2025 (£)
Capital	Revenue	Capacity	1,241,365	3,252,376
224,472	396,209	20,000		

The indicative allocations for 2023/24 and 2024/25 will be reviewed on submission of reports detailing progress on spend and confirmed in annual Grant Determinations. The Department for Levelling Up, Housing and Communities will review progress on a regular basis to gain assurance that the expenditure, outputs and outcomes detailed in our Investment Plan are being achieved. For the avoidance of doubt, they reserve the right to reduce the Council’s funding allocation overall or for a specific year if the Council does not comply with the performance monitoring requirements or if it believes progress on project delivery is unsatisfactory.

It appears that under certain conditions any underspend can be rolled forward to the following year but confirmation is awaited of what exactly the implications of these conditons would be. See Risk section in paragraph 10.1.

6.3 Confirmation of Shared Prosperity Fund approval was originally anticipated in autumn and delays to the approval have raised concerns nationally about being able to achieve spending profiles by end of March 2023. As a consequence officers have done all that they can to be able to hit the ground running. As a consequence procurement activity has already commenced on 3 of the projects “subject to” confirmation of approval, although recognising all eligible Shared Prosperity Fund spend can be backdated to April 2022.

6.3.1 **Provision of Infrastructure Support in the Voluntary, Community, Faith and Social Enterprise (VCFSE) Sector**

On Thursday 22 September 2022 a tender for the “Provision of Infrastructure Support in the Voluntary, Community, Faith and Social Enterprise (VCFSE) Sector” was placed on the Chest online procurement platform.

As part of the Investment Plan it was determined that there is a need to increase the capacity of the local Voluntary, Community, Faith and Social Enterprise sector to deliver support to the wider community. Activities would incorporate, for example :-

- delivery of a small grants programme to build capacity of the sector;
- work with other funders and strategic partners to promote grants and encourage investment in the Voluntary, Community, Faith and Social Enterprise sector in Blackpool;
- support activity to aid Voluntary, Community, Faith and Social Enterprise organisations to submit funding applications;
- supporting the development of new groups through governance advice and training;
- develop volunteering activity, increasing volunteer numbers and good practice in volunteer management, leading and generating an expectation and culture in which volunteering can thrive;
- support the development of community action networks to increase community engagement, provide networking, learning and peer support opportunities to develop the sector;
- provide regular updates/briefings to the Blackpool Voluntary, Community, Faith and Social Enterprise sector regarding local, regional and national strategies, events and opportunities and bring together networks and connect local voluntary and community organisations with each other and with strategic and systems partners, to create, pursue and implement opportunities for joint working.

Tender submissions were required back by the 24 October 2022. An open (1 stage), above threshold tender was conducted via the Council's electronic tendering portal, The Chest. Bids were received from:

- Volunteer Centre Blackpool, Wyre and Fylde (in partnership with Blackpool Citizens Advice and Social Enterprise Solutions CIC, Blackpool.
- Pulse Regeneration Ltd , Liverpool

Volunteer Centre Blackpool, Wyre and Fylde (in partnership with Blackpool Citizens Advice and Social Enterprise Solutions CIC) provided the appraisers with the greater confidence of understanding the needs of the Blackpool community and how, through the project funding, they would support the beneficiaries of the town whilst delivering the outlined Shared Prosperity Fund outputs and outcomes. It was the most economically advantageous tender (based on a combination of quality, price and social value) and it was therefore deemed appropriate to enter into a formal agreement with them subject to due diligence. The contract value is £294,445.

6.3.2 **Development and Collaboration Support Services to Blackpool's Business and Community Sectors**

A separate tender exercise was issued with a closing date of 9 December 2022. Blackpool's current social and economic issues are well-documented nationally. However, there remains a thriving business community with a strong social conscience, and opportunities are available to utilise the support of the business community in addressing some of those key social and economic issues within the town, as well as improving localised built and natural environments.

6.3.3 In the current economic climate, the localised issues experienced in Blackpool are more apparent than ever. As a result, those within local communities remain in need of support with:

- Development and promotion of an Employment Charter to drive diverse, equal and inclusive working conditions in Blackpool Businesses
- Business support to existing and to encourage new start ups
- Developing skills that make people more work-ready
- Improving community facilities, and increasing the amount facilities are used
- Mobilising volunteers and supporting community groups
- Developing digital skills to support work opportunities
- Supporting innovation and entrepreneurship amongst those looking to strike out on their own
- Marrying local skills with business needs within the town

Business in the Community provided the only submission.

- 6.3.5 The tender review process began week commencing 12 December 2022. Some queries were raised and responded to which gave the appraisers sufficient confidence of their understanding of the needs of the Blackpool community and how, through the project funding, they would support the beneficiaries of the town whilst delivering the outlined Shared Prosperity fund outputs and outcomes. The organisation have provided substantial activity in Blackpool for some time which provided additional confidence.

Internal sign off via an Officer Non Key Decision was agreed on 21 December 2022 awarding the contract for £199,934 to Business in the Community.

6.4 **Grundy Art Gallery and Central Library Extension Feasibility**

A commission to support this has also been approved, with Genecon and Amion Consulting appointed to undertake the activity, taken direct from the existing Framework Panel. This will include a needs and options assessment which will lead to completion of architects' designs (procurement undertaken previously in 2021 whilst awaiting unsuccessful Community Renewal Fund project funding). £178,500 total Shared Prosperity fund budget is available to the scheme.

A placemaking vision and narrative will also be provided, including an analysis and articulated vision for how an expanded cultural and community offer could instigate wider placemaking moves around Queen Street and Claremont that would support the development of a creative cluster for Blackpool.

The other projects commencing in 2022/23 are the Town Centre Interventions Scheme, Community Flood Risk, Eco Coaching, Eco-Hubs, Showtown, Business Support Team Capacity and the EDGE solar panel scheme, will all be delivered by Blackpool Council departments requiring no initial procurement activities. However, some projects will require additional tendering activity to support delivery where appropriate.

The three People and Skills projects are not allowed to commence until 2024/25. The Platform project will be delivered directly by Blackpool Council. The Pathways to Employment scheme will be subject of a full tender commencing in 2023/24 to be ready for the 2024/5 delivery year. The Let's Get Digital scheme is currently under discussion as to if it requires a full procurement process based on its low value.

Moving forward the programme monitoring and assurance will be led by the Council's Growth and Prosperity team who will report to Department for Levelling Up, Housing and Communities on performance. All schemes led by Council teams will be subject to a Service Level Agreement and external deliverers a Grant

Funding Agreement setting out their delivery requirements. Legal Team support will be required here. A quarterly claims process is proposed which will require Finance team support around payment of grant etc. Some procurement support will be necessary on certain schemes. Up front provision of a small amount of project funding for any external deliverers is proposed to avoid any cash flow issues, while awaiting funding provided post claim periods. This is proposed up to a maximum of 10% of the total project allocation. This may be higher in extraordinary circumstances, subject to the approval of the Director Resources as the Council's Section 151 officer.

6.5 Does the information submitted include any exempt information? No

7.0 List of Appendices:

7.1 Appendix 6a - Summary of the proposed schemes
Appendix 6b - Council Sustainability Impact Tool
Appendix 6c - Memorandum of Understanding

8.0 Financial considerations:

8.1 Without the Shared Prosperity Funding, the Investment Plan schemes would not be pursued. The Shared Prosperity Fund programme and its constituent projects can only now go ahead due to the approval of the Investment Plan.

8.2 All projects have the necessary financial resources attributed to them.

8.3 The 4% programme management allocation included will support additional programme oversight costs including an additional post in the Growth and Prosperity team to support the claims and monitoring activities.

9.0 Legal considerations:

9.1 As the Council has been successful with its submission, it was required to directly enter into a MOU funding agreement with Department for Levelling Up, Housing and Communities. This was signed on 6 December 2022 and is attached at **Appendix 6c**.

9.2 The Council has a general power under Section 1 of the Localism Act 2011 to do anything that an individual may generally do provided it is not prohibited by other legislation and the power is exercised in accordance with the limitations specified in the Act which enables the Council to accept the funding.

9.3 The Council, as noted in background information above needs to enter into legal agreements with local delivery partners (via direct appointment or further to tender) which was requested and approved by the Executive Approval EX20/2022. Any

subsequent onward grant agreements with key delivery partners will mirror down the grant terms between the Council and Department for Levelling Up, Housing and Communities. The Council's Programme Monitoring Office (PMO) will undertake and oversee claims, monitoring and assurance activity. As the accountable body, Blackpool Council would retain overall responsibility for the delivery of the Shared Prosperity Fund programme with reports to the Corporate Leadership Team, Executive and Government as required. The Town Deal Board and its sub group the Town Deal Investment Panel will also be provided with programme updates.

10.0 Risk management considerations:

- 10.1 With all projects there are risks, and each scheme will have a risk assessment developed and allocated to it when in operation.
- 10.2 There is also a risk that the Council will not receive the 2023/4 and 2024/5 annual fund allocations if it does not provide all monitoring and returns information in a timely manner or if the programme is not delivering against profile.
- 10.3 The risk of not achieving the expenditure profile in 2022/23 is a concern given the approval being later than anticipated although current guidance appears to confirm that resource could be rolled over to future years under certain conditions. See extract from the Memorandum of Understanding below. Further confirmation is anticipated for Department for Levelling Up, Housing and Communities on this matter.

5.10 The Secretary of State retains the right to withhold annual instalments until receipt of credible plans demonstrating revised delivery to achieve expected targets. This might include requirements that set out how the Lead Local Authority will utilise underspends in the next year and/or appropriate milestones and spend have been achieved for the previous year.

5.11. Further to this, if the Secretary of State has concerns around future spending plans based on the experience of local delivery to date, or wider financial issues or governance affecting delivery then the Secretary of State may pay in instalments, or withhold future funding.

The claims and monitoring process will work to avoid any such issues, with timely returns and ongoing reviews of project delivery performance through the claims process.

11.0 Equalities considerations:

- 11.1 There are no equalities issues with the Investment Plan programme outlined itself. With regard to individual Shared Prosperity Fund projects which are capital based, where any development requires new build or redesign, for example, full equalities

and accessibility requirements will be taken into account at the design stage. Revenue based schemes, will require confirmation that there will be no equalities issues or if there is the potential, how they will be addressed. Each project will be required to complete a Public Sector Equality Duty (PSED) proforma which will be reviewed by the Council's Equality and Diversity manager.

12.0 Sustainability, climate change and environmental considerations:

- 12.1 Some projects as outlined, by their very nature, are not schemes that will make a major contribution to net zero per se. However, the EDGE low carbon heating scheme will obviously contribute via the proposed installation of solar panels to the existing Stanley Building. The Eco Coaching and Eco Hubs scheme will also have a direct impact on low carbon awareness raising and physical interventions. All projects will be encouraged to attempt to ensure sustainability will be taken into account in delivery. The Community Flood Risk reduction scheme specifically relates to climate adaptation
- 12.2 It will be the responsibility of the individual project managers (internal and external to the Council) to ensure any projects are delivered in the most sustainable way.
- 12.3 The Council Sustainability Impact Tool has been considered for the Programme and can be found attached at Appendix 6b.

13.0 Internal/external consultation undertaken:

13.1 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 and Prosperity Board.

External – Town Deal Board, Town Deal Investment Panel and the Department for Work and Pensions.

14.0 Background papers:

14.1 None.

15.0 Key decision information:

- 15.1 Is this a key decision? No
- 15.2 If so, Forward Plan reference number:
- 15.3 If a key decision, is the decision required in less than five days? No

15.4 If **yes**, please describe the reason for urgency:

16.0 Call-in information:

16.1 Are there any grounds for urgency, which would cause this decision to be exempt from the call-in process?

No

16.2 If **yes**, please give reason:

TO BE COMPLETED BY THE HEAD OF DEMOCRATIC GOVERNANCE

17.0 Scrutiny Committee Chairman (where appropriate):

Date informed:

Date approved:

18.0 Declarations of interest (if applicable):

18.1

19.0 Summary of Discussion:

19.1

20.0 Executive decision:

20.1

21.0 Date of Decision:

21.1

22.0 Reason(s) for decision:

22.1

23.0 Date Decision published:

23.1

24.0 Alternative Options Considered and Rejected:

24.1

25.0 Executive Members in attendance:

25.1

26.0 Call-in:

26.1

27.0 Notes:

27.1

