

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 04 July 2022

Portfolio:	Policy & Resources
Subject:	UK Shared Prosperity Fund
Report of:	Deputy Chief Executive Officer
Corporate Priorities:	A Dynamic Prudent and Progressive Council

Purpose:

To set out details of the Government's UK Shared Prosperity Fund (UKSPF) and outline a way forward for the use of the Council's funding allocation.

Executive summary:

The government launched its UK Shared Prosperity Fund (UKSPF) this year, as part of its Levelling Up agenda. It provides £2.6 billion of funding intended to reduce inequalities between communities. The funding covers the three year period up to March 2025, and Fareham Borough Council has been allocated a total of £1m.

As lead authority, the Council must submit a plan of how the funding shall be used, and the positive outcomes that can be expected as a result of the projects it funds.

The report sets out a set of proposals for how the funding could be used, namely:-

- A community-led approach to investment in the Fareham North West area to level up the provision of community facilities, sports facilities and amenity space, together with delivery of new affordable homes;
- Improving the facilities at Crossfell Walk play area in Fareham South;
- A programme of business support, prioritising proposals that strengthen the retail offer in district and local centres, improve the attractiveness of district and local retail centres, or support the objective of achieving net zero carbon/increase investment in green growth

If the proposals are supported, and following a series of stakeholder engagement measures, the proposals will be submitted to the Government by the deadline of 1st August 2022.

Recommendation:

It is recommended that the Executive:

- (a) notes the purpose of the UK Shared Prosperity Fund;
- (b) endorses the priority themes for use of the Council's funding allocation; and
- (c) agrees to delegate authority to the Deputy Chief Executive Officer, following consultation with the Executive Leader, to prepare and submit the detailed plan for Fareham, to Government, by the 01 August 2022.

Reason:

To agree the priority areas for the use of UKSPF funding, and to ensure that the Government deadline for submitting the Council's local investment plan can be met.

Cost of proposals:

The Council has been allocated £1m for the 3 year period 2022/23 – 2024/25, plus a further £20,000 for preparing the local investment plan.

Appendices: None

Background papers: None

Reference papers: None

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Executive Briefing Paper

Date:	04 July 2022
Subject:	UK Shared Prosperity Fund
Briefing by:	Deputy Chief Executive Officer
Portfolio:	Policy & Resources

INTRODUCTION

1. The government launched its UK Shared Prosperity Fund (UKSPF) Prospectus in April 2022 as part of its Levelling Up agenda. It provides £2.6 billion of funding intended to reduce inequalities between communities. The funding covers the three year period up to March 2025, with all areas of the UK receiving an allocation from the Fund via a funding formula rather than a competition.
2. The UKSPF is in essence a replacement to the EU structural fund, and the £2.6 billion will be allocated in the first three years of the UKSPF as follows:
 - £400 million allocated for 2022/23
 - £700 million allocated for 2023/24
 - £1.5 billion allocated for 2024/25.
3. The fund has been allocated to each local authority area, rather than the more traditional competitive bidding approach, and comprises a mix of revenue and capital funding.
4. The aim of the UKSPF is intended to support the Government's wider Levelling Up agenda, in the following ways:
 - 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

5. The UKSPF will be guided by three investment priorities. These are:
 - Communities and Places
 - Supporting local businesses
 - People and Skills
6. Local authorities will lead the delivery of this fund, and in Shire Counties, the core funding is allocated to Borough and District Councils. The lead Councils are tasked with managing, assessing and approving projects, processing payments and undertaking the day-to-day monitoring of projects. They can also decide whether to commission projects, run competitions or deliver programmes in house.
7. Lead authorities will be able to use funding in 2022/23 and 2023/24 for 'Communities and Places' and 'Supporting Local Businesses'. The 'People and Skills' interventions will commence in 2024/25, and Councils are encouraged to collaborate with other stakeholders and local authorities to maximise the outcomes from this funding.
8. The Government has also ring-fenced £559 million for the 'Multiply programme' intended to deliver the Government's priority of improving adult numeracy. This part of the UKSPF will be managed by the Department of Education.

UKSPF Allocation for Fareham

9. The table below sets out the funding allocation for Fareham Borough Council:-

	Allocation	Revenue	Capital
2022/23	£78,270	£70,443	£7,827
2023/24	£156,541	£136,191	£20,350
2024/25	£765,189	£612,151	£153,038
TOTAL	£1,000,000	£818,785	£181,215

10. As can be seen, the funding is largely revenue-based, with £181,215 to be used on capital projects. However, there is a limited degree of flexibility regarding when and how the allocation is spent. The Government also allows the Council to use 4% of the total funding (£40,000) to meet the cost of administering the funding over the 3-year period.
11. In addition to the core allocation, each lead authority will receive a further £20,000 to meet the cost of developing their proposals for using the funds.

Developing a Local Investment Plan

12. In order to access the funding, each area must prepare and submit a Local Investment Plan. The Plan needs to set out the desired local outcomes and the interventions that are intended, to achieve these outcomes. Performance indicators and success measures also need to be established and agreed with Government based on our investment plan, so the Government can monitor progress.
13. Local authorities are expected to develop its Investment Plans in conjunction with local stakeholders. This will require the establishment of a local partnership group to consult with during its development.

14. The deadline for submitting the Local Investment Plan to Government is 1st August 2022. This is a very tight timeframe, given the requirements to develop a plan with a range of stakeholder consultation, and particularly given the ambitions within the prospectus to deliver tangible outcomes by March 2025.

Local Investment Priority Areas

15. In order to achieve the most tangible impact from the funding, it is proposed that the number of interventions are limited, with a focus on developing interventions with the themes of “Communities and Place” and “Supporting Local Businesses”.

Challenges and Opportunities for Communities and Place

16. While Fareham is an attractive and prosperous place to live and work, there are inevitably areas where pockets of deprivation exist. In these areas of Fareham, the provision of community facilities and amenity space is also often lacking, adding to the challenges of community cohesion, community safety, education and skills attainment, and health and well-being.
17. The UKSPF could be used to support initiatives that would contribute to addressing some of these issues, and one emerging opportunity that has been identified in the draft Local Plan is a regeneration site in Fareham North-West (Henry Cort Way).
18. This area has the highest demand for social housing across the borough, the community centre requires substantial investment to meet the needs of the community and adjacent sports pitches lack the facilities to enable their use to be maximised. A community-led approach to developing a plan for the regeneration of the Henry Cort site, addressing the need for modern sporting, leisure and community facilities, and delivering essential new affordable homes, sits comfortably with the objectives of the UKSPF “Communities and Place” theme.
19. The area surrounding Crossfell Walk in Fareham South is another pocket of deprivation within the Borough. The community play facilities that serve the neighbourhood are in need of investment. Improvements would increase the recreational options for children and families in the area, fostering a sense of place whilst supporting community cohesion. It may be that alternative funding sources could support this project and these will be explored as part of the development of the Council’s Investment Plan.
20. If members are minded to support investments linked to this priority, they will contribute to the achievement of 6 of the Government’s recognised interventions in the UKSPF Prospectus:-
 - *E2: Funding for new, or improvements to existing, community and neighbourhood infrastructure projects including those that increase communities’ resilience to natural hazards, such as flooding. This could cover capital spend and running costs.*
 - *E5: Design and management of the built and landscaped environment to ‘design out crime’.*
 - *E10: Funding for local sports facilities, tournaments, teams and leagues; to bring people together.*
 - *E11: Investment in capacity building and infrastructure support for local civil society and community groups.*
 - *E12: Investment in community engagement schemes to support community involvement in decision making in local regeneration.*

- *E14: Funding to support relevant feasibility studies.*

Challenges and Opportunities for Supporting Businesses

21. Fareham has a thriving business community, across a very broad range of sectors. Businesses include many sole traders and SME's, alongside a number of multi-national plc's. However, like many towns across the country, Fareham's town, district and local centres have experienced increasing vacancies in retail units and a declining footfall in these areas.
22. While largely due to the growing trend of e-commerce, exacerbated by the COVID-19 pandemic, some parts of the borough would benefit from investment in the retail areas to increase attractiveness and drive up footfall, and to attract new retailers into vacant units.
23. Beyond the retail sector, the Council is committed to achieve its net zero carbon target by 2030 and, as a community leader, is encouraging businesses to also take steps to reduce this carbon footprints. Allied to this is the desire to drive up green economic growth.
24. The UKSPF could be used to support initiatives that would contribute to addressing some of these issues, and the Council would reach out to local businesses and business representative groups to understand the most transformational measures that could be put in place.
25. This could be achieved using a competitive grant giving process, but may also include commissioning of business support and direct provision of infrastructure to facilitate delivery of some on the outcomes.
26. If members are minded to support investment linked to this priority, it will contribute to the achievement of up to 7 of the Government's recognised interventions in the UKSPF Prospectus:-
 - *E16: Investment in open markets and improvements to town centre retail and service sector infrastructure, with wrap around support for small businesses.*
 - *E20: Research and development grants supporting the development of innovative products and services.*
 - *E21: Funding for the development and support of appropriate innovation infrastructure at the local level.*
 - *E23: Strengthening local entrepreneurial ecosystems, and supporting businesses at all stages of their development to start, sustain, grow and innovate, including through local networks.*
 - *E26: Support for growing the local social economy, including community businesses, cooperatives and social enterprises.*
 - *E29: Supporting decarbonisation and improving the natural environment whilst growing the local economy. Taking a whole systems approach to invest in infrastructure to deliver effective decarbonisation across energy, buildings and transport and beyond, in line with our legally binding climate target. Maximising existing or emerging local strengths in low carbon technologies, goods and services to take advantage of the growing global opportunity.*
 - *E31: Funding to support relevant feasibility studies.*

Stakeholder Engagement

27. Lead local authorities are tasked with working with local partners and stakeholders to deliver the outcomes of the plan. In the development of the plan priorities, it is proposed that a proportionate approach is adopted, including:-
- Engaging with local community representative groups (One Community, HIOW Community Foundation, Fareham North West Community Association)
 - Engaging with business representative groups (Chambers of Commerce, Business South, Federation of Small Businesses)
 - Engaging with partners (Solent LEP, Hampshire County Council, Police and Crime Commissioner)
 - Publishing draft priority areas on the Council website for consultation
28. Once the Investment Plan has been approved by Government, officers will work up proposals for the ongoing governance arrangements required to monitor the use of the funds.

Next Steps

29. The timeframe for preparing and submitting the Local Investment Plan is very tight. It is therefore proposed the Executive approve the themed priority areas set out above, and delegate authority to officers to prepare the detailed submission to the government, in consultation with the Executive Leader.
30. Once the drafting has been finalised, it must be formally signed by the Leader, Chief Executive and S.151 Officer, then submitted by 1st August 2022.
31. The Government (DLUHC) will then assess the plans and discuss any changes with the lead authorities, and they anticipate signing off plans from October 2022 onwards. Once signed off, then funding for year 1 will be released and the projects can commence.

Enquiries:

For further information on this report please contact Andy Wannell (Ext 4620)