

Report of the Portfolio Holder for Economic Development and Asset Management

UPDATE ON LEVELLING UP FUND PROGRAMME: 'KIMBERLEY MEANS BUSINESS AND SHARED PROSPERITY FUND YEAR TWO, GOVERNANCE & DELIVERY DECISIONS

1. Purpose of Report

To provide an update on the progress of both the Kimberley Levelling Up Fund and Borough-wide Shared Prosperity Fund Regeneration Programmes; to endorse some key decisions especially determining the programme Governance for both funds.

2. Recommendations

Cabinet is asked to NOTE that the UKSPF Member Advisory Working Group has now been included in the constitutional amendments endorsed by full Council. Working Group recommendations are to be referred to Cabinet for approval unless urgent, in which case recommendations of the Working Group will be delegated to the Deputy Chief Executive for decision.

Cabinet is asked to RESOLVE that:

- 1. The decisions in respect of the next steps in the Kimberley Means Business Levelling Up delivery plan as detailed in appendix 1 be approved.**
- 2. The decisions in respect of the next steps in the Broxtowe Shared Prosperity Fund as detailed in appendix 2 be approved.**
- 3. Three separate workshops respectively for Officers, Officers and Members and Officers, Members and wider stakeholders be held to develop and propose the detail of governance arrangements for delivery and governance oversight of the Kimberley LUF**
- 4. The temporary Economic Development Officer post be extended to a period of two years, funded from additional capacity grant from the government.**

3. Detail

- (i) Kimberley Levelling Up Fund – “Kimberley Means Business”.

Following the success of the £16.5 Million Kimberley LUF bid Cabinet agreed at the March meeting £200,000 to be allocated to ensure there was some spending activity in the 22/23 financial year, which was mandatory under the terms of the bid submission. As of the 31 March 2023 the Borough Council had spent £149,626 which has been reported to government. This funding allowed some early stage work to commence on all three projects but focussed on re-building

of the Parish Rooms; site preparation and appointment of professional consultants at Bennerley Viaduct; providing CISWO (The Coal Industry Social Welfare Industry Organisation – a registered charity) with some support to begin discussions in respect of the Digby Street project, funding some early route analysis by VIA EM of the cycle network and supporting 6 businesses with grants to the total of £20,850. The total spend also included a proportion of the interim Regeneration Manager's time and the 6-month appointment of an additional Economic Development Officer, whose services have been invaluable.

The Council is expecting imminently to receive a funding payment and the delivery schedule currently remains at financial completion by 31 March 2025. The main reason for the delay in receipt of payment has been that two of the planned activities- the co-working space at the parish rooms and the proposed industrial units at Digby Street were "called-in" for closer scrutiny in order that they could be included in the Government's national LUF Subsidy Control scheme, a block exemption preventing legal challenge at some point in the future. Fortunately, the additional work and information has now been accepted and officers understand the re-issue of the final Memorandum of Understanding and first stage payment to be imminent at the time of writing this report. It is anticipated that the May payment will mainly consist of re-imburement of 2022/23 expenditure and the main payment for the Programme should arrive in July. A financial profile has been included in Appendix One. The Government has also held an inception meeting with the Chief Executive and Deputy Chief Executive of the Council and Broxtowe has been informed it will receive some further capacity funding in addition to the £16.5 million – perhaps around an additional £100,000 for support with delivery capacity, legal agreements, procurement and managing returns to government. A decision is required to extend the additional temporary economic development officer post to support the programme delivery using this funding.

In communications so far there does not appear to be any mandatory requirement for an external board such as has been the case for the Stapleford Town Deal. However, good project management begins and ends with good governance and an examination of several Round One LUF schemes shows that most have a Programme Delivery Board but with varying iterations.

This Board needs to focus on the delivery and programme management challenges that will require decisions over the next two to three years. In this case, however, a number of external partners are required to work closely to deliver the programme, especially Kimberley Town Council and CISWO and Friends of Bennerley Viaduct and there are several projects within the programme.

It is proposed that a series of workshops take place to ensure all relevant officers, Members and Partners are clear about who is responsible for doing what; governance and accountability arrangements.

Workshop 1: Will involve Officers and ensure that Council Officers across the Council understand what is proposed; what is required from them; operate in a

co-ordinated timely and aligned fashion; and identify any additional capacity and resource issues required to deliver the programme,

Workshop 2: Will involve Leader and Deputy Leader; Portfolio Holder for Resources and Personnel Policy, Portfolio Holder for Economic Development and Asset Management, Kimberley Ward Councillors and Opposition Members to ensure a good shared understanding of the Kimberley LUF programme and discuss preferred options for structuring future governance and delivery arrangements.

Workshop 3: Will include Members as per workshop 2 and include representatives from Stakeholder organisations – Town Council, CISWO and Friends of Bennerley Viaduct to ensure a good shared understanding of the nature of the challenges involved in delivery; and seek engagement and agreement to a preferred option for structuring future governance and delivery arrangements, outcomes of which will be presented back to a future cabinet meeting for approval.

To continue to deliver at pace a few important decisions need to be made now and the Cabinet is invited to agree the matters outlined in appendix 1. There is further details provided in the exempt appendix 3.

(ii) Broxtowe Shared Prosperity Fund

The Council submitted its Shared Prosperity Investment Plan to the government in August 2022. This was approved and subsequently the Council received £334,000 in December as its 2022/23 allocation. Some work had been started at risk, but some of the funding was not contractually committed by March 31 2023. The delay in the receipt, provided both a challenge and an opportunity to ensure as much funding as possible was spent or committed in Q4 of the financial year on the projects that would make a difference in Broxtowe. The Memorandum of Understanding signed by the S. 151 Officer allowed for some movement between the capital and revenue allocations in the Investment Plan and between the three themes: business, skills and place. This enabled the Authority to put more funding into Business Grants and a Programme called the Community Good Ideas Fund.

A Members' advisory panel was established to guide responsible officers into making allocations to the community and a grants advisory panel, including local business representatives allowed a similar process to be established for allocating funding in Eastwood and Beeston/Chilwell following a process which was used successfully in Stapleford on a much larger scale to deliver the Town's fund COVID-19 recovery grants programme. An officer was recruited as a shared post with Rushcliffe – an arrangement that so far has worked very well.

By 31 March 2023 Broxtowe was able to report contractual commitment of the year's allocation and an actual spend of £142,687. DHLUC have agreed that the remaining £158,507, now fully allocated, could be rolled over into the current financial year subject to the presentation of a credible plan to demonstrate how

spending and outputs will have been defrayed by September 2023. All of this was submitted with the Council's monitoring report on the 2 May 2023.

Around 30 Community led projects, some existing Investment Plan priorities and some new commitments from the call for Good Ideas were supported with most receiving grants of between £5,000 and £15,000. In terms of businesses receiving town centre improvement grants 21 businesses were supported to the total sum of £48,712.00. Funding also supported some internally sponsored projects such as local activities in C-Cities and preparations for the Stapleford Food Festival and Beeston Light Night later this year.

This year's total allocation, including carry forwards, amounts to £785,807, with the payment due on sign off our report by DHLUC. The majority of this funding is already committed to organisations such as the CAB and a County "omnibus" procurement exercise to replace the business support being lost at the end of June 2023, when existing LEP funding ceases. It is therefore the case that although there is more funding coming into Broxtowe in this the second year of SPF, there is likely to be less flexibility than there was in year one. Nevertheless, there is still a need to provide oversight and scrutiny into how funding is being used and a mechanism to agree any variations or catch-up on outputs and outcomes that are not being achieved. In this sense it is proposed to carry-on with the Advisory Member Working group model with decisions recommended to Cabinet, or delegated to the Deputy Chief Executive in urgent cases.

Appendix 2 sets out the decisions required to be made by Cabinet associated with the delivery of the UKSPF programme.

4. Financial Implications

The comments from the Head of Finance Services were as follows:

Levelling Up Fund

The Council was successful in its bid to the Government's Levelling Up Fund and secured a £16.5 million investment for Kimberley. The announcement came after approval of the 2023/24 capital programme which only included the Kimberley Levelling Up Fund as a 'Reserve' item pending the outcome of the bid. This is now fully recognised in the capital programme, although there will need to be further refinement of profiling across this year's and next year's programme. Any variation required to the budget profile will be presented to Cabinet for consideration as part of a future update report or capital budget variations report.

On 14 March 2023 Cabinet noted the exercise of the Chief Executive's Urgency Powers to provide an additional capital budget of £200,000 in the Capital Programme 2022/23 for the Kimberley Levelling-Up Fund Bennerley Viaduct project. This was funded from the overall LUF grant. Any underspending from

the 2022/23 capital programme will be considered for carry forward by Cabinet on 4 July 2023. If approved, these will then be added to the 2023/24 budget.

UK Shared Prosperity Fund

The Council is anticipating to receive an overall allocation of £2.605m revenue and capital and capacity funding allocation from the UK Shared Prosperity Fund for the three financial years 2022/23 to 2024/25. The approved capital programme for 2023/24 includes £627,300 for the UKSPF schemes (as shown in the table below). Any underspending from the 2022/23 capital programme will be considered for carry forward at the Cabinet meeting on 4 July 2023. If approved, these will then be added to the 2023/24 budget.

Scheme	Estimated Total Cost £m	Earlier Year Budget £m	Current Budget 2023/24 £m	Future Years Budgets £m
Shared Prosperity Fund				
1. UKSPF Schemes	2.605	0.334	0.627	1.644

Temporary Economic Development Officer

Further details are provided within the exempt appendix 3.

5. Legal Implications

The comments from the Monitoring Officer / Head of Legal Services were as follows:

Section 1 of the localism act 2011 gives the Council the power to do anything that individuals may generally do and section 111 of the local government act 1972 gives a local authority power to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions.

The Government expects the governance arrangements for the delivery of the various levelling up projects/programmes to align with the Lead Council's governance arrangements. As such, appropriate Terms of Reference will be added to the Council's Constitution (as part of the current constitutional review) to ensure good governance and transparent decision making.

The Council must have contracting processes so they have mechanisms to recover funding where beneficiaries do not comply with fund parameters, UK law or any local requirements. The Council will require partnership agreements and contracts, Legal (and procurement) will be formally instructed for support to safeguard the Council.

Legal Services will be instructed at the earliest opportunity to review all agreements to ensure there is clarity around any obligations and conditions placed upon the grant and ensure the Council are able to minimise any risk incurred, this will include assurance that clawback provisions are passed down to third party recipients when administering grant funding where appropriate. Reference has been made in Appendix 1 to allow suitably qualified professional services from recognised frameworks to be instructed

Relevant legal agreements will also be agreed with the recipient partners in the bid/s before the money is handed over to ensure they retain responsibility for their proportion of the bid/s and adhere to the terms of any agreements set out by government.

Works, goods and services must be procured in accordance with the Council's contract procedure rules and Public Contracts Regulations 2015 and other relevant legislation. Subsidy control advice has been sought to ensure the aspects of this bid are compliant with the Subsidy Control Act 2022 and all relevant subsidy control guidelines.

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6. Human Resources Implications

The comments from the Human Resources Manager were as follows:

No Comments

7. Union Comments

The Union comments were as follows.

UNISON supports the extension of the Temporary Economic Development Officer post from six months to two years. This area is of great importance to the Council and residents of the Borough.

8. Climate Change Implications

The comments from the Waste and Climate Change Manager were as follows:

No comments provided.

9. Data Protection Compliance Implications

Not applicable

10. Equality Impact Assessment

Not applicable

11. Background Papers

None.