

**Report of the Portfolio Holders for Resources and Personnel Policy and Economic Development and Asset Management.**

**TO FINALISE BROXTOWE'S YEAR 3 UK SHARED PROSPERITY FUND (UKSPF) FUNDING BETWEEN THEMES AND PRIORITIES FOR THE 2024-25 FINANCIAL YEAR**

1. Purpose of Report

The purpose of this report is to allocate the Year 3 programme that has been the subject of consultation at the Members Advisory Panel last November which has been guided by the Borough's Investment Plan and signed off by the Department for Levelling Up, Housing and Communities (DHLUC) in December 2022. The report provides Cabinet with information to enable alignment of the work with corporate priorities and contemporary economic forces. The parameters for decision and change are based on the Borough's approved Investment Plan and the limited flexibilities granted to the Council in managing the programme.

2. Recommendation

**Cabinet are RECOMMENDED to:**

- 1. Receive and NOTE a verbal update on Years 1, 2 and 3 On the UK Shared Prosperity Fund – in respect of delivery achieved to date and needs moving forwards;**
- 2. NOTE a verbal update on the key evidence based skills audit report titled “*Broxtowe Skills Quest*” – which illustrates the priorities for action, especially in support of businesses and skills themes; (APPENDIX 1)**
- 3. Subject to any agreed revisions and amendments RESOLVE that the funding profile for the Year 3 UKSPF allocations as described in section 3 and detailed in APPENDIX 2 be approved.**

3. Detail

The signed off Investment Plan for the Borough's UKSPF Year 3 Programme can be summarised as follows:

- Broxtowe total Y3 funding allocation £1,643,527
- 4% maximum admin allocation = £65,741
- 20% minimum spend as capital (but can be more)

The spending in Broxtowe's Investment Plan was committed between the themes as follows as follows:

- People and Skills total = £335,000 (includes £150k joint commissioning, contractual commitment)
- Business Support total = £728,000 (includes £131,000 joint commissioning, contractual commitment)
- Communities and Place total = £580,000 (including 240k Grant Programme as recommended to the section 151 Officer by the UKSPF Advisory Panel which met in November)

### Strategic Considerations

The £240,000 for the Communities & Place “Good Ideas Fund” grants and the allied terms and conditions for round three were agreed by the UKSPF Members Panel in November. The wish of the Panel was that the Communities & Place GIF overall size of the funding allocation should be reviewed in relation to the demand from applications. The fund closed on 22 January 2024 with a large over-subscription of requests but officers are now sifting through these as many do not meet the criteria or are undeliverable in the timescale. It is highly probable that no matter how much the £240,000 funded were to be extended to, there will always be an over-subscription. Additional funding into the overall fund can only be achieved if the Borough is confident it can achieve the minimum contractual commitments to outputs for the rest of the Communities & Place theme, the People and Skills Theme and the Business Support Theme. The first sift of applications will be reported to Cabinet verbally. The update will consider some scenarios where the fund could be slightly increased and what activity and changes to profile would need to be reported in to Government. Once the size of the total funding is determined the actual community awards will be determined by the March Cabinet.

Looking beyond the end of the current programme arrangements is also important. Some of the UKSPF funding is almost certainly bound for the Mayoral Combined Authority. The decision about local determination of some of the funding and the precise mechanisms for Boroughs and Districts to receive funding either directly from DHLUC and or indirectly from the Mayoral Combined Authority is yet to be determined. Broxtowe’s best position is to show how well it can deliver the programme and create momentum that leads to economic growth. A third consideration is the major study that the Borough’s UKSPF Business, Skills and Economic Initiatives Manager has prepared called Broxtowe Skills Quest. **(APPENDIX 1)**. This is an evidence based piece of work which sets out the skills needs within the Borough. Skills are a major driver for economic growth and working to increase skills in Broxtowe helps to tackle economic inequality and increase wages and productivity. In addition to the Economic Development Framework and the results of years one and two this has assisted officers in helping to formulate the emphasis for year three and to update the investment plan in respect of local economic needs.

### Year 3 Programme Major Themes and Considerations

Beyond the points of efficacy and correlation with needs there are the practical considerations of whether the projects that are selected can deliver well before 31 March 2025. Projects in the appendix have been considered in terms of a defined activity which can be completed by the deadline. The verbal update will provide the most up to date intelligence on these Year 3 projects. The year 2 to year 3 overlap has been shrunk by DHLUC and the department's appetite for a fourth year carry forward is expected to be nil. Thus one year funded staff posts and larger or complex projects carry greater risks. There will need to be a balance struck between delivery through the Council and delivery by other agencies and partners. As with this year, Futures and East Midlands Chamber are contracted to deliver activity projects for those furthest away from the Labour Market and Business Support through programmes.

In terms of internal projects there is a strong rationale to enhance the Borough's Cultural offer especially in terms of the progress made with Arc and also in revitalising the D. H Lawrence cultural and visitor economy offer. The November panel reached some measure of agreement that the UKSPF Business, Skills and Economic Initiatives Manager Post, (seconded from East Midlands Chamber) and should be retained in 2024/ 2025 at a cost of £50,364 (plus travel and subsistence). East Midlands Chamber have also agreed to contribute to this resource for a further year. This will be a separate people and skills project with its own outputs. It will also help to underpin the delivery of the most important recommendations in the Broxtowe Skills Quest Report. The 2.5 day, Shared Prosperity Funding Officer and part of the Economic Intelligence Trainee post will be supported in Year 3 as well as Programme Management and Direction costs. This will come from the 4% shown above. The Economic Development section is also proposing to invest in some of the activities that are recognised as successful interventions in other areas. These include small scale town centre management activities, the visitor economy, inward investment and buyer – supplier sector support. Deference to small capital projects which generate economic activity and on-going revenue are reflected in the scoring.

Looking towards to the externally funded projects, the other strongly supported activities include STEM (Science, Technology, Engineering and Mathematics) promotion, green economic growth and energy efficiency activities as well as sustainable travel and cycle initiatives in the North of the Borough and around the public transport network in Beeston. Additional support for cost of living crisis issues is also within all proposed packages. Whilst Business grants are a very important part of the overall picture there is also a need to develop some more lasting legacy based work around business networks and perhaps a local enterprise agency or business improvement district. Since the inception of Business Links and then Local Enterprise Partnerships (LEP) Growth Hubs – the programme led approaches to business support seems to have reduced the connection between larger firms and the ability to create a lasting self- help –

local enterprise culture as still survives in a handful of areas, local examples include the Erewash Partnership and Chesterfield Champions. All of the above are scored and discussed in **APPENDIX 2**.

#### 4. Key Decision

This report is a key decision as defined under Regulation 8 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 and is a decision made or to be made in connection with the discharge of an Executive function which is likely to:

1. result in the Council incurring revenue or capital expenditure or savings of £250,000 or more; and
2. be significant in terms of its effects on communities living or working in an area comprising two or more Wards or electoral divisions in the Council's area.

#### 5. Updates from Scrutiny

Not Applicable

#### 6. Financial Implications

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

The Council is anticipating to receive an overall allocation of £2.605m in revenue, capital and capacity funding from the UK Shared Prosperity Fund for the three financial years 2022/23 to 2024/25. The final year UKSPF funding of £1,643,527 is anticipated in 2024/25. This funding includes a 4% maximum allocation for administrative purposes (circa £65,750) with a 20% minimum spend as capital (circa £328,750).

The proposed General Fund revenue budget for 2024/25 includes the revenue element of the anticipated UKSPF at £1,443,500 (being £1.643m grant less £200,000 included in the Capital Programme see below). The planned spend is fully grant funded so the net impact on the Council's budget is nil.

The proposed Capital Programme for 2024/25 includes £200,000 for the UKSPF capital schemes with the actual budget to be determined at a later date (this will be necessary given the 20% minimum capital spend). Any underspending from the 2023/24 Capital Programme will be considered for carry forward by Cabinet in July 2024 and, if approved, these will then be added to the 2024/25 budget.

7. Legal Implications

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

There are no direct legal implications that arise from this report.

8. Human Resources Implications

The comments from the Human Resources Manager were as follows:

Not Applicable.

9. Union Comments

The Union comments were as follows:

Not Applicable

10. Climate Change Implications

The climate change implications are contained within the report.

11. Data Protection Compliance Implications

This report does not contain any OFFICIAL(SENSITIVE) information and there are no Data Protection issues in relation to this report.

12. Equality Impact Assessment

As this is a change to policy / a new policy an equality impact assessment is included in **APPENDIX 3** to this report.

13. Background Papers

Nil.