

**West of England Local Enterprise Partnership  
 Board meeting – 21.06.2022**

**UK Shared Prosperity Fund (UKSPF)**

**Purpose of the report**

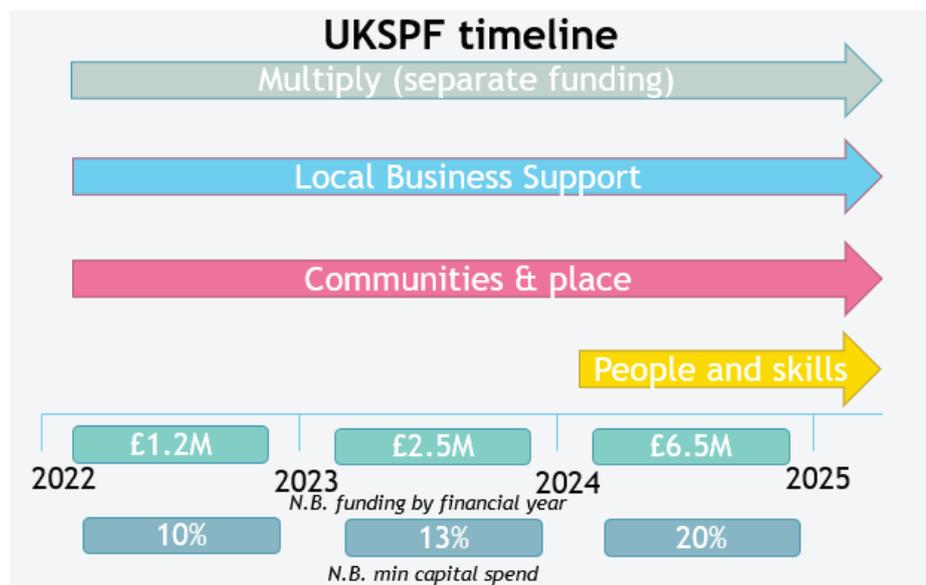
1. To update the LEP Board on progress in the development of the West of England UKSPF investment plan.

**Recommendation**

2. That the LEP Board provide feedback on the emerging West of England UKSPF investment plan and confirm they are in agreement to proposed priority outcomes the plan will seek to deliver.

**Background**

3. UKSPF is a national fund that has been established as a successor to EU structural funds. All parts of the country have allocated funds to cover a three-year period (2022/23 – 2024/25) and have been asked to produce investment plans detailing the outcomes funds will deliver. Outcomes must align with overarching fund priorities that have been set by Government. In the West of England, the Combined Authority is the nominated lead Authority. In North Somerset, the Unitary Authority is leading investment planning.
4. As Figure 1 shows, the West of England will receive (subject to investment plan approval) a £13,795,332 UKSPF allocation over three years. Compared to some places, this is a relatively limited funding allocation, choices will therefore need to be made on the specific interventions that can be funded via this route. A proportion of this is ring-fenced for the Multiply programme and remaining funds must support three broad Government priorities (supporting communities, supporting local businesses, and supporting people build their skills). As Figure 1 shows, funding is back-loaded and skills investment is restricted to year three of the fund.



### **Regional engagement and co-design**

5. The LEP Board discussed UKSPF at their 30<sup>th</sup> March meeting and asked that work to develop the investment plan included discussion with Business Board members and that co-production with UA officers took place. Since the last full LEP Board discussion, we have:
  - Convened the LEP Business Board and identified potential priorities for the fund from the perspective of the business community. We have also met with the Skills Advisory Panel to ensure their views inform the investment plan.
  - Met regularly with a range of UA officer groups to ensure the development of priority outcomes for the fund have been co-produced across the partnership. UKSPF has been discussed with the Skills Officer Group, Economic Development Managers, Business & Skills Directors, and the Business and Skills Board (providing a route for elected member engagement).
  - Opened an online consultation portal to ensure all stakeholders are able to provide views on potential UKSPF priorities. To date we have received over 20 submissions (a number from consortiums). This portal remains open.
  - Sought input from the VCSE sector – with a webinar planned to take place shortly.

### **Challenge to address through our investment plan**

6. Engagement to date has highlighted a range of challenges and opportunities that regional partners are keen UKSPF helps us address, including:
  - Delivering support that helps to address the ongoing impact of Covid-19 on workers and organisations in sectors such as hospitality, tourism, and culture. Output in the hospitality industry declined by 45% in 2020, and in arts and entertainment by 43%.
  - Encouraging people to return to town and city centres and supporting adaptations as these areas evolve. Since Covid workplace activity and retail footfall in the region are below pre-pandemic levels (20% & 15%).
  - Taking coordinated action to provide support to people, communities, and organisations in areas of high deprivation. 158,000 residents of the West of England live in neighbourhoods that rank in the most deprived fifth of places nationally.
  - Ensuring that residents and businesses across the region can benefit from a broad range of impactful pre-start-up, start up and growth services, aimed at business / job creation and increased productivity. Even before the pandemic, productivity in the region only grew by 0.2% in the five years to 2019, holding down wages.
  - Support efforts to tackle the climate emergency by decarbonising businesses and increasing green innovation in the region. West of England businesses emitted 26% the region's CO<sub>2</sub> emissions in 2019, and will need to fall by 10% of today's

value each year. But green growth presents a significant opportunity, with the region is expected to need 45,000 green jobs by 2030 to reach net zero.

- Support people to progress in their careers, while helping those not in work move into learning, training, and employment, by focusing on giving people the skills needed for the region’s economy i.e., green, and digital skills. 53,000 residents are unemployed or inactive and want work, and 17% of the region’s workers earn less than the Real Living Wage, even before the cost-of-living crisis.

### Proposed investment plan priorities

7. To help guide investment in line with the priorities above, partners have identified a set of outcomes it is proposed we focus on delivering through UKSPF investments. Figure two sets out proposed priority outcomes for the West of England that have been identified with regional partners.

**Figure 2: UKSPF West of England proposed priority outcomes**

Priority	Theme	Target Outcomes
Strengthen our communities and increase pride in place	Pride in place	Improved High Streets and local centres Enhanced cultural offers Increased visitor numbers
	Strengthened Communities	Improved community infrastructure Strengthened social fabric
Support for local business	Productivity & business support	Increased business productivity Growth in social purpose organisations More businesses engaged in new markets
	Innovation & green investment	Increased green innovation Increased business innovation
Supporting people to access the skills or training that will help them progress in their careers	Access opportunity & career progression	Residents progress in their careers Address skills gaps
	Support people towards learning, training & work	Reduce economic inactivity & long-term unemployment Reduce NEET numbers

## **Multiply**

The Multiply element of UKSPF is being managed via a separate investment plan (in line with Government requirements). Following engagement with a range of stakeholders (including the Skills Advisory Panel), the following were identified as key areas of potential focus for the Multiply programme in the Combined Authority area:

- Focus 1: Innovative engagement project/s which target employed adults with low levels of numeracy skills to break down barriers and increase confidence in addressing these skills issues. These projects would then support participants to progress onto existing mainstream funded (i.e. Adult Education Budget or other government funded maths provision) numeracy courses at Level 1 and 2.
- Focus 2: Innovative engagement project/s which target unemployed adults with low levels of numeracy skills to break down barriers and increase confidence in addressing these skills issues. These projects would then support participants to progress onto existing mainstream funded (i.e. Adult Education Budget or other government funded maths provision) numeracy courses at Level 1 and 2.
- Focus 3: Funding to increase:
  - The number of staff who can teach maths in the region. This is likely to be achieved by providing funding for training (as opposed to wages).
  - The amount of classroom resources for maths teaching in the region.

## **Next Steps**

8. The UKSPF investment plan will be finalised for submission to Government in line with the priorities above. It is anticipated funding will be released by Government in Autumn 2022.
9. A light-touch business case process will be put in place to ensure all investments are robust, aligned to the agreed regional priority outcomes we are seeking to deliver, and able to move into delivery as swiftly as possible.
10. The Multiply investment plan is running to an earlier submission date and is being finalised in line with the focus set out above.