

**REPORT TO: WEST OF ENGLAND COMBINED AUTHORITY
COMMITTEE**

DATE: 1st July 2022

REPORT TITLE: UKSPF AND MULTIPLY

**DIRECTOR: JESS LEE, HEAD OF STRATEGY AND INNOVATION
& STEPHEN BASHFORD, DIRECTOR OF BUSINESS
AND SKILLS**

Purpose of Report

To seek approval to spend the West of England's UK Shared Prosperity Fund (UKSPF) allocation.

Recommendations

The Committee is asked to:

- Delegate decisions on spending the £13,795,332 West of England UKSPF allocation (with £3,608,467 ring fenced for Multiply) against priority regional outcomes set out below and agreed in the Investment Plans for UKSPF and Multiply, to the Combined Authority CEO in consultation with the CEOs of the constituent authorities.

Voting arrangements

- Decision requires majority agreement of Committee Members in attendance, or their substitutes (one vote representing each Authority) and including the West of England Combined Authority Mayor

Background / issues for consideration

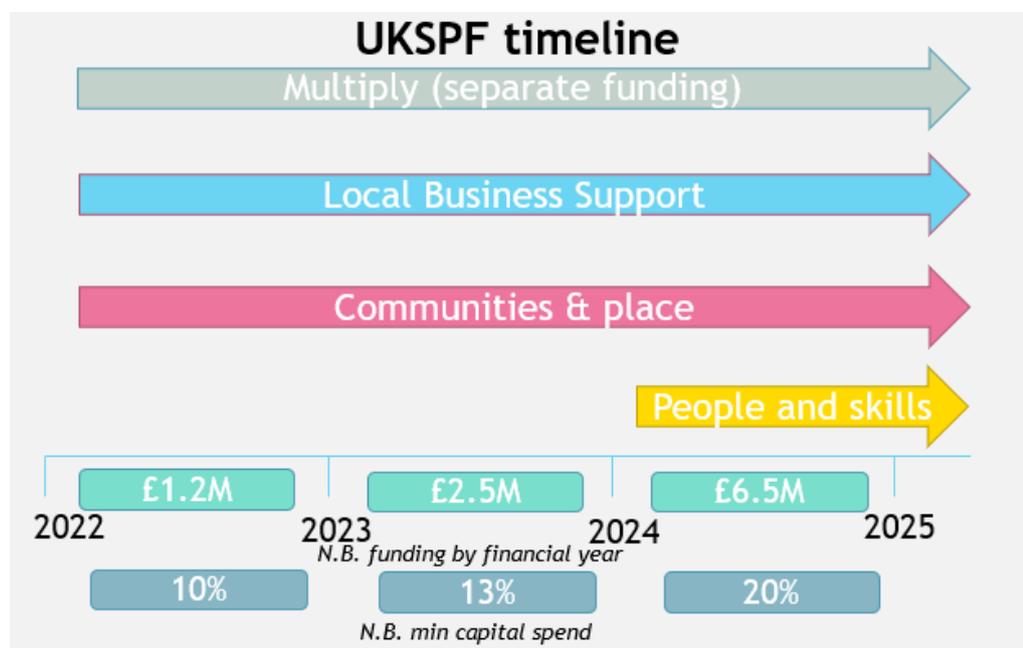
1. UKSPF is a national fund that has been established as a successor to EU structural funds. All parts of the country have allocated funds to cover a three-year period (2022/23 – 2024/25) and have been asked to produce investment plans detailing the outcomes funds will deliver. Outcomes must align with overarching fund priorities that have been set by Government.
2. A proportion of UKSPF allocations have been carved out to fund Multiply, a scheme focused on boosting adult numeracy skills. A separate investment plan is required for Multiply.

3. In the West of England, the Combined Authority is the nominated lead authority responsible for the production of a UKSPF investment plan.
4. Investment plans for both UKSPF and Multiply are subject to Government approval. The Multiply plan has been submitted to Government. The UKSPF plan will be submitted during July. It is anticipated year-1 funding allocations will arrive in October.
5. Initial investments will be made this year with delivery getting underway during 2022/23. UKSPF will therefore play a swift role in delivering on regional priorities to support people and places across the West of England to continue the recovery from Covid-19, tackle the impact of the cost-of-living crisis, and contribute to tackling climate and ecological emergencies.

Funding allocation overview

6. As Figure 1 shows, the West of England will receive (subject to investment plan approval) a £13,795,332 UKSPF allocation over three years. 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.

Figure 1: overview of West of England UKSPF allocation



Investment priorities

7. Government guidance setting out the requirements of investment plans was made available in mid-April. Since then, working with partners across the region, work to develop a regional UKSPF investment plan has begun. Members and

officers from partner authorities have worked with the Combined Authority to shape a set of investment priorities. These are:

- To strengthen our communities and increase pride in place by investing in community projects and making our region an attractive place for our residents to explore.
- To reinforce our support for local business by helping businesses improve their productivity and boost green business innovation.
- To ensure there is opportunity for all residents by supporting people to access the skills or training that will help them progress in their careers.

8. The investment priorities detailed above have emerged from a wide range of stakeholder engagement including, the CA Business & Skills Board, LEP Business Board, Skills Advisory Panel, UA Business and Skills Directors, UA EDMs, UA Skills Officers, Colleges, Universities, and via responses to an online survey. We are continuing to engage with other regional stakeholders to inform the investment plan and will be writing to all regional MPs shortly.

9. 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 CO₂ 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.

10. 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

11. Taking into account the relatively small allocation the West of England has received we will look to ensure alignment with other funding to maximise funding (i.e. Regional recovery and Adaptions Fund (RRAF)).

Multiply

12. The Multiply investment plan process was fast-tracked by Government. The West of England investment plan was developed in collaboration with partners and has been submitted to Government for approval.

13. The investment plan identifies three core areas of focus to help boost adult numeracy across the region:

- 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

14. 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.
15. A light-touch business case process will be put in place to ensure all investments are robust and able to move into delivery as swiftly as possible.
16. Multiplier investment will have been submitted to Government by the 30th of June. First payments will be paid in September 2022 post investment plan approval.

Consultation

17. No statutory consultation is required in relation to this report.

Other Options Considered

18. The money is allocated by government so no other options to consider.

Risk Management/Assessment

19. The allocation can contribute to levelling up the region, supporting delivery of regional priorities and tackling the unique issues and risks our region faces. Business cases will be developed to ensure a clear economic rationale and value for money assessment informs the delegated decision making.
20. Risks identified:
 - Investment Plan not submitted on time leading to funding being at risk or delayed. Government deadlines are tight, but investment plan development is on track.

- Investment Plans not agreed with DfE and DLUHC meaning funding could be at risk or delayed. We are engaging with government to ensure our investment plans will receive approval.
- The timescales to spend year 1 moneys is tight, and government will claw back any money unspent. We are considering for UKSPF projects already underway for UKSPF year one. For Multiply, proposals for year 1 are being identified ahead investment plan agreement.

Public Sector Equality Duties

21. The public sector equality duty created under the Equality Act 2010 means that public authorities must have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimization and other conduct prohibited by the Act.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.

22. The Act explains that having due regard for advancing equality involves:

- Removing or minimising disadvantages suffered by people due to their protected characteristics.
- Taking steps to meet the needs of people from protected groups where these are different from the needs of other people.
- Encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.

23. The general equality duty therefore requires organisations to consider how they could positively contribute to the advancement of equality and good relations. It requires equality considerations to be reflected in the design of policies and the delivery of services, including policies, and for these issues to be kept under review.

24. Equality assessments will be included as part of individual business cases.

Finance Implications, including economic impact assessment where appropriate:

25. Funding for the UKSPF will come from Government in the form of an allocation. Once investment plans are agreed by government, the first payment for UKSPF will be in October 2022.

26. For Multiply, first payments will be paid in September 2022 post investment plan approval. In Years 2 and 3 Multiply payments may be subject to adjustments in year. Updated investment plans, including spending profiles, will need to be submitted and approved at the start of each financial year. First payments will then be received in April.

27. There is an opportunity to use investment fund money to match fund elements of UKSPF funding, but it will not be a factor in the assessment of each...investment plan." We will actively look opportunity to maximise UKSPF funding by aligning with other funds.

28. Advice given by Richard Ennis, Interim Director of Investment and Corporate Services

Additional legal considerations:

29. None other than those identified in the report.

Climate Change Implications

30. On 19 July 2019, the West of England Combined Authority declared a climate emergency, recognising the huge significance of climate change and its impact on the health, safety and wellbeing of the region's residents. The Combined Authority is committed to taking climate change considerations fully into account as an integral part of its governance and decision-making process.

31. The UKSPF will align with the recently agreed £50m Green Recovery Fund, to maximise progress towards Net Zero.

Land/property Implications

32. None

33. Advice given by Richard Ennis, Interim Director of Investment and Corporate Services

Human Resources Implications:

34. For UKSPF we can use 4% of funding for administrative expenditure. For Multiply, we will be permitted to use up to a maximum of 10% of the funding allocation for administrative expenditure. Recruitment will be needed to support the management and administration of funding.

35. Advice given by Alex Holly, Head of People and Assets

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Appendix 1: UK Community Renewal Fund

As reported to the Committee in December 2021, as a forerunner to the UK Shared Prosperity Fund the Government awarded some £220m nationally through the UK Community Renewal Fund. This aims to support innovative responses to local challenges and needs, including removing barriers that people face in accessing skills and labour market opportunities, building the evidence base for future interventions and exploring the viability of new ideas.

Following the submission of shortlisted applications by the Combined Authority, four projects were selected for funding by Government as shown in the table below. The announcement on which project were to be funded was delayed which altered and compressed the delivery window for these projects and presented some challenges. In April, Government agreed an extension to the original end date of June to December 2022. All four promoters have taken the opportunity to extend their projects to some extent, which will help ensure contractual outputs and outcomes will be delivered with only minor changes.

Project Name	Lead	Project Value	Revised project end date
Skills for Green Jobs and Entrepreneurship	University of the West of England	£760k	30 November 2022
Futureproof: scaling up	Centre for Sustainable Energy	£113k	30 September 2022
South Gloucestershire Council Community Renewal Fund	South Gloucestershire Council	£950k	31 December 2022
Bath and North-East Somerset Social Enterprise Programme	School for Social Entrepreneurs	£594k	30 September 2022