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(Please note that "Information Only" reports do not require Integrated Impact Assessments, Legal or Finance Comments as no decision is being taken)

Title of meeting:	Full Cabinet
Subject:	UK Shared Prosperity Fund Spend
Date of meeting:	22 November 2022
Report by:	Tristan Samuels Director of Regeneration
Authored by:	Jane Lamer Head of Economic Development and Skills
Wards affected:	All

1. Requested by

Portfolio holder for Culture, Leisure and Economic Development and Deputy Leader (Portfolio holder for Children, Families & Education) to consider the spend of the UK Shared Prosperity Fund (UKSPF).

2. Purpose

The UK Shared Prosperity Fund was launched in April 2022 and succeeds the old EU structural funds and was promoted as the central pillar of the UK governments Levelling Up agenda. It provides £2.6 billion of new funding for local investment by March 2025 via a funding formula rather than competition. It is designed to help the UK deliver enhanced outcomes through local interventions.

The UKSPF will support the UK government's wider commitment to level up all parts of the UK by delivering on each of the levelling up objectives:

- Boost productivity, pay, jobs and living standards by growing the private sector, 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

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The primary goal of the UKSPF is to build pride in place and increase life chances across the UK. This aligns with Levelling Up White Paper missions, particularly: 'By 2030, pride in place, such as people's satisfaction with their town centre and engagement in local culture and community, will have risen in every area of the UK, with the gap between the top performing and other areas closing.'

Further information can be found in the UKSPF prospectus [UK Shared Prosperity Fund: prospectus - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/108422/ukspfprospectus.pdf)

The aim of the paper is to inform decision making of the UKSPF funding. At the time of writing, we do not have approval to spend awaiting government confirmation but once received the first-year allocation must be spent in full within the current financial year.

In mid-2022 Portsmouth received an allocation of **£1,423,433** over the 3-year delivery period. Full allocations can be found here [UKSPF allocations - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/108422/ukspfprospectus.pdf)

Community Renewal Fund allocation for 2021/22 (part of the governments pilot work on replacing European social funding) allocated Portsmouth £1,591,015 for a 1 year spend period. This report notes that the final 3-year allocation of UKSPF was significantly less than the 1-year pilot.

To receive funding the local authority were required in July 22 to submit a strategic spending plan (which was created against the City Vision 2040) and an indicative spending plan against short timescales. The UK Shared Prosperity Fund document was shared with councillors and partners in July 2022 (Appendix 1)

In this financial year we will need to allocate and spend the initial allocation of £172,747

Any allocation should be considered in relation to year 2 and 3 allocations of:

2023/24 (April 23 to March 24 £345,493)

2024/25 (April 24 to March 25 £905,193)

UKSPF replaces funding sources which previously funded projects in and around the city. Further details of these projects are found in Appendix 2

3. Information Requested

In July 2022 officers submitted an indicative investment plan to suggest the potential spend of the three-year allocation of £1.4M against our corporate priorities and the City Vision 2040.

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In any spend a minimum of 10% must be allocated to capital in each year - this is currently allocated as

2022/23	£20,000
2023/24	£40,000
2024/25	£75,000

More can be allocated to capital but the minimum must be met.

Although councils can draw up their own intervention titles on their Investment Plan the decision was made by officers to use the 41 suggested interventions to save time and to prevent Government clarification. The 41 suggested interventions broadly met the Council's key priorities. It should also be noted that timescales for submission were tight and against two other significant funding submissions (Levelling Up and Multiply)

Funding is allocated against 3 investment priorities

- 1) Communities & Place
- 2) Local Business
- 3) People and skills (funded only in 2024/25)

Allocations are for financial years and cannot be moved between years (although audit requirements are not confirmed). They can be moved between interventions if the Council has a need subject to central government sign off.

Year 1 allocation £172,747

Spend required by 31/3/23

Community allocation on indicative agreement £55,000 in year 1

E1 Improvements to town centres & high streets	£10,000
E5 Built & landscape environment to "design out crime"	£10,000
E6 Local arts, cultural, heritage and cultural activities	£ 5,000
E13 Community measures to reduce the cost of living	£30,000

Local business allocation on indicative agreement £117,747 in year 1

E16 Open markets & town centre retail & service sector	£10,000
E24 Training hubs, business support, incubators & accelerators	£57,747
E29 Supporting decarbonisation & improving natural environment	£20,000
E32 Business support measures to drive employment and growth	£30,000

Current priorities for year 1 include:

Community allocation on indicative agreement £55,000 in year 1

Examples could be:-

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- Activities and events to promote high street footfall
- Support for cost-of-living work - including supporting helplines and producing appropriate collateral and engagement materials and hosting warm spaces

Local business allocation on indicative agreement £117,747 in year 1
Examples could include:

- Crowdfunder support for 22/23 - £68,200
- Wider business support activities related to start up and sustaining businesses
business support around decarbonisation

Any change in allocation lines (will be subject to Government approval - noting PCC have not yet received formal approval of the proposal documents). Any spend or allocation in advance of approval is at our risk.

In year 2/3 the indicative spend is currently (the Council will have an opportunity to formally review its Investment Plan each year)

	Year 2	Year 3
Community & Place	£85,000	£95,000
Local business	£260,493	£560,193
Skills & People	NA	£259,00
Allocations	£345,493	£905,193

Identified funding priorities for year 2 and 3 (which we recommend review in Jan 2)3 to reflect changing external factors include:

	Year 2	Year 3
Community & Place	£85,000	£95,000

One cost of living priority seeking funding over this period is our current Switched on Portsmouth helpline:

	£45,000	£45,000
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This service for residents is funded to March 23 and will then close without additional funding

Local business	£260,493	£560,193
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Apprenticeship and skills advice

	£30,000	£65,000
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Business Support	£230,493	£495,193
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Skills & People	NA	£259,00
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Youth and business IAG (information, advice and guidance)

Local skills needs and training (not funded by other routes) including green skills

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Signed by (Director)

Appendices:

1	UK Shared Prosperity Fund document (PCC)
2	Examples of previous funding spend in Portsmouth
3	PCC UKSPF deliverables spreadsheet (indicative spend)

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
Imagine Portsmouth	The Vision - Imagine Portsmouth
Portsmouth City Council - Our aims and priorities	Our council aims and priorities - Portsmouth City Council
	UK Shared Prosperity Fund: prospectus - GOV.UK (www.gov.uk)

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Appendix 2

Examples of previous spend, now unsupported by any funding sources:

European Social Funding (ESF) which were regionally and nationally administered (including through Solent LEP)

UK Community Renewal Fund (UKCRF)

UKCRF was the pilot to the UKSPF and Portsmouth secure just under £1.6M for 3 pilot projects detailed below. It was intended to last six months but was extended to nine.

Current UKCRF projects (and examples of themed spend included:

Highbury College (now City of Portsmouth College) Decarbonisation skills support scheme £330,990

A collaborative approach with PCC to address skills gaps, whilst also creating employment opportunities and supporting local businesses. Aimed at the construction industry to adopt cleaner technologies to support the national and global decarbonisation targets. Highbury are upskilling and retraining individuals in Portsmouth and the wider area to ensure the community is well-equipped to thrive in the 'clean growth' landscape. Their training focuses on some key areas, including insulation, solar PV, battery storage, heat pumps and electric vehicles, alongside supporting learners with the essential digital skills required to work efficiently. The Highbury training centre is essentially self-sufficient now.

Output Name	Output target	Output delivered (to end June 2022)	Output delivered %	Forecast Output (to project end date)
People - Unemployed	10	0		10
People - Employed	10	25	250%	25
Businesses - Small	20	23	115%	23
Businesses - Medium	5	6	120%	6
Organisations - Public	1	1	100%	1
Organisations - Private	3	11	367%	11
Organisations - Voluntary Sector	10	10	100%	10

University of Portsmouth Enabling XR Enterprise (eXRe) £628,139.

Creating skills, boosting communities, and benefitting visitor and cultural economy. Working with over 100 businesses in order to support innovation in a variety of ways - focusing upon the Heritage and Visitor Attraction sectors. To enable the local community to benefit from the world-class facilities the University are developing and to support the local economy, which is intrinsically linked to these key sectors. Opening their facilities and

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expertise to the city to provide a huge boost to businesses and organisations and help to raise aspirations and inspire future generations to engage with technology.

Outputs:

Output Name	Output target	Output delivered (to end June 2022)	Output delivered %	Forecast Output (to project end date)
People - Employed	126	50	40%	126
Businesses - Small	80	16	20%	80
Businesses - Medium	15	1	7%	15
Businesses - Large	5	0		5
Organisations - Public	2	2	100%	2
Organisations - Private	2	2	100%	2
Organisations - Voluntary Sector	2	2	100%	2

YTKO Portsmouth Start and Grow £631,886

Business Grants. To continue with their start-up and growth support to businesses in Portsmouth. Their support tailored to help entrepreneurs and businesses navigate the barriers and challenges they face and ensure they gain the skills and knowledge they need to boost their productivity and growth potential.

Outputs:

Output Name	Output target	Output delivered (to end June 2022)	Output delivered %	Forecast Output (to project end date)
People - Unemployed	21	21	100%	30
People - Employed	49	52	106%	60
Businesses - Small	50	60	120%	65

Other ESF (European Social Funded) projects (not administered by PCC) include:

Solent Apprenticeship and skills hub (business support and advice around Apprenticeships and training completed Dec 2023) currently extended to include LoCase delivery business support

YTKO - business support and grants (completes June 2023)

Business support (activities, peer networks, mentoring and start up support)

Capital grants for college and university projects (including refurbishment, technical skills centre development)