

THIS ITEM IS FOR INFORMATION ONLY

(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: UKSPF year 2 Interim Report

Date of meeting: 6 February 2024

Report by: Ian Maguire
Assistant Director for Planning and Economic Development

Authored by: Steve Curtis
Funding Manager

Jane Lamer
Head of Economic Development and Skills

Cabinet member Councillor Steve Pitt
Portfolio Holder for CLED / Leader

Wards affected: All

1. Requested by

1.1 This report, identifying the approved and intended spending allocations under the UKSPF (UK Shared Prosperity Fund) was requested by the Leader, Councillor Pitt.

2. Purpose

2.2 UKSPF was launched in August 2022 as a key strategy within the levelling up agenda. UKSPF replaces previous ESF (European Social Funding) and is designed to support local areas to overcome the deep-seated geographical inequalities and promote people's pride in place.

2.3 Portsmouth received an allocation of £1,423,433 over 3 years, significantly less than anticipated based on previous ESF delivery, the CRF (Community Renewal Fund) pilot delivered in 2021/22 as a trial for UKSPF and local need.

2.4 The allocation is received as follows:

22/23	23/24	24/25
£172,747	£345,493	£905,193

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- 2.5 Money is awarded against a provisional Investment Plan, which was approved and submitted in August 2022, highlighting provisional spend against the 41 delivery lines. The investment plan was clearly linked to Imagine Portsmouth 2040 and Portsmouth City Council's priorities.
- 2.6 In December 2022 we received confirmation of the approved Investment Plan. With contracting agreed we now have an allocation of £345,493 for in year spend for 2023/24.
- 2.7 Spend is over 3 priorities (Community & People / Local Business/ People & Skills), noting there is no allowed spend on People & Skills until year 3 (24/25). 13% (circa 45k) of the overall spend for year 2 (23/24) is required to be capital spend. The investment plan for Portsmouth exceeds this (see Y2 breakdown).
- 2.8 It is noted that in year 1 we saw the ending of significant ESF funded projects.
- 2.9 Allocations have been shared with cross council funding groups to ensure priority has gone to maximising existing funding streams and securing impact for businesses and residents.

3. Information Requested

- 3.1 All spend for Y2 was to be made in full by 31/03/24, however we are now informed we can carry over 20% of spend without penalty. If we carry over more than 20% then this must be justified, and Government will withhold part payment until this is spent.
- 3.2 Up to 4% (£13,820) is allowed each year for the extensive administrative costs for the delivery of the UKSPF. This leaves £331,673 for projects.
- 3.3 Overleaf is an overview of how the funds available for Y2 have been allocated.

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Community and Place Total £81,600

<u>E1: Improvements to town centres & high streets</u>	£9,600
<i>Welcome signage. £12,480 (Capital)</i>	
<i>Overspend against line of £2,880 allocated elsewhere.</i>	
<u>E3: Creation of and improvements to local green spaces</u>	£9,600 (Capital)
<i>This is currently earmarked for the Fratton Pocket Park, but it hoped this can be paid for by another pot and this can be reappropriated.</i>	
<u>E5: Built & landscaped environment to 'design out crime'</u>	£19,200 (Capital)
<i>Delivery of one floor graphic in Commercial Road - £10k</i>	
<i>Cameras placed around the area to increase visibility.</i>	
<u>E6: Local arts, cultural, heritage & creative activities</u>	£4,800
<i>"Big read" in Victoria Park, staging, PA, toilets.</i>	
<u>E13: Community measures to reduce the cost of living</u>	£38,400
<i>Provide outreach advice and support to increase uptake and reduce drop-out rates from the HUG home energy efficiency improvements scheme.</i>	

Local Business Total £250,073

<u>E16: Open markets & town centre retail & service sector</u>	£9,600
<i>Increased internal ownership of canopies and market equipment to support the Market strategy and opportunities for pop up business.</i>	
<u>E24: Training hubs, business support offers, incubators & accelerators</u>	£163,673
Solent Apprenticeship and Skills Service	£60,000
<i>Extending the SASH (Solent Apprenticeship and Skills HUB) ESF funded programme working with Southampton City Council we have retained the independent business advice with a continued focus on apprenticeship and training but now enhanced by sustainability funded programmes.</i>	
Student Enterprise Project	£850
<i>Level 4 Adult learners at HSDC (Havant & South Downs College) completing full-time courses to support their business trials. This work includes students engaging with the We Create Christmas Market 10/11 Dec 2023.</i>	

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Pop Up Shop & Small Business Saturday market £20,000

Branding and marketing materials to support the new Pop-Up Shop site in partnership with Cascades and Flude, providing 6-week trial rental opportunities within the high street (Commercial Road for initial pilot – sites in Cosham and other parts of the city are under investigation to widen the social impact).

Processing Spend for E24:

Business cases are being formulated to support the following applications:

Shaping Portsmouth Mentoring programme £20,000

Supporting the partnership work as Portsmouth Business Support Service, a bespoke mentoring programme for SMEs (Small or Medium sized Enterprise) using Shaping Portsmouth partner volunteers and a range of focused events and training responding to identified gaps for businesses working with further volunteers and appropriate professionals.

Business Support branding and signage for
City Buildings

£18,906 (Capital)

Providing clear direction and branding for new Enterprise Centre and business support offer to the north of Commercial Road. Increased marketing opportunity for all businesses at the gateway to the city, significantly increasing visibility of the service and support whilst increasing the image of the entrance point to the area.

City Buildings – Playland site regeneration £ 43,917 (Capital)

Funding is being directed to the capital spend for the regeneration of the Playlands site in City Buildings. The council purchased the building as part of the City Centre North regeneration work, but the outstanding insurance claim is faulting. Whilst this is pursued by the Property Team funds will be spent to provide a simple upgrade for the Playlands site. If this situation continues the remaining funds could apply against 2024/25 allocation to allow opening in April/May 24 supporting the Future High Streets refurbishment work at the north of commercial road (additional £53,099.98 estimated). This investment will support the letting of the site and there are commercially sensitive discussions in place with both community and commercial organisations which will support the work around.

E29: Supporting decarbonisation & improving natural environment £38,400

Project with Shaping Portsmouth to support businesses to reduce carbon and annual licences from a platform called Zellar, which is a sustainability platform that helps measure/report/reduce/link up with grant funding sources for decarbonisation.

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E30: Business support measures to drive employment Growth £38,400

Arts Council Match Funding £33,000

Working with Portsmouth Creates who are administering a minimum of 10 £3,000 match funding grants allowing businesses to access an additional £27,000 of funding each business. This investment will secure £270,000 additional funding into the city.

City Buildings – Playland site regeneration £5,400

As above

- 3.4 Proposal for spend in year 3 (2024/25) will be in line with agreement with Cabinet in 2022. The final projects will be approved by the Portfolio Holder for Culture Leisure and Economic Development ahead of formal allocation.

Signed by pp (Director)

Appendices: Appendix 1 year 3 spend

APPENDIX 1

Portsmouth City Council UKSPF Year 3 spend

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Portsmouth City Council acknowledge the significant reduction in funding impacting particularly on:

- Business support (including start up, international work, R&D, growth)
- Apprenticeship information support (individual and business support)

European social funding has supported a range of projects in the city including support of vulnerable groups (homeless, underrepresented communities), employment-based projects and capital projects.

Current indicative spends are focus on areas which are losing funding and will include commissioned business support in years 2 and 3.

Funding cannot be allocated to the third priority of People and Skills until year 3, and we note key programmes that support this area locally will close in 2024 (including Solent Apprenticeship and Skills Hub) which we would look to extend.

Year 3 Spend - as per plan agreed by Cabinet in 2022 £905,193 (*Italics relate to potential projects to be confirmed by Portfolio Holder*).

Admin up to £36,207.72 (4% as per agreement with Government)

Spend £868,985.28 (20% of spend min will need to be capital - £181,038).

Community and Places	£91,200
E1: Improvements to town centres & high streets <i>Including enhancement of FSH (Future High Street Spend) and delivery of the Market Strategy (Strategy agreed by CLED (Culture Leisure and Economic Development) Nov 22)</i>	£19,200
E3: Creation of and improvements to local green spaces <i>Further cross city work</i>	£ 9,600
E5: Built & landscaped environment to 'design out crime' <i>Supporting safer street work</i>	£19,200
E6: Local arts, cultural, heritage & creative activities <i>Enabling cultural projects</i>	£ 4,800
E13: Community measures to reduce the cost of living <i>Enabling enhancement of essential spend</i>	£38,400

Local business	£537,785.28
E16: Open markets & town centre retail & service sector	£ 9,600

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Supporting small business support and start up.

E24: Training hubs, business support offers, incubators & accelerators £288,000

Focused start up and acceleration support for Portsmouth based businesses working in partnership with other business support providers to provide value for money. Additional grants as match funding for identified sectors.

E29: Supporting decarbonisation & improving natural environment £ 38,400

Supporting green growth as a key council priority.

E30: Business support measures to drive employment growth £201,785.28

Further development of mentoring, business engagement activities, recruitment for vulnerable groups to meet local need. Support for the exploration of BID (Business Improvement Districts) in key areas of the city where there is business leadership. Ringfenced spend (in the region of £50,000) for the completion of the Playlands refurbishment to allow this to move to renting and support the FSH (Future high streets) spend on Commercial Road).

People and Skills £240,000

E33: Employment support for economically inactive people £144,000
Skills based activities based on business need, led by the business community to support local employment.

E38: Local areas to fund local skills needs £ 96,000
Support for targeted interventions not funded by existing pathways to drive local employment. Potential projects around sector recruitment led by business groups to address under representation.

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

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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
UK Shared Prosperity Fund prospectus (Aug 22)	UK Shared Prosperity Fund: prospectus - GOV.UK (www.gov.uk)
UKSPF Allocations (Aug 22)	UKSPF allocations - GOV.UK (www.gov.uk)
Imagine Portsmouth	Homepage - Imagine Portsmouth
Our council aims and priorities	Our council aims and priorities - Portsmouth City Council