



Report to: Cabinet Meeting – 4 October 2022

Portfolio Holder: Councillor Rhona Holloway - Economic Development & Visitors

Director Lead: Matt Lamb, Director - Planning & Growth

Lead Officer: Neil Cuttell, Business Manager - Economic Growth & Visitor Economy, Ext: 5853

Report Summary	
Type of Report	Open, Non-Key Decision
Report Title	Shared Prosperity Fund
Purpose of Report	To inform and seek approval from members of the next steps in delivery of the Shared Prosperity Fund.
Recommendations	<p>Members are recommended that:</p> <ul style="list-style-type: none"> a) Support the establishment of a SPF programme manager; b) the Council’s base budget is increased to include the new SPF Programme Manager by £72,745 (based on 4% of the grant allocation) or £65,121 (based on 6% of the grant allocation) depending on outcome of the request to increase the top slice percentage and; c) provide delegated authority to the Section 151 Officer, in consultation with the Portfolio Holder for Economic Development & Visitors to approve projects and interventions in line with SPF Guidance and the identified priorities.
Alternative Options Considered	<ul style="list-style-type: none"> a) Use of the allocation of Shared Prosperity Fund for additional capacity through acquiring a consultant on a fixed term contract b) Use of the allocation of Shared Prosperity Fund for additional capacity through recruitment of a part time programme manager.
Reason for Recommendations	The selected option will allow the Council to implement a structured programme management approach, providing the necessary capacity and capability in contract management, procurement, commissioning and engagement.

1.0 **Background**

- 1.1 In April 2022 all Local Authorities were offered the opportunity to submit and Investment Plan for an allocation of the Shared Prosperity Fund (SPF). This Fund is identified as replacing allocations of European Social Fund (ESF) and European Regional Development Fund (ERDF) to localities, and Newark & Sherwood have been provisionally allocated £3.28m between 2022 and 2025.
- 1.2 The Shared Prosperity Fund Investment Plan aligns with the priorities of the guidance and that of the Newark & Sherwood Community Plan. The objectives of ‘deliver inclusive and sustainable economic growth’ and ‘create vibrant and self-sufficient communities’ and ‘improving the health and wellbeing of residents’ are all a focus for local investment through the fund. To provide a robust governance model the creation of the Newark Place Board allows inclusivity and opportunity to shape interventions and activities locally. This approach, supported and overseen by the Portfolio Holder for Economic Growth will allow an approach of effective and efficient delivery of services.
- 1.3 Following the Cabinet Report of the 7th June 2022, and agreement by the Newark & Sherwood Place Board on the 26th July 2022, Officers have submitted the Newark & Sherwood Investment Plan to Government by the required date of the 1st August 2022.
- 1.4 The expected date for confirmation that the Investment Plan will release the grant funding allocation for 2022/23 is October 2022. This will provide a sum of £399,360 for defrayment by 31st March 2023, and a further £798,720 in 2023/24, and £2,092,646 in 2024/25. The allocation of £399,360 for 2022/23 will need to be spent by March 2023, which has implications on the speed at which capacity, procurement, contract management and delivery can be undertaken.
- 1.5 The Investment Plan identified high level interventions and activities in-line with the priorities of Communities & Place, Supporting Local Business, and People & Skills. The interventions will need to be refined and delivered, which will include a requirement to;
 - Appraise existing project proposals
 - Define each individual project
 - Work with key stakeholders including Nottinghamshire County Council to consider cross boundary programmes for the people and skills, and supporting local business priorities
 - Undertake consultation with communities
 - Undertake commissioning & procurement exercises
 - Develop contract management with awarded suppliers
 - Monitor & Evaluate interventions and projects
 - Undertake the required governance and organisation of the Place Board
 - Claim and report to government on the projects and their impacts
- 1.6 This additional work programme will require operational support to deliver the programme, and in doing so the government have informed local authorities that they can utilise 4% of the allocation provided to the locality. This 4% will be released, subject to government approval of the Investment Plan. The government are clear that they want to do all they can to work with Council’s to ensure that they have an approved Investment Plan. There is therefore a high degree of confidence that the 4% will be

secured (£131,629). NSDC's submitted Investment Plan seeks an additional uplift to 6% to cover administrative support. Whilst an uplift over and above the 4% is allowed for in the guidance this is subject to Government approval. Consequently, there is less certainty in securing the additional 2% at the time of writing.

2.0 Proposal/Options Considered and Reasons for Recommendation

2.1 The government has recognised that Local Authorities will require some support in capacity to deliver the SPF programme and have allocated an up to 4% top slice to enable delivery of the programme (with a great percentage possible subject to justification and government approval). The options identified for use of this resource include:

- 1) Using the allocation to seek a specialist consultant to undertake the programme management of the SPF. This option has been discounted as the capacity required will be a 5 day week and the cost of a consultant to deliver this programme over a 3 year period is estimated to be £312k.
- 2) Utilising the allocation with additional Council resources to create Programme Manager post on a full time basis. The cost of this over the three year SPF period will be £140k which includes on costs for employment. This would require an additional £8k to match against the £131k SPF allocation. This is the preferred option and if 6% is approved by Government there will be no additional cost to the Council until the end of the SPF period, when there will be a requirement for £65K (subject to pay awards) growth in the revenue budget.
- 3) Utilising the allocation to secure a programme manager on a part time basis. This option has been discounted as the work programme would not be fully undertaken within this time period.

2.2 As detailed above Option 2 is preferred. It will deliver dedicated and sufficient resource and capacity at a programme manager level. At the time of writing Officers are confident that the Investment Plan will be approved by Government, as will the 4% administrative top-slice. There is less certainty on the additional 2% top-slice. It is recommended, in order to enter what will be a competitive market early and to allow mobilisation in time to delivery in year 1 that the post of SPF Programme Manager is advertised as soon as practicable. This will allow due process and interviews to take place, by which time it is expected the Council will have certainty on its Investment Plan. Whilst it is hoped that the additional 2% will be supported by Government in approving the NSDC SPF Investment Plan budgetary implication of NSDC covering this element have been identified.

2.3 In developing the proposed programmes within the Investment Plan into implemented projects the Newark & Sherwood Place Board, and Members of the Council will have an ability to influence and shape projects during 2022-2025. To further enable delivery of the Shared Prosperity Fund interventions and ensure inclusion and focus of the Newark & Sherwood Place Board, Officers would recommend that delegated authority is provided to the Portfolio Holder for Economic Growth in collaboration with the Section 151 Officer to consider and approve projects supported by the Newark & Sherwood Place Board when provided.

3.0 Implications

In writing this report and in putting forward recommendations, Officers have considered the following implications; Data Protection, Digital and Cyber Security, Equality and Diversity, Financial, Human Resources, Human Rights, Legal, Safeguarding, Sustainability, and Crime and Disorder and where appropriate they have made reference to these implications and added suitable expert comment where appropriate.

3.1 Financial Implications (FIN22-23/3146)

This report requests approval a change to the revenue budget to include an SPF Programme Manager post.

The Council will currently be allowed to use up to 4% (£131,629) of its grant allocation (£3,290,726) for SPF administration, though has asked central government that it be allowed to use up to 6% (£197,444).

The SPF does not require local authorities to use their allocations for Fund administration in proportion to the grant amounts received for each financial year. Rather, the SPF only requires that local authorities do not spend more than their overall allocation for Fund administration.

The table below summarises the financial implications.

If the council is only allowed to use 4% (£131,629) of its SPF allocation for administration, the council is estimated to fully use this on the Programme Manager post (and ICT equipment mentioned below) and will require £72,745 in additional budget over the current MTFP period.

If the council is allowed to use 6% (£197,444) of its SPF allocation for administration, the council is estimated to use £137,253 on the Programme Manager post and require £65,121 in additional budget requirement over the current MTFP period. The estimated unused balance of £58,191 would be available for other administration costs or would need to be repaid to central government if it was not spent in accordance with the grant determination to be received.

	2022/23	2023/24	2024/25	2025/26	Total
Total SPF grant allocation	399,360	798,720	2,092,646		3,290,726
4% SPF for administration		131,629			131,629
6% SPF for administration		197,444			197,444
Programme Manager	14,078	59,989	63,186	65,121	202,374
ICT equipment	2,000				2,000
4% SPF for administration	16,078	59,989	55,562		131,629
Additional Budget requirement			7,624	65,121	72,745
Programme Manager	14,078	59,989	63,186	65,121	202,374
ICT equipment	2,000				2,000
6% SPF for administration	16,078	59,989	63,186		139,253
Additional Budget requirement				65,121	65,121
Unused balance of 6% SPF		58,191			58,191

By permanently adding the post to the establishment this will require adding (subject to pay awards) an additional £7,624 in 2024/25 and £65,121 in 2025/26 base budget permanently if the admin element remains at 4% and £65,121 from 2025/26 onwards if the admin element is increased to 6%.

3.2 Human Resources Comments– The establishment of a new post of Programme Manager for the Shared Prosperity Fund is subject to discussion with the trade unions, the job evaluation process and recruitment process.

3.3 Equality & Diversity – The recruitment of the Programme Manager will follow the Human Resources process for recruitment.

3.4 Legal – There is no specific legal advice required.

3.5 Sustainability – there are no sustainability implications with the substance or recommendations of the report. There will be implications for the sustainability of projects undertaken through SPF.

Background Papers and Published Documents

7 June 2022 Cabinet Paper ‘Sherwood Levelling Up and Shared Prosperity Fund’