

## **CABINET**

**26 JULY 2022**

### **SHARED PROSPERITY FUND INVESTMENT PLAN SUBMISSION**

Portfolio Holder: Councillor Rodney Chambers OBE - Portfolio Holder for Strategic Regeneration, Inward Investment and Partnerships

Report from: Sunny Ee – Assistant Director, Regeneration

Author: Jessica Jagpal – Strategy and Economic Investment Programme Manager

#### **Summary**

Government announced the launch of the new £2.6 billion UK Shared Prosperity Fund (SPF) in mid-April 2022. SPF is a significant component of the Government's ambitious Levelling Up agenda and succeeds EU structural funds.

This report seeks Cabinet approval of the Investment Plan proposed for submission to Government. Investment Plans, which will be required to be refreshed annually, must be submitted by 1 August 2022. Once approved, first payments are expected to be paid from October 2022.

#### **1. Budget and policy framework**

1.1. SPF investment in Medway will aim to support all three established Council priorities:

People: Supporting Medway's residents to realise their potential

Place: Medway – a place to be proud of

Growth: Maximising regeneration and economic growth for all

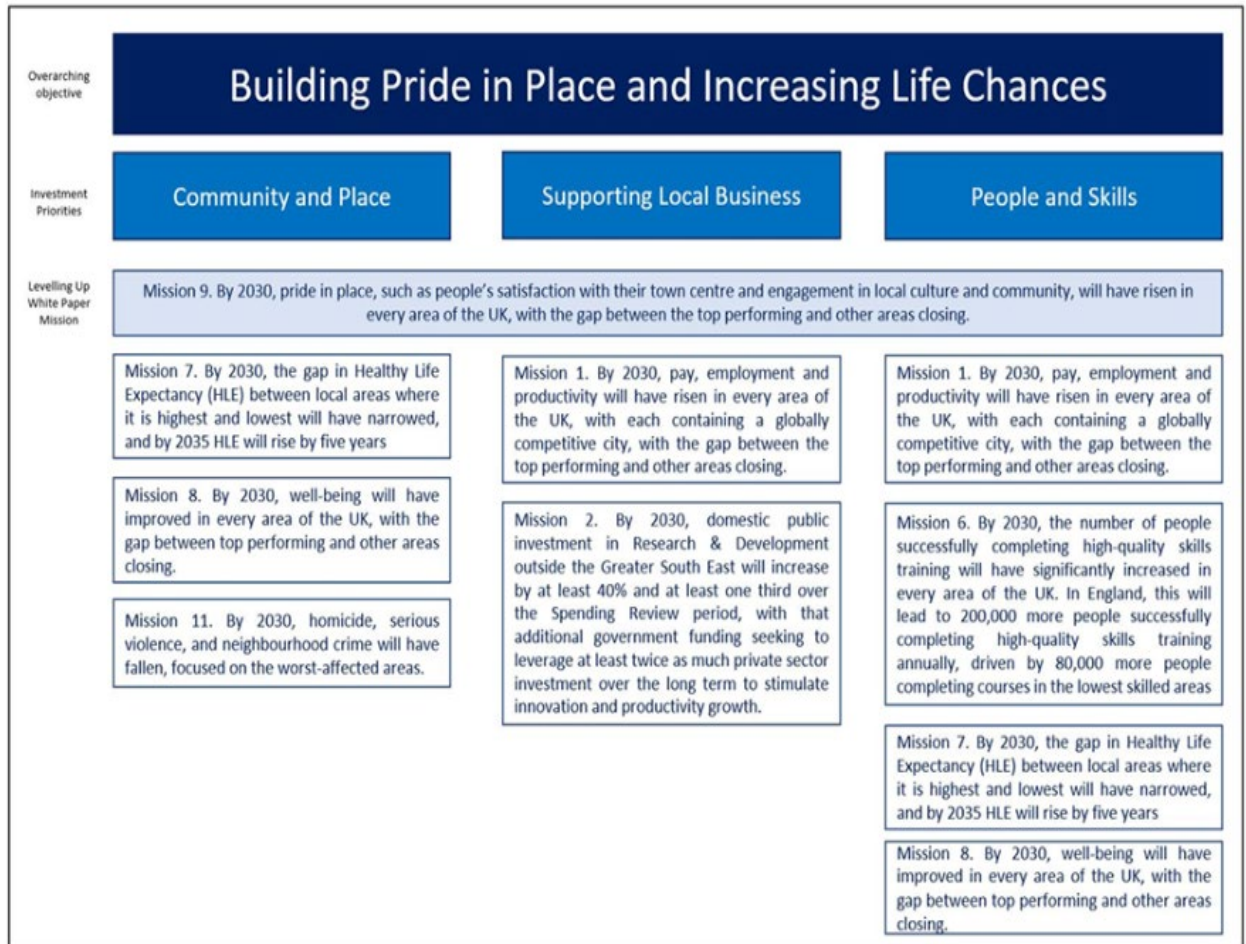
1.2. The SPF and Investment Plan will strongly align with the refreshed Medway 2037 set of strategies. The refreshed Medway 2037 Strategies respond to key societal, socio-economic, and political agendas which are now highly material to Medway's growth agenda including Climate Change, Levelling Up and technological challenges and opportunities, whilst also ensuring the Council is positioned to capitalise on both existing and emerging funding opportunities for the economic regeneration of Medway, delivering growth for all.

1.3. Medway 2037 embeds Medway Council's ethos to eliminate unlawful discrimination, actively promote equality of opportunity, growth for all, and

foster good relations between different sections of the community through improving the quality of life and opportunities for everyone. Diversity Impact Assessments were incorporated at key junctures to ensure all requirements of the Equalities Act 2010 are satisfied.

## 2. Background

- 2.1. The SPF 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
- 2.2. 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.'
- 2.3. SPF is a non-competitive process; allocations are instead made to lead authorities based on a funding formula. To access the SPF allocation, each lead authority must submit an Investment Plan for approval by Government. Investment Plans must cover the use of SPF across the funding period April 2022 to March 2025.
- 2.4. Investment Plans must be submitted by 1 August 2022. Once approved, first payments are expected to be paid from October 2022. Investment plans will be required to be refreshed annually.
- 2.5. Figure 1 below sets out clearly how the SPF aligns with the Levelling Up Agenda.



## UKSPF Investment Priorities and the Levelling Up Missions

- 2.6. Government has allocated Medway Council £1,854,688 SPF investment.
- 2.7. Local authorities are being given responsibility for developing an Investment Plan for approval by the UK government, and for delivery of the Fund thereafter. This recognises that pride in place and increasing life chances can be best achieved by delivery close to local people and businesses; by authorities that understand each place's unique local context and identity, and with established governance.
- 2.8. Lead local authorities will receive an area's allocation to manage, including assessing and approving applications, processing payments and day-to-day monitoring.
- 2.9. Each intervention included within the Investment Plan must align with one of the SPF investment priorities: Communities and Place, Supporting Local Business, People and Skills. There are objectives for each priority and a number of interventions.

2.9.1. The objectives of the Communities and Place priority are:

- Strengthening our social fabric and fostering a sense of local pride and belonging, through investment in activities that enhance physical, cultural and social ties and access to amenities, such as community infrastructure and local green space, and community-led projects.
- Building resilient, healthy and safe neighbourhoods, through investment in quality places that people want to live, work, play and learn in, through targeted improvements to the built and natural environment innovative approaches to crime prevention.

2.9.2. Interventions for the Community and Place priority can include:

- E1: Funding for improvements to town centres and high streets, including better accessibility for disabled people, including capital spend and running costs.
- E2: Funding for new, or improvements to existing, community and neighbourhood infrastructure projects including those that increase communities' resilience to natural hazards, such as flooding. This could cover capital spend and running costs.
- E3: Creation of and improvements to local green spaces, community gardens, watercourses and embankments, along with incorporating natural features into wider public spaces.
- E4: Enhanced support for existing cultural, historic and heritage institutions that make up the local cultural heritage offer.
- E5: Design and management of the built and landscaped environment to 'design out crime'.
- E6: Support for local arts, cultural, heritage and creative activities.
- E7: Support for active travel enhancements in the local area.
- E8: Funding for the development and promotion of wider campaigns which encourage people to visit and explore the local area.
- E9: Funding for impactful volunteering and/or social action projects to develop social and human capital in local places.
- E10: Funding for local sports facilities, tournaments, teams and leagues; to bring people together.
- E11: Investment in capacity building and infrastructure support for local civil society and community groups.
- E12: Investment in community engagement schemes to support community involvement in decision making in local regeneration.
- E13: Community measures to reduce the cost of living, including through measures to improve energy efficiency, and combat fuel poverty and climate change.
- E14: Funding to support relevant feasibility studies.
- E15: Investment and support for digital infrastructure for local community facilities.

2.9.3. The objectives of the Supporting Local Business priority are:

- Creating jobs and boosting community cohesion, through investments that build on existing industries and institutions, and range from support for starting businesses to visible improvements to local retail, hospitality and leisure sector facilities.
- Promoting networking and collaboration, through interventions that bring together businesses and partners within and across sectors to share knowledge, expertise and resources, and stimulate innovation and growth.
- Increasing private sector investment in growth-enhancing activities, through targeted support for small and medium-sized businesses to undertake new-to-firm innovation, adopt productivity-enhancing, energy efficient and low carbon technologies and techniques, and start or grow their exports.

2.9.4. Interventions for the Supporting Local Business priority can include:

E1: Funding for improvements to town centres and high streets, including better accessibility for disabled people, including capital spend and running costs.

E2: Funding for new, or improvements to existing, community and neighbourhood infrastructure projects including those that increase communities' resilience to natural hazards, such as flooding. This could cover capital spend and running costs.

E3: Creation of and improvements to local green spaces, community gardens, watercourses and embankments, along with incorporating natural features into wider public spaces.

E4: Enhanced support for existing cultural, historic and heritage institutions that make up the local cultural heritage offer.

E5: Design and management of the built and landscaped environment to 'design out crime'.

E6: Support for local arts, cultural, heritage and creative activities.

E7: Support for active travel enhancements in the local area.

E8: Funding for the development and promotion of wider campaigns which encourage people to visit and explore the local area.

E9: Funding for impactful volunteering and/or social action projects to develop social and human capital in local places.

E10: Funding for local sports facilities, tournaments, teams and leagues; to bring people together.

E11: Investment in capacity building and infrastructure support for local civil society and community groups.

E12: Investment in community engagement schemes to support community involvement in decision making in local regeneration.

E13: Community measures to reduce the cost of living, including through measures to improve energy efficiency, and combat fuel poverty and climate change. E14: Funding to support relevant feasibility studies.

E15: Investment and support for digital infrastructure for local community facilities.

2.9.5. The objectives of the People and Skills priority are:

- Boosting core skills and support adults to progress in work, by targeting adults with no or low level qualifications and skills in maths, and upskill the working population, yielding personal and societal economic impact, and by encouraging innovative approaches to reducing adult learning barriers (Scotland, Wales and Northern Ireland only. In England, this is delivered through the Department for Education's Multiply programme).
- Reducing levels of economic inactivity through investment in bespoke intensive life and employment support tailored to local need. Investment should facilitate the join-up of mainstream provision and local services within an area for participants, through the use of one-to-one keyworker support, improving employment outcomes for specific cohorts who face labour market barriers.
- Supporting people furthest from the labour market to overcome barriers to work by providing cohesive, locally tailored support including access to basic skills.
- Supporting local areas to fund gaps in local skills provision to support people to progress in work, and supplement local adult skills provision e.g. by providing additional volumes; delivering provision through wider range of routes or enabling more intensive/innovative provision, both qualification based and non-qualification based. This should be supplementary to provision available through national employment and skills programmes.

2.9.6. Interventions for the People and Skills priority can include:

E33: Employment support for economically inactive people: Intensive and wrap-around one-to-one support to move people closer towards mainstream provision and employment, supplemented by additional and/or specialist life and basic skills (digital, English, maths\* and ESOL) support where there are local provision gaps.

### 3. Overview of the SPF and Investment Plan Approach

#### 3.1. Alignment with Medway 2037 Strategies

3.1.1. The Medway 2037 document is comprised of six key priorities; Destination and Place-making, Inward Investment, Town Centres, Business Accommodation and Digital Connectivity, Sector Growth and Improving Employability. Alongside the key priorities sit three cross cutting themes; Climate Change and Net-Zero, Creativity and Innovation, and Growth for All.

3.1.2. The SPF interventions and Investment Plan will strongly align with the recently refreshed Medway 2037 set of documentation which form Medway's core economic and regeneration strategy.

### 3.2. Engagement with Partners

3.2.1. The SPF has a strong emphasis on working closely with partners. It replaces EU structural funds, which a number of Medway's partners have previously received.

3.2.2. A wide range of external partners for each investment priority, not limited to, include the following:

- Communities and Place
  - Place Board
  - Creative Medway
  - Developers Group
  - Medway Tourism Association
  - Medway Youth Council
  - Heritage Action Zone Cultural Consortia
  - Chatham Intra Pact
  - Town Centre Forums
- Supporting Local Business
  - Kent Business School
  - Locate in Kent
  - Kent and Medway Economic Partnership
  - South East Local Enterprise Partnership
  - Growth Hub
  - Invicta Chamber of Commerce
  - Federation of Small Businesses
  - Town Centre Forums
- People and Skills
  - University of Kent
  - University of Greenwich
  - Canterbury Christ Church University
  - Waterfront Technical College
  - Mid Kent College
  - KATO
  - Medway Voluntary Action
  - Kent Business School
  - DWP
  - VCS
  - Skills Stakeholder Board

3.2.3. A range of internal partners for each investment priority, not limited to, include the following:

- Communities and Place
  - Public Health
  - Community and Culture
  - Culture and Libraries
  - Sport leisure tourism and heritage
  - Transport
  - Planning
  - Regeneration
  - Climate Change

- Smart Cities
- Child Friendly City
- Ward Members
- MPs
- RCE O&S
- Supporting Local Business
  - Climate Change
  - Smart Cities
  - Business for Medway
- People and Skills
  - Public Health
  - Adult and Children Social Care
  - Skills and Employment Team
  - Medway Adult Education
  - Apprenticeship Academy

### 3.3. Investment Plan Approach

- 3.3.1. Throughout the process of selection of the SPF interventions and creation of the Investment Plan, key consideration has been given to both alignment with the Medway 2037 Strategies, as well as with the engagement with our partners.
- 3.3.2. The Medway 2037 strategies include action plans; SPF will enable some of those actions to be delivered, aligning the Council priorities, with those of the SPF.
- 3.3.3. The Investment Plans submission form covers local context, including challenges and opportunities, a selection of outcomes and outputs, proposed interventions, the mechanisms for delivery, approach to delivery and governance, financial expenditure, deliverables, and capability and resource.
- 3.3.4. There are competing demands on Medway's SPF allocation, as it is significantly lower than the previous European funding that partners may have previously received. In order to manage this, an extensive list of stakeholders have been invited to attend a workshop which explains the SPF opportunity and guides partners in putting forward their proposals. Proposals will have a maximum cap for funding to ensure that the SPF can be distributed to a range of projects that align with both the SPF and Medway 2037 priorities.
- 3.3.5. To enable effective management of the SPF, including liaising with Government and multiple partners, as well as managing reporting requirements and funding for each intervention, specific consideration has been given to internal resourcing.
- 3.3.6. Government has placed significant emphasis on monitoring of the outputs and outcomes of the SPF interventions. Bi-annual quantitative monitoring of metrics and more frequent qualitative monitoring is required. A process evaluation will also take place.



3.3.7. The submission deadline for Investment Plans is 1 August 2022. There has been no information from Government around any delay to this, or any mention of further opportunities for submission.

3.3.8. Once submitted, Government will then assess Investment Plans and proposed interventions and approve the SPF allocations accordingly. Following this, Investment Plans will require annual updates.

3.3.9. A summary of the proposed Investment Plan interventions can be found at Appendix 1.

## 4. Options

4.1 Options for the Investment Plan submission are:

4.1.1. To submit the proposed Investment Plan as summarised in Appendix 1, in line with the SPF submission deadline.

4.1.2. To delay submission of the proposed Investment Plan and continue develop it with partners, with no guarantee that Government will accept a submission beyond the 1 August 2022 submission deadline.

4.1.3. To reject submission of an Investment Plan.

## 5. Advice and analysis

5.1 As there has been no indication that Government will extend the deadline or accept late submissions of the Investment Plan, it is recommended that options 2 and 3 are discounted. In order to receive Medway's SPF allocation, the Council should submit the proposed Investment Plan by the 1 August 2022 deadline or will risk losing the opportunity for SPF funding.

## 6. Risk Management

Risk	Description	Action to avoid or mitigate risk	Risk rating
Medway's SPF allocation is not approved by Government.	Councils are required to submit an Investment Plan to outline proposed SPF interventions. The Investment Plan must be approved by Government before any funding is released.	Ensure that the Investment Plan submission is compliant with Government SPF guidance.  Ensure that the proposed interventions all align with Levelling Up, SPF and Council priorities.	D2
SPF funding is not spent effectively.	The SPF allocation for Medway is relatively small; all SPF funded	Consult key stakeholders and ensure that all proposed SPF interventions within the	C2

Risk	Description	Action to avoid or mitigate risk	Risk rating
	interventions need to ensure that the benefits of the funding are maximised.	Investment Plan are in line with the Government Levelling Up Agenda, and Council priorities.	
Negative publicity.	Partners expectations for SPF funding are high, due to the funding stream succeeding European Structural funds.	To clearly set out Medway's total allocation to partners.  Setting a maximum that partner projects can bid for, to enable a breadth of interventions to be delivered, to maximise benefits realisation across Medway.	C3
Lack of resource required to deliver the Investment Plan and administer the SPF	There are significant monitoring requirements for the SPF and reporting to Government. Multiple partners delivering the SPF interventions, will all require funding agreements and management of funding, as well as reporting.	Ensure appropriate allocation is given to managing and delivering the Investment Plan within the SPF funding.	C2
Successful projects do not deliver intended outputs / outcomes.	Projects cannot deliver their intended outputs within budget and / or to schedule, leading to a reduced opportunity to deliver the extent of identified schemes. This could lead to reputational damage.	Effective partnership relationship management will be key to the successful delivery of SPF interventions, and resourcing this has been allocated within the Investment Plan.	C2

## 7. Consultation

- 7.1. The Investment Plan has been developed in line with the Medway 2037 priorities. The Medway 2037 Strategies had extensive engagement with Stakeholders, including presentations to the Regeneration, Culture and Environment Overview and Scrutiny Committee. The Leader, Portfolio Holder for Strategic Regeneration, Inward Investment and Partnerships and Portfolio Holder for Planning, Economic Growth and Regulation were engaged in regular dialogue via meetings with the Assistant Director, Regeneration and the Strategy and Economic Investment Programme Manager.

7.2. Internal stakeholders have been engaged, including a presentation of the SPF opportunity to Service Managers meeting. External stakeholders have been invited to attend a workshop on the SPF, Investment Plan and proposed interventions.

## 8. Climate change implications

8.1. In April 2019, Medway Council declared a climate change emergency. The Council is committed to making Medway carbon neutral by 2050 and has developed an action plan to facilitate making a 'clean and green environment'. The aim is to ensure that climate change is incorporated and embedded into all relevant policies, strategies, plans and contracts.

8.2. Climate change has been embedded throughout the Medway 2037 strategies. It is responding to Medway Council's adopted Climate Change Action Plan, specifically Key Priority Action 2 (Public Sector Decision Making) which includes a sub-action to embed climate change in all relevant Council plans and strategies. The SPF Investment Plan strongly aligns with the Medway 2037 Strategies.

## 9. Financial implications

9.1. Government has made available up to £20,000 for each lead authority, towards preparation of the Investment Plan. Consultants would cost significantly more to prepare the Investment Plan. The industry has lacked capacity as Government deadlines for Levelling Up Fund submissions and SPF Investment Plan submission windows overlap. Subsequently, the Investment Plan has been developed in-house.

9.2. Securing the SPF investment would have a significant, positive impact for the Council, as well as for Medway's residents, partners and businesses.

## 10. Legal implications

10.1. There are no legal implications for this report.

## 11. Recommendations

11.1. The Cabinet is asked to approve the proposed Investment Plan for submission to the Department for Levelling Up Housing and Communities (DLUHC) as set out in the summary at Appendix 1 to the report.

11.2. The Cabinet is asked to agree to delegate authority to the Director of Place and Deputy Chief Executive, in consultation with the Portfolio Holder for Strategic Regeneration, Inward Investment and Partnerships to finalise and approve the Investment Plan for submission to DLUHC by the 1 August 2022 deadline.

11.3. The Cabinet is asked to agree to delegate authority to the Director of Place and Deputy Chief Executive, in consultation with the Portfolio Holder for Strategic Regeneration, Inward Investment and Partnerships to deliver the projects, in line with the successful bid submission.

## 12. Suggested reasons for decision(s)

12.1. Approval of the submission is in support of Medway's regeneration priorities and will enable Medway to access Medway's SPF allocation, and to accept the funds for successful interventions.

### Lead officer contact

Sunny Ee, Assistant Director, Regeneration  
Email: [sunny.ee@medway.gov.uk](mailto:sunny.ee@medway.gov.uk)  
Tele no: 01634 338121

Jessica Jagpal, Strategy and Economic Investment Programme Manager  
Email: [jessica.jagpal@medway.gov.uk](mailto:jessica.jagpal@medway.gov.uk)  
Tele no: 01634 331544

### Appendices

Appendix 1 – Summary of Proposed Investment Plan

### Background papers

UKSPF Prospectus available at:  
<https://www.gov.uk/government/publications/uk-shared-prosperity-fund-prospectus/uk-shared-prosperity-fund-prospectus>