

CABINET

4 APRIL 2023

SHARED PROSPERITY FUND AND MULTIPLY YEAR 1 UPDATE AND YEAR 2 PROPOSAL

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

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Summary

Government announced the launch of the new £2.6 billion UK Shared Prosperity Fund (SPF) including Multiply in mid-April 2022 with an allocation of £1.855million to Medway and an additional £1.448million of Multiply. SPF is a significant component of the Government's ambitious Levelling Up agenda and succeeds EU structural funds. The final award of and approval of the Council's Investment Plan (IP) was confirmed on 5th December 2022. The Council used the approved IP to begin the delivery of year 1 (2022-23) with a focus on Council led projects to ensure completion given the programme delivery window of 3 months.

This paper sets out what has been achieved thus far 2022-23 and seeks approval for the 2023-24 programme of spend for the SPF and Multiply.

The report was previously considered by the Regeneration, Culture and Environment Overview and Scrutiny Committee on 21 March 2023, the comments of which are set out at section 7 to the report.

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 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

- 2.1.1. The Cabinet approved 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, on 26 July 2022.
- 2.1.2. The Cabinet agreed 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.
- 2.1.3. The Cabinet agreed 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.
- 2.2. Medway Shared Prosperity Fund Programme
 - 2.2.1. 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.
 - 2.2.2. 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.'
 - 2.2.3. SPF is a non-competitive process; allocations are instead made to lead authorities based on a funding formula. To access our SPF allocation, the Council will apply Medway's approved IP across the three financial years from April 2022 to March 2025.

2.2.4. Government has allocated Medway Council £1.855million SPF funding. This is split across three financial years; £225,083 for 2022-23, £450,167 for 2023-24 and £1,179,438 for 2024-25.

2.3. Medway Multiply Programme

2.3.1. The main objectives of the Multiply scheme are to improve numeracy skills in adults aged 19+ who do not currently have a level 2 in Maths. This is to be delivered through an array of defined interventions. The specific aims of the funding stream are to:

- increase the number of adults achieving maths qualifications (up to, and including, Level 2 – with GCSEs and FSQs as our qualification of choice in England);
- improve labour market outcomes; and
- increase adult numeracy across the population.

2.3.2. Multiply has a total allocation of £1.448million. This is split £440,000 for 2022-23, £504,000 for 2023-24 and £504,000 for 2024-25.

3. Overview of the Shared Prosperity Fund (SPF), Investment Plan and Multiply Progress and 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 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 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 Plan's submission form covered 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 were invited to attend a workshop which explained the SPF opportunity and guided partners in putting forward their proposals. Proposals had 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. 20 plus stakeholders attended and over 20 expressions of interest were received from various external stakeholders and Council officers. Feedback from participants was positive highlighting the Council's inclusive approach and ease of application.
- 3.3.6. 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.
- 3.3.7. 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 each year.

3.4. SPF Year 1 Progress

- 3.4.1. As previously noted the window of spend and delivery for Year 1 was limited to 3 months making Council led projects and services the most likely vehicle for completion. Through the stakeholder workshop and subsequent submissions the Council have approved and begun the delivery of a small programme of interventions within the allocated budget.
- 3.4.2. The Council are currently on target to exercise the full allocation of Year 1 within SPF spend guidelines with no expected loss of funding.

3.4.3. Projects being taken forward for Year 1 include;

- Chatham Heritage Wayfinding Study
- Inward Investment Review Study
- Cultural Consortium Future Study
- Future of HSHAZ Legacy Study
- Gillingham Clock Repair Feasibility Study
- Medway Food Partnership Innovation Co-ordinator.
- Public Wifi
- Flying Porcupine
- Light Nights Intra
- Intra Lateral Arts Festival
- Heritage Awareness
- Greenspaces Enhancements
- Easter Events Gillingham
- Prelim for Eastgate Quarter
- In Residence
- Creative and Cultural Sector Support and Development Programme

3.5. Multiply Year 1 Progress

3.5.1. The Medway Multiply investment plan was submitted at the end of June as set by government and subsequently approved by the Department for Education (DfE) in September. The investment plan process involved consulting with other local authorities, internal stakeholders and external stakeholders, particularly education and training providers. It was decided to work to all interventions, ensuring enough funds per learner were assigned to properly resource courses, and a dedicated pot for learner engagement was outlined.

3.5.2. Multiply has proven challenging to deliver within the tight timescales set by government. Essentially Councils had 6 months to deliver a 12 month programme. Procuring, recruiting, and designing and putting on brand new courses is a time consuming process that absorbed a large part of the 6 months.

3.5.3. All local authorities have lobbied for an extension to funding, however this has been denied. This year's delivery will take place right up until the 31st March and therefore a final figure is not available now. However, it is expected that between 70% and 80% of the funding will be utilised. Any underspend will be deducted from next year's fund of £504,000.

3.5.4. To date Council direct delivery has comprised of over 160 learners taking part in Multiply interventions. The Council has taken a creative approach to making maths fun and engaging, with the following courses being delivered through the appointment of a Multiply Coordinator:

- Multiply in the allotment
- Making Christmas decorations
- Garden design
- Book keeping and accounts

- Budget planning
- Sewing
- ESOL maths
- Helping your child with numeracy
- Maths is fun

4. Shared Prosperity Fund (SPF) and Multiply Year 2 Approach

4.1. SPF

- 4.1.1. Given the number of Council led projects in Year 1 the Council intends to prioritise external bids for Year 2 to ensure more stakeholders are able to utilise the funding.
- 4.1.2. Work is ongoing to draft a Year 2 prospectus and build on the successes of the Year 1 workshop and expressions of interest. The intention is to launch Year 2 in the first quarter of 2023-24 and for more consultation workshops to be programmed in and updates to O&S as appropriate.
- 4.1.3. The work already completed on the IP and alignments with Medway 2037 as reported to Cabinet on 26th July 2022 will be used to determine which projects are taken forward with a clear scoring system to ensure parity across the programme.

4.2. Multiply

- 4.2.1. The approach to year 2 will be to continue to build on the positives of year 1, with more courses, more follow on courses and bringing to fruition many of the partnerships being created. With the slightly larger pot and a full 12 months available in year 2, the commissioned pot will slightly increase.
- 4.2.2. The year 2 investment plan was built on a very similar basis to the year 1 investment plan and has been approved by the DfE.
- 4.2.3. Time will be taken to review what has worked well for Multiply so far, alongside what can still be improved with mid-year reviews and a further update to O&S in year 2023-24.

5. Options

- 5.1. To approve the proposed delivery of the UKSPF and Multiply year 2 2023-24 as set out in this paper.
- 5.2. To reject the proposed delivery of the UKSPF and Multiply year 2 2023-24 as set out in this paper.
- 5.3. To delay the approval of the UKSP and Multiply year 2 2023-24 as set out in this paper.

6. Advice and Analysis

- 6.1. Both the SPF and Multiply Investment Plans have been approved by DLUHC and Year 1 has progressed well with a high level of consultation with users and stakeholders as well as their support in the Year 1 programme. This provides a stable base from which to deliver Year 2 with the opportunity of more stakeholder engagements to ensure the programme meets the needs of Medway residents and businesses.
- 6.2. Rejecting or delaying the proposed programme would threaten delivery and risk the loss of funding through a reduced spend window. There is no guarantee that DLUHC would allow the funding to roll over to Year 3 and the underspend could be lost for Medway's residents and businesses.

7. Cabinet

- 7.1. The Regeneration, Culture and Environment Overview and Scrutiny Committee considered the report at its meeting on 21 March 2023 and its comments are set out as follows:
- 7.2. This report set out what had been achieved so far in 2022-23 in relation to the Shared Prosperity Fund (SPF) and Multiply programme. It also set out the 2023-24 programme of spend for the SPF and Multiply.
- 7.3. A Member asked when the SPF and Multiply programme would be open for applications and the process for this. The Assistant Director, Regeneration said that staff recruitment was currently taking place with one person having been recruited so far. It was anticipated that the launch of the SPF would take place in the first quarter of 2023/24. The Multiply Programme was a specific investment plan that involved the local authority procuring services.
- 7.4. In response to a question that asked what criteria were in place to meet the Multiply Programme objective of improving numeracy skills in adults aged 19+ who did not currently have a level 2 in Maths, the Assistant Director was confident that ways of measuring this were in place. He undertook to provide details to the Committee.

7.5. **Decision:**

The Committee:

- i) Noted progress in relation to the Shared Prosperity Fund and the Multiply Programme and noted the Year 1 outcomes.
- ii) Requested that an update report be provided to the Committee in six months' time.

8. Risk Management

Risk	Description	Action to avoid or mitigate risk	Risk rating
SPF funding is not spent effectively.	The SPF allocation for Medway is relatively small; all SPF funded interventions need to ensure that the benefits of the funding are maximised.	Consult key stakeholders and ensure that all proposed SPF interventions within the Investment Plan are in line with the Government Levelling Up Agenda, and Council priorities.	C2
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
Likelihood:		Impact:	
A Very high B High C Significant D Low E Very low F Almost impossible		1 Catastrophic (Showstopper) 2 Critical 3 Marginal 4 Negligible	

9. Consultation

- 9.1. 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.
- 9.2. Internal stakeholders have been engaged, including a presentation of the SPF opportunity to Service Managers meeting. External stakeholders participated in a workshop on the SPF, Investment Plan and proposed interventions.

10. Climate change implications

- 10.1. 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.
- 10.2. 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.

11. Financial implications

- 11.1. All expenditure will be funded from the grant allocations referred to throughout the body of the report, there are no additional costs or pressures on the Council's revenue or capital budgets in delivering the programmes. The SPF and Multiply funds are paid to the council in line with the annual allocations and in accordance with the Memorandum of Understanding.
- 11.2. Securing the SPF investment will have a significant, positive impact for the Council in supporting Medway's residents, partners and businesses.

12. Legal implications

- 12.1. The Council has a Grant Determination Agreement (GDA) in place with central government. Any successful external bidders for the SPF and Multiply will be subject to a legal agreement and terms and conditions that ensure the GDA and the Council's legal position as the accountable body for distributing the funding are protected.

12.2. The Council will ultimately remain liable for any grant which has to be repaid due to a breach of the GDA even if by an external party so it is vital that the projects are closely monitored to ensure delivery is achieved. The agreements will contain claw back provisions to mitigate this risk so far as is possible.

13. Recommendations

13.1. The Cabinet is asked to note the comments of the Regeneration, Environment and Culture Overview and Scrutiny Committee.

13.2. The Cabinet is asked to approve the proposed SPF and Multiply Year 2 programme.

13.3. 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 SPF and Multiply Year 2 programme of projects.

14. Suggested reason for decisions

14.1. Approval of the Year 2 programme is in support of Medway's regeneration priorities and will enable Medway to access SPF and Multiply allocations for another year.

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Appendices

Appendix 1 – Summary of Investment Plan

Background papers

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