

## **Cabinet**

**9 April 2024**

### **Shared Prosperity Fund, Multiply and Rural England Prosperity Fund 2024/25**

Portfolio Holder: Councillor Lauren Edwards, Portfolio Holder for Economic and Social Regeneration and Inward Investment

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#### **Summary**

Government launched the £2.6 billion UK Shared Prosperity Fund (SPF) including Multiply and Rural England Prosperity Fund (REPF) in mid-April 2022. Medway was allocated £1.855 million SPF, £1.458 million of Multiply funding and £400,000 of REPF. SPF is a component of the Government's Levelling Up agenda and succeeds EU structural funds. The Council's Investment Plan (IP) to access SPF was approved in December 2022. Delivery of SPF Year 1 2022/23 focussed on Council led projects to ensure completion given the programme delivery window of 3 months. Delivery of UKSPF Year 2 2023/2024 is underway to support external partners in delivering projects that foster pride in place across Medway.

This paper sets out what has been achieved to date and seeks approval for the 2024/25 programme of spend for SPF, Multiply and REPF.

#### **1. Recommendations**

- 1.1. The Cabinet is asked to approve the proposed Shared Prosperity Fund (SPF), Multiply and Rural England Prosperity Fund (REPF) 2024/25 programmes.
- 1.2. The Cabinet is asked to agree to delegate authority to the Director of Place, in consultation with the Portfolio Holder for Economic and Social Regeneration and Inward Investment to deliver the SPF, Multiply and REPF 2024/25 programme of projects.

#### **2. Suggested reason for decisions**

- 2.1. Approval of the 2024/25 programmes is in support of Medway's regeneration priorities and will enable Medway to access SPF, Multiply and REPF allocations. Delivery of these programmes will significantly benefit Medway's residents, communities and businesses.

### 3. Budget and policy framework

#### 3.1. 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

#### 3.2. The SPF and Investment Plan strongly align with the refreshed Medway 2040 set of strategies including Medway 2040, Town Centres Strategy, Innovation Strategy and Skills and Employment Plan. The refreshed Medway 2040 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.

#### 3.3. Medway 2040 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.

### 4. Background

#### 4.1. Cabinet approved submission of the SPF Investment Plan to the Department for Levelling Up Housing and Communities (DLUHC) on 26 July 2022. The Investment Plan was approved by DLUHC in December 2022 and delivery of SPF Year 1 began.

##### 4.1.1. Cabinet April 2023 granted delegated 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 programme Year 2, in line with the successful Investment Plan submission as approved by DLUHC.

#### 4.2. Medway UK Shared Prosperity Fund Programme

##### 4.2.1. The SPF has the following 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.

The primary goal of the UKSPF is to build pride in place and increase life chances across the UK. SPF allocations were made by DLUHC to lead authorities based on a funding formula. To access our SPF allocation, the Council has applied and will continue to apply Medway's approved IP across the three financial years from April 2022 to March 2025.

4.2.2. Government has allocated Medway Council £1.855 million 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.

#### 4.3. Medway Multiply Programme

4.3.1. 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:

4.3.1.1. 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).

4.3.1.2. improve labour market outcomes; and

4.3.1.3. increase adult numeracy across the population.

4.3.2. Multiply has a total allocation of £1.458million. This is split £440,841 for 2022-23, £508,663 for 2023-24 and £508,663 for 2024-25.

#### 4.4. Rural England Prosperity Fund

4.4.1. The main objectives of the REPF scheme are to address specific challenges rural areas often face. The fund supports the aims of the government's Levelling Up White Paper and Future Farming Programme. The specific challenges the funding stream aims to address are:

- Lower Productivity Rates
- Poorer Connectivity
- Poorer access to key services

4.4.2. REPF has a total allocation of £400,000 to be spend by March 2025.

## 5. Shared Prosperity Fund (SPF) and Multiply Progress and Delivery Approach

### 5.1. SPF Progress

5.1.1. SPF Year 2 was launched as an open application process, open to all appropriately legally constituted entities across Medway. An excellent launch event was held on 18 May 2023 at the Rochester Corn Exchange with over 140 attendees including various Medway businesses, stakeholders, not-for-profit organisations, and residents. The team has developed strong relationships with key delivery partners both internally and externally, through repeated engagement activities that have enabled projects to be delivered successfully to budget and on time. Throughout the SPF process and creation of the Investment Plan, key consideration was given to both alignment with the Council priorities, Medway 2040 Strategies, as well as engagement with our partners. The final approval of the Council's Investment Plan was confirmed on 5 December 2022 and funding received following this. Government has placed significant emphasis on monitoring the outcomes of the SPF allocations against the IP targets. Bi-annual quantitative monitoring of metrics and more frequent qualitative monitoring is required. Reporting for SPF Year 1 and Year 2 have been submitted to DHLUC and approved.

5.1.2. After a very successful launch event and communications campaign, the SPF team received 68 applications from a range of internal and external partners. Each application went through a rigorous selection process involving initial assessment sifting, scoring, moderation, and detailed discussions with senior management and the Portfolio Holder for Economic and Social Regeneration and Inward Investment. This resulted in 26 projects being supported. Funding was given to an array of organisations across Medway, to enhance and support local community infrastructure, promote, and encourage people to visit Medway, and help to build capacity for local community groups.

5.1.3. SPF Year 2 was split across two funding pots; the Pride in Place Fund and the Feasibility Fund, with a separate application process for each. Of the 26 projects supported, 17 were Pride in Place projects focused on delivering wide-ranging support across Medway including large scale events, providing support for marginalised groups, supporting, and enhancing local community infrastructure and groups, creating sustainability in the creative sectors, and supporting development of people through providing opportunities to all. The Feasibility Fund supported 9 projects. The Feasibility Fund was developed to enable the community to assess opportunities that could enable larger-scale investment in the region, through the seed funding of smaller grants. Through the SPF team's robust corporate governance structure, and project management support, the Council are currently on target to exercise the full allocation of Year 2 within SPF spend guidelines.

5.1.4. The UKSPF Year 2 Programme is made up of the following projects:

- Chatham Town Centre Forum - Chinese New Year Event
- Ideas Test - Luton Light Trail

- Entity Events - Events Uncovered
- Electric Medway - Young Hack
- We Are Medway - Cultural Sponsorship Catalyst
- Funny Women – Comedy in the Community
- Live Music Now – All together Now
- Emerge Advocacy – Emerge Medway
- Mess Room – Mess Room Creatives
- Mutual Aid Road Reps – Fighting Loneliness & Isolation with MARR
- Pathways to independence – Enhancing Support Services in Medway
- Twydall District Community Association – Twydall Hearts
- Child Friendly Medway – Signs of the Young Voice
- Town Centre Forum Funds – Chatham, Gillingham, Strood, Rainham (all forums that applied for UKSPF funding)
- Chatham Historic Dockyard Trust – Screen Tourism
- Intra Arts – Scrapstore
- Sun Pier House – Community Ownership Fund Bid
- Tiller & Wheel – Sun Wharf Regeneration
- High Street Heritage Cultural Consortium – Transition to CIO
- High Street Heritage Cultural Consortium – Intra Parklets
- Medway Events Team – Green Guide and Sustainability Toolkit
- Chatham Business Improvement District Development Fund
- Reimagining Town Centre’s – Stakeholder Consultation Report

5.1.5. The SPF Year 2 programme provided significant support across various sectors, spanning across the whole region. The SPF programme supported the development of large-scale events including ‘Chinese New Year’. An event which brought in an attendance of over 24,500 people, working closely with the local and international Chinese community, celebrating the culture and contribution of Medway’s Chinese Community, whilst raising the profile of Medway, as an open, welcoming place for our diverse communities and visitors.

5.1.6. The SPF programme expanded opportunities for all, with targeted support for many marginalised groups. This included the ‘All Together Now’ project which launched a series of 6 inclusive community events for families of children and young people with additional learning needs and disabilities around Medway. The project significantly improved access to the arts for those experiencing disabilities and increased capacity of local organisations, such as the library service, to reach families of children and young people with additional learning needs and disabilities.

5.1.7. The SPF programme highlighted existing local assets through working with local community leaders, the ‘Luton Light Trail’ project exemplifies this. It delivered an enhancement of the living and walking environment along Luton Road in Chatham through improvements to the road’s appearance and appeal. The project involved collaborative and creative interventions to encourage community pride, including the development of a festive window competition across winter 2023, involving local residents and businesses decorating their windows, fostering a sense of community and safety. The

project ran over 6 weekends and delivered workshops, history tours and artistic sessions engaging the community and creating a lasting positive impact on perceptions of the local area.

- 5.1.8. Of the 26 projects that formed the SPF Year 2 programme, the examples provided above represent a small percentage of the notable impact the SPF scheme has overseen across the region. Through working with local organisations, the SPF Year 2 programme was able to collaboratively drive significant social and physical change, in partnership with organisations that have the area specific knowledge to best impact their local areas and communities.
- 5.1.9. In addition, through the SPF Year 2 programme, the Council is also able to offer targeted support for local businesses, which includes free workshops, a green audit scheme, and a green grant scheme. The Economic Development team partnered up with the NatWest Business Builder team to offer free in-person workshops on various topics. The audits are delivered by our partners at the Kent Invicta Chamber of Commerce and are free for local business in Medway who want to start their decarbonisation journey. The Green Grant Scheme is a targeted initiative designed to assist small and medium-sized businesses (SME) in Medway to with up to £2,500 of funding to accelerate their net-zero journey and offset some of the costs.

## 5.2. Multiply Year 2 Progress

- 5.2.1. The Medway Multiply Investment Plan was submitted and approved by the Department for Education (DfE) in time for an April start of year 2. The 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.
- 5.2.2. Due to the groundwork in year 1, year 2 has been very successful, and although completed numbers are to be finalised by the end of April, it is anticipated that all £508,000, or very close to, will be utilised. Delivery has comprised of a mix of direct delivery via Medway Adult Education, and a range of commissioned partners.
- 5.2.3. To date total delivery has comprised of over 750 learners taking part in Multiply interventions. The Council has taken a creative approach to making maths fun and engaging, with the following course themes being delivered:
- Gardening
  - Music Sewing
  - Bookkeeping and accounts
  - Budget planning
  - Pottery
  - ESOL maths
  - Helping your child with numeracy

- Excel Spreadsheets
- And many more

5.2.4. The Council has undertaken a wide variety of engagement activities, to try and encourage uptake of learners who have not considered improving maths or engaging with education generally. Engagement activities have included attending jobs fairs, primary schools and partnering with Child Friendly Medway for events such as the Wonka screening. Family events have also been delivered at Ninja Warrior and Fun Drum. This has all led to 311 direct engagements (where full contact details are provided) and more than 2,000 indirect engagements (conversations, stand visits and more).

### 5.3. Rural England Prosperity Fund (REPF)

5.3.1. The REPF is a supplementary application under the SPF to focus on rural economic growth. The bid was successful, and Medway was awarded £400k in March 2023 with a 2 year spend profile. The funds were received in September 2023.

5.3.2. Due to the delay in receiving the funds coupled with resourcing challenges following the termination of the councils HIF scheme, progression on delivering the REPF was challenging. An extension was requested, and although the extension was not agreed, it was agreed that the funds allocated in Year 1 can be rolled in to year 2, meeting the agreed end date of March 2025.

5.3.3. As time has passed schemes such as Deangate Community Parkland, Whose Hoo and the Peninsula Community Infrastructure have advanced. Work has continued in the background identifying any interrelated deliverables to ensure each scheme is within the parameters of the funding agreements and are complimentary of each other. An ambitious plan for the next 12 months to spend the funds is outlined in 6.3.1.

## 6. UKSPF, Multiply and REPF 2024/25 Approach

### 6.1. Shared Prosperity Fund 2024/24

6.1.1. Given the success of SPF in Year 2 the Council intends to continue the process of launching a competitive open application process, allowing applications both externally and internally.

6.1.2. Work is ongoing to draft a Year 3 prospectus and build on the successes of the Year 2 programme. The intention is to launch Year 3 early in spring 2024.

6.1.3. As was the case with SPF Year 2, SPF Year 3 will be formed based on the approved IP and will be used to determine which projects are taken forward with a clear scoring system to ensure parity across the programme.

6.1.4. The process for all applications received in SPF year 3, will be the same as SPF Year 2. The governance for SPF applications assessment, onboarding

and delivery was developed in consultation with the Council's Finance, Legal, Procurement, Audit, Counter Fraud, and Corporate Governance teams. All applications are subject to the application scoring system; each application is to be assessed on stipulated criteria, and a weighted average will be applied, generating a total weighted score. The criteria each application is subject to is clearly defined, and scores are assigned based on an assessment guide sheet, so each score is standardised across the scorers. Applications are assessed on the below criteria:

- How the project addresses local challenges and opportunities
- Financial Deliverability
- Technical and Professional Deliverability
- UKSPF Outputs and Outcomes
- Value for Money and match funding
- Alignment with Medway 2040 Council Priorities

- 6.1.5. Once an application has received an initial weighted score, it is then moderated internally, by a member of the Medway Council team associated with the nature of that project, typically moderation has been conducted by the Economic Development team, the Culture team, and Inward investment teams. After Moderation the applications will all receive a moderated score, and this score is utilised to shortlist the application that are brought forward for discussion.
- 6.1.6. The shortlisted applications are then presented and discussed with senior management and the Portfolio Holder for Economic Development, Social Regeneration and Inward Investment, and a final decision is made.
- 6.1.7. The successful applications then enter the onboarding process, in which the UKSPF teams conduct a series of inception meetings to engage all project leads and finalise output and outcomes before entering into funding agreements for external partners or Service Level Agreements for Internal partners. The funding agreements that are entered into condition the transfer of funds to ensure successful delivery of all the specific outputs and outcomes they have stated, and feature clawback provisions should they be required.
- 6.1.8. All project leads are then required to attend monthly delivery group and UKSPF board meetings; the board meetings provide the project leads with the opportunity to showcase their projects, and to discuss and promote their project with the wider UKSPF programme network. The Board meetings offer the opportunity for the UKSPF team to explore potential synergies between projects to ensure maximum impact is made. The monthly delivery group meetings are focused on the delivery of the projects from an operational perspective and give project leads the opportunity to discuss potential issues, budgetary pressures, and opportunities. In SPF Year 2, the governance structure was received well by those involved in the programme.
- 6.1.9. All funding distributed to applicants is done in tranches unique to each project, all funding requests and invoices received are subject to stringent review, and evidence to support all spend is required. This is then assessed, and a



process is conducted to assess each claim for funds prior to submission to the Exchequer team. All project leads where required, receive project management support delivered by the UKSPF team to ensure that they deliver their projects on time and to budget. Project delivery for Year 2 is well underway and on track.

## 6.2. Multiply 2024/25

6.2.1. The approach to year 3 will be to continue with a similar programme as year 2, with a focus on enhancing the interventions that attracted less learners. As this is the last year of Multiply funding, we will be looking to take lessons learned from this programme into our core delivery.

6.2.2. The year 3 investment plan was built on a very similar basis to the year 2 investment plan and has been approved by the DfE.

## 6.3. Rural England Prosperity Fund 2024/25

6.3.1. In line with the REPF approved addendum, the next 12 months the Council will be looking to identify up to 10 SMEs to support as well as appointing consultants to investigate the feasibility of a rural community hub on the Peninsula and identify redundant buildings that could provide locations for businesses to set up and operate from.

## 7. Options

7.1. To approve the proposed delivery of the UKSPF, Multiply and REPF Year 3 2024-25 as set out in this paper.

7.2. To reject the proposed delivery of the UKSPF, Multiply and REPF Year 3 2024-25 as set out in this paper.

## 8. Advice and Analysis

8.1. Both the SPF and Multiply Investment Plans have been approved by DLUHC and Year 2 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 3 with the opportunity of more stakeholder engagements to ensure the programme meets the needs of Medway residents and businesses.

8.2. Rejecting the proposed programmes would threaten delivery and risk the loss of funding through a reduced spend window. DLUHC require return of unspent funds beyond March 2025, this would result in lost opportunities for Medway's residents, communities, and businesses.

## 9. 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.	Bii
Negative publicity.	Partners expectations for SPF funding are high, due to the funding stream succeeding European Structural funds, and SPF Year 2's successful programme of events.	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 benefit realisation across Medway. To utilise successes from SPF Year 2 and build upon this with consideration from feedback received.	Biii
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.	Bii
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.	Bii

<b>Likelihood</b>	<b>Impact:</b>
A Very likely B Likely C Unlikely D Rare	I Catastrophic II Major III Moderate IV Minor

## 10. Consultation

- 10.1. The Investment Plan has been developed in line with the Medway 2040 priorities. The Medway 2040 Strategies had extensive engagement with Stakeholders, including presentations to the Regeneration, Culture and Environment Overview and Scrutiny Committee. Portfolio Holders of the previous administration were also engaged in regular dialogue via meetings with the AD, Regeneration and the Strategy and Economic Investment Programme Manager.
- 10.2. Internal and external stakeholders have been engaged, through significant communication efforts, including a launch event, the development of SPF materials including brochures, the Council webpage, social media campaigns, interaction with the town centre forums, with regular UKSPF board meetings and UKSPF Delivery group meetings.

## 11. Climate change implications

- 11.1. 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.
- 11.2. Climate change has been embedded throughout the Medway 2040 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 2040 Strategies.
- 11.3. The Economic Development team have launched the Green Audit scheme and the Partners for Green Growth as part of the SPF green initiatives to support green growth in local businesses. The audits will provide guidance and recommend measures to reduce carbon emissions whilst the grants will provide financial support to implement these measures.

## 12. Financial implications

- 12.1. 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,

Multiply and REPF funds are paid to the council in line with the annual allocations and in accordance with the Memorandum of Understanding with Government.

- 12.2. Securing the SPF, Multiply and REPF investment will have a significant, positive impact for the Council in supporting Medway's residents, communities, and businesses.

### 13. Legal implications

- 13.1. The Council has a Memorandum of Understanding in place with the Department for Levelling Up Housing and Communities (DLUHC). Any successful external bidders for the SPF, Multiply and REPF will be subject to a legal agreement and terms and conditions that ensure the Grant Determination Agreement (GDA) and the Council's legal position as the accountable body for distributing the funding are protected.
- 13.2. 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 contain claw back provisions to mitigate this risk so far as is possible.

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### Appendices

None

### Background papers

[UKSPF Year 2 SPF and Multiply Cabinet Report](#)

[UKSPF Prospectus](#)