

CABINET

DATE OF MEETING: 2 MARCH 2023

TITLE OF REPORT: UK SHARED PROSPERITY FUND

Report of: Executive Director of Corporate Services and S151 Officer

Cabinet Portfolio: Leader of the Council

Key Decision: Yes

Confidentiality: Non Exempt

PURPOSE OF REPORT

1. Hart District Council (HDC) has been granted £1million through the Government's UK Shared Prosperity Fund (UKSPF) to fund projects identified in HDC's Local Investment Plan (LIP). This report outlines how and when these projects will be implemented.

RECOMMENDATION

That Cabinet:

- notes the successful bid and award of funding under the UKSPF to deliver the approved Local Investment Plan
- approves the spending proposals for 2022/23 and 2023/24 set out in **Appendix 1 - Financial Plan** and note the indicative plan for 2024/25 that will be subject to a further Cabinet report later in 2023
- notes the potential shortfall in the administrative grant compared to resources required and request officers to report to Cabinet with a more detailed impact assessment when this has been fully assessed
- agrees the proposed governance arrangements for the delivery of the UKSPF programme, with Project Board having corporate oversight and the 'Here for Hart' forum being the advisory panel for operational and stakeholder matters.

BACKGROUND

2. In July 2022, Cabinet approved a framework for Hart's LIP in connection with the UKSPF. The framework included several projects, which had been identified and prioritised in a stakeholder's workshop held by the Council in June 2022. The workshop brought together a wide range of key stakeholders to discuss significant issues in the district and potential projects that could address some of these local issues.
3. Hart's LIP was submitted to the Government in July 2022 and approved in December 2022.
4. The allocated £1 million fund will be distributed over three years:
 - 2022-23: £39,708 (Revenue at a maximum of 90%, £35,737 and capital at a minimum of 10%, £3,971)
 - 2023-24: £79,417 (Revenue at a maximum of 87%, £69,093 and capital at a minimum of 13%, £10,324)

- 2024-25: £880,875 (Revenue at a maximum of 80%, £704,700 and capital at a minimum of 20%, £176,175)

5. The Local Investment Plan identifies HDC's UKSPF projects as follows:

Communities and Place

- Provision of Community Hubs across the district, drawing together a variety of different support services and improving opportunities of access for those in our communities who are currently deprived a range of services due to the rurality of their area.
- Employment and skills interventions and outreach to young people, helping them build a strong foundation on which to build their lives.
- Feasibility studies
 - Data mining to better understand what the issues hidden within the district
 - Development of the Green Grid Strategy, increasing accessibility to all our communities through walkable and cyclable routes, providing opportunities to mitigate climate change, open up green spaces to our residents and improve opportunities for health and wellbeing

Supporting Local Businesses

- Attract small/medium business/people to invest in Hart through marketing campaigns - Targeted marketing campaigns to attract new businesses to invest in Hart
- Refreshing the Economic Development Strategy to create a new post-COVID19 strategy for the district. This strategy could be used to identify and prioritise future projects to support local business and the district's economy allowing the Council to be better prepared for future government funds.

MAIN ISSUES

6. A high-level financial and programme plan to implement the Local Investment Plan is attached at **Appendix 1** and **Appendix 2** respectively.
7. The funding profile of the grant has influenced the programme. Broadly, the focus in 2023/24 will concern project planning and strategy, with implementation in 2024/25.
8. A brief outline of the projects and the next steps are provided in **Appendix 3**.
9. The Overview and Scrutiny Committee considered this report at its meeting on 14 February. The committee made the following comments to Cabinet:
 - Consideration should be given to the risk of inflation and its impact on the cost estimates set out in the investment plan, particularly given that the grant income is fixed and not index-linked
 - Climate change implications should be considered when implementing the projects within the Investment Plan

- In terms of Governance the report needs to be clearer in terms of the definitive process and the roles of particular individuals and committees within the process. The projects involved should be subject to the Council's usual overview and scrutiny and Cabinet procedures.

10. These changes have been incorporated into this Cabinet report

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

11. Alternation options include:

- Proposing alternative projects than those established in HDC's LIP
- Reject the award of funding and do not progress with the implementation of HDC's LIP

12. The first option would require Government approval, which may not be forthcoming, and may have implications to the programme plan and the Council's ability to deliver any UKSPF projects. The second option would mean that Hart's communities would not benefit from the £1million investment at all.

13. Given that the above options would either increase the risk of the Council's ability to delivery UKSPF projects or fail to delivery any at all, neither are recommended.

CORPORATE GOVERNANCE CONSIDERATIONS

14. The proposed projects would fit with the Corporate Plan and the Hart Vision 2040. Please see **Appendix 3** for more details.

Service Plan

- Is the proposal identified in the Service Plan? Yes
- Is the proposal being funded from current budgets? No, funded from new external funding
- Have staffing resources already been identified and set aside for this proposal? No, this will be fully assessed and reported to Cabinet if additional resources/budget are required.

Legal and Constitutional Issues

15. The Council will need to adhere to the rules and guidance set out for the UKSPF.
16. The programme will be subject to the Council's usual Overview & Scrutiny and Cabinet procedures. Key decisions, including the scope, finance and resourcing, will require Cabinet approval.

Financial and Resource Implications

17. £1 million for capital and revenue funding will be provided by the Government. This funding is staggered over the three-year period as follows:
- 2022/23 - £39,708
 - 2023/24 - £79,417
 - 2024/25 - £880,875

18. The financial plan attached at **Appendix 1** provides a high-level breakdown of the spend over the three-year period for each of the projects.
19. It is proposed that the revenue spend for this year (2022/23) is allocated to admin and the Development of the Green Grid project (see **Appendix 3** for more details), whilst the capital spend (circa £4k) is rolled into 2023/24.
20. It is also proposed that the revenue spend for 2023/24 is split between three projects, to predominantly be used to build up the Council's evidence base to inform activity to be undertaken in 2024/25. The combined capital fund for 2022/23 and 2023/24 be allocated to the Community Hubs project.
21. The Financial Plan also provides an indicative spend plan for 2024/25. An updated financial plan confirming 2024/25 spend, including mitigation for inflation, will be subject to a further Cabinet report later in 2023.
22. There may be an opportunity to accelerate delivery of some of the UKSPF projects to allow residents/communities to benefit from them sooner. This will be reviewed over the next couple of months. If the Council can accelerate any project plans, it will request from MLUHC a drawdown of the 2024/25 fund for spend in 2023/24. The outcomes this proposal will be subject to a further Cabinet report later in 2023.
23. In order to administer the fund, the Government has allocated 4% of the fund - £40k. This covers the following activities; project assessment, contracting, monitoring and evaluation and ongoing stakeholder engagement.
24. Officer time (including finance, procurement, legal, and senior leadership) is likely to exceed the £40k allocation over the three-year period and it is estimated that there will be a resource cost to the Council to implement the LIP - it will not be cost/resource neutral. Officer's time will be estimated for each project and will be subject to a further Cabinet report later in 2023. The Council may need to review resources and reallocate in accordance with the priorities of the Council.
25. There are also some longer-term resource implications beyond the three years of SPF funding. In the case of 'Supporting Local Businesses', a new economic strategy, formulated with stakeholder engagement, will identify actions to be delivered. The project to attract businesses through marketing requires a point of contact for enquiries potentially beyond the three years.
26. An additional £20k capacity funding has also been granted to the Council to cover the costs already incurred associated with drafting the Local Investment Plan.

Risk Management

27. Each project will have a designated project plan, risk assessment and Integrated Impact Assessment to ensure suitable management of the project.

EQUALITIES

28. Equalities impact assessments will need to be carried out for all projects.

CLIMATE CHANGE IMPLICATIONS

29. Many of the projects identified will have positive roles in delivering the Council's carbon reduction targets, for example by providing services in walking and cycling distance of residents or to progress sustainable travel opportunities in the district. The climate change implications will be assessed for any successful projects.

ACTION

30. Subject to any recommendations from O&S and the decision of Cabinet, Hart District Council will progress work associated with drafting a local investment plan.

Contact Details: Christine Tetlow (Christine.tetlow@hart.gov.uk)

Appendices

Appendix 1: Financial Plan

Appendix 2: Programme Plan

Appendix 3: Outline of the Projects and the Next Steps

Background Papers

Cabinet Report – UKSPF - 22-07-2022