

OVERVIEW & SCRUTINY

DATE OF MEETING: 19 SEPTEMBER 2023

TITLE OF REPORT: UK SHARED PROSPERITY FUND

Report of: Chief Executive

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 provides an update on the resources required to deliver the LIP and provides an update on progress to date.

RECOMMENDATION

That Overview and Scrutiny Committee discuss, consider and comment on the following recommendations prior to their submission to Cabinet for approval.

That Cabinet agrees:

- To note the staff resources being deployed on the UKSPF programme
- To seek approval for an additional project officer to support UKSPF projects, funded from the UKSPF funding
- To note the progress on the spending proposals for 2023/24 set out in **Appendix 1 - Financial Plan**.

BACKGROUND

2. In March, Cabinet approved the UKSPF spending proposals for 2022/23 and 2023/24 which are in line with the approved Local Investment Plan (LIP) and the Government's prescribed funding profile over the three years. It was noted that there was likely to be a potential shortfall in the administrative allocation element of the grant compared to resources required to deliver the projects identified in the LIP.
3. The Government has allocated 4% of the fund (£40k) for the administration of the UKSPF over the 3-year period. Cabinet noted that officer time is likely to exceed the £40k allocation over the three-year period and therefore it was estimated that there will be a resource cost to the Council to implement the LIP. Cabinet requested that any shortfall be quantified and reconsidered at a later date.

MAIN ISSUES

Resourcing

4. In order to administer fund and deliver the approved projects within the LIP, the following direct resources have been identified:

Programme Manager – To manage the administration of the fund with the Government; to manage progress and to coordinate spend across all projects within the LIP; and to provide project management guidance and support to the Project Leads.

Senior Finance Business Partner – To manage cash flow/spend for all projects
Project Leads – Manage the delivery of the individual projects

Delivery Leads – Delivers the individual projects

5. The 4% administration allocation in the UKSPF covered set-up costs in 2022/23 and covers costs for part of 2023/24. The remaining costs would need to be covered by the Council.
6. The Council currently has limited internal programme and project management resources. It is anticipated that the Programme Manager would be required for circa 1 day per week from now until the end of the programme in March 2025. This resource would be relocated from existing projects/BAU.
7. The Finance Team will need to allocate a Senior Finance Business Partner to the programme for 0.5 days per week until the programme concludes in March 2025. There is capacity in finance team's budget to undertake this commitment but a part time project accountant will need to be recruited to in Autumn 2023.
8. Resource has been allocated for the Project Leads in Community Services for the Communities and Places projects (Data mining, Community Hubs, Young Persons Engagement and the Green Grid Strategy) for 2-3 days per week (combined resource). While the Delivery Leads (project managers) will be funded directly from the 2023/24 and 2024/25 grant allocations. Given the amount work required to deliver the Communities and Places projects, it is proposed to increase the project management support from one project manager to two.
9. In terms of the Supporting Local Business projects (Attracting Investment into the District and drafting an Economic Development Strategy), Project Lead resource has been provided by the Planning Policy and Economic Development Team for 0.75 days per week. The Delivery Lead, from Rushmoor Borough Council's Economy and Growth Team, will be funded directly from grant.
10. There are also a number of indirect resources that would also be required such as procurement, legal, and senior leadership. These are not quantified as the resource implications would be limited but it is recognised that this will result in an increase in pressure on other services/functions.
11. It is proposed that Cabinet allocates the above resources to administrate fund and deliver the approved projects within the LIP.

Programme Update

12. An updated high-level financial and programme plan for the delivery of the LIP is attached at **Appendix 1** and **Appendix 2** respectively.
13. In line with the funding profile of the grant, the focus in 2023/24 is project planning and strategy, with implementation in 2024/25.
Communities and Places Projects:
14. The Here for Hart Forum (which included Parish and Town Councils) met in June to discuss the Data Mining project. The primary aim was to understand

- the datasets currently being held by our stakeholders, whether anonymous data could be shared and whether any gaps in these datasets have been identified. The project team received very positive feedback from the forum.
15. External resource has now been recruited and with our partners/stakeholders, work to collate local, regional and national datasets has begun.
 16. Community Hubs project was also touched upon at the forum. This is where the largest proportion of the 2024/25 funding will be spent and Hart will act as an enabler, working in collaboration with partner organisations in the district to deliver projects with community value. More specifically, the forum was asked to identify any existing projects, which could meet the requirements the Community Hub project and could be implemented before the end of the financial year.
 17. The UKSPF grant identifies £14,300 capital funds for 2023/24 allocated to Community Hubs. Two projects have been identified to qualify for this funding; circa £7k for an accessible toilet at Odiham Town Council's The Bridewell, The Bury, Odiham and circa £7.3k for furniture to support a new community café at Yateley Industries.
 18. The project team will review both projects and allocate the 2023/24 capital funding by autumn to these projects to ensure that the funds are defrayed in accordance with the terms and conditions of the UKSPF.
Supporting Local Business projects:
 19. Rushmoor Borough Council (RBC) and HDC continue to work together around the opportunity to deliver the Supporting Local Business workstreams.
 20. It is envisaged that an agreement will be drafted and signed by the end of the year, in order for work to begin on the projects at the beginning of 2024.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

21. With regards to resourcing, an alternation option would be to outsource the internal roles identified however it is likely that this would be at a higher cost to the Council and therefore is not recommended.

CORPORATE GOVERNANCE CONSIDERATIONS

22. The proposed projects align with the Corporate Plan and the Hart Vision 2040 as identified in earlier Cabinet reports.

Service Plan

- Is the proposal identified in the Service Plan? Yes
- Is the proposal being funded from current budgets? No, funded from external funding
- Have staffing resources already been identified and set aside for this proposal? No, the shortfall is the subject of this report.

Legal and Constitutional Issues

23. The Council will need to adhere to the rules and guidance set out for the UKSPF.
24. In accordance with HDC's approved LIP, the Here for Hart forum will act as an advisory panel and the Council's Project Board will provide corporate oversight of the programme.

25. 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

26. £1 million for capital and revenue funding will be provided by the Government. This funding is staged over the three-year period as follows:
 - a. 2022/23 - £39,708
 - b. 2023/24 - £79,417
 - c. 2024/25 - £880,875
27. The financial plan attached as **Appendix 1** provides a high-level breakdown of the spend over the three-year period for each of the projects. The 2022/23 allocation has been defrayed. The 2023/24 allocation is on track on to be spent by the end of the financial year, and 2024/25 has been forecast.
28. 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 is allocated to the Community Hubs project. Two potential projects have now been identified for this allocation (please see Main Issues above).
29. 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 at the beginning of 2024.
30. In March's Cabinet paper, officers identified the opportunity to accelerate delivery of some of the UKSPF projects by requesting a drawdown of the 2024/25 fund for spend in 2023/24. DLUHC have since confirmed that no early drawdowns will be possible and therefore the 2023/24 and 2024/25 budgets have been realigned to ensure that all of the projects identified for spend in 2023/24 were able to progress. This was achieved in part by reallocating the administration funding from 2023/24 into 2024/25. As mentioned previously in the report, the officer time is likely to exceed the £40k administration allocation over the three-year period and the Council will need to confirm its commitment to resource the delivery of fund from its own budget.

Risk Management

31. Each project will have a designated project plan, risk assessment and Integrated Impact Assessment to ensure suitable management of the project. Each contribution to a partner organisation will have a funding agreement signed which sets out the conditions of funding including deliverables, outcomes, timescales and communication/publicity requirements.
32. Whilst unlikely, there is a risk that the Government may change or cancel the indicative funding allocation in 2024/25. Hart will not incur new expenditure in 24/25 until the funding is confirmed and, wherever possible, it will aim to be flexible with its delivery and admin costs.
33. There is a risk that the council will need to provide legacy resource and/or costs to continue to support the community projects beyond 2024/25 if they are not self-sustaining. It is intended to undertake checks on each project when applications for funding are submitted and this will be included in the project information put forward for decision on allocations.

EQUALITIES

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

CLIMATE CHANGE IMPLICATIONS

35. 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

36. Subject to the decision of Cabinet, Hart District Council will progress work associated with implementing the local investment plan.

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

Appendices

Appendix 1: Financial Plan

Appendix 2: Programme Plan