

Crawley Borough Council

Report to Overview and Scrutiny Commission 21 November 2022

Report to Cabinet 23 November 2022

UK Shared Prosperity Fund

Report of the Deputy Chief Executive DCE/14

1. Purpose

- 1.1 Crawley has been allocated £1m over three years under the UK Shared Prosperity Fund (UKSPF), part of the Government's Levelling-Up agenda. The purpose of this report is to make provision for the funding and the delivery of the programme.

2. Recommendations

- 2.1 To the Overview & Scrutiny Commission:

That the Commission consider the report and decide what comments, if any, it wishes to submit to the Cabinet

- 2.2 To the Cabinet:

The Cabinet is recommended to:

- a) Approve the Council's intention to secure the funding based on the approach agreed at the Town's Fund Board as set out within the submission (Appendix A)
 - b) Delegate authority to the Deputy Chief Executive in consultation with the Leader of the Council to approve the governance arrangements for the programme.
 - c) Delegate authority to the Deputy Chief Executive, in consultation with the Head of Governance People and Performance, to negotiate, approve and complete all relevant documentation including legal requirements. (Generic Delegations 2 & 3 will be used to enact this recommendation)
 - d) Request Full Council to approve the financial provision for the receipt and allocation of the UK Shared Prosperity Fund funding.
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3. Reasons for the Recommendations

- 3.1 Crawley has been allocated £1m over three years under the UK Shared Prosperity Fund (UKSPF), part of the Government's Levelling-Up agenda. To obtain that funding a submission has been submitted by the Council following an approach agreed at the Towns' Fund Board. As the accountable body, the Council must put in place suitable arrangements to receive, manage and distribute the funding in such a way as to ensure delivery.

4. Background

UK Shared Prosperity Fund

- 4.1 The UK Shared Prosperity Fund (UKSPF) is a part of the UK Government's Levelling Up agenda. It provides £2.6 billion of funding for local investment by March 2025. All areas of the UK are receiving an allocation from the Fund via a funding formula rather than a competition. Crawley has been allocated £1m over three years (year 1 being the current 2022/23 year), which is the lowest level of allocation.
- 4.2 The primary goal of the UK Shared Prosperity Fund is to build pride in place and increase life chances across the UK. Beneath this are the following investment priorities and related missions (some which cut across investment priorities) to improve and close the gaps across the UK. These are also set out in Appendix B:
- Community & Place
 - Satisfaction with town centre and engagement in local culture and community
 - Healthy life expectancy
 - Wellbeing
 - Homicide, serious violence and neighbourhood crime
 - Supporting Local Business
 - Satisfaction with town centre and engagement in local culture and community
 - Pay, employment and productivity
 - Public investment in research and development
 - People and Skills
 - Satisfaction with town centre and engagement in local culture and community
 - Pay, employment and productivity
 - Completion of high-quality skills training
 - Healthy life expectancy
 - Wellbeing
- 4.3 Included within the Government guidance is a set of intervention types linked to the priorities and missions and attached to these interventions are a specific outcomes and outputs to be achieved. Consequently, the UKSPF is both very broad in scope yet also very prescriptive to ensure alignment with national goals. There are also in-built restrictions in some areas and these are described further in Section 5.
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Accessing the funding

- 4.4 Each local authority area was required to submit an investment plan to Government to secure the funding. The UKSPF guidance states that the investment plan should contain:
1. Local context / performance against the investment priorities and related missions
 2. The selection of outcomes and interventions based upon the local context
 3. How this will be delivered including governance, expenditure, and deliverables
- 4.5 Crawley's deadline for submission was the end of September. This was an agreed extension (from the original deadline of end of August) recognising the impact of local elections in May, workload in submitting investment plans also for the Town's Fund, and the challenges of convening partners over the summer to meet the requirements of the guidance. It is important to note that the submission is not considered to be final and there remains scope for development over time.
- 4.6 The guidance also states that the investment plan should be agreed by a local partnership containing the full range of local partners as set out in the guidance and convened by the council. This included involvement of the Member of Parliament. Given the required timeframe, this needed to be an existing partnership, and given the list of stakeholders set out in the guidance, the Towns' Fund Board was identified as the best fit and agreed to act in this capacity for the purposes of the submission. Where stakeholders identified as required by the guidance were not currently represented on the Towns' Fund Board, an invitation to relevant meetings was and will continue to be provided.

Developing the Investment Plan

- 4.7 Following the Government's guidance, the Council undertook an analysis of town's performance against the UKSPF investment priorities and their related missions. The evidence collated was circulated to the Towns' Fund alongside a briefing note providing background to the fund and suggested process ahead of submission. That briefing note also asked partners to contribute both in terms of data and suggestions for meeting emerging needs.
- 4.8 A further paper was taken to the Towns' Fund Board meeting on 21 September. This captured input from partners and developed the evidence base and the constraints of the programme into a suggested approach to the submission. That approach was based on translating broad principles into the investment plan templates that will later be developed into more concrete proposals over time. This was agreed by the Town's Fund Board, who also agreed in principle to create a sub-group to oversee the programme.

5. Investment Plan Submission

- 5.1 The Investment Plan was submitted on 30 September 2022. The submission was via an online portal, but a document containing the information submitted is attached as Appendix B. The submission was consistent with the approach agreed by the Towns' Fund Board, and the key points are summarised here.
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Target Areas

5.2 The evidence base setting out performance against the UKSPF investment priorities and missions highlights the disparities and inequalities within the borough. Local Super Output Areas were used to map these. Analysis of the evidence base shows three areas within Crawley that stand out both for how often they are flagged and for their ranking:

- **Broadfield**

The standout geography, with 5 LSOAs within the 13 LSOAs in Crawley that fall within the 20% most deprived locally with 2 also being in the 20% most deprived nationally. When looking at thematic areas, Broadfield is represented throughout, but particularly in terms of Income, Employment, Education & Skills, and Housing.

- **Bewbush**

3 LSOAs within the 20% most deprived locally, with a particular focus around education and skills.

- **West Green**

2 LSOAs within the 20% most deprived locally with a particular focus around Health, Employment and Crime.

5.3 Whilst other areas are also identified, they do not appear as regularly or at the same depth. The proposal is therefore to focus upon the above areas so as not to dilute focus too far given the limited resources available. The Towns' Fund Board supported this approach.

Proposed Intervention Types

5.4 As described in 4.3, the UKSPF guidance contains a set menu of intervention types linked to each of the investment priorities. Having considered these against the evidence base and the target areas chosen, the submission (as agreed by the Towns' Fund Board) includes the following intervention-types:

- E6: Support for local arts, cultural, heritage and creative activities.
 - E9: Funding for impactful volunteering and/or social action projects to develop social and human capital in local places
 - 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.
 - E26: Support for growing the local social economy, including community businesses, cooperatives and social enterprises
 - 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
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skills (Digital, English, Maths* and ESOL) support where there are local provision gaps

- E36: Intervention to increase levels of digital inclusion, with a focus on essential digital skills, communicating the benefits of getting (safely) online, and in-community support to provide users with the confidence and trust to stay online
- E37: Tailored support to help people in employment, who are not supported by mainstream provision to address barriers to accessing education and training courses. This includes supporting the retention of groups who are likely to leave the labour market early.

5.5 Linked to each intervention is a menu of outcomes and outputs against which target deliverables must be set. This was obligatory for the submission, although it is acknowledged that these may change over the course of the programme. These may also be challenged by the UKSPF team.

Programme

5.6 The approach taken to delivery has been influenced by the structure of the UKSPF allocations. The key points are:

- Crawley's initial allocation over the three-year period was £150k in the first year, £270k in the second, and the remaining £580k in the third. The Government then altered allocation to £79k in the first year; £159k in the second; and £762k in the third. Such heavy weighting in the third year creates real challenges and risks and the Council is challenging this.
- There are restrictions on undertaking employment and skills related activity that would prevent Crawley delivering in years 1 and 2. This restriction was not immediate apparent in the guidance and would seem to limit what can be achieved to address the investment priorities. Again, the Council is seeking to challenge this.
- The timeframes for the submission have not allowed sufficient time to work with the target communities to shape delivery and so engagement in the early part of the programme will be crucial.
- The economic context means that discussions with the target areas will inevitably touch upon the cost of living, especially given the high levels of income deprivation that already exist.

5.7 Consequently, the approach is to use Year 1 funding to undertake engagement sessions with key stakeholders from the statutory, voluntary, community and business sectors within the three areas to:

- Map services and existing networks,
- Identify key needs, issues and barriers to accessing services
- Inform initiatives and areas of focus to be delivered in Years 2 & 3

In this way Year 2 & 3 interventions will be designed in a way to maximise take up and reduce barriers to access.

5.8 Recognising that a significant barrier over the period of this programme is likely to be the impact of the cost-of-living crisis, the submission proposes that Year 1 is used to increase the capacity of the community and voluntary sector to support residents in the following areas:

- Fuel poverty
- Debt and financial management advice
- Access to Food – supporting local food banks

5.9 In terms of the Interventions, these Year 1 activities will be captured by:

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

Next Steps

- 5.10 Whilst awaiting the outcome of Crawley’s submission, work continues to define detailed delivery for Year 1, so that this can commence as quickly as possible. This is necessary to ensure spend by the end of March, but crucially also to secure the engagement of the communities within the target areas to help shape the rest of the programme.
- 5.11 Once plans for Year 1 are in place, planning for delivery for Years 2 and 3 will commence, subject to receiving confirmation of funding. This is the bulk of the programme at £881k and will be key to delivering the outcomes outlined above. By taking a two-year approach, those receiving the funding to deliver the outcomes will have sufficient time both to mobilise and ensure delivery on the ground.
- 5.12 Work is also underway to finalise the governance arrangement for the programme. These will be guided by the overall principle that programme will sit alongside arrangements for the Towns’ Fund. The UKSPF will be overseen by a sub-group of the Towns’ Fund Board, but the Council will be the accountable body.
- 5.13 Crawley’s submission includes funding for an 18-month post to manage the administration of the programme. This post would sit alongside the posts managing the Towns’ Fund programme. In so doing, it brings increased resilience and flexibility to that team to ensure effective management of both programmes. Recruitment to that post will begin once funding is confirmed.

6. Implications

Financial

- 6.1 Should funding be secured, the Council will need to make provision for £1m over three years, including the current financial year. In 2022/23 that provision will be for £79k in the first year; £159k in the second; and £762k in the third. Of these amounts £7.9k, £9.6k, and £152.5k respectively is capital expenditure. The remainder is revenue.
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- 6.2 The weighting on the final third year bring risks in terms deliverability and care will be needed to minimise the risk of spend and deliverables not being achieved. Representations are being made to bring more of the Year 3 funding into Year 2.
- 6.3 It should be noted that until funding is allocated it cannot be assumed that Crawley will receive this funding. Recent Government announcements around the need to reduce expenditure means that the UKSPF could be at risk either in part or in full.

Staffing

- 6.4 UKSPF guidance states that 4% of the total fund (equivalent to £25k over the three years) can be used for administrative purposes. This is deemed insufficient given the administrative burdens of the fund. The Crawley submission requests a higher proportion to fund a post for 18 months on a fixed term contract). This post will sit alongside staff delivering the Towns' Fund programme providing resilience and flexibility.

Legal

- 6.5 If successful, the funding will be subject to funding agreements as is normal when receiving government funding. The Council will also be passporting monies to third parties and so will need to put in place appropriate and proportionate agreements to ensure that public monies are properly accounted for.

Governance

- 6.6 Whilst oversight of the programme will be through a sub-group of the Towns' Deal Board, the Council will be the accountable body, with the responsibilities and risks that this status entails. Suitable and proportionate governance arrangements will need to be in place to safeguard the Council's interests whilst ensuring delivery of the programme. This will follow similar principles to those being put in place for the Towns' Fund.

7. Background Papers

None

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