

GMCA Overview and Scrutiny Committee

Date: 28 September 2022

Subject: UK Shared Prosperity Fund - Implementation Plan

Report of: Eamonn Boylan, Portfolio Lead Chief Executive for Investment and Alison Gordon, Assistant Director Place, GMCA

Purpose of Report

This report sets out details of the GMCA UKSPF Implementation Plan process following submission of the GM UKSPF Investment Plan to government at the end of July 2022. The Implementation Planning process recognises the short timescales available to determine delivery options in 2022/3, following approval of the Investment Plan by government assumed to be in October 2022.

Recommendations:

The Overview and Scrutiny Committee is requested to:

1. Note progress to date
2. Scrutinise the Implementation Plan process as set out in this report
3. Note the positive outcome of the Equalities Impact, Carbon and Sustainability Assessment co-decision tool.

Contact Officers

Name of key contact Officer and email address to be included

Alison Gordon, Assistant Director Place, GMCA

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Report authors must identify which paragraph relating to the following issues:

Equalities Impact, Carbon and Sustainability Assessment:

Impacts Questionnaire		
Impact Indicator	Result	Justification/Mitigation
Equality and Inclusion	G	
Health	G	
Resilience and Adaptation	G	
Housing		
Economy	G	
Mobility and Connectivity		
Carbon, Nature and Environment	G	
Consumption and Production		
Contribution to achieving the GM Carbon Neutral 2038 target	Zero carbon and environment are cross cutting priorities across the entirety of the GM UKSPF programme therefore it is expected that all funded activity will make a positive contribution, particularly in terms of carbon reduction. The Investment Plan also includes a specific	
Further Assessment(s):	Equalities Impact Assessment and Carbon Assessment	
 Positive impacts overall, whether long or short term.	 Mix of positive and negative impacts. Trade-offs to consider.	 Mostly negative, with at least one positive aspect. Trade-offs to consider.
		 Negative impacts overall.

Risk Management

Key risks identified in the GM UKSPF Investment Plan are:

1. Programme Finances - Grant funding from UKG is not secured in line with the published timeline by GMCA as anticipated resulting in delays to delivery.
2. Contract and Legal - Delays to the execution of the legal documents.
3. Staffing and Recruitment – Insufficient staff recruited to deliver the UKSPF programme in Greater Manchester.
4. Contract Monitoring – UK Government radically alters its proposed UKSPF monitoring expectations midway through the programme.

Mitigation has been identified and there will be further refinement and updating of the risk register over the lifetime of the Fund

Legal Considerations

As projects and programmes are identified over Summer 2022. GMCA legal will ensuring identified routes to market (e.g. grants, commissions, etc) are compliant with subsidy control and grant funding agreements and contracts are fully compliant with UK law and ensure risk is managed appropriately.

Financial Consequences – Revenue

The GMCA allocation of non-Multiply UKSPF over the three years to 2024/5 is £83,850,595 - £10,176,043 2022/3, £20,352,086 2023/4 and £53,322,466 2024/25. Indicatively, a maximum of £69,522,727 of this allocation will be revenue as the UKSPF national prospectus sets a minimum capital spend of 10%, 13% and 20% respectively for each year of the Fund. The total annual allocation will be received by GMCA in October 2022, April 2023 and April 2024.

Financial Consequences – Capital

The GMCA allocation of non-Multiply UKSPF over the three years to 2024/5 is £83,850,595 - £10,176,043 2022/3, £20,352,086 2023/4 and £53,322,466 2024/25. Indicatively, a minimum of £14,327,868 of this allocation will be capital as the UKSPF national prospectus sets a minimum capital spend of 10%, 13% and 20% respectively for each year of the Fund. The total annual allocation will be received by GMCA in October 2022, April 2023 and April 2024.

Number of attachments to the report: 0

Comments/recommendations from Overview & Scrutiny Committee

Background Papers

GM UKSPF Investment Plan – GMCA 29th July 2022

Tracking/ Process

Does this report relate to a major strategic decision, as set out in the GMCA Constitution

Yes

Exemption from call in

Are there any aspects in this report which means it should be considered to be exempt from call in by the relevant Scrutiny Committee on the grounds of urgency?

No

GM Transport Committee

N/A

Overview and Scrutiny Committee

28 September 2022

1. Introduction

1.1 In July 2022, GMCA approved the GM UK Shared Prosperity Fund (UKSPF) Investment Plan for the period 2022/3-2024/5. This was subsequently submitted to government by the deadline of 1st August 2022. Work immediately began on implementation planning as timescales for decisions and spend, particularly for 2022/3 are short, and dependent upon Government approving the GM UKSPF Investment Plan within their current timescales (October 2022). This report sets out in more detail the incremental approach to implementation of the UKSPF in Greater Manchester.

2. Implementation Planning - overview

2.1 Members may recall that within the government guidance and funding allocations and reflected in the GM UKSPF Investment Plan, the focus of activity in 2022/3 is primarily relating to the Communities and Place Investment priority, with additional activity relating to SME workspace and a small allocation for local business. The latter reflects the fact that ERDF funded business support activity is still being delivered in 2022/23. In 2023/24, Communities and Place investment continues alongside delivery of Local Business Investment priority activity. It is only in 2024/25 that the People and Skills Investment Priority activity goes live. The timing and value of UKSPF funding in GM is set out in the table below.

2.2 As the timing for delivery is different for each Investment Priority, an incremental and

	Year One 2022/23	Year Two 2023/24	Year Three 2024/5	Total	As % of total
Communities and Place	£7,269,019	£10,038,086	£9,689,466	£26,996,571	32.2%
SME Workspace (E22)	£2,000,000	£3,000,000	£10,000,000	£15,000,000	17.9%
Local Business (E22)	£500,000	£6,500,000	£9,500,000	£16,500,000	19.7%
People and Skills	£0	£0	£22,000,000	£22,000,000	26.2%
Admin Fee 4% (Flat rate applied)	£407,020	£814,071	£2,132,934	£3,354,024	4%
Total by Year	£10,176,043	£20,352,086	£53,322,466	£83,850,595	100.00%

tailored approach to implementation across each Investment Priority has been put in place

based on prioritisation of delivery, while retaining coordination across the whole UKSPF programme.

2.3 One of the key principles from the outset was that GMCA would look to work with Local Authorities to integrate activity wherever possible across the three Core UKSPF Investment Priorities and Multiply (the adult numeracy element of UKSPF, that sits outside the “core” UKSPF programme) in order to maximise the use of UKSPF to deliver GM strategic ambitions.

2.4 The implementation approach reinforces the alignment of UKSPF in the delivery of the GMS and in particular the adoption of cross-cutting measures across the GM UKSPF programme relating to achieving our net zero ambitions, reducing inequalities and embedding social value

3. Communities and Place Implementation

3.1 It has been agreed that funding for the majority of the Communities and Place Investment Priority should be delegated to local authorities. This for interventions E1, E3 and E6 as set out below.

IP	Intervention	Funding Allocation	As % of IP Allocation	Indicative Outputs / Outcomes
Communities & Place	E1 – Funding for improvements to town centres and high streets, including better accessibility for disabled people, including capital spend and running costs. (capital and revenue)	£ 14,553,000	54%	Outputs: <ul style="list-style-type: none"> • Commercial buildings developed or improved sqm: 7,577 sqm (incl. E22) • Rehabilitated land sqm: 5,038 sqm (includes E22) • Public realm created or improved: 1,000 sqm • Local events or activities supported: 53 • Organisations receiving grants: Min. 10 Outcomes: <ul style="list-style-type: none"> • Jobs created: 800 (includes E22) • % increase in visitor numbers: 5% • No. of community-led arts, cultural, heritage and creative programmes: 53 • % improvement in VCSE engagement: 5% • Greenhouse gas reductions (tonnes): TBC
	E3 – Creation of and improvements to local green spaces, community gardens, watercourses and embankments, along with incorporating natural features into wider public spaces	£ 5,390,000	20%	
	E6 - Support for local arts, cultural, heritage and creative activities	£ 5,390,000	20%	
	E11: Investment in capacity building and infrastructure support for local civil society and community groups.	£ 1,663,571	6%	
	Communities & Place Total	£ 26,996,571	32%	

3.2 Each local authority has been asked to set out their local priorities, consistent with the overall GMS, for these interventions, as well as outputs/outcome profiles in a single proposal, taking full account of the agreed cross-cutting priorities of GM’s 2038 net zero ambitions, reducing inequalities and embedding social value. Local authorities have been asked to develop their proposal whilst engaging key stakeholders including MPs.

3.3 For the remaining intervention, E11, the purpose of which is to support VCSE infrastructure across GM, GMCA’s VCSE policy lead is working with the VCSE sector to develop a proposal, building upon ongoing local authority conversations with the sector started through the VCSE Accord, and involving key LA representatives in the appropriate

evidence building and design of activity within places to drive a strong VCSE infrastructure in all areas of GM.

3.4 It is anticipated all Communities and Place proposals will go to the GM UKSPF Local Partnership Board in October to allow the Board to make recommendations for the GMCA meeting at the end of October 2022.

4. Local Business Implementation

4.1 To maximise flexibility across the GM UKSPF programme and in line with other investment priority areas, GM has put forward a limited number of interventions across Local Business. These are set out in the table below.

IP	Intervention	Funding Allocation	As % of IP Allocation	Indicative Outputs / Outcomes (Post Technical Guidance - as submitted to DLUHC)
Local Business	E19: Increasing investment in research and development at the local level. Investment to support the diffusion of innovation knowledge and activities. Support the commercialisation of ideas, encouraging collaboration and accelerating the path to market so that more ideas translate into industrial and commercial practices	£ 5,775,000	18%	Outputs: <ul style="list-style-type: none"> Potential entrepreneurs provided assistance to be business ready: 839 Businesses receiving non-financial support: 3,004 Businesses receiving financial support other than grants: 27 Businesses receiving grants: 48 Number of people attending training schemes to help set up new co-operative businesses: 100
	E23: Strengthening local entrepreneurial ecosystems and supporting businesses at all stages of their development to start, sustain, grow, and innovate, including through local networks	£ 9,900,000	31%	Outcomes: <ul style="list-style-type: none"> Jobs created/safeguarded: 844 New businesses created: 236 Businesses with improved productivity: 751 Businesses adopting new to the firm technologies or processes 276 Organisations engaged in new knowledge transfer activity: 66 Number of new market products: 40 Number of businesses engaged in new markets: 159 Number of businesses introducing new products to the firm: 158 Greenhouse gas reductions (tonnes): TBC
	E26: Support for growing the local social economy, including community businesses, cooperatives, and social enterprises	£ 825,000	3%	
	Local Business Total	£ 16,500,000	20%	

4.2 In addition, to the three interventions set out above there is a further intervention E22, which relates to a £15m SME workspace fund. Following conversations with Local Authorities, it was agreed it would make most sense to manage this, via GMCA, as a single pot with LAs coming forward with proposals to be evaluated, noting that is unlikely to be able to fund a proposal in each district.

4.3 Discussions with LAs and stakeholders are underway on the routes to market across interventions E19, E23 and E26, with an immediate focus on the development of a proposal for activity utilising £500k of UKSPF Local Business E23 spend allocated for 2022/23 to support the immediate challenges faced by business.

4.4 Proposals for 2023/4 and 2024/5 are being developed in line with the agreed principle that provision needs to add value to existing support, working in conjunction with the already established Greater Manchester Growth Hub.

Early discussions indicate a preference for:

- E19: to be delivered consistently with other R&D and innovation activity delivered through the InnovationGM network, including the Innovation Accelerator.

- E23: to support GM wide support for local businesses with specific tailoring and targeting relevant to local needs to be agreed with LAs and partners.
- E26: to be progressed through engagement with social enterprises and other partners to understand the most effective approach, ensuring complementarity to but not duplicating the Business Growth Hub offer or other support.

4.5 It is anticipated that a proposal for the £15m SME Workspace Fund and another for the £0.5m 2022/3 element of E23 will go to the GM UKSPF Local Partnership Board in October to allow the Board to make recommendations for the GMCA meeting at the end of October 2022.

4.6 Further proposals on E19, E23 and E26 will be developed over the next few months and will follow the same governance process to allow time for activity to go live in 2023/4.

5. People and Skills Implementation

5.1 Developing a detailed proposal for this element of the GM UKSPF is not an immediate priority as the funding only becomes available in 2024/5; however, work is underway to ensure the evidence on need and gap analysis allows GMCA and partners to understand the challenges and opportunities for this investment priority.

5.2 As elsewhere in the GM UKSPF Investment Plan, flexibility has been maximised by limiting the number of interventions as set out below:

IP	Intervention	Funding Allocation	As % of IP Allocation	Indicative Outputs / Outcomes (Post Technical Guidance - as submitted to DLUHC)
People & Skills	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 skills (digital, English, maths* and ESOL) support where there are local provision gaps.	£ 11,000,000	50%	Outputs: c10,000 people to be support under this intervention of which: <ul style="list-style-type: none"> •Economically inactive people engaging with keyworker support services: 4,400 •People supported to access basic skills: 2,200 •People supported to engage in job searching: 3,300 •People receiving support to gain employment: 1,100 •People supported to engage in life skills: 2,600 •People in employment engaging with the skills system: 3,000
	E34: Courses including basic skills (digital, English, maths (via Multiply) and ESOL), and life skills and career skills** provision for people who are unable to access training through the adult education budget or wrap around support detailed above. Supplemented by financial support for learners to enrol onto courses and complete qualifications.	£ 4,400,000	20%	Outcomes: <ul style="list-style-type: none"> •Increased active or sustained participants in community groups (and/or) increased employability through development of interpersonal skills: 2,640 •People with basic skills (English, maths, digital and ESOL): 3,600 •People engaged in job searching following support: 2,640
	E37: Tailored support to help people in employment, who are not supported by mainstream provision to address barriers to accessing education and training courses.	£ 6,600,000	30%	<ul style="list-style-type: none"> •People in employment, including self-employment, following support: 660 •People gaining qualifications, licences and skills: 2,250 •Fewer people facing structural barriers into employment and into skills provision: 1,560
	People & Skills Total	£ 22,000,000	26%	

5.3 For the rest of this calendar year, the focus of People and Skills UKSPF activity will be on data and evidence gathering and stakeholder engagement and consultation, with key stakeholders including LAs, Higher and Further education providers, VCSE and training providers. This will help determine a number of options for routes to market, including potential options for an allocation for GM programmes, and the most appropriate split for local authority delivery as well as how outcomes and outputs.

6. Resourcing

6.1 GMCA as Lead Authority for UKSPF in GM has been allocated a 4% administration fee for the management and administration of the GM UKSPF allocation. GMCA officers have looked to minimise the administrative burden of UKSPF wherever possible but there will be additional activities that the GMCA will have to undertake as the accountable or lead authority and that will have to be resourced from the UKSPF administration fee. These activities include programme development and commissioning, stakeholder management and communications, as well as reporting, monitoring and performance management of the programme.

6.2 GMCA also recognises the work that local authorities will have to undertake on UKSPF both in relation to direct LA intervention allocations under Communities and Place (33% of the UKSPF allocation) and wider support, across the remaining investment priorities. In order to deliver this, LAs will see 47% of the UKSPF core management fee allocated to GMCA reallocated to LAs (equally across the 10 local authorities) for 2.5 years from October 2022 to March 2025.

6.3 This funding is envisaged to support the management and co-ordination of UKSPF funding within each local authority and provide a key reporting line into GMCA's core UKSPF team. The management fee allocation is not expected to fund project management or staffing costs relating to specific Communities and Place interventions (e.g. E1, E3, E6 and E22).

6.4 There will continue to be a core team at GMCA who will work with LAs to develop and manage the programme. As the exact scale of tasks required to be done by GMCA becomes clearer the use of the management fee will be reviewed to see if further resource could be passed to Local Authorities.

7. Recommendations

7.1 The recommendations can be found at the front of this report.