

Greater Manchester Combined Authority

Date: Friday 12th July

Subject: UKSPF Proposal for the Management of Potential Underspend 2024/5

Report of: Councillor David Molyneux Portfolio Lead for Resources and Investment
and Steve Wilson Portfolio Lead Chief Executive for Investment

Purpose of Report

This report sets out the current position of UKSPF and plans for mitigation of the risk of underspend. With 24/25 being the last year of the programme the biggest risk is underspend and so the below outlines how this will be closely monitored and the principles on which risk would be mitigated.

Recommendations:

The GMCA is requested to:

1. Approve the proposal for the mitigation of underspend risk.
2. Agree the proposal is a strategic fit with the GM UKSPF Investment Plan and is deliverable as set out in this report.
3. Approve the mitigation measures as set out in this report.
4. Delegate authority to the GMCA Treasurer in consultation with the Portfolio Lead for Resources and Investment to agree any alternative projects where underspend is identified.

Contact Officers

Name of key contact Officer and email address to be included.

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

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Equalities Impact, Carbon and Sustainability Assessment:

Impacts Questionnaire		
Impact Indicator	Result	Justification/Mitigation
Equality and Inclusion		
Health		
Resilience and Adaptation		
Housing		
Economy	G	
Mobility and Connectivity		
Carbon, Nature and Environment		
Consumption and Production		
Contribution to achieving the GM Carbon Neutral 2038 target	N/A	
Further Assessment(s): Equalities Impact Assessment		
G	Positive impacts overall, whether long or short term.	A
A	Mix of positive and negative impacts. Trade-offs to consider.	R
R	Mostly negative, with at least one positive aspect. Trade-offs to consider.	RR
RR	Negative impacts overall.	

Carbon Assessment		
Overall Score	<input type="text"/>	
Buildings	Result	Justification/Mitigation
New Build residential	N/A	
Residential building(s) renovation/maintenance	N/A	
New build non-residential (including public) buildings	N/A	
Transport		
Active travel and public transport	N/A	
Roads, Parking and Vehicle Access	N/A	
Access to amenities	N/A	
Vehicle procurement	N/A	
Land Use		
Land use	N/A	
No associated carbon impacts expected.	High standard in terms of practice and awareness on carbon.	Mostly best practice with a good level of awareness on carbon.
Partially meets best practice/ awareness, significant room to improve.	Not best practice and/ or insufficient awareness of carbon impacts.	

Risk Management

With the UKSPF spend deadline being 31st March 2025 there is a risk that underspend may need to be returned to DLUHC which would impact the deliverability of the committed outcomes of the fund as outlined in the GM UKSPF Investment Plan.

Legal Considerations

There are no revenue consequences for the GMCA

Financial Consequences – Revenue

As of the end of 23/24 there is a remaining £2,815,202 of revenue funding being rolled into 24/25. The Revenue element of the 24/25 allocation is £40,937,901

Financial Consequences – Capital

The capital funding for 24/25 is £12,384,563

Number of attachments to the report:

None

Comments/recommendations from Overview & Scrutiny Committee

N/A

Background Papers

1. GMCA report – GM UKSPF Investment Plan July 2022

Tracking/ Process

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

No

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

1. Introduction/Background

- 1.1 GMCA as lead UKSPF authority for Greater Manchester submitted its UKSPF Investment Plan to government at the end of July 2022 following approval of the GM UKSPF Local Partnership Board, GM MP Engagement Group and the GMCA.
- 1.2 Due to delays from DLUHC GM LAs received 22/23 funding in January of 2023, and received 23/24 funding in August of 2024. The programmes most impacted by these delays are Communities and Place (E1,3,6) and SME workspaces (E22), both granted to Local Authorities
- 1.3 DLUHC have confirmed that there will be no extension to the delivery window and so all spend, outputs, and outcomes need to be achieved by 31st March 2025. Any underspend by this date will be returned to DLUHC.
- 1.4 The compressed delivery window has increased the risk of projects underachieving and underspending and so the GM UKSPF team are looking to agree the below process for the identification and reallocation of any identified underspend
- 1.5 Progress has been made against investment plan targets despite the above-mentioned delays:
 - GMCA have spent 91% of 22/23 and 23/24 allocation ensuring that DLUHC will provide the entirety of the 24/25 allocation up front.
 - In total UKSPF projects have already achieved 4 out of 15 output targets committed in the investment plan
 - A total of 124 projects have been funded via grants to Local Authorities
 - 10 projects have been directly commissioned by GMCA
 - 2908 local events have been supported across Greater Manchester
 - Over 170,000 square meters of public realm has been created or improved
 - Over 6000 square meters of commercial buildings have been developed or improved

2. Purpose

- 2.1. The purpose of the proposed process is to mitigate the risk of underspend in the final year of delivery by agreeing in advance the broad principles of how the underspend will be identified and handled.
- 2.2. The process will support in the delivering the commitments made in the UKSPF Investment Plan.

3. Proposed Underspend Process

- 3.1. The process operates with the following priorities:
 - 3.1.1. Achieve the outputs/outcomes set out in the GM UKSPF investment plan by March 2025
 - 3.1.2. Spend the full allocation by March 2025
 - 3.1.3. Funding stays within the original area it was allocated where possible.
- 3.2. The UKSPF Team will implement robust monthly monitoring across all UKSPF projects to identify any underspend as early as possible.
- 3.3. The UKSPF Team will work with Local Authorities to identify opportunities to spend UKSPF funds first where match is available.
- 3.4. The UKSPF Team will work with Local Authorities to identify potential alternative projects in the event that underspend is identified.
- 3.5. The UKSPF Team will work to identify where alternative funding can be used to provide additional flexibility in the delivery timescales required.
- 3.6. Where underspend is identified and changes to previously agreed projects needs to be made, the UKSPF team will submit a detailed paper of the proposal to the Local Partnership Board for consideration and ratification, using the delegated powers recommended in this report

4. Recommendations

- 4.1. The Recommendations can be found at the front of the report.