

Report of the Director of Housing Economy and Regeneration

UK Shared Prosperity Fund – York Investment Plan

Summary

1. The Government have established a new UK Shared Prosperity Fund (UKSPF) as part of the Levelling Up White Paper, and published the national UKSPF prospectus in April 2022. York has an allocation of funds and City of York Council were required to submit an Investment Plan, developed in partnership with local stakeholders. CYC will be responsible for delivering York’s UKSPF funds for the period 2022 to 2025.
2. CYC Executive delegated responsibility to the Corporate Director of Place for the submission of the Investment Plan at its June 2022 meeting. This report presents the content of that Investment Plan, as agreed with the York UKSPF Partnership Board and the Executive Member.
3. Further steps are now required to formally agree the Investment Plan and confirm arrangements for expenditure once Government has agreed the Investment Plan. This paper addresses those issues, together with an outline of expenditure in the current financial year.

Recommendations

4. The Executive Member is asked to:
 - i. Endorse the York investment plan and its submission to Government.

Reason: To support the York economy and shared prosperity

- ii. Subject to Government approval of the plan, recommend to Executive that they confirm expenditure in accordance with the plan and delegate the Corporate Director of Place to make allocations, in consultation with the Executive Member for Finance and Major Projects and the York UKSPF Partnership Board.

Reason: To support the York economy and shared prosperity

- iii. Following consultation with the York UKSPF Partnership Board, to approve the launch of a call for proposals for financial years 2023/24 and 2024/25.

Reason: To support the York economy and shared prosperity

- iv. Following consultation with the York UKSPF Partnership Board, to delegate the approval and submission of the York Rural Prosperity Fund investment plan to the Corporate Director of Place.

Reason: To support the York rural economy and shared prosperity

Background

5. Following the Government's Levelling Up White Paper published in February 2022 and many previous references to UK SPF as the successor fund for the EU structural funds, the UK Government published the UK Shared Prosperity Fund prospectus on 13 April 2022.
6. The UKSPF is a central pillar of the UK government's Levelling Up agenda, and provides £2.6 billion of new funding for local investment by March 2025. All areas of the UK will receive an allocation from the Fund via a formula. It is intended to help places across the country deliver enhanced outcomes whilst recognising that even the most affluent parts of the UK contain pockets of deprivation and need support.
7. The fund will allow places to target funding where it is needed most, building pride in place, supporting high quality skills training, supporting pay, employment and productivity growth and increasing life chances. Local Authorities, working with stakeholders, will define their own local priorities within the Government's published framework.
8. The UKSPF supports the UK government's wider commitment to level up all parts of the UK by delivering on each of the levelling up objectives:

- Boost productivity, pay, jobs and living standards by growing the private sector, especially in those places where they are lagging
- Spread opportunities and improve public services, especially in those places where they are weakest
- Restore a sense of community, local pride and belonging, especially in those places where they have been lost
- Empower local leaders and communities, especially in those places lacking local agency

9. Beneath the overarching aims set out above, there are three UKSPF investment priorities: Communities and Place; Supporting local business; and People and Skills. There are detailed objectives associated with each of these priorities which are aligned to the relevant Levelling Up missions. Places have discretion to allocate funding across these headings in response to local need. The People and Skills priority is only available in 2024/25, the other two are present throughout the 3 years
10. In September 2022 Government announced a further element of UKSPF funding to address the particular needs of rural communities and businesses. York has been allocated £400,000 for the period 2023 to 2025 for capital spend in rural areas of the authority. There are some additional interventions available, but the priorities are limited to Communities and Place and Local Business Investment.
11. An additional element of the investment plan is required, with a deadline for submission of 30 November 2022. Further details are available [here](#). The Government suggests that the local Partnership Board could guide development of that plan. The Executive Member is asked to extend the approach that was taken for UKSPF and delegate the submission of the investment plan to the Corporate Director of Place.

Funding allocation for York

12. York has been allocated £5,107,510 of UKSPF funding, which includes a fixed 4% of the allocation for CYC to administer the fund, covering legal, finance and staff costs. It split thus:

	2022/23	2023/24	2024/25
Revenue	£555,379	£1,078,527	£2,572,980
Capital	£64,464	£161,160	£675,000

Total	£619,843	£1,239,687	£3,247,980
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13. There is a further allocation of £400,000 capital through the Rural Prosperity Fund, with £100,000 available in 2023/24 and £300,000 in 2024/25.
14. While there is no guarantee of future allocations as this is a consideration for Comprehensive Spending Review 2024, the 2024-25 allocation can be seen as the indicative annual figure for future iterations of the fund. On establishment of the York and North Yorkshire MCA, responsibility for UK SPF will pass to that body.
15. As part of the UKSPF process, lead authorities were asked to establish a local Partnership Board to provide input from public, private and community sector organisations and groups, local Members of Parliament, and other key stakeholders. A York Partnership Board was established in May 2022 and has met twice to inform the development of the Investment Plan. It will continue to meet as the process for establishing the fund develops, and will be consulted when allocations are made.
16. We have established a Partnership Board comprising representatives from:
 - Askham Bryan College
 - Aviva (large local employer)
 - Chamber of Commerce
 - CYC Communities Team
 - CYC Executive Members
 - CYC Public Health
 - DWP
 - Federation of Small Businesses
 - JCP
 - Make It York
 - Police & Crime Commissioner
 - University of York
 - YNY LEP
 - York BID
 - York College
 - York Cultural Leaders Group
 - York CVS

- York Environment Forum
- York St John University
- York MPs

17. This Board is chaired by the Executive Member for Finance and Major Projects who has been given delegated responsibility for UKSPF by the Council Executive. The Board has advised on the development of this investment plan and will be a reference group throughout the UKSPF process until March 2025. Beyond that period, responsibility is expected to pass to the Combined Authority, if established next year.

Investment Plan

18. The investment plan was submitted in August 2022 following detailed discussion with the Partnership Board and Executive. It is a high-level plan which allocates the available fund to pre-defined interventions which were set out in Government guidance, each with pre-set output and outcome indicators. Annex A summarises the funding allocations by intervention, while Annex B provides detail on these interventions and the outputs and outcomes which were allocated.
19. Funding is split across 20 interventions which were selected by the Partnership Board to reflect their collective views on the challenges and opportunities that York faces, together with the range of relevant strategies and plans that the City has adopted in recent years. The investment plan is thus based on established needs and commitments for the city, informed by the experience of key stakeholders. The summary of these challenges and opportunities that was submitted as part of the investment plan is also included in Annex B.
20. Following development of the Investment Plan, approval for submission was sought by the Corporate Director of Place, having consulted with the Executive Members for Finance and Major Projects and the Executive Member for Economy and Strategic Planning. as agreed by Executive in June 2022. The approval of CYC's Section 151 and Chief Operating Officers was also received, as required by Government as part of the submission process.
21. The Investment Plan is currently being reviewed by Government, with a formal response expected in November 2022.

22. The Executive Member is asked to endorse the Investment Plan and to recommend to Executive that they confirm the proposed expenditure in accordance with the Investment Plan and instruct the Corporate Director of Place to make the necessary approvals to enable delivery.

2022/23 allocation

23. As set out above, the allocation includes almost £620k to be spent in the current year. Any money which is not spent this year cannot be carried forward into future years, and it is thus vital that there is a robust and deliverable set of projects which responds to the Investment Plan interventions in 2022/23.
24. The Partnership Board have agreed that CYC will prioritise spend on activities related to improving the city centre and Acomb Front Street in the current year. It is proposed that this will include city centre access work (including dropped kerbs and broader access studies), Acomb Front Street (replacing bollards, redoing signage and improvements to ACO drainage and pavements, improving the external appearance of public toilets), feasibility plan work for future years, and business support work being undertaken by the LEP in York. It is only by focussing on these projects that we will achieve full spend in the current year and avoid the risk of funds being returned to Whitehall.
25. Funds for the current year will be released once the Investment Plan has been agreed, which is expected to be in November or December 2022. Government have made it clear that any funding spent prior to that is undertaken at risk, although spend from April 2022 onwards will be deemed eligible once approval is given.

Approach for 2023/24 and 2024/25

26. At its next meeting, the York UKSPF Partnership Board will consider an action plan for delivery of 2023/24 and 2024/25 allocations. This will include some direct expenditure by CYC, together with an open call for proposals to implement the remaining interventions.
27. The Executive Member is asked to endorse this approach and, subject to agreement with the Partnership Board, begin a call for proposals.

Consultation

28. York's Investment Plan and detailed proposals are being developed in consultation with the York UKSPF Partnership Board, which includes key stakeholders from the private, public and community sectors, together with MPs, Government Departments and other stakeholders. The role of the Partnership Board is to provide advice and feedback to CYC, which remains the accountable body and ultimate decision maker with regard to UKSPF in York.

Council Plan

29. UKSPF addresses the following outcomes from the Council Plan:

- Good health and wellbeing;
- Well-paid jobs and an inclusive economy;
- A greener and cleaner city;
- Safe communities and culture for all

Implications

- **Financial** – The table at paragraph 12 identifies the proposed funding allocations for the council. As the UKSPF is entirely funded from Government there are no new financial commitments to the council. Given the scale of the budgets and to include new schemes into the capital programme the final decision is ultimately for Executive. Should the Executive Member approve the proposed allocations and Government confirm the funding this will be taken forward to the Monitor 2 revenue and capital reports in November for Executive approval to add to the budget.
- **Human Resources (HR)** – no implications;
- **One Planet Council / Equalities** – our work positively supports the Council's equalities objectives;
- **Legal** – no implications arising from submission of the Priority list, but there will be implications should any projects be selected;
- **Crime and Disorder** – no implications;
- **Information Technology (IT)** – no implications;
- **Property** – no direct implications.

Risk Management

30. As discussed above, while spend from April 2022 onwards will be deemed eligible, until the Investment Plan is approved any spend is at

risk. This presents a challenge, as much of the work proposed will require capital items to be procured in advance of work being undertaken on the public realm.

31. This must be balanced with the risk that we do not spend all of the first year's allocation, leading to funds intended for York being returned to Government.
32. These factors have informed the choice of items for 2022/23 SPF expenditure, as financial prudence requires that capital work does not begin until funding is in place.

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Report **Date:** 29th September 2022
Approved

Wards Affected: List wards or tick box to indicate all **All**

For further information please contact the author of the report

Background Papers:

Annexes

Annex A: Investment Plan summary

Annex B: Detailed list of investment plan items

List of Abbreviations Used in this Report

UKSPF – UK Shared Prosperity Fund