

**REPORT OF THE DIRECTOR OF PLACE**

**UK SHARED PROSPERITY FUND**

**Cabinet Member(s):** Councillor Richard Chesterton, Cabinet Member for Planning and Regeneration

**Responsible Officer:** Richard Marsh, Director of Place

**Reason for Report:** To seek member approval for the submission of an Investment Plan for Mid Devon under the Government's UK Shared Prosperity Fund.

**Recommendation: That Cabinet:**

- I. Approves the investment priorities set out in the Shared Prosperity Fund Investment Plan and the level of proposed investment in each priority area.**
- II. Delegated authority be given to the Director of Place (in consultation with the Portfolio holder for Planning and Economic Regeneration) to finalise the investment plan and submit the bid on behalf of the Council.**

**Financial Implications:** Under the UK Shared Prosperity Fund, the Government has allocated £1,064,159 over a three year period to Mid Devon, to support economic development and community cohesion under its 'Levelling Up' agenda, subject to the approval of a locally agreed Investment Plan. The initiatives identified in the Investment Plan will be delivered through a combination of working in partnership, commissioning, competitive grants, and internal delivery.

**Budget and Policy Framework:** Staffing costs for all projects to be delivered under the scheme have been fully costed into the project budgets. In addition 4% (£42,566.36) of the UKSPF allocation can be spent on management and administration, leaving £1,021,592.64 for project delivery.

The funding will help deliver projects which contribute towards meeting objectives within both the Council's Economic Strategy and its Corporate Plan 2020-24.

**Legal Implications:** Once the Investment Plan is approved by Government, the scheme will be subject to a grant agreement – details of which have not yet been released. In addition, in order to deliver the initiatives under the scheme separate legal agreements will need to be signed with delivery partners and grant recipients. The Council will act as the Accountable Body for the scheme.

**Risk Assessment:** The Investment Plan lays out the proposed interventions and level of investment in each intervention against a fixed allocation, with merely an overview of how the scheme will be delivered. Mid Devon's funding allocation under the Shared Prosperity Fund has already been determined by Government. The main risks associated with the submission are strategic, that is whether we have identified

correctly the right economic and social issues and whether the intended interventions are the appropriate ways to overcome / mitigate the identified problems. The development of robust Theory of Change arguments of why we intend to intervene in this particular area reduces the risk that the Investment plan will not receive approval. Risks associated with the delivery of initiatives are subject to further discussion with DLUHC. In finalising the Delivery Plan, individual projects will be subject to their own risk assessments.

**Equality Impact Assessment:** The Shared Prosperity Fund Investment Plan for Mid Devon aims to help address inequalities in our communities, particularly through skills development and wage growth. There is a particular focus on supporting young people not in education nor employment. Individual projects will have their own equality impact assessed as part of the detailed planning for delivery.

**Relationship to Corporate Plan:** The Investment Plan directly addresses a number of objectives identified in the Corporate Plan 2020-24, as set out in the report below.

- Promote economic development and greater economic diversity
- Reduce long-distance commuting
- Increase the number of higher skilled, better paid jobs
- Incubation space, grow-on space and places to expand
- Promote low carbon communities - decarbonisation
- Promote a local economy - People living, working, eating, shopping and spending locally
- Greater digital connectivity in rural areas
- Support for clean growth industries
- A thriving agricultural sector that showcases farm-to-fork practices and low food miles to market

**Impact on Climate Change:** Climate change and the necessity to transition to a Low Carbon Economy is a recurring theme within the Investment Plan, from reducing commuting by encouraging the development of local jobs for local residents, to encouraging low carbon business adaptation and promoting Green Skills.

## 1.0 Introduction/Background

1.1 The Government launched the UK Shared Prosperity Fund (UKSPF) in April 2022 as part of its Levelling Up agenda, with an initial investment of £2.6 billion to reduce inequalities and support economic development and community cohesion. The funding covers the three year period from April 2022 to March 2025, with all areas of the UK receiving a formula-based allocation. The UKSPF replaces a raft of funding available under the European Structural and Investment Funds (ESIF).

1.2 The stated aim of the UKSPF is to:

- Boost productivity, pay, jobs and living standards, 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

- 1.3 Mid Devon's allocation under the fund is £1,064,159 over three years, with an increasing spending profile of 15% in year 1, 27% in year 2 and 58% in year 3, as set out in the table below. There is a minimum percentage capital spend each year, although capital spend can exceed this figure. Authorities can use up to 4% of the allocation for administration, leaving a total of £1,021,592.64 for project delivery.

Year	Allocation	Revenue		Capital (At Least)	
	Total	%	Amount	%	Amount
22-23 (15%)	£153,238.90	90%	£137,915.01	10%	£15,323.89
23-24 (27%)	£275,830.01	87%	£239,972.11	13%	£35,857.90
24-25 (58%)	£592,523.73	80%	£474,018.98	20%	£118,504.75
	<b>£1,021,592.64</b>				

- 1.4 In order to draw down this funding, each local authority area is required to submit an Investment Plan developed in partnership with key stakeholders. The Investment Plan needs to:

- Detail the local challenges and opportunities to economic growth and community cohesion
- Identify proposed interventions and outcomes under three pillars of the Shared Prosperity Fund -
  - Communities and Places
  - Supporting Local Business,
  - People & Skills
- Describe how it will be delivered, including
  - The approach to delivery and governance
  - Expenditure and deliverables
  - Capability and resources

A finalised Investment Plan needs to be submitted to the Department of Levelling Up Housing and Communities (DLUHC) by the 1<sup>st</sup> August 2020.

## 2.0 Investment Plan Development

- 2.1 Since the launch of the Shared Prosperity Fund Prospectus in April 2022, the Investment Plan has been developing gradually through a process of analysis of the available evidence, discussion with local businesses and formal consultation with strategic and local partners, to create a theory of change that provides a shared understanding of the needs and potential interventions.
- 2.2 Engagement with strategic partners has taken place through the Devon Economy and Business Recovery Group, meeting on the 16<sup>th</sup> May and 21<sup>st</sup> June, and involving statutory, business and community partners, including local training providers, business support agencies, business and sectoral representatives, such as the National Farmers Union and Federation of Small Businesses, JobCentrePlus, Visit Devon and the Heart of the SW LEP.

- 2.3 On the 8<sup>th</sup> June a virtual Stakeholder Event was held with local statutory community and private sector partners, representing a wide range of the community and business interests in Mid Devon. The facilitated workshop followed a rigorous process, starting with an analysis of the current situation as evidenced in the Mid Devon Economic Profile, then looking at and identifying the challenges and opportunities for economic growth in Mid Devon, before looking at investment priorities and potential interventions. Discussion has continued with individual businesses and potential providers to develop the proposed interventions.
- 2.4 Once the investment plan has been finalised and approved, it will need to be endorsed by the local members of parliament.

### 3.0 Challenges and Opportunities

- 3.1 The development and engagement process outlined above has resulted in a logical argument for intervention, known as a 'Theory of Change', as laid out in the Shared Prosperity Fund prospectus. The model provides a reasoned argument for why the Council wants to invest in the proposed priority areas, with proposed interventions and outcomes. The detailed models for each theme are laid out in Appendix A.

### 4.0 Investment Priorities & Proposed Interventions

- 4.1 By identifying the main challenges facing Mid Devon and the opportunities for growth the following priorities for investment are proposed, with an indicative level funding shown.

Investment Priority	Proposed Investment
<b>Communities and Place</b>	<b>£200,000</b>
Support for revitalising our town centres by: <ul style="list-style-type: none"> <li>Improving the public realm</li> <li>Supporting an improved retail offer</li> <li>Bringing vacant shops back into use</li> <li>Renovating and restructuring under-utilised buildings</li> <li>Promoting a programme of events, festivals</li> <li>Supporting an improved cultural and leisure offer</li> </ul>	£100,000
Support a thriving agricultural sector that showcases field-to-fork practices and low food miles to market	£50,000
Strengthening the Visitor Economy	£50,000
<b>Supporting Local Businesses</b>	<b>£600,000</b>
Support for local start-ups and micro-businesses (SMEs)	£200,000
Support the development of incubation and flexible work-space	£400,000
Support for business innovation and adoption of modern	

Investment Priority	Proposed Investment
processes and advanced technology by local start-ups and micro-businesses	
<b>People &amp; Skills</b>	<b>£200,000</b>
Support for young people not in employment (or underemployed)	£100,000
Support workforce development in skills for a new economy – Green Skills	£100,000

4.2 More detailed descriptions of the proposed interventions are provided in Appendix B.

## 5.0 Conclusions and Recommendations.

Given the complexity of the partnership working involved in developing the Investment Plan, and the different timescales that Councils are working to, the next two weeks (from writing this report to the date of the Cabinet meeting) will be crucial in pinning down more details to the proposals. A revised schedule of investment will therefore be tabled at the meeting.

This report seeks member approval for the investment priorities identified above and the indicative level of funding under each priority. It then seeks delegated authority for the Director of Place, in consultation with the Portfolio holder for Planning and Economic Regeneration, to finalise the investment plan and submit the bid on behalf of the Council.

The deadline for submission of the Investment Plan is the 1<sup>st</sup> August. Following submission, the investment plan will be appraised by the Department for Levelling Up Housing and Communities (DLUHC), and more detailed project delivery plans developed. Once approved, projects should be able to start from October 2022.

### Contact for more Information:

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**Circulation of the Report:** Cabinet Member– Cllr Richard Chesterton], Cabinet, Leadership Team

### List of Background Papers:

Appendix A

Communities & Place Theory of Change  
Supporting Local Business Theory of Change  
People & Skills Theory of Change

## Appendix B

### Interventions