

Isle of Anglesey County Council	
Report to:	The Executive Committee
Date:	24th January 2023
Subject:	Delivery of the UK Government's Shared Prosperity Fund
Portfolio Holder(s):	Cllr. Carwyn Jones (Economic Development and Major Projects)
Head of Service / Director:	Christian Branch Head of Regulation & Economic Development Service
Report Author: Tel: E-mail:	Tudur H. Jones 2146 tudurjones@ynysmon.llyw.cymru
Local Members:	Relevant to all Elected Members

A –Recommendation/s and reason/s
<p>This paper builds further on the earlier Recommendations made by the Executive in July 2022 on the delivery of SPF on Anglesey.</p> <p>Recommendation:</p> <p>The Executive delegates authority to the Leader, in consultation with Portfolio Holders for Economic Development and Major Projects & Finance, for all Executive decisions which may be required in relation to the SPF on Anglesey (for the duration of the funding).</p> <p>What is the Shared Prosperity Fund?</p> <p>UK Government (UKG) has now launched the Shared Prosperity Fund as a domestically-funded replacement for previous European Union structural funding. Anglesey has always been a significant recipient of European funds and the programmes have funded a wide range of programmes to support businesses, develop skills, and increase employability as well as capital infrastructure programmes.</p> <p>The Shared Prosperity Fund will deliver £2.5bn of investment until March 2025 across the UK. The aim of the programme is “to build pride in place and increase life chances”. The investment priorities set by UKG are:</p> <ul style="list-style-type: none"> • Community and Place - Strengthening our social fabric and fostering a sense of local pride and belonging. To build resilient and safe neighbourhoods. • Supporting Local Business - Creating jobs and boosting community cohesion by supporting local businesses. Promoting networking and collaboration and stimulating innovation and growth. Targeted support to help businesses grow - e.g. innovation, productivity, energy efficiency, low carbon and exporting. • People and Skills - Boosting core skills and support adults to progress in work. Supporting disadvantaged people to access the skills they need. Funding local skills needs and supplementing local adult skills provision. Reducing levels of economic inactivity and supporting those furthest from the labour market.

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Anglesey has been allocated £16,081,937 of Shared Prosperity funding (including £2,777,202 for adult numeracy activities, called Multiply.

UKG requires each 'lead authority' to establish a formal decision making Board and also a Partnership Group *"to ensure that Fund investments complement other activities in the area and meet Fund and local objectives"*. It should be made explicit that the Partnership Group is non-negotiable but only advisory in nature. The final decision in respect of project approval & expenditure rests with the County Council.

Regional work has been essential thus far in the make-up of SPF as a Regional Investment Plan was required in order to access the funds. It is expected that a number of projects will be pan-regional, there will therefore be a role for the North Wales Economic Ambition Board in the delivery of SPF. Whilst Gwynedd Council is the Lead Authority for the regional management and administration of the SPF in North Wales, the 'local' decision making will operate via the advisory Partnership Groups/ LA decision-making bodies (Boards), at an individual local authority level.

The advisory Partnership Group and decision-making Board become a key component in ensuring the transparent and accountable management and allocation of funding locally, both to third party beneficiaries and to the Council's own SPF projects.

Proposed Governance Arrangements

Formal Decision Making SPF Board

The role of this Board will be to review the recommendations put forward by Economic Development Officers on where Anglesey's allocation of SPF is to be awarded. They will ultimately have the responsibility for the allocation of the funding.

The Board would consist of the Leader, Portfolio Holder for Economic Development and also Portfolio Holder for Finance and be supported by Senior Council officers including the Chief Executive, Deputy Chief Executive, the Section 151 Officer and the designated Senior Responsible Owner (SRO) for UK SPF (the Head of Service for Regulation and Economic Development).

Following guidance from the Legal Services Manager, it is recommended that the Executive delegates decision-making to the Leader in consultation with the Economic Development Portfolio Holder and the Finance Portfolio holder. This would represent a lawful decision-making mechanism under the Council's Constitution and will require an Executive decision.

The Partnership Group

This will sit alongside the decision-making Board and is expected by UKG to bring *"access to local insight and expertise...identify and address need and opportunity, and respond with the right solutions for each place"*. It is expected that local authorities will seek to *"work with a diverse range of local and regional stakeholders"*.

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The SPF Prospectus indicates that local partners attending Partnership Groups should “*be asked to provide advice on strategic fit and deliverability – taking care to avoid conflicts of interest*”.

The precise composition will be for each place to determine, based on individual needs but UKG recommend that consideration is given to the following:

- a) Representatives from the local authority
- b) Local businesses and investors
- c) Business support providers (including sectoral representatives appropriate to place e.g. cluster bodies, tourism organisations)
- d) Other partnership boards and strategic bodies (e.g. Growth Deal partners)
- e) Regional representatives of arms-length bodies of government
- f) Prominent local community & faith organisations
- g) Voluntary, sector social enterprise and civil society organisations
- h) Education and skills providers – e.g. HE / FE / adult learning providers
- i) Employment experts and providers – e.g. Jobcentre Plus Nature, environmental or associated representatives
- j) Public health representatives
- k) Police and crime representatives (e.g. Police and Crime Commissioners)
- l) Officials of devolved administrations and their agencies
- m) Members of Parliament

A number of steps are required to operationalise the proposed framework (above) and the overarching governance structure needs to be formalised including inviting ‘core members’ of the Partnership Group bringing them together to discuss and agree the terms of reference for their work.

Further detailed work is already underway to develop the Terms of References, guidelines, project selection criteria, assessment matrix etc. for the operation of the various groups. This work forms part of the development of a more comprehensive Assurance Framework which will guide delivery and be available for subsequent internal audit and external UK Government audit purposes. This is being done in collaboration with the Lead Authority to ensure consistency is applied across the Region in the delivery of SPF.

This work will ensure that there is transparency, a robust process and full compliance with UKG requirements in the administration of the SPF to safeguard the reputation of the Council and that all applicants are treated equally and fairly.

B – What other options did you consider and why did you reject them and/or opt for this option?

Do nothing – the Council does not play an active role in the SPF process but that is not an option and would risk future funding applications/ processes.

C – Why is this a decision for the Executive?

This decision aligns to previous decisions taken by the Executive in relation to UK Government funding awards – the Community Renewal Fund (CRF) and Levelling Up Fund (LUF)

Ch – Is this decision consistent with policy approved by the full Council?

Yes.

D – Is this decision within the budget approved by the Council?

Yes.

Dd – Assessing the potential impact (if relevant):

1	How does this decision impact on our long term needs as an Island?	Areas of Anglesey suffer from deprivation and is amongst the highest in Wales. Securing SPF can deliver tangible improvements and benefit to the people and communities creating jobs and opportunities.
2	Is this a decision which it is envisaged will prevent future costs / dependencies on the Authority? If so, how?	It has the potential to prevent future costs/ dependencies on the Authority by stimulating economic growth and prosperity.
3	Have we been working collaboratively with other organisations to come to this decision? If so, please advise whom.	Yes – working with colleagues from UK Government and external organisations to the County Council.
4	Have Anglesey citizens played a part in drafting this way forward, including those directly affected by the decision? Please explain how.	Yes – we issued a ‘call for potential projects’ in May and June 2022.
5	Note any potential impact that this decision would have on the groups protected under the Equality Act 2010.	We envisage that this has the potential to have potential positive impacts for all citizens through creating jobs and opportunities.
6	If this is a strategic decision, note any potential impact that the decision would have on those experiencing socio-economic disadvantage.	We envisage that this has the potential to have potential positive impacts for all citizens especially considering that Anglesey suffers from deprivation and a number of its residents are at a socio-economic disadvantage.
7	Note any potential impact that this decision would have on	Any potential successful bid will be delivered in both Welsh and English and

Dd – Assessing the potential impact (if relevant):

	opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language.	we will ensure that the Welsh language is treated in exactly the same manner as English.
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E – Who did you consult?**What did they say?**

E – Who did you consult?		What did they say?
1	Chief Executive / Senior Leadership Team (SLT) (mandatory)	Supportive. Comments received meeting on 3 rd January 2023 and implemented in report.
2	Finance / Section 151 (mandatory)	
3	Legal / Monitoring Officer (mandatory)	
4	Human Resources (HR)	
5	Property	
6	Information Communication Technology (ICT)	
7	Procurement	
8	Scrutiny	
9	Local Members	

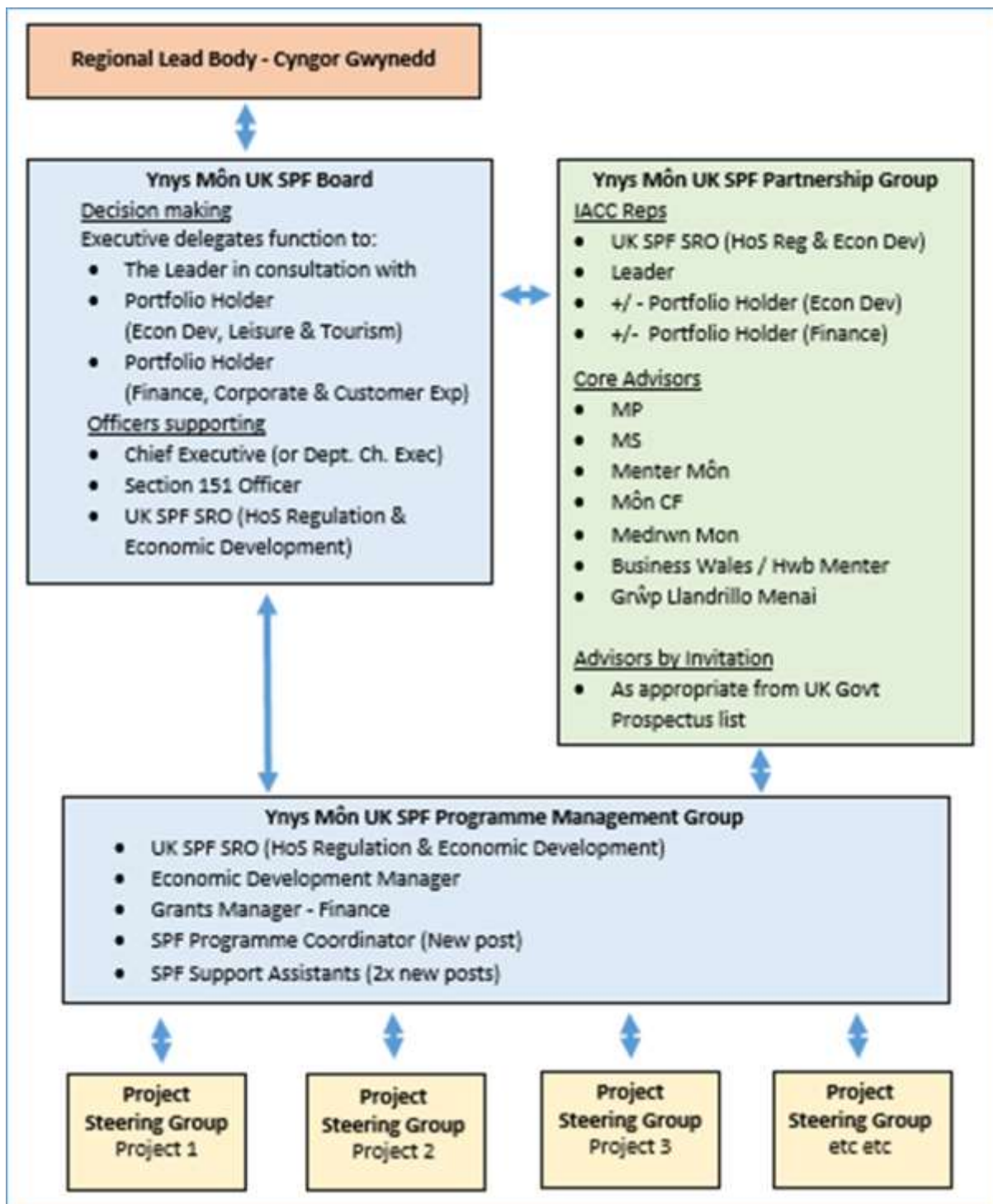
F - Appendices:

A – proposed governance frameworks

Ff - Background papers (please contact the author of the Report for any further information):

19th July 2022 – previous Shared Prosperity Fund paper to the Executive

Annex A – Proposed Governance Framework



Isle of Anglesey County Council	
Report to:	The Executive Committee
Date:	19th July 2022
Subject:	UK Government Shared Prosperity Fund
Portfolio Holder(s):	Cllr. Carwyn Jones (Economic Development and Major Projects)
Head of Service / Director:	Christian Branch Head of Regulation & Economic Development Service
Report Author:	Tudur H. Jones
Tel:	2146
E-mail:	tudurjones@ynysmon.llyw.cymru
Local Members:	Relevant to all Elected Members

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Recommendations

- 1) **That approval is given to further develop the Shared Prosperity Fund programme within Anglesey, and regionally through officer input, in line with the principles set out in this report.**
- 2) **That delegated authority is given to the Head of Regulation & Economic Development Service and the Portfolio Holder to develop and submit Anglesey's priorities for inclusion in the Regional Investment Plan (RIP) to enable the programme funding to be drawn down.**
- 3) **That the proposal to ask Gwynedd Council to act as the lead body to submit the Regional Investment Plan to UK Government and to lead subsequent programme delivery is supported.**
- 4) **Delegate authority to the Portfolio Holders for Economic Development and Finance, in consultation with the Leadership Team, to approve the Council's SPF spending priorities for 2022/23.**

1.0 Context & What is Share Prosperity Fund

European Structural Fund programmes have been a major funding source in Wales for several decades but are due to close over the next 18 months. UK Government has now launched the Shared Prosperity Fund as a domestically-funded replacement to the European programmes. Anglesey has always been a significant recipient of European funds and the programmes have funded a wide range of programmes to support businesses, develop skills, and increase employability as well as capital infrastructure programmes.

The Shared Prosperity Fund will deliver £2.5bn of investment until March 2025 across the UK. The aim of the programme is “to build pride in place and increase life chances”. The investment priorities set by UK Government are:

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- Community and Place - Strengthening our social fabric and fostering a sense of local pride and belonging. To build resilient and safe neighbourhoods.
- Supporting Local Business - Creating jobs and boosting community cohesion by supporting local businesses. Promoting networking and collaboration and stimulating innovation and growth. Targeted support to help businesses grow - e.g. innovation, productivity, energy efficiency, low carbon and exporting.
- People and Skills - Boosting core skills and support adults to progress in work. Supporting disadvantaged people to access the skills they need. Funding local skills needs and supplementing local adult skills provision. Reducing levels of economic inactivity and supporting those furthest from the labour market.

The guidance for the programme was released on 13 April 2022. The programme is to be managed by local government across the UK. Funding is allocated to local government and no competitive bids are expected. An Investment Plan setting out the approach to delivering the programme is expected in order to release the funding and UK Government will need to receive this by 1 August 2022. UK Government has asked local government in Wales to collaborate to produce one Investment Plan for each region and to nominate a single Lead Body to submit the Plan and act as the accountable body for the funding. UK Government has indicated that it will approve Investment Strategies by 31 August 2022.

Local government is expected, in developing the programme, to engage stakeholders including from the third sector and business community and to provide opportunities for organisations to secure resources from the programme to deliver against its priorities.

The table below outlines what the Isle of Anglesey has received and it should be noted that this funding covers 3 years.

As part of the RIP there is a requirement to apportion the funding into the three investment priority areas identified by UK Government as well as a Local and Regional allocation. This work is currently ongoing but it is expected there will be a larger proportion of funding allocated locally (to be delivered on Anglesey), and especially in the Community & Place theme where delivery has to local.

Table 1 – Anglesey’s Allocation

	Total
Core	£ 13,304,735
Multiply	£ 2,777,202
	£ 16,081,937

The Multiply programme included in the table above is a UK Government initiative to boost adult numeracy. The budget for the programme is high and adult numeracy is devolved to Welsh Government for delivery with established programmes already in place. Further discussion between the Welsh Local Government Association, UK

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Government and Welsh Government is therefore underway to determine how to make the best use of the funding opportunity.

2.0 Progress to Date

The timetable set by UK Government gives 16 weeks to consult stakeholders and develop and approve the Investment Plan for submission. Although the Investment Plan itself is not expected to require much detail to be approved, local government needs to:

- undertake stakeholder engagement both locally and regionally;
- set priorities for the programme regionally and locally;
- agree appropriate governance structures locally and regionally;
- start to prepare the methodology by which funding will be allocated; and
- agree the regional lead body for the programme and set up the necessary structures and agreement.

Structures have been established regionally to lead this process with a senior manager group established to oversee the development of the programme and an operational co-ordinating group to drive forward the work streams above.

It is currently proposed that Gwynedd Council is asked to act as regional lead authority for the programme. Gwynedd Council already acts as the lead body for the North Wales Growth Deal portfolio.

There have been workshops and meetings regionally to engage stakeholders to inform the priorities for the programme in relation to skills and employment. The majority of skills and employment programmes have tended to be delivered on a regional or sub-regional footprint due the commonality of needs of the clients and the ability to secure economies of scale.

Locally, the Council has engaged with external partners, third sector representatives and the business community. The Council has also undertaken an open process to request the submission of initial, high-level ideas and projects. All information received will be used to inform the priorities for the programme in Anglesey.

Whilst Governance of the funding is still to be determined, where there is a regional allocation the existing Economic Recovery Group, a multi-sector partnership established following the Covid pandemic, could be used to contribute to the governance for the programme. The membership and terms of reference for the group will need to be reviewed for this purpose.

3.0 Next Steps

The programme provides a relatively limited financial resource compared to the breadth of the priorities given by UK Government. It is recommended that the Council concentrates its resources into a smaller number of priorities in order to maximise impact. These should be informed by:

- The Regional Economic Framework
- The Council Plan and Well-being Plan

A –Recommendation/s and reason/s

- The outcomes of the engagement events with stakeholders

The Council will need to compile its preferred priorities for the programme and submit these for compilation within the regional Investment Plan alongside the regional elements of the Plan required by UK Government. UK Government has given assurances that the Investment Plan will be able to be amended as needed following approval.

There are opportunities for delivery of activities under the People and Skills and Supporting Local Business themes to take place on a regional and sub-regional rather than local footprint. This helps to secure economy of scale and has worked successfully to date. There are fewer opportunities for this within the Places and Communities theme. It is proposed that, wherever shared priorities and opportunities for efficiency exist, regional development and delivery should be used. The Council will still be able to deliver locally-specific activities where this is identified as more appropriate. Organisations seeking to deliver regional projects will, at a future stage of programme development later in 2022, be required to demonstrate how their project will deliver measurable benefits to each county in order to receive funding.

Further discussions with strategic stakeholders will determine the approach to be taken to the Multiply element of the programme and how it should be reflected in the Investment Plan.

Delivery of the programme will need to comply with Council Contract Procedure Rules. There are expected to be three main methods for delivering the programme:

- 1) Direct delivery by Council teams and delivery partners (where possible) using programme funding
- 2) Procured activity
- 3) Funding given to third parties through open and competitive calls for proposals

It is anticipated that, due to the constraints imposed by the timetable for the programme, the majority of expenditure for the 2022/2023 financial year will be through the first method.

The Council will work with regional and local partners to ensure that the Investment Plan is submitted to UK Government by the 1 August 2022 deadline.

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