



REPORT TO:	Cabinet
DATE:	9 November 2022
SUBJECT:	UK Shared Prosperity Funding and Rural Prosperity Funding
PURPOSE:	Presentation of Boston's Shared Prosperity Investment Plan and management arrangements, including the submission of an addendum for Rural Prosperity Funding allocation.
KEY DECISION:	YES
PORTFOLIO HOLDER/S:	Cllr Nigel Welton
REPORT OF:	Michelle Sacks, Deputy Chief Executive
REPORT AUTHOR:	Lydia Rusling, Assistant Director for Economic Growth
WARD(S) AFFECTED:	ALL
EXEMPT REPORT?	NO

SUMMARY

This reports presents the Investment Plan for Boston for UK Shared Prosperity Funding. It outlines the process for the Council to manage this funding as the accountable body and to draw down additional funding through the Rural Prosperity Fund.

The report summarises the aims of the funding, the engagement and consultation which has taken place to date, and proposes working collaboratively as the South and East Lincolnshire Councils Partnership and with established bodies to strengthen capacity, maximise match funding and meet the needs of local businesses and communities.

The Government guidance also requires the establishment or designation of a Local Partnership Group. Comprehensive and balanced local partnerships are a core component of how the Fund is administered locally, providing advice on strategic fit and deliverability.

RECOMMENDATIONS

1. Subject to Government approval of the Investment Plan, Members are requested to support the Investment Plan and recommend the Council acts as the accountable body for UK Shared Prosperity Funding and Rural Prosperity Funding.
2. To authorise the Deputy Chief Executive (Growth) in consultation with the relevant Portfolio Holder to submit an addendum to the UKSPF Investment Plan for Rural Prosperity Funding.
3. Support the Boston Town Deal Board with broadening its membership to encompass appropriate representation from across the Borough and be designated as the Local Partnership Group.
4. To authorise the Deputy Chief Executive (Growth) in consultation with the relevant Portfolio Holders to work collaboratively as the South and East Lincolnshire Councils Partnership on the development of a bidding prospectus, and where appropriate enter into grant funding agreements with delivery partners.

REASONS FOR RECOMMENDATIONS

To meet HM Government requirements to access funding allocations through the UK Shared Prosperity Funding and Rural Prosperity Funding.

OTHER OPTIONS CONSIDERED

Not meeting the Government requirements for this funding would result in the allocation of funding for Boston not being paid to the Council.

1. BACKGROUND

- 1.1 The UK Shared Prosperity Fund (UKSPF) is a central pillar of the UK Government Levelling Up Agenda and replaces the European Regional Development Fund (ERDF) and European Social Fund (ESF). Its primary goal is to build pride in place and increase life chances. There are three key investment priorities of: communities and place; supporting local business; and people and skills.
- 1.2 Unlike other funds it is not a competitive process and all areas will receive a funding allocation. The total value of the fund is £2.6bn, of which Boston's allocation is £2.2m. The fund will run until March 2025.
- 1.3 In addition, the Rural England Prosperity Fund is integrated with the UKSPF and provides top-up of funding to eligible local authorities. It succeeds EU funding from LEADER and the Growth Programme which were part of the Rural Development Programme for England. Boston Borough Council has been allocated £0.43 million.

- 1.4 In order to access the UKSPF fund, it requires the formation of a Local Partnership group of stakeholders and the submission of an Investment Plan which sets out the challenges the area faces, along with how the UKSPF investment will help address these.
- 1.5 Boston Cabinet approved the draft Investment Plan on 27 July 2022 and delegated authority to the Deputy Chief Executive (Growth), in consultation with the Portfolio Holder for Economic Growth, to make any amendments that might arise prior to the submission to Department of Levelling Up, Communities and Housing. The Investment Plan was submitted for the deadline of 1 August 2022.
- 1.6 To access the Rural Fund, the Council is required to provide specific additional information as an addendum to the Boston UKSPF investment plan.

REPORT

- 2.1 This report outlines the aims of each new fund and the Council's proposed approach through its submission of an Investment Plan and external engagement.
- 2.2 The **UK Shared Prosperity Fund** specific aims include: 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
- 2.3 There are three priority areas for UKSPF:

Communities and place - enabling places to invest to restore their community spaces and relationships and create the foundations for economic development at the neighbourhood-level. The intention of this is to strengthen the social fabric of communities, supporting in building pride in place.

Supporting local business - enabling places to fund interventions that support local businesses to thrive, innovate and grow.

People and skills - helping to reduce the barriers some people face to employment and support them to move towards employment and education. Places can also target funding into skills for local areas to support employment and local growth.
- 2.4 UKSPF Guidance sets out that each local authority is tasked with working with a range of diverse local and regional stakeholders to achieve the outcomes for their area. A Local Partnership Group is required for consultation. The Boston Town Deal Board was set up to oversee the Town Deal and has supported further funding opportunities for Boston. It is an established partnership with all of the key partners already represented.
- 2.5 It is recommended that the Boston Town Deal Board is designated as the Local Partnership Group for UKSPF. This complements the proposals for the Levelling Up Funding. The Government guidance states the Local Partnership Group needs to include local stakeholders such as: a representative cross section of Parish and Town Councils, local

business representatives, county and district councillors, local voluntary sector organisations. Ideally it should encompass not more than 15-20 representatives. Its role will be to add its comments to the proposed allocation of funding to applicants and to suggest connections and linkages with other local activities and priorities. The Council will have the ultimate say so whilst this group is important and required by the guidance its role will be advisory.

- 2.6 The Investment Plan is evidence led and linked to national and local strategies and policies. **See Appendix A.** Meaningful engagement with stakeholders was required and opportunities for collaboration with other districts are encouraged.
- 2.7 The UKSPF public consultation for Boston formed part a wider ‘Have Your Say’ campaign led by the South and East Lincolnshire Councils Partnership between 13 and 8 July. The core objectives underpinning the consultation were to present details about the UK Shared Prosperity Fund together with project themes that address the area’s challenges and fit with local priorities, and to gather ideas from stakeholders and residents about what they would like the money to be spent on and what they think will work best locally.
- 2.8 The consultation was widely promoted with letters to stakeholders, social media posts and adverts in the local press. There was also a project website - www.selcp-haveyoursay.co.uk – which hosted information about the proposal and a newsletter was produced which was emailed to stakeholders and also made available at community events. People were invited to provide feedback via an online survey on the website, email, social media, Freepost or Freephone. Hard copy versions of the survey were available upon request. Copies of the newsletter and survey were also sent to council offices and selected libraries to display. The engagement included a series of online and face-to-face meetings with key stakeholders and a range of community events held at market stalls across the area.
- 2.9 The top three suggestions for Boston included: Invest in tidying up Boston town; Help for small businesses and market stalls to help boost the town; Provision of activities in the area for all age groups.
- 2.10 Across the Consultation for the sub-region key themes were identified:
- Business ideas linked to health and well-being, food production, tourism, culture and the arts, transport, environmental businesses and the digital sector
 - Social enterprises, i.e. businesses which have a social purpose and make a profit in a way that directly benefits society
 - Projects on the Lincolnshire Coast which help more people between 16-64 to become economically active
 - Projects which bring imaginative new activities and adapt buildings to breathe new life into town centres
 - Programmes for smaller places which will improve and widen the use of community buildings including village halls

- Projects which increase the availability of decent broadband connectivity in rural places
- 2.11 In addition to the public consultation, stakeholder engagement workshops have been held with potential delivery partners. The UKSPF funding allocation is split into three themes, focused on skills, business and place and we propose forming three expert clusters from established bodies who have a track record of currently delivering against these themes. They will support with writing the bidding prospectus for each theme using their expertise – the proposed timeframe will be to complete this by early November and invite bids for the first bidding round before Christmas. They will assist with evaluating bids, particularly looking at how they can bring match funding and encouraging individual bids to align with other activities and projects to reduce duplication and improve outcomes.
- 2.12 These theme groups will not be paid for their support and they do not have the final decision for distribution of funding. They will be able to bring forward their own project ideas whilst declaring an interest as appropriate. The recommendations from each bidding round will be reported to the Local Partnership Group – in Boston this is proposed to be designated to the Boston Town Deal Board. The Council’s Cabinet will have the final decision, subject to further delegation to officers in consultation with the relevant portfolio holder.
- 2.13 Whilst keeping a focus on 3 separate funding pots for each local authority, the South and East Lincolnshire Councils Partnership will consider applications to all three areas as a whole through an integrated approach rather than running three separate systems. We have invested far more time and effort to significant acclaim in consulting on how to deliver UKSPF than other authorities locally. We are working in partnership with current grant management organisations (like the Community Foundation) and thematic bodies like Active Lincolnshire to ensure we attract matched resources and avoid duplication.
- 2.14 The proposed approach is set out in the Presentation at Appendix B.
- 2.15 The administration of the process will be undertaken by a council team and paid for by a 4% allocation (maximum allowable) from the UKSPF funds. The 4%, approaching £480,000 across all three areas, will pay for the cost of delivery over the next 2.5 years from the fund, including any additional capacity required. There are no unforeseen costs to the local authority. This report proposes Boston works collaboratively as the South and East Lincolnshire Councils Partnership, using one team to manage the funds across all three areas. Each local authority has different funding allocations, £4.4m for East Lindsey and £2.7m for South Holland. Therefore, if we take the collective amount of UKSPF across the three Councils, the total 4% administration allocation is approaching £480,000.
- 2.16 Council staff will lead the process and the Council’s Cabinet will have the final decision, subject to any further delegation to officers in consultation with the relevant portfolio holder. As part of the bidding process the Council can put forward their priorities and projects.

- 2.17 We are operating in as agile a way as possible – using one team to manage the funds across all three areas and harnessing the expertise of the partner organisations to shape the programme at no additional cost for delivery.
- 2.18 The Council will need to consider how it maximises impact and outcomes through the available funding. It won't be possible to do everything, and so a process of prioritisation will be required. Working with delivery partners will not exclude Council-led initiatives, which will also be actively encouraged in consultation with relevant Portfolio Holders.
- 2.19 The funding is ring-fenced for each Council but it is possible to combine funding for joint schemes, and the Guidance actively encourage collaboration and working across geographical boundaries.
- 2.20 Spend can occur at risk from 1st April 2022 until the Investment Plan is approved (expected in October).
- 2.21 The **Rural Prosperity Fund** is integrated into the UKSPF and is a rural top-up to UKSPF allocations. It supports both the aims of the Government's Levelling Up White Paper and the Future Farming Programme. The funding is aimed at capital projects for small businesses and community infrastructure to improve productivity and strengthen the rural economy and rural communities.
- 2.22 The Rural Funding is for capital grants for business or community purposes. Projects must be in a rural area – towns, villages or hamlets with populations below 10,000 or a market/hub town with populations of up to 30,000, if they serve as a centre for employment or services to rural areas.
- 2.23 An addendum to the Boston UKSPF Investment Plan is required to be submitted prior to 30 November. The assessment period will run between November 2022 and January 2023 with first payments expected to lead authorities by April 2023. The funding period is April 2023 to March 2025.

3. CONCLUSION

- 3.1 This reports presents the Investment Plan for Boston for UK Shared Prosperity Funding at Appendix A.
- 3.2 It outlines the process for the Council to manage this funding as the accountable body and to draw down additional funding through the Rural Prosperity Fund.
- 3.3 The report summarises the aims of the funding, the engagement and consultation which has taken place to date, and proposes working with delivery partners to strengthen capacity, maximise match funding and meet the needs of local businesses and communities.

- 3.4 Council-led initiatives will be encouraged and will form part of a prioritisation process to meet the requirements of the Investment Plan and Boston's corporate priorities.
- 3.5 The Government guidance also requires the establishment or designation of a Local Partnership Group. Comprehensive and balanced local partnerships are a core component of how the Fund is administered locally, providing advice on strategic fit and deliverability. The Boston Town Deal Board has been identified as the designated Partnership Group.

IMPLICATIONS SOUTH AND EAST LINCOLNSHIRE COUNCILS PARTNERSHIP

Investment Plans for East Lindsey and South Holland mirror the proposed management of the UK Shared Prosperity Funding. See Financial Implications.

CORPORATE PRIORITIES

The Investment Plan reflects the Corporate Priorities identified in Boston's Corporate Strategy, supporting the four priorities: 1. People 2. Future prosperity and inclusive growth 3. Environmental awareness and accountability 4. Delivering high quality services and maximising the use of technology to support residents.

STAFFING

See Financial section below.

CONSTITUTIONAL AND LEGAL IMPLICATIONS

None arising from the report.

DATA PROTECTION

None arising from the report.

FINANCIAL

Boston Borough Council will receive £2.2m from the UK Shared Prosperity Fund. The fund is profiled over three years with a minimum spend on capital each year. 4% of the fund can be used for administration purposes. As the Council is the lead authority for administering the fund, the council will have a significant amount of work to do to manage the programme of projects and meeting the regular reporting requirements. The 4% of the fund (equivalent to £88,000 over the three years) will be set aside for the administration cost of managing the fund.

If an underspend occurs in year, authorities will be expected to provide the government with credible spending plans on how any underspend will be utilised within the following year, and the government may withhold payments of the next years allocation in the absence of a credible plan. All the fund must be spent by March 2025, and any underspends at this point would need to be repaid to the government.

In line with the Financial Regulations, the council's Section 151 Officer may, in consultation with the Portfolio Holder for Finance, adjust the budget for the recording of ring-fenced grant income and the associated expenditure.

RISK MANAGEMENT

The risks related to this proposal are:

Financial Risk. The Investment Plan requires the Council to set out the outputs and deliverables from the funding, and ongoing monitoring will take place through the life of the fund. If those outputs are not achieved, the Council may be required to pay back the funding. However, the Council and Local Enterprise Partnership have wide experience of delivering projects of these types so it is not anticipated that this will present significant risk.

Reputational Risk. When embarking on any projects, there is a risk that if what is delivered is not in line with expectations – whether realistic or not - the Council may suffer an impact to its reputation. To ensure that residents and others are clear as to what can be expected and what will be delivered, there will be a clear communications strategy and programme put into place before commencement.

STAKEHOLDER / CONSULTATION / TIMESCALES

This report incorporates details of the UKSPF consultation. In addition, a number of workshops as outlined in the report have taken place with stakeholders.

REPUTATION

See Risk Management above.

CONTRACTS

Once the funding is awarded the Council will have flexibility over how they deliver the Fund. They may wish to use a mix of competitions for grant funding (which is the default approach set out in Cabinet Office Grants Standards), procurement, commissioning or deliver some activity through in-house teams. For example, some community level interventions may require a commissioning or in-house approach, recognising that competitions for grant may create barriers to participation in left behind communities.

All spend associated with the Fund must be assessed by the Council in advance to ensure that proposed investment is compliant with Public Contracts Regulations 2015 and follows local constitution and grant rules, processes and procedures as and where relevant.

The Council should also design their project selection and contracting processes so they have mechanisms to recover funding where beneficiaries do not comply with fund parameters, UK law or any local requirements.

CRIME AND DISORDER

None arising from the report.

EQUALITY AND DIVERSITY/ HUMAN RIGHTS/ SAFEGUARDING

None arising from the report.

HEALTH AND WELL BEING

The UKSPF is intended to build pride in place and increase life chances. Such investments will assist the health of the population and improve general wellbeing of residents.

CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

Investment made under the UK Shared Prosperity Fund should demonstrate:

The extent of contribution to net zero and nature recovery objectives, including the UK’s legal commitment to cut greenhouse gas emissions to net zero by 2050, wider environmental considerations, such as resilience to natural hazards and the 25 Year Environment Plan commitments.

Support for green growth and how projects can work with the natural environment to achieve project objectives, and – at a minimum – consider the project’s impact on our natural assets and nature.

LINKS TO 12 MISSIONS IN THE LEVELLING UP WHITE PAPER

MISSIONS	
This paper contributes to the follow Missions outlined in the Government’s Levelling Up White paper.	
Skills	By 2030, the number of people successfully completing high-quality skills training will have significantly increased in every area of the UK. In England, this will lead to 200,000 more people successfully completing high-quality skills training annually, driven by 80,000 more people completing courses in the lowest skilled areas.
Health	By 2030, the gap in Healthy Life Expectancy (HLE) between local areas where it is highest and lowest will have narrowed, and by 2035 HLE will rise by 5 years.
Wellbeing	By 2030, well-being will have improved in every area of the UK, with the gap between top performing and other areas closing.
Pride in Place	By 2030, pride in place, such as people’s satisfaction with their town centre and engagement in local culture and community, will have risen in every area of the UK, with the gap between the top performing and other areas closing.

ACRONYMS

- UKSPF (UK Shared Prosperity Fund)

APPENDICES	
Appendices are listed below and attached to the back of the report: -	
APPENDIX A	Boston UKSPF Investment Plan
APPENDIX B	Presentation: Proposed approach to UKSPF for the South and East Lincolnshire Councils Partnership

BACKGROUND PAPERS
No background papers as defined in Section 100D of the Local Government Act 1972 were used in the production of this report.

CHRONOLOGICAL HISTORY OF THIS REPORT	
Name of body	Date
Corporate and Community	27 October 2022
Cabinet	27 July 2022

REPORT APPROVAL	
Report author:	Lydia Rusling, Assistant Director Economic Growth
Signed off by:	Michelle Sacks, Deputy Chief Executive
Approved for publication:	CLlr Nigel Welton