

UK Shared Prosperity Fund – Scrutiny Update

Date: 7 November 2022

Report of: Head of Democratic Services

Report to: Strategy and Resources Scrutiny Board

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

What is this report about?

Including how it contributes to the city's and council's ambitions

The UK Shared Prosperity Fund (UKSPF) is administered by the Department of Levelling Up, Housing and Communities and is the replacement for the European Structural and Investment Funds (ESIF) following the UK leaving the EU. This report and appendices provide an update to Strategy and Resources Scrutiny Board on the UKSPF and the approach being taken in West Yorkshire and Leeds to deliver the funding.

Appendix 1 contains a report considered by Executive Board on 19 October that sets out high level priorities for Leeds and the region. The main aim of UKSPF is to 'build pride in place and increase life chances across the UK' and can be used alongside other funding streams such as the Levelling Up Fund and West Yorkshire Combined Authority (WYCA) gainshare funding. The lead agency in the region for UKSPF is WYCA, working in partnership with the five West Yorkshire Local Authorities.

£2.6bn of funding is available nationally between 2022/23 and 2024/25. £0.4bn in 2022/23, £0.7bn in 2023/24 and £1.5bn in 2024/25 mainly in revenue funding. There are three Government priorities for the UKSPF:

- Pillar 1 - Local Communities and Place
- Pillar 2 - Support for Business
- Pillar 3 - People and Skills (this includes Multiply, a people and skills programme aimed at tackling low levels of adult numeracy.)

The Scrutiny Board is asked to consider this report and Appendix 1 and provide initial views and comments on the priorities identified for Leeds. This is a developing agenda and it is possible that this could feature on the work programme at a later date.

Recommendations

- Board members are asked to note the content of the report and consider any further scrutiny actions that may arise.

Why is the proposal being put forward?

- 1 Scrutiny Board Strategy and Resources has a remit that is aligned to a number of Executive Functions linked to policy, budget and investment, amongst others. These include: Setting, supporting and monitoring the Council's policies and procedures including for budgets; Administering effective financial management and controls; and International and domestic inward economic investment.
- 2 As a result, the development of the Council's approach to UKSPF both now and in future years is of interest to the Board in terms of the approach taken by the Council and the priorities identified for the UKSPF in the city.
- 3 The Allocation for West Yorkshire is £80,486,557 (of which £12,483,679 is for Multiply) with a proportion of this to be allocated to local authorities through a pooled funding approach that will be subject to WYCA approval, at the West Yorkshire Combined Authority meeting on 21 October £9,393,538 was approved for allocation to Leeds. The funding delegated to local authorities is expected to be primarily for Pillar 1 – Local Communities and Place with delivery of funding for pillars 2 and 3 subject to separate approval processes. It is anticipated that a large amount of the local funding will be awarded through grants to deliver against the Leeds priorities and the Council is engaging with voluntary, community and faith sectors as well as arts organisations to maximise the impact of this funding on local communities.
- 4 Working to very challenging timescales, WYCA and the five local authorities developed a Local Investment Plan which set out priorities for West Yorkshire for approval by UK Government. The majority of the funding is revenue (£0.3bn of the £2.6bn over the three-year period is capital) and as a result there is a risk of funding being 'lost' if unspent at year end.
- 5 The Leeds priorities, set out in more detail in Appendix 1, are as follows: Cost of Living, Community Infrastructure, Culture, Heritage and Engagement and Supporting Innovation, Business and Productivity. Priorities identified for this funding were required to strategically align at a national level through the UKSPF Prospectus, regional level through the West Yorkshire Investment Strategy and Strategic Economic Framework, and local level through the Best City Ambition.
- 6 Given the short-term economic picture in the UK there is a need to consider the impact of cost of living on Leeds residents and allocating UKSPF to support residents through a difficult period in which inflation on energy, fuel and food as well as increasing interest rates are likely to impact on household budgets. As noted above, one of the Leeds priorities is cost of living, specifically this will focus on providing support to residents to include advice, signposting and financial support to minimise the number of residents in poverty, increase digital inclusion, increase energy efficiency and enable the development of local food strategies and exploring concepts such as community supermarkets.
- 7 With the majority of funding being revenue based and therefore with a need to maximise available funding, in Year 1 there is a focus on projects and initiatives that are already in development.

What impact will this proposal have?

Wards Affected: All

Have ward members been consulted? Yes No

- 8 The Government's UKSPF has been allocated for an initial three-year period and given the remit of Strategy and Resources Scrutiny Board and its role as a 'critical friend' to the Executive, early involvement in the Leeds approach to UKSPF will provide broader understanding of the fund and facilitate discussion, comment and possible refinement of the future approach to this funding in Leeds.
- 9 The UKSPF allocates £80,486,557 (of which £12,483,679 is for Multiply) of funding to West Yorkshire. This will enable investment in areas that are important to communities and to the future economy of Leeds over the next three years.

What consultation and engagement has taken place?

- 10 Details on consultation and engagement that has taken place as the local approach to UKSPF has been developed are contained in Appendix 1 to this report.

What are the resource implications?

- 11 All resource implications are detailed in the main body of the attached Executive Board report at Appendix 1.

What are the legal implications?

- 12 This report has no specific legal implications.

What are the key risks and how are they being managed?

- 13 This report has no specific risk management implications.

Does this proposal support the council's 3 Key Pillars?

Inclusive Growth Health and Wellbeing Climate Emergency

- 14 The terms of reference of the Scrutiny Boards continue to promote a strategic and outward looking Scrutiny function that focuses on the Best City Ambition.
- 15 Inclusive Growth is at the heart of the Councils approach to UKSPF with the priorities for Leeds aligned to the Best City Ambition and the Inclusive Growth Strategy.

Appendices

- 1 Appendix 1 – This provides the UK Shared Prosperity Fund Executive Board report considered and approved on 19 October 2022.

Background papers

- 2 [Multiply Prospectus](#)
- 3 [USKPF Prospectus](#)
- 4 [West Yorkshire Investment Strategy](#)
- 5 [Strategic Economic Framework](#)
- 6 [UK Shared Prosperity Fund \(21 October WYCA report\)](#)