



## Report of the Director of Place

### Economy and Infrastructure Service Transformation Committee – 12 September 2024

## Shared Prosperity Fund Update

<b>Purpose:</b>	To provide an update on delivery of the UK Shared Prosperity Fund in Swansea
<b>Policy Framework:</b>	South West Regional Economic Delivery Plan,
<b>Consultation:</b>	Regeneration, Planning, Highways, Culture and Tourism, Access to Services, Finance, Legal.
<b>Recommendation:</b>	It is recommended that the Economy and Infrastructure Service Transformation Committee note the update.
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### 1. Introduction:

- 1.1 The UK Shared Prosperity Fund formed part of the response of the previous UK Government administration to partial replacement of European Structural Funds following the exit of the UK from the European Union. Each local authority in the UK received a fixed allocation of funding under this programme for Swansea this equated to £40m, over a 3-year period.
- 1.2 In Wales, the additional requirement for regional coordination was added. Swansea Council has acted as the 'lead authority' and banker for the South West Wales region. Whilst regionally administered, allocations remain local and no virement of funds between local authority allocations is possible. The programme has been regionally planned by the four constituent local authorities, with delivery and decision making delegated to local level. Funding for the region equated to £138m over a 3-year period.

## **2. Programme implementation**

- 2.1 The programme has been designed to align with certain core areas of delivery in local authority partners through a series of 'anchor' projects, with the headline menu agreed in principle at regional level in the context of the South West Regional Economic Delivery Plan adopted by all four LAs, but also the Regional Investment Plan prepared for the UK Shared Prosperity Fund which used the REDP as its base. A further factor influencing the menu of anchor projects was the known pressures needing support in the region. Anchor provision also takes account of relevant Welsh Government programmes, and is designed to wrap around and enhance delivery.
- Business development and funding
  - Employability from pre-16 to adult
  - Supporting Communities
  - Placemaking investments
  - Culture and Tourism
  - Rural development
- 2.2 Each of these anchor projects contains a mixture of staff delivery of support and activities, along with tailored grant routes for businesses and other organization to access a wide range of support.
- 2.3 Skills development sits in the context of the Regional Learning & Skills Partnership and the regular Skills Needs Assessments, so the funds available under this theme were offered via open call to Further Education and its partners to come forward with local consortia to deliver a package of activities base don the recently published Skills Needs Assessment. A separate allocation of 'Multiply' funding focused on numeracy skills was offered on a similar basis
- 2.4 Finally a broader open call was made at the start of the programme inviting third parties to bid for funding to deliver activities to complement and not duplicate the anchor project provision.
- 2.5 Evaluation of the programme has been emphasised as a keenness to test and understand delivery approaches to local economic and community development to enable investment in 'what works' going forward. Local economic development is a challenging area of work with a balance to be struck between ensuring 'depth' versus 'breadth' of investment. Fewer larger strategic investments can result in ripple effects, whereas a larger number of smaller investments are felt more readily by a larger number of businesses and communities receiving direct support. In practice a balance of these investments is required. Smaller scale investment has been limited for a considerable time, so the ability to invest using sustainable support measures has been a welcome change from previous funding arrangements.
- 2.6 The SPF programme arrangements have been swift into implementation when compared with previous programme arrangements such as those under EU funding which have often taken 2-3 years to bed in. Feedback on SPF

programme arrangements to-date has been very positive across the region and more widely across the UK, but concern is now mounting about what future funding arrangements may look like, if there is any funding forthcoming following the next UK Government spending review.

- 2.7 The most recent Swansea Quarterly Monitoring Report is attached for information to reflect the breadth of programme delivery and progress to date.

### **3. Programme results to date**

- 3.1 The programme has achieved good results despite a very short timescale from announcement by Government to designing a complete governance and administration framework from scratch. The programme design did however draw on approaches and learning from previous programmes, with the key design principle being regional planning with local delivery, maximizing delegation and flexibility whilst ensuring regional consistency.

- 3.2 The programme has generated a range of qualitative and quantitative outcomes. Some key headline achievements to-date are highlighted below.

- £1.3m invested in 132 small businesses, £800k paid out to date, with £1m match funding levered from the private sector businesses supported.
- £1m invested in securing the future of a range of heritage structures across the county
- £3.6m invested in skills development
- £3m invested in a range of third sector/community organisations and activities
- Over 2000 people have received employability support via the Pathways to work partnership, with 195 going into work, 304 achieving qualifications/training and 115 going into education.
- Over £4m invested in a Skills consortium led by Gower College Swansea

### **4. Future funding models and expectations**

- 4.1 The current direction of travel is a timely official end to the UK Shared Prosperity Fund with any successor arrangement to be determined through the next Comprehensive Spending Review. Indications suggest that any such arrangement will filter via the Welsh Government or Growth Deal (City Deal) structures, not directly to local government as with the current programme. Such arrangements are unlikely to offer the flexible approach and level of delegated decision-making that has been possible with UK SPF. Indications are that there will be some form of announcement in the October Budget Statement.

### **5. Integrated Assessment Implications**

- 5.1 The Council is subject to the Equality Act (Public Sector Equality Duty and the socio-economic duty), the Well-being of Future Generations (Wales) Act 2015

and the Welsh Language (Wales) Measure, and must in the exercise of their functions, have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Acts.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.
- Deliver better outcomes for those people who experience socio-economic disadvantage
- Consider opportunities for people to use the Welsh language
- Treat the Welsh language no less favourably than English.
- Ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.

5.2 The Well-being of Future Generations (Wales) Act 2015 mandates that public bodies in Wales must carry out sustainable development. Sustainable development means the process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the 'well-being goals'.

5.3 Our Integrated Impact Assessment (IIA) process ensures we have paid due regard to the above. It also takes into account other key issues and priorities, such as poverty and social exclusion, community cohesion, carers, the United Nations Convention on the Rights of the Child (UNCRC) and Welsh language.

5.4 As this report is providing an update on the Shared Prosperity Fund an IIA screening is not needed at this time.

## **6. Financial Implications**

6.1 There are no financial implications currently associated with this update report. Individual programmes and projects are subject to their own individual approvals.

## **7. Legal Implications**

7.1 There are no legal implications currently associated with this interim update report.

**Background Papers:** None.

**Appendix A - June 2024 Quarterly monitoring report**