

5 July 2022

KEY DECISION: NO

**UK SHARED PROSPERITY FUND (UKSPF) INVESTMENT PLAN AND
LEVELLING UP FUND APPLICATION**

SUMMARY & RECOMMENDATIONS:

This report provides an update on the development of an Investment Plan which is required to be submitted for Government approval in order to access up to £1m from the UK Shared Prosperity Fund (UKSPF).

As preparation and submission of the Investment Plan must be made by 1st August 2022, Cabinet is asked to –

- (i) note the development of the draft Investment Plan to date as summarised in this report; and
- (ii) give the Chief Executive delegated authority in consultation with the Leader to approve and submit the Investment Plan once complete.

The report also sets out that the Council is preparing a bid for submission for Government's Levelling Up Fund. The bid which must be submitted by 6th July 2022 seeks circa £19.8m towards the development of a new Leisure and Cultural Hub for Farnborough. Cabinet is asked to -

- (iii) support the submission of the bid and note that the Executive Director and Executive Head of Finance will sign off the bid in accordance with the fund requirements.

1. INTRODUCTION & BACKGROUND

1.1. Launched in April 2022, the UK Shared Prosperity Fund (UKSPF) is the UK Government's domestic replacement for the European Structural Fund and Investment Programme. Part of a suite of complementary funding, the UKSPF is a central pillar of the Government's Levelling Up agenda and a significant component of its support for places across the UK.

1.2. The UKSPF provides for £2.6 billion of funding for local investment by March 2025, with each area of the UK receiving an allocation from the fund via a funding formula rather than a competition. Rushmoor has been allocated up to £1 million from the fund, with the majority (£898k) of the funding allocated in the final year of the programme (2024/25). The remaining balance of funding is available in the first two years, with £34k available in 2022/23 and £68k in 2023/24.

- 1.3. Aligning with the Levelling Up White Paper, the primary goal of the UKSPF is to build pride in place and increase life chances across the UK. Consequently, underpinning these aims are three UKSPF priorities; namely
- **Communities and place** – to strengthen social fabric, foster a sense of local pride and belonging, and build resilient and safe neighbourhoods;
 - **Supporting local business** – to create jobs and boost community cohesion, promote networking and collaboration, and increase private sector investment in growth-enhancing activities; and
 - **People and skills** – to boost core skills and support adults to progress in work, support disadvantaged people to access the skills they need to progress in life and into work, to fund local skills needs and supplement local adult skills provision and reduce levels of economic inactivity and move those furthest from the labour market closer to employment.
- 1.4. While there are detailed objectives associated with each priority, access to allocated funds can only be made on preparation and Government approval of a local Investment Plan. These are to set out the interventions that will be made to deliver the fund's objectives and, by extension, the key priorities for the funds awarded. Investment Plans must be submitted for approval of the Department for Levelling Up, Housing & Communities (DLUHC) by 1st August; with the first payments to be made from the fund scheduled to be made from 1st October. Preparation and approval timescales are therefore tight and constraining.
- 1.5. Consequently, following a series of workshops and meetings, a draft Investment Plan is being prepared that identifies the context, justification and evidence base for a number of local interventions in delivery of the fund's objectives and priorities. The draft Investment Plan will form the basis of the council's bid to secure and access the £1m allocated UKSPF funds.
- 1.6 Cabinet is asked to note the development of the draft Investment Plan and give the Chief Executive delegated authority in consultation with the Leader to approve and submit the Investment Plan once completed in view of the tight timescales referred.
- 1.7 Linked to UKSPF is the announcement from Government of Round 2 of the Levelling Up Fund. The Levelling Up Fund is designed to invest in infrastructure that improves everyday life across the UK. The £4.8 billion fund will support town centre and high street regeneration, local transport projects, and cultural and heritage assets.
- 1.8 Having considered the detailed guidance relating to the fund and reviewed the outcomes from the first round of funding, a bid for Levelling Up Funding is being developed and details are set out in section 4 of this report.

2. UKSPF

2.1. The Council is awaiting additional technical guidelines on UKSPF (expected early July) which will help inform format and structure of the Investment Plan. Current guidance suggests that Investment Plans need only give a high-level outline of the approach and the interventions to be taken and that specific project-level detail is not required at this stage. Consequently, and in line with stakeholder feedback and officer analysis (see below), it is proposed that the Council's Investment Plan should centre on delivery of local interventions falling under the following themes; namely –

Communities & Place

- (a) Public realm improvements (for example, wayfinding, cycling and pedestrian access opportunities)
- (b) Town centre events & promotions (including town centre management, events & support for town centre businesses)
- (c) Practical support for place and businesses during town centre transition (including small scale adjustments and changes to support wider regeneration programmes)
- (d) Heritage, Culture & Arts activities
- (e) Health (to address priority needs (e.g. hypertension, childhood obesity and mental health) in areas of deprivation (e.g. Active modes, access to green space etc))
- (f) Local & neighbourhood support (to incorporate smaller scale, more local projects)

Supporting Local Business

- (g) Sector Support (including Aerospace, Digital & Creative and Incubator Hubs)

People & Skills

- (h) Apprenticeships, Training & Skills Development

The themes listed above largely relate to interventions E1, E3, E6, E7, E12, E13, E14, E24, E31 and E38 identified by Government (Interventions list for England - GOV.UK (www.gov.uk)).

3. STAKEHOLDER FEEDBACK & CONSULTATION

3.1. The draft Investment Plan has been prepared following a series of workshops and meetings with stakeholders and partners to identify a long list of interventions that will meet the UKSPF objectives. Collectively, these resulted in 108 local intervention ideas. While subject to some overlap between priorities, this included 47 (43.5%) linked to the Communities &

Place priority, 40 (37%) linked to Supporting Local Business priority and 21 (19.5%) linked to the People & Skills priority.

- 3.2. Following PPAB input and engagement (see below), interventions were subsequently shortlisted and categorised (i.e. themed) on the basis of the context, need and/or evidence base for each intervention, and assessment of whether each intervention –
- a) is a priority in the Council Plan or an action in any other existing Council strategy;
 - b) is visible and will deliver tangible benefits for the residents of Rushmoor;
 - c) is sustainable within the confines of the fund (i.e. will not incur additional costs or resource demands for the Council (now or in the future)).
- 3.3. Significantly, alignment with the Council Plan and/or other strategies means that the proposed interventions can not only be accommodated within scope of existing resources and projects but also benefit from the fact that the Council Plan and/or strategies have also been subject to recent consultation in their own right.

Policy & Projects Advisory Board (PPAB)

- 3.4. An update on the UKSPF and the development of the Investment Plan has been reported to and discussed by the Policy & Projects Advisory Board (PPAB). As part of this, PPAB indicated their support for the shortlisting process outlined above and identified specific areas of interest around -
- a) Community/voluntary sector/ward grants to support relatively small-scale, neighbourhood level projects.
 - b) Youth engagement
 - c) Supporting town centres
 - d) Ongoing community/stakeholder engagement
- 3.5. At the time of writing, PPAB are due to review the draft Investment Plan for comment at their next meeting on 13 July. Given the timescales by which the Investment Plan must be submitted, together with respective meeting cycles and reporting schedules, it is proposed that the Leader and Chief Executive be consulted on any comments and matters arising as appropriate.

Consultation with local MP

- 3.6. In accordance with the UKSPF prospectus and guidance, the Investment Plan will be subject to consultation and approval of the local MP Leo Docherty.
- 3.7. Again, given the tight timescales involved in preparation of the Investment Plan, it is proposed that the Leader and Chief Executive be consulted on any comments and matters arising as appropriate.

4. LEVELLING UP FUND BID

- 4.1. As Members are aware, the Council has been working for a number of years to develop an exciting and ambitious regeneration programme in the heart of Farnborough. Currently known as the Civic Quarter regeneration scheme the programme has been the subject of extensive public engagement and there is a strong desire for the programme to deliver quality public facilities that will help provide a focus or 'heart' for the Farnborough community.
- 4.2. Round two of the Levelling Up Fund opened in April and bids can be up to £20m. Bids need to align with UK Government policy objectives, including the missions set out in the Levelling Up White Paper, and legal and statutory commitments, such as the Clean Growth Strategy, Clean Air Strategy and the target to achieve Net Zero carbon emissions for 2050.
- 4.3. The Council's bid focuses on the delivery of a Leisure and Cultural Hub to be delivered as an early phase of the regeneration programme. The Leisure and Cultural Hub will be an iconic, forward thinking, sustainable (net zero carbon) destination venue that will proactively address recognised shortcomings in the offer to the local community aligned to health, social wellbeing and culture.
- 4.4. Although the Council has been categorised by the Government as the lowest priority for the Levelling Up Fund there is a strong business case for interventions related to culture and health. Rushmoor has been identified as one of 11 Priority Places in the region by Arts Council England in need of cultural investment with average annual investment per capita for the years 2017/18 to 2019/20 the lowest at £1.12 per head. The Borough also scored lowest on the Active Lives Survey with only 43% of residents having any arts or museum engagement 3 or more times in a 12-month period.
- 4.5. The Borough's health outcomes also provide a significant challenge with 24.5% children classed as overweight or obese by the time they start reception and 64.3% adults classed as overweight or obese. Only 62.4% of adults in Rushmoor are physically active which is the 4th lowest in the whole of the South-East.
- 4.6. The proposal will help address these issues through providing a new state-of-the-art leisure centre, library and cultural space, improving access to key services and help create the community heart desired for Farnborough.

- 4.7. The Council is requesting key partners and stakeholders including the local Member of Parliament to support the submission by providing letters of support, which we will submit as part of the application.
- 4.8. The bid represents a significant investment in officer time and has to be submitted with a detailed business case in line with Government requirements and is being developed with assistance from Grant Thornton who supported a number of successful bids in round one. Once complete the bid will be agreed with the portfolio holder for Property and Major Projects and submitted through an electronic portal. In accordance with the guidance the bid will need to be 'signed off' by the Executive Director as Senior Responsible Officer and the Executive Head of Finance. The guidance for bid preparation can be found at <https://www.gov.uk/government/publications/levelling-up-fund-round-2-application-guidance> .

5. IMPLICATIONS

5.1. Risks

- 5.2. While the draft UKSPF investment plan sets out a number of ambitious interventions and activities, these will be aligned with the council's key strategies and plans, ongoing or pre-planned projects that have already been costed and/or are subject to project and performance management arrangements. Given the detailed objectives of the fund, delivery of the proposed interventions will also be subject to a range of desired outcome measures. These will form the basis for future monitoring and review of the plan as part of the council's performance monitoring arrangements.

5.3. Legal implications

- 5.4. Whilst there may be legal implications associated with some of the individual activities outlined in the plan, these will be subject to their own project and risk management arrangements as outlined above. Beyond this, there are no specific legal implications applicable to the preparation and/or approval of the plan.

5.5. Financial and Resource Implications

- 5.6. The shortlisting of suitable interventions for inclusion in the draft Investment Plan is, in part, being undertaken in consideration of whether each intervention is sustainable and whether it will incur additional costs or resource demands for the Council (now or in the future). Accordingly, where approved, intervention projects identified in the draft plan will be funded directly from the UKSPF.
- 5.7. If the levelling up bid is supported by Government the Council will need to fund the remainder of the project through its own resources, borrowing and grants or funding from other organisations. This will require an adjustment to the Capital programme which will be brought forward for consideration in due course.

5.8. Equalities Impact Implications

5.9. The draft plan will outline a number of interventions intended to make a real, positive and tangible difference to both the area, businesses and the residents of Rushmoor. As individual project detail emerges, they will be subject to their own equality impact assessment and measures where appropriate. It is considered that there are no direct implications associated with the preparation and/or approval of the investment plan.

6. CONCLUSIONS

5.1 The council has been allocated up to £1 million from the UKSPF. To access the funds, the council must prepare and submit an Investment Plan for approval by Government. This must outline the local interventions to be made in delivery of the funds objectives and must be submitted for approval by 1st August.

5.2 Following a series of workshops with stakeholders, a local investment plan is being prepared with a number of proposed local interventions. Cabinet is asked to note the development of the draft Investment Plan and give the Chief Executive delegated authority in consultation with the Leader to approve and submit the Investment Plan once completed in view of the tight timescales involved.

5.3 Although the Borough is categorised as a low priority by the government for Levelling Up Funding there is a strong business case for investment supported by a positive benefit cost ratio. The proposed Leisure and Cultural Hub is a cornerstone in the civic quarter regeneration programme and if supported by Government will bring a wide range of positive benefits to Farnborough and the Borough's communities.

BACKGROUND PAPERS:

None

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