

DECISION-MAKER:	CABINET
SUBJECT:	ACCEPTANCE OF UK SHARED PROSPERITY FUND AND MULTIPLY PROGRAMME FINANCIAL ALLOCATIONS
DATE OF DECISION:	13 SEPTEMBER 2022
REPORT OF:	COUNCILLOR KATARIA CABINET MEMBER FOR COMMUNITIES AND CUSTOMER ENGAGEMENT

<u>CONTACT DETAILS</u>			
Executive Director	Title	Communities, Culture and Homes	
	Name:	Mary D’Arcy	Tel: 02380 834611
	E-mail	Mary.D’Arcy@southampton.Gov.UK	
Author:	Title	Service Manager Employment and Adult Learning	
	Name:	John Connelly	Tel: 02380 834402
	E-mail	John.connelly@Southampton.gov.UK	

STATEMENT OF CONFIDENTIALITY		
N/A		
BRIEF SUMMARY		
<p>As part of the Governments ‘Levelling Up’ agenda the Department for Levelling Up, Housing and Communities (DLUHC) has conditionally offered the Council £1,544,238 to deliver the UK Shared Prosperity Fund (UKSPF), and The Department for Education (DfE) an allocation of £1,182,512 to deliver the ‘Multiply’ Programme. The funding for both allocations comes from the UKSPF. Cabinet approval is sought to accept the conditional financial allocations.</p>		
RECOMMENDATIONS:		
	(i)	To delegate authority to the Executive Director, Communities Culture and Homes to take all actions necessary to accept the grants and deliver the projects until March 2025.
	(ii)	To accept, in accordance with Financial Procedure Rules, a grant of £1,544,238 from the UK Shared Prosperity Fund, £1,182,512 from the ‘Multiply’ Programme, along with a £20,000 revenue contribution towards development costs of the UKSPF Investment Plan.
	(iii)	To approve, in accordance with Financial Procedure Rules, revenue expenditure £1,310,517 from the UK Shared Prosperity Fund and £1,182,512 from the ‘Multiply’ Programme during the Financial Years 2022/23 – 2024/25 and capital expenditure of £253,721 from the UK Shared Prosperity Fund during the Financial Years 2022/23 – 2024/25.

	(iv)	To approve the Council to act as Accountable Body for the administration of grant funding for the UK Shared Prosperity Fund and for the Multiply Programme.
REASONS FOR REPORT RECOMMENDATIONS		
1.		The Department for Levelling Up, Housing and Communities (DLUHC) has allocated the Council £1,564,238 of UK Shared Prosperity Fund (over three Financial Years) (Including £20,000 development costs). In addition, the Department for Education (DfE) has offered an allocation of £1,182,512 (over 3 years) to the Council to deliver the 'Multiply' Programme.
2.		Government requested that local authorities draft Investment Plans for each programme and aims to notify the Council in September (Multiply) and October (UKSPF) regarding its considerations and if it has approved the proposed uses of funding.
3.		Cabinet consideration to accept the funding is requested in September 2022, and the decision to sign Funding Agreements and begin delivery delegated to the Executive Director for Communities, Culture and Homes, as the Government's confirmation of each Investment Plan may not dovetail with the Council's decision making timetable. Ensuring a prompt start can be made to delivery will lessen the risks of an underspend in 2022/23.
4.		Under Financial Procedure Rules, the matter requires a decision to accept the grant awards from the Department for Levelling Up Housing and Communities, and the Department for Education
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED		
5.		To not accept the grants would result in the loss of external funding that will assist in improving the basic numeracy levels of residents, and a range of interventions to improve community safety, the living environment, community engagement, business support and employment/skills in the city
DETAIL (Including consultation carried out)		
6.	UKSPF	The Government intends that UKSPF grant will eventually equal (nationally) the equivalent amounts of EU funding previously received through European Regional Development Fund and European Social Fund (£1.5bn a year) The Department for Levelling Up, Housing and Communities (DLUHC) has conditionally allocated the Council £1,544,238 of UK Shared Prosperity Fund (over three Financial Years).
7.		Consultation regarding UKSPF interventions and themes was completed during July/August 2022 and included: <ul style="list-style-type: none"> • The Members of Parliament for: <ul style="list-style-type: none"> ○ Southampton Itchen ○ Southampton Test ○ Romsey and Southampton North • Southampton Connect: <ul style="list-style-type: none"> ○ Solent University ○ Southampton Football Club ○ Hampshire Fire & Rescue Service ○ Southampton Voluntary Services ○ Southampton Education Forum

	<ul style="list-style-type: none"> ○ Solent NHS Trust ○ Business South ○ Southampton Clinical Commissioning Group ○ GO! Southampton ○ University of Southampton ○ City College (Further Education representative) ○ Hampshire and IOW Community Rehabilitation Company ○ Hampshire Constabulary ○ University Hospital Southampton NHS ● Hampshire Chamber of Commerce ● Department for Work and Pensions ● Leader of the Council – Councillor Kaur ● Deputy Leader and Cabinet Member for Children and Learning – Councillor Dr Paffey ● Cabinet Member for Economic Development – Councillor Bogle ● Cabinet Member for Safe City – Councillor Renyard ● Cabinet Member for Communities and Customer Engagement – Councillor Kataria ● Cabinet Member for Finance and Change – Councillor Leggett
8.	<p>A wide range of Economic Development and ‘Communities’ interventions are eligible for UKSPF investment. (However, the Employment Support and Skills ‘themes’ are largely ineligible until 2024/25).</p> <p>Interventions have been developed that reflect the three key themes identified by DLUHC:</p> <ul style="list-style-type: none"> ● Communities and Place – community engagement, small grants, reducing anti-social behaviour, crime reduction, reducing fly-tipping and improving sustainable travel ● Local Business – interventions to help grow start-up businesses and those established and wanting to expand, along with growing the visitor economy ● Employment and Skills - Supporting economically inactive residents into work, and developing new skills pathways
9.	<p>It is planned that there will be a ‘mixed-economy’ of delivery, including Council, commissioned and grant funded interventions. Officers have drafted a 3 Year Investment Plan setting out how the allocation of funding can be delivered locally.</p>
10.	<p>It is important to highlight that a total fund of £1.54M is unlikely to tackle the range of challenges Southampton faces, but that through integration with Levelling Up proposals, Public Health outcomes and between service providers, provision has been identified that is deliverable and can be built on to lever in further resource to address the city’s needs.</p>
11.	<p>Multiply Programme</p> <p>Southampton has an allocation of £1,182,512 of Multiply funding over 3 Financial Years aimed at increasing adult basic skills in numeracy. To maximise use of Multiply funds officers are proposing to deliver (commission) a range of interventions that reflect local need;</p> <ul style="list-style-type: none"> ● Courses designed to increase numeric confidence

	<ul style="list-style-type: none"> • Courses designed to help people use numeracy to manage their money during a time of economic insecurity • Programmes delivered together with employers to increase the skills of people in work • Courses aimed at assisting job-seekers being supported by DWP • Courses aimed at people who can't apply for jobs because of lack of numeracy skills • New intensive and flexible courses targeted at people without Level 2 maths, leading to a Functional Skills Qualification • Courses for parents wanting to increase their numeracy skills in order to help their children, and help with their own progression (Including provision of a creche) • Courses aimed at people recently released from prison or on temporary licence • Courses aimed at people at risk of homelessness/are homeless • Courses aimed at people at risk of redundancy • Provision aimed at people who have been 'socially prescribed' interventions to improve their well-being/mental health • Provision aimed at people experiencing poverty/economic insecurity, and/or are using HAF (Holidays Activities and Food) and/or HSF (Household Support Fund) • Courses that may include peer-mentor lead approaches; family learning sessions; or other bite-sized learning opportunities which complement existing provision • Courses aimed at those 19 or over that are leaving, or have just left, the care system • Activities, courses or provision developed in partnership with community organisations and other partners aimed at engaging the hardest to reach learners • Additional maths modules embedded into other courses/provision
12.	Commissioning of delivery will largely be through the current Adult and Community Learning Framework, with 'spot purchasing' an option for specialist provision where required.
13.	The 2022/23 Multiply allocation of revenue funding may not be confirmed by Government until September 2022, which will leave only 6.5 months to deliver £357,503.66 of revenue interventions to a cohort of residents that may be challenging to engage with at speed. Carry-forward into the next Financial Year of unused Multiply funding is not allowed according to the government issued guidance, so a quick commencement is essential.
RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
14.	<p>Acceptance of the grant funding will increase the Council's gross revenue expenditure by:</p> <ul style="list-style-type: none"> • £1,310,517 from UK Shared Prosperity Fund (DLUHC) during the Financial Years 2022/23 – 2024/25

- £1,182,512 from the 'Multiply' Programme (DfE) during the Financial Years 2022/23 – 2024/25

Acceptance of the grant funding will increase the Councils capital expenditure by:

- £253,721 from UK Shared Prosperity Fund (DLUHC) during the Financial Years 2022/23 – 2024/25

15.

Salary Costs

- UKSPF – salary costs will be met through UKSPF grant, use of 1fte Grade 7 funded vacant post and integration with existing funded posts in the Stronger Communities Team. No additional recruitment is expected

UKSPF Financial Profile

	Annual UKSPF Allocation	Delivery Cost (4%)	Capital	Revenue	Preparation Grant
Year 1	£187,408	£7,208	£18,020 (10%)	£162,180	£20,000
Year 2	£374,815	£14,416	£46,852 (13%)	£313,547	£0
Year 3	£982,015	£37,770	£188,849 (20%)	£755,396	£0
TOTALS	1,544,238	59,394	253,721	1,231,123	20,000


- Multiply – Additional salary costs equivalent to a 0.3fte and 0.5fte increase in two existing grade 8 posts in the Adult and Community Learning Team will be fully met through Multiply grant funding. No additional recruitment is expected

Multiply Financial Profile

	Annual Multiply Allocation	Management & Administration (10%)	Capital	Revenue	Preparation Grant
Year 1	£357,503	£35,750	0	£357,503	£0
Year 2	£412,504	£41,250	0	£412,504	£0
Year 3	£412,504	£41,250	0	£412,504	£0
TOTALS	1,182,511	118,250	0	1,182,511	0

16.	No additional revenue or capital financial pressures are expected to be placed on Council budgets through the delivery of UKSPF or Multiply programmes
<u>Property/Other</u>	
17.	There are no property implications. The project is not expected to place any additional demands on Council accommodation during delivery or post completion.
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
18.	Section 1 of the Localism Act 2011 gives the Council a 'General Power of Competence' and as such, the Council has the power to receive grant funding and enter into a grant agreement. Under section 111 of the Local Government Act 1972, the Council has the power to do anything (whether or not involving the expenditure, borrowing or lending of money) which is calculated to facilitate or is conducive or incidental to the discharge of its functions.
<u>Other Legal Implications:</u>	
19.	In accepting this funding, the Council is bound by its terms, which include the requirement to deliver against the Investment Plan submitted with the application.
RISK MANAGEMENT IMPLICATIONS	
20.	<p>A comprehensive Risk Register will identify high, medium and low risks and dependencies to achieving project outputs and results, together with a management plan setting out mitigating actions to address under-performance.</p> <p>A Programme(s) Steering Group will be established, compliant with DLUHC and DfE guidance, to monitor delivery and report on performance</p> <p>A significant risk to the Council, acting as Lead Partner and Accountable Body is claw-back of funds should expenditure irregularities occur. The programme(s) will put in place stringent financial controls, compliant with Council Financial Procedure Rules, to ensure all expenditure is eligible and can be claimed back from DLUHC and DfE</p> <p>Under-performance and claw-back of unspent Government grant will be avoided wherever possible through sound project management and financial planning. However, it should be noted that the 2022/23 Multiply allocation of £357,503.66 revenue funding will be challenging to defray in a little over 6.5 months</p>
POLICY FRAMEWORK IMPLICATIONS	
21.	<p>The proposed approach to deliver Multiply and UKSPF contributes to a wide range of policy objectives within:</p> <ul style="list-style-type: none"> • Solent Local Enterprise 2050 Vision (2022) • Southampton City Council Corporate Plan (2021-2025)

	<ul style="list-style-type: none"> • Southampton City Strategy (2015-2025) • Economic and Green Growth Strategy • Health and Wellbeing Strategy (2017-2025) • Safe City Strategy (2022 – 2027) • Cultural Strategy (2021-2031) • Destination Management Plan (2021-2031) • Festival and Events Strategy (2022 draft) • Green City Action Plan • Solent Freeport Application (2022) • Levelling Up Fund Application (2022) • UK City of Culture 2025 bid (2022) <p>To enhance the benefits joint-working and cross-cutting offer the Investment Plans set out to:</p> <ul style="list-style-type: none"> • Identify clear, outcomes-focused goals to help prioritise resources effectively • Use a strong evidence base to guide delivery and build consensus • Build on existing programmes and structures • Encourage local actors to collaborate and deliver cross-cutting outcomes • Ensure the goal of joining-up provision is built into the commissioning process • Use evidence from a broad range of strategies • Offer a mixed-economy of provision using commissioning, grants and internal delivery
--	--

KEY DECISION?	Yes
WARDS/COMMUNITIES AFFECTED:	All
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	ESIA
2.	DPIA
Documents In Members' Rooms	
1.	None
Equality Impact Assessment	
Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.	Yes - completed
Data Protection Impact Assessment	
Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.	Yes – drafted
Other Background Documents	
<ul style="list-style-type: none"> • UK Shared Prosperity Fund (UKSPF)  PDF 5 KB 	

- [Multiply Investment Prospectus.pdf](#) PDF 239 KB

Other Background documents available for inspection at:

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
1.	None