

North Yorkshire County Council

Executive

25 October 2022

The UK Shared Prosperity Fund Delivery Framework

Report of the Corporate Director – Business and Environmental Services

1.0 Purpose of Report

- 1.1 This report outlines progress on the development and management of the UK Shared Prosperity Fund in North Yorkshire and provides further detail of the recently announced Rural England Prosperity Fund.
- 1.2 The report seeks approval for a UK Shared Prosperity Fund Delivery Framework in North Yorkshire in order to progress delivery of the fund in the current financial year and to begin commissioning of the programmes within it.
- 1.3 The report seeks approval subject to prior consideration of the funding agreement to accept funding from the UK Shared Prosperity Fund for a total of £16.9m.

2.0 Background

- 2.1 Following approval by the Executive Committee on 19 July 2022 of the UK Shared Prosperity Fund (UKSPF) Investment Plan for North Yorkshire, the plan was duly submitted to Government. The Investment Plan outlines the proposed expenditure of £16.9m of Government funding over three years in accordance with the Government's UKSPF prospectus, published on the 13 April 2022. The prospectus indicated that some further consultation would be likely to take place following submission of the investment plan, and that the first UK Investment Plans would be approved from October onwards. At the time of writing this report a response from Government has yet to be received.
- 2.2 In the meantime work has been undertaken to progress delivery of the UKSPF in North Yorkshire and a draft Delivery Framework which details the deployment and delivery of the UKSPF has been created with input from the Local Partnership Group, and is attached as appendix A. This report seeks approval of the Delivery Framework and specifically for the commencement of activity to deliver the year 1 funding allocation of just over £2m.

3.0 Rural England Prosperity Fund

- 3.1 On the 3 September 2022 the Government Department for the Environment Food and Rural Affairs (DEFRA) published the Rural England Prosperity Fund Prospectus (REPF). The REPF is linked to the UKSPF providing capital funding for rural communities in England. In order to access the funds Lead Authorities are required to submit an addendum to the UKSPF Investment Plan by the end of November, which outlines the rural issues faced by local communities and businesses and sets out, along the same lines as the UKSPF, how the Lead Authorities allocation of funding could be used. North Yorkshire has been given an initial allocation of £5,417,114 covering the two financial years between April 2023 and March 2025.

- 3.2 The REPF largely follows the criteria of the UKSPF although the following points should be noted:
- REPF is for capital investment only.
 - The funds are divided 25% (£1.354m) and 75% (£4.06m) in years one and two respectively.
 - The fund covers the UKSPF themes of Communities and Place, and Supporting Local Business, but does not include People and Skills.
 - The prospectus states that rural areas and settlements of up to 10,000 population are eligible for funding and that market or 'hub towns' with populations of up to 30,000 that serve their surrounding rural areas as centres of employment and in providing services are also eligible. Further guidance is expected on this point however it seems clear that the fund excludes the towns of both Harrogate and Scarborough.
- 3.3 Like the UKSPF the REPF submission is based around a series of prescribed interventions. These correspond to the UKSPF interventions with the addition of two new ones concerning the circular economy in rural areas and small grants for micro businesses and SMEs. The REPF will be overseen by the UKSPF Local Partnership Group who will convene a working group to draft the required investment plan addendum, which must be submitted to Government by the end of November.

4.0 Delivery Framework.

- 4.1 The Delivery Framework has been considered by the UKSPF Local Partnership Group and follows the format of the Investment Plan, highlighting five priority themes which will be delivered across three financial years. Delivery of the UKSPF will be undertaken by a project team comprising officers from the Local Enterprise Partnership and the County Council's core services. Responsibility for the fund will transfer to the new Council in April 2023 and this will be case for the remainder of the fund through to the end of March 2025. Within the submitted investment plan the overall funding has been allocated as follows;

Priority Theme	Delivery Service	£ funding
i. Addressing rurality and tackling inequality	NYCC Stronger Communities	3,552,000
ii. Building pride in our places	NYCC Growth and Heritage	3,312,000
iii. Decarbonising our communities and economy	YNY LEP carbon reduction	1,632,333
iv. Boosting productivity	YNY Growth Hub	3,648,000
v. Challenging labour market	YNY LEP Skills	4,072,901
4% administration costs	YNY LEP delivery team	675,718
Total UKSPF North Yorkshire		16,892,952

- 4.2 The Delivery Framework identifies programme leads for each of the key priorities and briefly describes the mechanisms for deploying funding to achieve outcomes and outputs contained within the Investment Plan.
- 4.3 It is intended that the majority of funding will be allocated through grant giving and procurement to be delivered in such a way that the funds directly reach the communities which they are intended to support. The programme of delivery outlined in the Government's UKSPF prospectus allows for the initial calls for funding to be launched in November of this year.

- 4.4 Across the programme as a whole 4% of the funds are available for administration and this will be used to support a UKSPF delivery team based in the Local Enterprise Partnership.
- 4.5 This report specifically seeks approval to proceed with the work of delivering the year 1 allocation of the UK Shared Prosperity Fund in North Yorkshire in accordance with the content of the UKSPF Delivery Framework and the Investment Plan. Year 1 covers the current financial year and must be utilised by the end of March 2023. The funding profile for year 1 is outlined in the table below:

UKSPF Priority	North Yorkshire Programme	Value £
Communities and Place	Addressing Rurality and tackling inequality	650,000
	Pride in our places	530,000
Supporting Local Business	Boosting Productivity	396,000
	Decarbonising our communities	344,111
People and Skills	Enabling an active labour market	48,000
	Administration @ 4%	82,005
	Total year 1 expenditure	2,050,116

- 4.6 At the time of writing the Council has yet to be given formal approval for the investment plan, submitted at the end of July. Guidance had stated that it will not be possible to transfer funds from one financial year to the next and so any unspent funding from the year 1 allocation of £2,050,116 will be lost if not used by the end of March 2023. This report seeks approval to move forward with year 1 delivery activity, at risk, until such time as the investment has been approved.

5.0 Equalities - equalities have been considered in the context of establishing the Governance arrangements for the fund. When specific projects / funding opportunities are delivered they will be required to demonstrate that consideration has been given to the protected characteristics and that no direct or indirect discrimination should occur in the delivery of the project.

6.0 Finance - The Shared Prosperity Fund allocation for North Yorkshire is funding of £16.9m over three years, 22/23, 23/24 and 24/25, which is apportioned as follows:

2022/23	£2,050,116
2023/24	£4,100,231
2024/25	£10,742,605

- 6.1 The funding prospectus stipulates that as a minimum 17% (2.9m) of the fund must be capital spend. The Shared Prosperity Fund requires no match funding on the part of the Lead Authority (NYCC and then NYC).
- 6.2 The SPF prospectus allows for Lead Authorities to utilise up to 4% of the total fund for administration and management, which for the NYCC fund is a total of £675,718.
- 6.3 In respect of year 1 funding the risk of moving ahead with delivery before approval for the Investment Plan is given, is assessed as low. This is because the Government guidance states that support will be provided to ensure that Investment Plans are fit for purpose and there is no indication of allocations being reduced or withdrawn on

this basis. In addition there is little likelihood of any defrayals or contracts being entered into prior to formal approval being achieved, however initial preparatory work is required to meet the year 1 funding deadline of April 2023.

- 6.4 Further risk associated with the delivery of the programme would be a consequence of not delivering elements of the approved Investment Plan or failing to achieve agreed outcomes and outputs. A proportion of the funding is paid to the lead authority in advance and any underspends are reflected in subsequent payment of the balance of eligible expenditure. Expenditure cannot be transferred to future financial years and therefore any funds unused in a financial year will be lost to the programme.
- 7.0 Legal** – The Council will be the as lead authority and accountable body for the Shared Prosperity Fund the Council and will be required to enter into a formal funding agreement with the Department for Levelling Up, Housing and Communities once the investment plan has been approved. Once received the funding agreement will be reviewed to ensure terms are acceptable for the Council.
- 7.1 Contractual funding agreements will be put in place between the Council as lead authority and the recipients of funding through the Shared Prosperity Fund. Funding agreements will mirror the conditions of any agreement between the Council and DLUCH.
- 8.0 Climate Change** - the draft investment plan includes references to climate change and decarbonisation through the entirety of the programme. All projects funded through the programme will need to assess and identify their environmental impact. An environmental impact assessment was completed as part of the Executive report of 19 July 2022 and this remains unchanged and is attached to this report at Appendix B.

9.0 Recommendations

- 9.1 To approve the attached UK Shared Prosperity Fund Delivery Framework including the proposals to deliver the UK SPF in North Yorkshire through Council and LEP services.
- 9.2 To approve ongoing work to delivery year 1 of the Shared Prosperity Fund as outlined in this report and the attached Delivery Framework.
- 9.3 To agree acceptance of the UK Shared Prosperity Funding of £16.9m from the UK Government, covering the period up to March 2025 subject to the Assistant Chief Executive Legal and Democratic approving the terms of the finalised funding agreement.
- 9.4 To delegate the preparation and approval of funding agreements with recipients to the Assistant Chief Executive Legal and Democratic in consultation with the Corporate Director Business and Environment

Karl Battersby
Corporate Director – Business and Environmental Services

Author of Report: Mark Kibblewhite – Senior Policy Officer

Background Documents: None



Climate change impact assessment

The purpose of this assessment is to help us understand the likely impacts of our decisions on the environment of North Yorkshire and on our aspiration to achieve net carbon neutrality by 2030, or as close to that date as possible. The intention is to mitigate negative effects and identify projects which will have positive effects.

This document should be completed in consultation with the supporting guidance. The final document will be published as part of the decision making process and should be written in Plain English.

If you have any additional queries which are not covered by the guidance please email climatechange@northyorks.gov.uk

Please note: You may not need to undertake this assessment if your proposal will be subject to any of the following:

Planning Permission
Environmental Impact Assessment
Strategic Environmental Assessment

However, you will still need to summarise your findings in in the summary section of the form below.

Please contact climatechange@northyorks.gov.uk for advice.

Title of proposal	Shared Prosperity Fund – Delivery Framework
Brief description of proposal	A delivery plan for the UK Shared Prosperity Fund in North Yorkshire The total value of the investment plan is £16.9m which is provided by Government as part of the UK Shared Prosperity Fund.
Directorate	Cross Directorate. The Lead Officer is based in BES.
Service area	Growth Planning and Trading Standards
Lead officer	David Caulfield, Assistant Director, Growth Planning and Trading Standards
Names and roles of other people involved in carrying out the impact assessment	Andrew Leeming, Head of Strategy, YNY LEP Liz Small, Growth and Heritage Manager Mark Kibblewhite, Senior Policy Officer (Growth)
Date impact assessment started	01/07/2022

Options appraisal

Were any other options considered in trying to achieve the aim of this project? If so, please give brief details and explain why alternative options were not progressed.

The UK Shared Prosperity Fund is a Government fund which is allocated to all local authorities and devolved administrations across the UK. North Yorkshire has been allocated £16.9m towards supporting key levelling up objectives. In order to utilise this funding the Council must submit an Investment Plan to DLUHC. There is no requirement for match funding. The only alternative option would be to refuse the funding and this has not been considered.

North Yorkshire County Council has been identified by Government, as a Lead Authority for the fund. The County Council would have the option to not undertake this role or not to submit a bid for funding however these options were not considered in depth in light of the opportunity to bring additional Government Funding to the County.

What impact will this proposal have on council budgets? Will it be cost neutral, have increased cost or reduce costs?

Please explain briefly why this will be the result, detailing estimated savings or costs where this is possible.

The Shared Prosperity Fund is fully funded by the Government and does not require match funding. It is therefore cost neutral to the local authority.

To minimise risks to the Council those projects which receive funding through the shared prosperity fund will be subject to back to back contracts which mirror the Government's funding agreement with the Council.

How will this proposal impact on the environment? N.B. There may be short term negative impact and longer term positive impact. Please include all potential impacts over the lifetime of a project and provide an explanation.		Positive impact (Place a X in the box below where	No impact (Place a X in the box below where	Negative impact (Place a X in the box below where	Explain why will it have this effect and over what timescale? Where possible/relevant please include: <ul style="list-style-type: none"> • Changes over and above business as usual • Evidence or measurement of effect • Figures for CO₂e • Links to relevant documents 	Explain how you plan to mitigate any negative impacts.	Explain how you plan to improve any positive outcomes as far as possible.
Minimise greenhouse gas emissions e.g. reducing emissions from travel, increasing energy efficiencies etc.	Emissions from travel	X			The Shared Prosperity Fund Prospectus includes the following guidance: Investment made under this 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. To support green growth, places should also consider 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		Each project that is successful in being awarded funding by MHCLG is required to undertake a detailed evaluation of outcomes and findings. Following completion of the programme overall NYCC will undertake a programme wide appraisal including an assessment of the positive environmental impacts delivered by the projects.
	Emissions from construction	X					
	Emissions from running of buildings	X					
	Other	X					
Minimise waste : Reduce, reuse, recycle and compost e.g. reducing use of single use plastic	X						
Reduce water consumption	X						
Minimise pollution (including air, land, water, light and noise)	X						

<p>How will this proposal impact on the environment?</p> <p>N.B. There may be short term negative impact and longer term positive impact. Please include all potential impacts over the lifetime of a project and provide an explanation.</p>	<p>Positive impact (Place a X in the box below where</p>	<p>No impact (Place a X in the box below where</p>	<p>Negative impact (Place a X in the box below where</p>	<p>Explain why will it have this effect and over what timescale?</p> <p>Where possible/relevant please include:</p> <ul style="list-style-type: none"> • Changes over and above business as usual • Evidence or measurement of effect • Figures for CO₂e • Links to relevant documents 	<p>Explain how you plan to mitigate any negative impacts.</p>	<p>Explain how you plan to improve any positive outcomes as far as possible.</p>
				<p>Projects which come forward under the SPF programme will be required to undertake a separate EIA.</p>		
<p>Ensure resilience to the effects of climate change e.g. reducing flood risk, mitigating effects of drier, hotter summers</p>	X					
<p>Enhance conservation and wildlife</p>	X					
<p>Safeguard the distinctive characteristics, features and special qualities of North Yorkshire's landscape</p>	X				<p>Projects which come forward under the SPF will be required to demonstrate their environmental impacts and measures taken to</p>	

<p>How will this proposal impact on the environment?</p> <p>N.B. There may be short term negative impact and longer term positive impact. Please include all potential impacts over the lifetime of a project and provide an explanation.</p>	<p>Positive impact (Place a X in the box below where</p>	<p>No impact (Place a X in the box below where</p>	<p>Negative impact (Place a X in the box below where</p>	<p>Explain why will it have this effect and over what timescale?</p> <p>Where possible/relevant please include:</p> <ul style="list-style-type: none"> • Changes over and above business as usual • Evidence or measurement of effect • Figures for CO₂e • Links to relevant documents 	<p>Explain how you plan to mitigate any negative impacts.</p>	<p>Explain how you plan to improve any positive outcomes as far as possible.</p>
					<p>mitigate that. Colleagues with specialist knowledge of climate impact will be asked to assess applications on this basis.</p>	
<p>Other (please state below)</p>	<p>X</p>					

Are there any recognised good practice environmental standards in relation to this proposal? If so, please detail how this proposal meets those standards.

Projects submitted as part of the Shared Prosperity Fund will be required to meet the clean growth principle and must not conflict with the UK's legal commitment to cut greenhouse gas emissions to net zero by 2050. The North Yorkshire SPF Investment Plan will include programmes aimed at decarbonising communities and business, protecting the environment and supporting bio-diversity.

Summary Summarise the findings of your impact assessment, including impacts, the recommendation in relation to addressing impacts, including any legal advice, and next steps. This summary should be used as part of the report to the decision maker.

The assessment reflects the fact that the Government requires that investment plans submitted as part of the Shared Prosperity Fund to reflect and recognise policies relating to net zero objectives or wider environmental considerations.

Priorities and programmes identified in the investment plan include the decarbonisation of communities and businesses and the increased sustainability of communities.

Sign off section

This climate change impact assessment was completed by:

Name	Mark Kibblewhite
Job title	Senior Policy Officer (Economic Growth)
Service area	Growth Planning and Trading Standards
Directorate	BES
Signature	Mark Kibblewhite
Completion date	01/07/2022

Authorised by relevant Assistant Director (signature): David Caulfield, Assistant Director, Growth, Planning and Trading Standards

Date: 13/10/22