UK Shared Prosperity Fund Prospectus – Briefing for Heritage

The Heritage Alliance

May 2022

On 13 April, the UK Shared Prosperity Fund (UKSPF) Prospectus was published. This fund will replace the European Structural and Investment Programme, (which will continue in certain areas until 2023).

The UKSPF is one of the four investment programmes which form part of the Government's aim to assist local growth in the country alongside The Levelling Up Fund, The UK Community Renewal Fund and The Community Ownership Fund. All programmes will provide long-term funding with the UKSPF focusing on building pride in place, supporting skills training, pay, employment and productivity growth, which will then give individuals and communities opportunities to be stable and flourish.

The overall aim of the UKSPF is to invest £2.6 billion from **April 2022 to March 2025** in local areas across the UK, evenly distributing resources and opportunities within communities. Heritage projects are key within the 'Communities and Place' investment priority, highlighting the value of our sector in establishing and preserving places of cultural importance.

Funding will be allocated based on a formula that will support and target places most in need. Additional funding will also be considered from sources such as the Department for the Environment, Food and Rural Affairs in England to assist rural locations. UKSPF funding will be delivered by councils and mayoral authorities across the UK.

Any organisation with legal status can receive funding to deliver a UKSPF intervention, including arms-length bodies of government where appropriate.

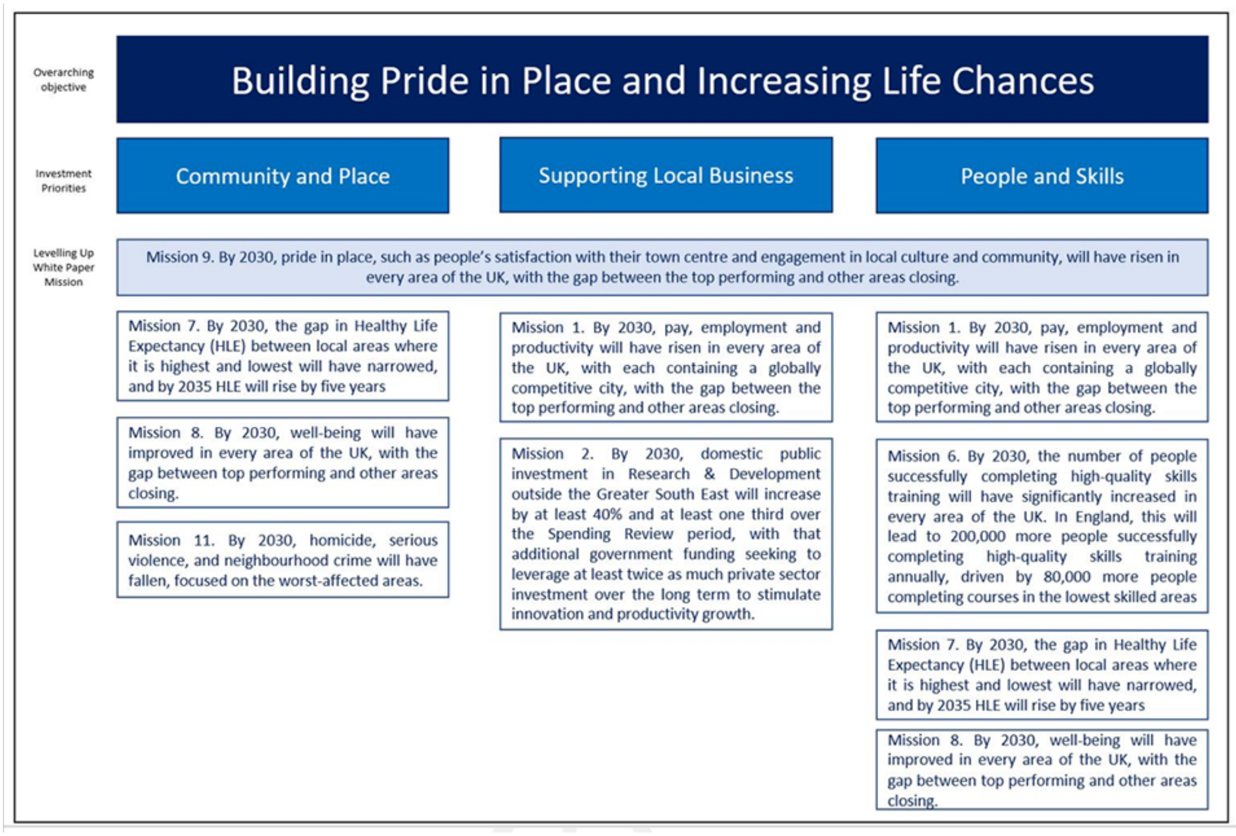
The key dates for the UKSPF are:

- Fund launch: **13 April 2022**
- Investment plan platform launch: **22 April 2022.** A pre-registration form will need to be completed before accessing the investment plan platform
- Investment plan submissions window: 30 June 2022 to **1 August 2022**
- First payments expected to lead local authorities: from **October 2022**
- Funding period: April 2022 to March 2025

The Aims of the Fund

The primary goals of the UKSPF is to build pride in place and increase life chances across the UK, aligning with mission 9 in the Levelling Up White Paper, and the Levelling Up and Regeneration Bill. This aim will be achieved by:

To achieve this aim, there are three UKSPF investment priorities which each have detailed objectives aligned to mission from the Levelling Up White Paper. These are outlined in the table below:



UKSPF Investment Priorities and the Levelling Up Missions – Source: UK Shared Prosperity Fund: prospectus.

How the Fund will work: 'Using the Fund to meet local needs'

All places across the UK will receive an allocation from the UKSPF, conditional on the place setting out measurable outcomes that reflect local needs and opportunities with deliverable interventions. Investment will be available across the three investment principles, and in their plans, places will need to select outputs and outcomes relevant to each.

Places will choose from the Government list of relevant interventions from each investment priority, and then submit these lists, along with outputs and outcomes, to UK Government for approval. The output and outcomes will then be monitored by lead local authorities, local partners, the UK government and devolved administrations.

Funding is confirmed for three financial years – £400 million for 2022-23, £700 million for 2023-24 and £1.5 billion for 2024-25, providing predictable baseline local growth funding. The allocations for each local authority will be split in to capital and revenue funding.

For full details on how an investment plan should be written, please see section 6 of the UKSPF prospectus.

How the Fund will work: how it will be delivered

While the Department for Levelling Up, Housing and Communities will oversee the fund, local government is being given responsibility for developing an investment plan for approval by the UK government, and for delivery of the Fund thereafter. Lead local authorities will receive an area's allocation to manage, including assessing and approving applications, processing payments and day-to-day monitoring. Government has published the lead authorities, also known as Delivery Authorities, who will deliver the fund.

Delivery Authorities can determine, with partners, the most appropriate scale for each intervention – for example, regional, local or through collaboration with other places or bodies to deliver specific interventions. This can include working with places in different parts of the UK.

Delivery Authorities are strongly encouraged to work with other authorities (district, county or unitary councils where relevant) to agree and commission people and skills activity, or business support activity over a larger scale representative of the full local labour market or business base. Lead local authorities will be asked to set out their approach in their investment plan.

To support the delivery of the Fund, Government is making £20,000 available per lead local authority or £40,000 for each Mayoral Combined Authority and the Greater London Authority in England to undertake initial preparatory work for the Fund, including developing their local investment plan for submission in the summer.

<u>The Fund can be used flexibly to support interventions via:</u>

- grant to public or private organisations;
- commissioning third party organisations;
- procurement of service provision;
- in-house provision.

<u>But the Fund **cannot** be used for the below:</u>

- paid for lobbying, entertaining, petitioning or challenging decisions, which means using the Fund to lobby (via an external firm or in-house staff) in order to undertake activities intended to influence or attempt to influence Parliament, government or political activity including the receipt of UKSPF funding; or attempting to influence legislative or regulatory action;

- payments for activities of a party political or exclusively religious nature;
- VAT reclaimable from HMRC;
- gifts, or payments for gifts or donations;
- statutory fines, criminal fines or penalties;
- payments for works or activities which the lead local authority, project deliverer, end beneficiary, or any member of their partnership has a statutory duty to undertake, or that are fully funded by other sources;
- contingencies and contingent liabilities;
- dividends;
- bad debts, costs resulting from the deferral of payments to creditors, or winding up a company;
- expenses in respect of litigation, unfair dismissal or other compensation;
- costs incurred by individuals in setting up and contributing towards private pension schemes.

How the Fund will work: who should be involved

Lead local authorities (or the UK government in collaboration with Northern Ireland partners) are tasked with working with a diverse range of local and regional stakeholders, civil society organisations, employer bodies responsible for identifying local skills plans, and businesses or business representative groups to achieve Fund outcomes in their areas. These stakeholders will then form a Local Partnership Group, along with members from the local authorities. These could groups could include:

- Representatives from the lead local authority (this may also include neighbouring authorities or constituent authorities where relevant and to maximise alignment);
- Local businesses and investors (large employers and small and medium sized employers);
- Business support providers or representatives, including sectoral representatives relevant to the place (for example – cluster bodies, tourism organisations);
- Local partnership boards and strategic bodies where relevant (for example, Local Enterprise Partnerships or Local Skills Improvement Partnerships in England, City and Growth Deal partners in Scotland, Wales and Northern Ireland);
- Regional representatives of arms-length bodies of government where appropriate;
- Prominent local community & faith organisations;
- Voluntary, sector social enterprise and civil society organisations, including Third Sector Interface Groups in Scotland;
- Rural representatives unless there are no rural communities within the area;
- Education and skills providers – for example higher education institutions and further education colleges, adult learning providers;

- Employment experts and providers – for example Jobcentre Plus representatives and employment related service providers;
- Nature, environmental or associated representatives;
- Public health representatives;
- Police and crime representatives (such as Police and Crime Commissioners where relevant);
- Officials of devolved administrations or their agencies in Scotland, Wales and Northern Ireland;
- Members of Parliament where appropriate.

Other Policies to take into account

As well as the investment priorities, (more detail below), and Levelling Up missions, interventions supported by the UKSPF should take into account alignment with national and devolved policies, especially net zero, nature recovery, the 25 Year Plan and impact on natural assets. There should also be account taken of the wider funding landscape.

Investment Priorities

Each of the investment priorities has underlying objectives, and various Levelling Up missions. Details of each are below:

1. **Communities and Place**

This investment priority is supposed to enable places to 'invest to restore their community spaces and relationships and create the foundations for economic development at a neighborhood level'.

Objectives:

- Strengthening our social fabric and fostering a sense of local pride and belonging, through investment in activities that enhance physical, cultural and social ties and access to amenities, such as community infrastructure and local green space, and community-led projects.
- Building resilient, healthy and safe neighbourhoods, through investment in quality places that people want to live, work, play and learn in, through targeted improvements to the built and natural environment innovative approaches to crime prevention.

Other related Levelling Up Missions:

By 2030, well-being will have improved in every area of the UK, with the gap between top performing and other areas closing.

By 2030, homicide, serious violence, and neighbourhood crime will have fallen, focused on the worst-affected areas (with a UKSPF focus on neighbourhood crime)

By 2030, the gap in Healthy Life Expectancy (HLE) between local areas where it is highest and lowest will have narrowed, and by 2035 HLE will rise by five years.

2. Supporting Local Business

The supporting local business investment priority will enable places to fund interventions that support local businesses to thrive, innovate and grow

Objectives:

- Creating jobs and boosting community cohesion, through investments that build on existing industries and institutions, and range from support for starting businesses to visible improvements to local retail, hospitality and leisure sector facilities.
- Promoting networking and collaboration, through interventions that bring together businesses and partners within and across sectors to share knowledge, expertise and resources, and stimulate innovation and growth.
- Increasing private sector investment in growth-enhancing activities, through targeted support for small and medium-sized businesses to undertake new-to-firm innovation, adopt productivity-enhancing, energy efficient and low carbon technologies and techniques, and start or grow their exports.

Other related Levelling Up Missions:

By 2030, pay, employment and productivity will have risen in every area of the UK, with each containing a globally competitive city, with the gap between the top performing and other areas closing.

By 2030, domestic public investment in Research & Development outside the Greater South East will increase by at least 40% and at least one third over the Spending Review period, with that additional government funding seeking to leverage at least twice as much private sector investment over the long term to stimulate innovation and productivity growth (with a UKSPF focus on helping businesses to access innovation support).

3. People and Skills

Through the people and skills investment priority, places can use their funding to help reduce the barriers some people face to employment and support them to move towards employment and education. Places can also target funding into skills for local areas to support employment and local growth.

Objectives:

- Boosting core skills and support adults to progress in work, by targeting adults with no or low level qualifications and skills in maths, and upskill the working population, yielding personal and societal economic impact, and by encouraging innovative approaches to reducing adult learning barriers (Scotland, Wales and Northern Ireland only. In England, this is delivered through the Department for Education's Multiply programme).
- Reducing levels of economic inactivity through investment in bespoke intensive life and employment support tailored to local need. Investment should facilitate the join-up of mainstream provision and local services within an area for participants, through the use of one-to-one keyworker support, improving employment outcomes for specific cohorts who face labour market barriers.
- Supporting people furthest from the labour market to overcome barriers to work by providing cohesive, locally tailored support including access to basic skills.
- Supporting local areas to fund gaps in local skills provision to support people to progress in work, and supplement local adult skills provision e.g. by providing additional volumes; delivering provision through wider range of routes or enabling more intensive/innovative provision, both qualification based and non-qualification based. This should be supplementary to provision available through national employment and skills programmes.

Other related Levelling Up Missions:

By 2030, pay, employment and productivity will have risen in every area of the UK, with each containing a globally competitive city, with the gap between the top performing and other areas closing.

By 2030, well-being will have improved in every area of the UK, with the gap between top performing and other areas closing.

By 2030, the number of people successfully completing high-quality skills training will have significantly increased in every area of the UK. In England, this will lead to 200,000 more people successfully completing high-quality skills training annually, driven by 80,000 more people completing courses in the lowest skilled areas.

By 2030, the gap in Healthy Life Expectancy (HLE) between local areas where it is highest and lowest will have narrowed, and by 2035 HLE will rise by five years.