

CABINET

Date of Meeting	Tuesday, 18 th February 2025
Report Subject	Shared Prosperity Fund
Cabinet Member	Cabinet Member for Economy, Environment and Climate
Report Author	Chief Officer (Planning, Environment and Economy)
Type of Report	Operational

EXECUTIVE SUMMARY

The Shared Prosperity Fund (SPF) programme has been in operation from April 2022 until March 2025 and is currently closing down project activities. UK Government have given approval for a final year of funding for the current programme of SPF to fill the gap until a new programme, to be administered by Welsh Government, begins in 2026-2027.

This creates an urgent pressure on Councils to allocate funding to projects for 2025-2026 to enable project sponsors to retain staff and maintain seamless service delivery.

This report proposes a process of extension to current working arrangements to match the revised timescale of the programme in line with UK government expectations.

RECOMMENDATIONS

1	That the proposed process for allocating funding to projects for 2025-2026 is considered and approved.
2	That delegated authority is given to the Chief Officer (Planning, Environment and Economy) and the Cabinet Member for Economy, Environment and Climate to allocate funding to project activities for 2025-26.
3	That delegated authority is given to the Chief Officer (Planning, Environment and Economy) and the Cabinet Member for Economy, Environment and Climate to operate management processes to enable the

	delivery of the SPF programme in Flintshire for 2025-26 and to reallocate any surplus funding to project activities in a timely manner to enable full utilisation by March 2026.
4	That approval is given to amend and extend the inter-authority agreement with Gwynedd County Council to enable them to continue to act as the regional administrative lead for the programme.

REPORT DETAILS

1.00	EXPLAINING THE SHARED PROSPERITY FUND
	<u>Background</u>
1.01	<p>The guidance for the Shared Prosperity Fund (SPF) programme was released on 13 April 2022. The aim of the programme is “to build pride in place and increase life chances”. The investment priorities set by UK Government were:</p> <ol style="list-style-type: none"> 1) Community and Place - Strengthening our social fabric and fostering a sense of local pride and belonging. To build resilient and safe neighbourhoods. 2) Supporting Local Business - Creating jobs and boosting community cohesion by supporting local businesses. Promoting networking and collaboration and stimulating innovation and growth. Targeted support to help businesses grow - e.g. innovation, productivity, energy efficiency, low carbon and exporting. 3) People and Skills - Boosting core skills and support adults to progress in work. Supporting disadvantaged people to access the skills they need. Funding local skills needs and supplementing local adult skills provision. Reducing levels of economic inactivity and supporting those furthest from the labour market.
1.02	The programme was due to run from April 2022 until March 2025. Flintshire was allocated £12,669,326 by UK Government. Funding was confirmed by UK Government in October 2022.
1.03	Following Cabinet approval in November 2022, the Council took part in a regionally-led competitive selection process for projects. This concluded in September 2023 with the Council agreeing to support 23 projects, 14 to be delivered just within Flintshire and nine to cover multiple counties. Cabinet gave delegated authority to the Chief Officer (Planning, Environment and Economy) and the Cabinet Member for Climate Change and Economy to establish the structures and processes to deliver the programme and to allocate funding to projects.
1.04	A regional administrative body was established on behalf of the six North Wales local authorities and is managed by Gwynedd County Council. The day to day financial management of the programme is undertaken by this body including the issuing of funding agreements to projects. Flintshire County Council provides close support to project sponsors, contributes to

	the monitoring of the programme and retains the final decisions on the allocation of funding to projects.
1.05	The programme is still under delivery although the majority of projects are in their final closing stages. It is expected that, with the exception of the ring-fenced Multiply adult numeracy activity which was under-allocated due to lack of demand, the overwhelming majority of the funding for 2022-2025 will be spent. Project evaluation is underway currently so that a full picture of the achievements of the 2022-2025 programme will be available later this year.
1.06	Delivery of the programme throughout has been constrained by the very short timeframe for the programme set by UK Government. Projects had, in effect, only a maximum of 18 months for delivery including both initial mobilisation and final close down.
	<u>2025=2026 transition funding</u>
1.07	UK Government have given approval for a final year of funding for the current programme of SPF to fill the gap until a new programme, to be administered by Welsh Government, begins in 2026-2027.
1.08	UK Government has allocated £4,394,902 to Flintshire for 2025-2026 comprising £3,176,593 revenue and £1,218,309 capital. The Multiply element of the SPF programme is no longer included for 2025-2026 but adult numeracy activities can still be supported.
1.09	Currently, officer time at both the regional administrative level and locally is wholly committed to the task of closing projects and to verifying and paying final claims. Capacity to set up the arrangements for 2025-2026 is therefore very limited.
1.10	UK Government has indicated that it is content, given the timescale, for existing activities to be continued and doesn't expect an open call for new projects. An open call was undertaken for the 2022-25 programme and required considerable officer resource to deliver over a period of nine months. If new projects are sought for 2025-2026 then this would necessitate an open call for proposals to ensure a fair and transparent process. It is therefore proposed that existing project sponsors are urgently approached and asked for activity proposals for 2025-2026.
1.11	With considerably less resource available than the 2022-2025 programme and even less time for delivery it is therefore also proposed that we: <ol style="list-style-type: none"> 1) only invite some of the current project sponsors to submit proposals for 2025-2026 with the initial selection based on the criteria set out below; 2) provide the remaining project sponsors with an indicative allocation of revenue based on a proportion their 2024-2025 allocation (about 40%) and inviting them to base their proposal on this; and 3) invite proposals to use the capital allocation as this is far harder to deliver in the tight timescale for the transition programme.
1.12	It is proposed that projects will only be considered for the 2025-2026 funding if they meet the criteria below.

	<ol style="list-style-type: none"> 1) The project made best use of available resources by utilising all of its original funding allocation and perhaps requesting additional money to deliver additional benefits. 2) The project achieved all or most of its original targets. 3) The project demonstrated a positive impact in the county. 4) The project was well-managed and submitted timely and accurate documentation and responded swiftly and appropriately to queries and requests for information. 5) The project demonstrated an ability to respond to challenges and promptly suggest alternative approaches. 6) The project fully engaged with the Flintshire and regional SPF teams. 7) There are no significant risks and concerns about the project continuing for a further period.
1.13	On the completion of this process, targeted to complete in early March 2025, project sponsors will receive an “in-principle” agreement that the Council intends to allocate SPF funding for 2025-2026 to them. This may enable some sponsors to work “at risk” and avoid delays to project delivery. They would still be required to submit further information to the regional administrative body for review and to await a formal Grant Funding Agreement.
1.14	The Economic Collaboration Group, a multi-agency advisory group established by the Council, was given the role of overseeing the process for allocating funding for the 2022-2025 programme. It is anticipated that this role will continue for the 2025-2026 funding although the final decision on allocations will remain with the Council.
1.15	Once in operation, the short timescale for the 2025-2026 programme will necessitate the Council managing the allocation of funding in an agile way to ensure that surplus funds are quickly identified and reallocated to other approved projects.
1.16	Four percent of the value of the programme is allocated for programme administration, For the 2022-2025 programme, approximately half of this budget was allocated to Gwynedd County Council to act as administrative lead for the region and the remainder was used to support local staffing costs. It is proposed that the regional administration by Gwynedd County Council is continued into 2025-2026 as it has been very successful to date and is the most cost-effective way of delivering this especially given the constrained timescale for the programme. An inter-authority agreement governs this relationship and this will need to be amended and extended.

2.00	RESOURCE IMPLICATIONS
2.01	Four percent of the value of the programme can be drawn down by the regional lead body for programme governance, administration and monitoring and evaluation. Funds can be allocated from this sum to each local authority to cover programme management costs so the programme will not present an additional burden to Council finances.

2.02	Match funding is not required by UK Government for the SPF programme. The Council therefore does not face any additional financial pressures from the delivery of the programme.
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3.00	IMPACT ASSESSMENT AND RISK MANAGEMENT
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3.01	<p>Ways of Working (Sustainable Development) Principles Impact</p> <table border="1"> <tr> <td>Long-term</td> <td>The Council has prioritised projects that can demonstrate an impact beyond the duration of the programme.</td> </tr> <tr> <td>Prevention</td> <td>The Council has prioritised projects that can demonstrate that they address underlying issues rather than merely tackling their symptoms.</td> </tr> <tr> <td>Integration</td> <td rowspan="3">None</td> </tr> <tr> <td>Collaboration</td> </tr> <tr> <td>Involvement</td> </tr> </table> <p>Well-being Goals Impact</p> <table border="1"> <tr> <td>Prosperous Wales</td> <td rowspan="7">The Council asked projects to set out how they could contribute towards the Well-being Goals.</td> </tr> <tr> <td>Resilient Wales</td> </tr> <tr> <td>Healthier Wales</td> </tr> <tr> <td>More equal Wales</td> </tr> <tr> <td>Cohesive Wales</td> </tr> <tr> <td>Vibrant Wales</td> </tr> <tr> <td>Globally responsible Wales</td> </tr> </table> <p>Risk management</p> <table border="1"> <thead> <tr> <th>Risk</th> <th>Mitigation</th> </tr> </thead> <tbody> <tr> <td>Short timescale for delivery leading to money not being spent</td> <td>The report sets out how the Council will proactively manage the funding to ensure that underspends are minimised as far as practicable.</td> </tr> </tbody> </table>	Long-term	The Council has prioritised projects that can demonstrate an impact beyond the duration of the programme.	Prevention	The Council has prioritised projects that can demonstrate that they address underlying issues rather than merely tackling their symptoms.	Integration	None	Collaboration	Involvement	Prosperous Wales	The Council asked projects to set out how they could contribute towards the Well-being Goals.	Resilient Wales	Healthier Wales	More equal Wales	Cohesive Wales	Vibrant Wales	Globally responsible Wales	Risk	Mitigation	Short timescale for delivery leading to money not being spent	The report sets out how the Council will proactively manage the funding to ensure that underspends are minimised as far as practicable.
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4.00	CONSULTATIONS REQUIRED/CARRIED OUT
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4.01	None.
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5.00	APPENDICES
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5.01	None.
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6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	None.

7.00	CONTACT OFFICER DETAILS
7.01	<p>Contact Officer: Niall Waller Enterprise and Regeneration Manager Telephone: 01352 702137 E-mail: niall.waller@flintshire.gov.uk</p>

8.00	GLOSSARY OF TERMS
	<p>Match funding – money provided by a project applicant towards the costs of delivering their project.</p> <p>Multiply – a mandatory element of the Shared Prosperity Fund programme to tackle adult numeracy.</p> <p>Regional administrative body – the lead local authority for North Wales (Gwynedd County Council) who will administer the programme on behalf of the region under a formal agreement between the six authorities.</p> <p>Shared Prosperity Fund – a funding programme from UK Government operating over the 2022-2025 financial years “to build pride in place and increase life chances”.</p>