

UK Shared Prosperity Fund

31st March 2022

Stakeholder Webinar

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Format today

- Welcome and Introductions – Who is in the Room ?
- Background to UKSPF
- UKSPF : Government Pre launch Guidance
- Possible Constraints of UKSPF as seen by the Combined Authority & Indicative timeline
- Polling and Open Question time

WHO'S IN THE VIRTUAL ROOM ?

UK Shared Prosperity Fund – Journey over 6 years !

- **May 2016** - EU Referendum the start to replace EU Structural Funds
- **Nov 2020** - £220m support *communities* to pilot programmes 21-22 **UK Community Renewal Fund**
- **Oct 2021** - Spending Review - UKSPF is the ***centrepiece of Governments ambition to improve outcomes in education, skills and health.***
 - ❑ Included as a first priority - **£560 million** UK wide **Multiply programme** to improve low levels of numeracy
 - ❑ **£2.6bn** announced split as follows, with the **majority of funding being revenue**;
 - 22 - 23 £0.4bn
 - 23 -24 £0.7bn
 - 24 - 25 £1.5bn
- **Feb 22 - Levelling Up White Paper** – UKSPF Pre Launch Guidance: MCA Mandate, No Allocations, Further Guidance due Mar/April 22.

UKSPF – successor funding to ESIF

- ESIF – EU’s instrument for reducing inequalities and increasing cohesion across Europe.
- Brexit Withdrawal Agreement - ESIF to continue to their end – delivery concludes **Dec 2023**.
- LEPs tasked with strategic lead, writing investment strategy 2014-2020 and strategically implementing.
- Under control of Government Departments – DLUHC, DWP and Defra.
- *Notional* allocation – capital and revenue **£350m matched with £350m (Total £700m)** – over **7-10 years**
- Large number of output and outcome indicators delivered **over circa 110 projects**.
- 50 years of EU Structural Funds accessible by large range of stakeholders – open and transparent.
- Governance via ESIF Sub-Committee - reflecting breadth of partners over 9 thematic objectives and 3 Funds.
- Co-designed/approved calls for projects, provided advice on strategic fit and deliverability of funding applications, provided local intelligence required to ensure was well invested.

Key Weaknesses of ESIF

- **No *formal*** decision making for local partners only advisory.
- **Notional allocation BUT capital and revenue over 7-10 year planning period** – not devolved so not always flexible and responsive to local need.
- 3 funds and Government departments ran, **overall, in isolation to one another** creating institutional and operational silos creating the inability to invest in cross thematic projects, covering people and businesses.
- **Highly bureaucratic** in relation to strict rules and regulations.
- As **owned by Government** overall **poor/slow management information** to assess progress and impact.
- **Timing** - from Call to Funding Agreement sometimes took up to 18 months.

Retaining the good from ESIF

- **SPF revenue focus - allocation expected to be far less than ESIF.**
- EU Funding provided important **financial support to a wide range of partners and projects in the region.**
- **Local partnership involvement** - eg public, private, education, third sector - reflective of 9 thematic IPs and all stages of the Fund.
- **Partnership Governance** – again reflective of 9 thematic areas and sectoral make up of partners.
- **Innovative solutions to local issues** - locally designed Calls allowed new providers/approaches.
- Avoid strict match funding ? Develop package of support - **align and maximise other funding streams** unlocking widest possible investment to support towns and communities.
- Principle of **pooling resources** across a larger geography if results in better outcomes eg like NPIF.

Ambition for UKSPF in West Yorkshire

- To complement our other funding streams to help deliver outcomes local Leaders have agreed in the **West Yorkshire Investment Strategy**
- Simplification
- Flexibility
- Local decision making made by local partners who know their areas best
- Transparency in decision making by using the existing Assurance Framework ?
- Deliver better outcomes than previous EU Structural Funds – demonstrating to Government the new model works

West Yorkshire Investment Strategy (WYIS) 2021 to 2024



Combined Authority June 2021 agreed WYIS - six Investment Priorities (IP),

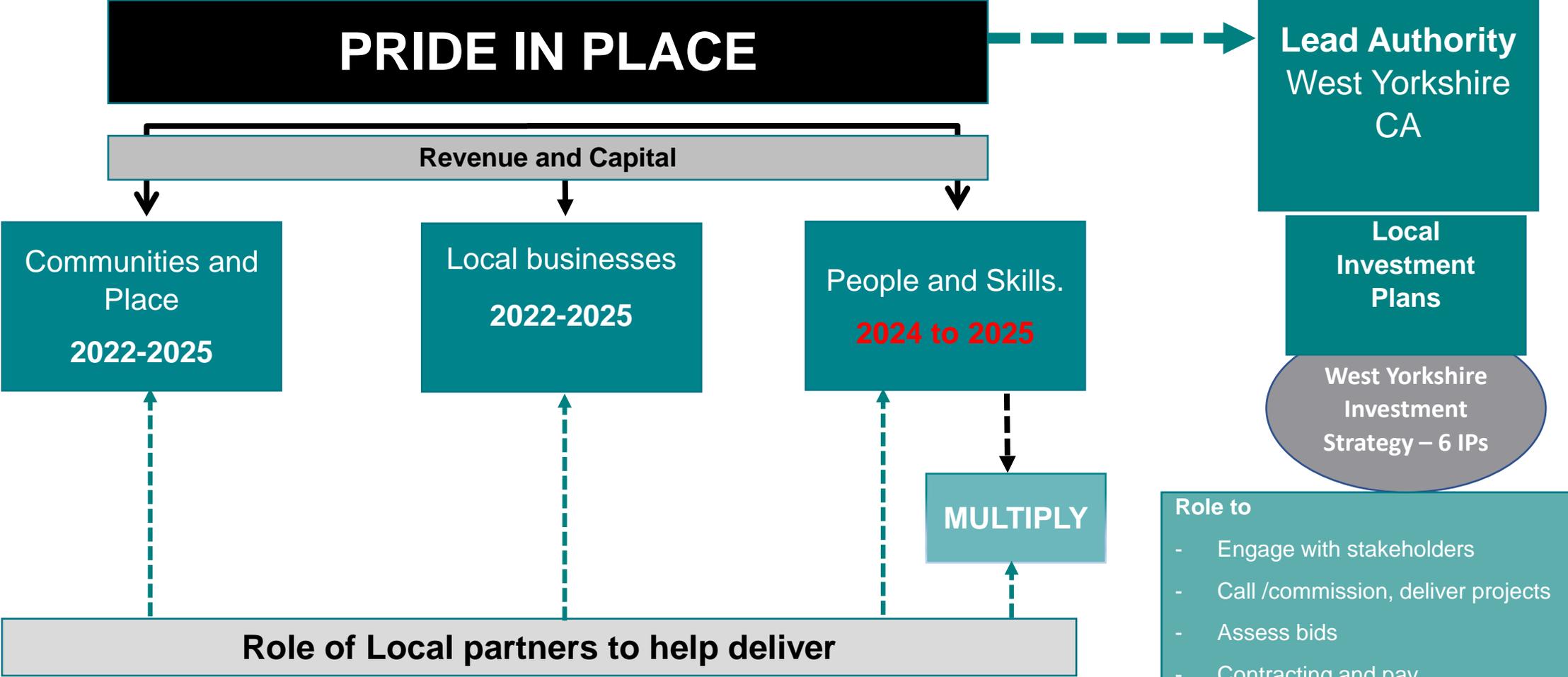
Investment Priority	Title
IP1	Good Jobs and Resilient Businesses (including entrepreneurialism)
IP2	Skills and training for people
IP3	Creating Great Places and Accelerated Infrastructure
IP 4	Tackling the Climate Emergency and Environmental Sustainability
IP 5	Future Transport
IP 6	Culture and Creative Industries

Underpinned by **three cross-cutting themes**:

- Tackling the climate emergency
- Inclusive growth
- Tackling inequalities

UKSPF Structure – led by DLUHC

**LEVELLING
— UP —**



Responsible for:

- **Championing the region to achieve the best outcomes**
- Developing and submitting Investment Plans to unlock devolved funding allocation
- *Potentially* calling for projects/commissioning with wider partnership or in house delivery
- Appraising and selecting projects
- Contracting with delivery partners
- Undertaking monitoring and assurance activity
- Paying grants to successful projects and managing their performance
- Reporting to Government – spend, delivery outcomes, evaluation
- Management fee to be top sliced off allocation once known to run the Fund

- **2022-24 - Communities and place and local business plus Multiply.**
- **2022-24 - Consider at risk VSO skills provision at risk due to ESF end - locally important provision.**
- **2024-25 – plus Support people and skills.**

UKSPF INVESTMENT PRIORITIES

No ringfences applied across Pillars.

The overall objectives of this IP are:

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

Example interventions

Visual improvements to town centres/high streets, cultural/visitor economy interventions, litter, waste and graffiti reduction, projects to fight antisocial behaviour, and capital funding to improve neighbourhoods or community projects and initiatives.

The overall objectives of this IP are to:

- **Create jobs and boosting community cohesion** - 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.
- **Promote networking and collaboration** - interventions that bring together businesses, partners within/across sectors to share knowledge, expertise, resources, and stimulate innovation and growth.
- **Increase private sector investment in growth-enhancing activities** - targeted support for SMEs to undertake new-to-firm innovation, adopt productivity-enhancing, energy efficient and low carbon technologies/techniques, and start or grow their exports.

Example interventions

Support to increase town centre footfall, outdoor markets, the development of cultural, visitor and heritage assets, targeted business growth and innovation support.

The overall objectives of this IP are to:

- **Boost core skills and support adults to progress in work** - targeting adults with no or low level qualifications, maths, upskilling and encouraging innovative approaches to reducing adult learning barriers.
- **Support disadvantaged to access the skills needed** eg LTU, those with protected characteristics - life, basic skills where not delivered through national or local employment and skills provision.
- **Support local areas to fund local skills needs and supplement local adult skills provision** e.g. additional volumes; delivering provision through wider range of routes or enabling more intensive/innovative provision - qualification and non-qualification based.
- **Reduce levels of economic inactivity and move furthest from labour market closer to employment** - bespoke employment support tailored to local need, joined up delivery 121 keyworker support etc.

Example interventions

Technical and vocational skills shortage quals; intensive, wraparound 121 support , additional e.g. life skills, basic skills, specialist support including achieving basic qualifications in alternative settings, work experience, supported employment, enrichment activities, counselling and advice, community referrals.

To be additional and complementary to existing employment and skills provision in each area.

Up to **£559m** UK-wide programme to improve adult numeracy. (**£129m DfE** and **£430m for local delivery**).

The **3 main strands** of delivery will be:

- Local area delivery (over 3 years) - numeracy interventions : intensive, flexible maths courses for those in employment or unemployed, building on what is already delivered through AEB.
- DfE developed, roll out of a digital platform
- Programme of randomised control trials, encouraging innovative approaches to improving numeracy and building evidence and evaluation in the field.

Target audience:

- **Adults (over 19)** who have not previously attained a GCSE Grade 4/C or higher maths qualification—whether in employment or unemployed
- Can either be working towards a maths GCSE or Functional Skills Qualification, need specific numeracy skills for their work or progression, or just want to brush up on the skills to help them get on in life and work.

1. Courses designed to **increase confidence** with numbers for those needing the first steps towards formal qualifications.
2. Courses designed to help people use numeracy to **manage their money**.
3. **Innovative programmes** delivered together **with employers** – including courses designed to cover specific numeracy skills required in the workplace,
4. Courses aimed at people who **can't apply for certain jobs** because of lack of numeracy skills and/or to encourage people to upskill in order to access a certain job/career.
5. New intensive and flexible courses targeted at people without Level 2 maths, leading to a **Functional Skills Qualification**.
6. Courses for parents wanting to increase their numeracy skills **in order to help their children**, and help with their own progression.
7. Courses **aimed at prisoners**, those recently released from prison or on temporary licence.
8. Courses aimed at those 19 or over that are **leaving, or have just left, the care system**
9. Activities, courses or provision developed in partnership with **community** organisations and other partners aimed at **engaging the hardest to reach learners**
10. Additional **relevant maths modules embedded into other vocational courses**.
11. Possible other **local bespoke** – evidence based.

- **New Domestic Fund** – Treasury involvement > need to push at the edges to best meet local need.
- **£2.6bn** for first 3 years - **majority revenue** and expected to be **split annually**.
- From local allocation to accommodate 3-5% for Lead Authority to manage the Fund.
- **2022-23 and 2023-24** focus on communities and place and local business interventions only, plus **Multiply**.
- **Skills and employment** only in **year 3 (24-25)** creates potential gap funding although ESF projects run until late 2023.
- Consider if use part of year 1-2 allocation to continue funding **at risk VSO activity** required in year 3.
- **‘Cliff Edge’** general acceptance challenging for many.
- **Match funding** – unclear as yet what the requirement will be – likely leverage and alignment.

- **Menu of options** - local areas to choose from with less money - possible inclusion of bespoke local actions and **eligible actions** – broader than ESIF but less money so important to not ‘spread the jam too thinly’.
- **Comprehensive and balanced local partnerships** in how Fund administered locally - working with diverse range of local stakeholders.
- **Involvement and support of MPs** – 22 in West Yorkshire and in the time available challenging.
- **Routes to market** – local areas given flexibility over how deliver the Fund eg. mix of procurement, local competitions or deliver some in-house.
- **Investment Plans 30 June 22 submission** – deadline challenging.

Indicative Timeline and Next Steps



Government Levelling up White Paper plus UKSPF Pre Launch Guidance	2nd Feb 2022
Stakeholder Webinar	31 March 2022
Govt Publish National Investment Prospectus UKSPF and Multiply including allocations	Estimate 13 April 2022
Stakeholder engagement events/Sounding Groups held – aligned to Pipeline Development work	Apr - May
Further technical Guidance published for Lead Authorities – UKSPF/Multiply	Spring/Summer 22
Sign off of Investment Plans – Combined Authority	23 June 22
Submit IPs to Government for approval <i>via Portal</i>	30 June 22
Government approve Investment Plans	Sept/Oct 22
Delivery commences at earliest (<i>depends on approach taken in Inv Plan</i>)	Nov 2022

POLLING and QUESTION TIME

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If you are not on our UKSPF mailing list, please send an email to Sam requesting to be added to it.