

<b>Agenda Item No:</b>	<b>7</b>	
<b>Committee:</b>	<b>Cabinet</b>	
<b>Date:</b>	<b>20<sup>th</sup> February 2023</b>	
<b>Report Title:</b>	<b>UK Shared Prosperity Fund</b>	

## **1 Purpose / Summary**

1.1 At the Cabinet meeting held on 30<sup>th</sup> January 2023 Members considered a report titled “UK Shared Prosperity Fund” and agreed to recommend:

- Acceptance of UK Shared Prosperity Funding (SPF) from the Cambridgeshire & Peterborough Combined Authority for a three-year period commencing in 2022-23 and ending in 2024-25.
- To delegate to Officers responsibility for approving and finalising entry into the CPCA’s SPF Grant Funding Agreement; and
- To note that a further report will be presented to Cabinet for approval of the detailed proposals in relation to the procedures and documentation associated with the onward administration of the funding.

1.2 The purpose of this report is to determine the legal, financial and governance arrangements in relation to the administration of Fenland District Council’s SPF allocation to include approval of the associated processes, decision making structures and grant funding agreements.

1.3 In addition, this report sets out how Officers will mitigate the potential risk that any underspending from the 2022-23 SPF allocation would not be allowed to be carried over into 2023-24.

## **2 Key Issues**

2.1 A council cannot contract out its decision making to another body unless it is permitted by the Deregulation and Contracting Out Act.

2.2 The potential exists for any underspend on 2022-23 SPF allocation of £133k will not be allowed to be carried forward into 2023-24.

## **3 Recommendations**

3.1 Cabinet is requested to consider and agree the legal, financial and governance arrangements in relation to the administration of Fenland District Council’s SPF allocation as set out in this report.

Wards Affected	All
Forward Plan Reference	
Portfolio Holder(s)	Cllr Ian Benney
Report Originator(s)	Anna Goodall, Assistant Director Simon Jackson, Economic Growth Manager
Contact Officer(s)	Simon Jackson, Economic Growth Manager
Background Papers	UK Shared Prosperity Fund: prospectus - GOV.UK ( <a href="https://www.gov.uk/government/publications/uk-shared-prosperity-fund-prospectus/uk-shared-prosperity-fund-prospectus">https://www.gov.uk/government/publications/uk-shared-prosperity-fund-prospectus/uk-shared-prosperity-fund-prospectus</a> )

## Report:

### **1 BACKGROUND AND INTENDED OUTCOMES**

- 1.1 The following four Fenland Shared Prosperity Fund (SPF) projects were approved by the Department for Levelling Up Housing and Communities (DLUHC) to receive £1.112m of funding as follows:
- Investment in Business £908k (BUS7)
  - Amplifying Community Arts and Culture £120k (COM14)
  - Tackling ASB issues in Wisbech £34k (COM 10)
  - Safer Wisbech - Addressing perceptions of low-level crime and ASB in Wisbech £50k (COM13)
- 1.2 The associated processes, decision making structures and grant funding agreements for the Amplifying Community Arts and Culture, Tackling ASB issues in Wisbech and Safer Wisbech projects will be addressed in agreements between the Council and the lead organisation responsible for the delivery of each of these projects. This will be in compliance with procurement and subsidy control requirements and the decisions taken at officer level in accordance with existing delegations.
- 1.3 The Investment in Business project will be delivered by the Council's Economic Growth Team. The grant decision making process will include the emerging North Cambridgeshire Place Development Board (PDB). Once established, the PDB will be comprised of representatives from the local business community with the Council represented by the Leader and Chief Executive.

- 1.4 The Investment in Business application process involves each applicant submitting an Expression of Interest (EOI) form into the Economic Growth Team (EGT) who will assess and score the EOI. If the EOI score exceeds a threshold level the applicant will be invited to complete a Full Application Form to be submitted into the EGT for assessment and scoring. Each Full Application will be supported by an Officer funded by SPF who will also ensure due diligence, supporting evidence has been provided, subsidy control has been reviewed, etc. The EGT will provide the PDB with each application and supporting evidence/documentation its recommendation as to whether to support or otherwise the application. The PDB will provide their feedback on each application to the EGT. The decision on whether to support an application will then be made by the Council's SPF Grants Team consisting of Officers from Finance, Audit and the Economic Growth Team. Decisions relating to the allocation of funding will be published on the Council's website in line with transparency requirements and the associated exemptions under Schedule 12A of the Local Government Act 1972.
- 1.5 As the PDB will have access to information about businesses that have applied for an SPF grant including potentially commercially sensitive data the Council will enter into a data sharing agreement with the PDB. In addition, PDB members will also be required to declare any conflicts of interest with any applicant business before the application is considered by the PDB and will also be required to sign a confidentiality agreement. All applicants will be made aware of who comprises the PDB and what the application process is so that they can equally flag any potential concerns to the Council before their data is shared. The application pack will include a privacy statement to ensure we are compliant with GDPR, transparent and who the data will be shared with in order to assess and determine the application.
- 1.6 If an applicant is dissatisfied with the outcome, they can request a review of the decision. The review will be undertaken by a group of Council officers, including the Corporate Director and Chief Finance Officer (s151 officer) and the Monitoring Officer. This officer group may wish to consult with the Portfolio Holder for Economic Growth and Portfolio Holder for Finance on any complex decisions.
- 1.7 The Council via the Combined Authority (CA) was advised that its SPF projects had been successful in late December 2022 leaving little time for the four SPF projects to become operational and able to fully claim all of the 2022-23 SPF allocation totalling £133k. On the submission and approval of a "robust business case" DLUHC have advised the CA of the potential for carrying over unused 2022-23 allocation into 2023-24. However, this has yet to be agreed by DLUHC and so there is a risk that any unused 2022-23 SPF will not be carried forward.
- 1.8 In order to reduce the risk that the 2022-23 SPF allocation will not be fully utilised all four projects are becoming operational as quickly as possible. Regarding the Investment in Business project, given that the PDB is emerging

and not yet functioning or constituted an interim grant decision making process might need to be put in place. The interim process would involve applications going directly to the Council Officer group without the involvement of the PDB however the group would engage with the Chair of the PDB for his feedback on applications and subject either to anonymised data being presented or the data sharing and confidentiality agreements being operational.

## **2 REASONS FOR RECOMMENDATIONS**

- 2.1 The reason for the recommendation is to gain Cabinet approval for the associated processes, decision making structures and grant funding agreements regarding the allocation of the Council's SPF.
- 1.3 In addition, this report sets out how project leads are managing the potential risk that any underspending from the 2022-23 SPF allocation would not be allowed to be carried over into 2023-24.

## **3 CONSULTATION**

- 3.1 Engagement with partners and evaluation on current projects such as Growth Works and Growth HUB Start & Grow pilot has enabled external views and policies to be incorporated into the SPF projects.

## **4 ALTERNATIVE OPTIONS CONSIDERED**

- 4.1 An alternative option would be not involving the PDB in the process. The PDB is made up of representatives from the Fenland business community will bring expertise and experience in evaluating private sector business investments and will help to ensure the most effective use of the SPF grant funding. This breadth of experience and expertise is not available within the Council. Another option might be that the final decision is taken by a member or members rather than Council officers. The final decision on grant applications is an operational rather than strategic decision. The Leader of the Council will sit on the PDB and contribute to its recommendations as to whether to support or otherwise each application.

## **5 IMPLICATIONS**

### **5.1 Legal Implications**

- 5.1.1 Authority has been given for Fenland District Council to enter into a Grant Funding Agreement with the CPCA who are passporting central government funding from DLUHC. In order now for the Council to distribute the funding to the intended recipients and in accordance with its bid, further governance is required.
- 5.1.2 In relation to the allocation of funding connected with Investment in Business, it is important for the Council to ensure that a fair and proportionate process is in place to assist with the determination of applications. The process for

undertaking initial and full assessments of those applications received is as set out in this report. Recommendations will then be made by the EGT and PDB before a final decision is taken by the SPF Grants Team which will be comprised of officers who have had no prior involvement in the process, An appeal mechanism will exist where again, decisions will be taken by officers who have had no prior involvement and are of greater seniority than the original decision maker(s) seeking input from members where necessary. This is consistent with ordinary and fair decision-making processes and will be supplemented and supported with detailed information for applicants about the scheme; what the criteria are, how the decision will be made and by whom and how their data will be processed, shared and stored. Information sharing, conflict of interest and confidentiality agreements/policies will be drawn up with the PDB and each successful applicant will be required to enter into a grant funding agreement in order to receive the monies. This will ensure that the applicant understand what is expected of them upon receipt of the funding, for officers to be able to undertake periodic reviews and ultimately for the Council to clawback the monies in the very unlikely event the need to do so arises. Decisions relating to this scheme will be published in accordance with the Council's statutory obligations and having regard to any exemptions which may exist. Subsidy control will be assessed and documented on each occasion to safeguard the Council's interests and in compliance with its obligations under the CPCA GFA.

- 5.1.3 Similar arrangements will be put in place for the distribution of the remainder of the funding however fewer formalities will be required in view of the fact that the PDB will not be involved. All decisions will be taken at officer level and recorded via a published decision notice. Again, successful recipients of the funding will be selected via fair and objective criteria and/or in compliance with the Council's Code of Procurement. Associated grant funding or service agreements will then be drawn up to formally record the arrangements and to again safeguard the Council's obligations and liabilities in further passporting the funding.

## **5.2 Financial Implications**

- 5.2.1 It is currently being assumed that there will be no carry over of the SPF funds allocated for 2022-23 into 2023-24. The CPCA are awaiting a decision on the possibility of carryover from DLUHC. The approval for SPF projects in the CPCA area was only given by DLUHC in December 2022 and at the time of writing this report, the Grant Funding Agreement with CPCA and the Council is still in draft form. All these factors create a risk that some or all of the £133k of SPF funding may not be utilised. All of the Fenland SPF project leads are aware of this risk and are undertaking mitigating actions. A proportion of the business grant funding has been allocated to an officer post to support applicants through the process and ensuring all relevant documentation is in place.

## **5.3 Equality Implications**

- 5.3.1 All individual projects and services have been assessed to ensure equality of access, etc.