



AGENDA ITEM 7
REPORT TO THE TEES VALLEY
COMBINED AUTHORITY CABINET

22ND SEPTEMBER 2023

REPORT OF DIRECTOR OF BUSINESS SOLUTIONS

TEES VALLEY UK SHARED PROSPERITY FUND – PROGRAMME UPDATE

SUMMARY

This report provides an update on the Tees Valley UK Shared Prosperity Fund (UKSPF) programme 2022-2025 including delivery activity to date under each of the Investment Priorities and sets out a proposed Forward Plan for the remaining duration of the 2022-25 programme.

RECOMMENDATIONS

It is recommended that the Combined Authority Cabinet:

- i. Note the content of report.
- ii. Agree the UKSPF Forward Plan 2022-25 update (September 2023-March 2025) – ensuring all remaining UKSPF funding is brought to market leaving sufficient timescales for project delivery.
- iii. Agree the date of 31 December 2023 as the deadline for Local Authorities to submit Community Safety proposals - mitigating the risk that would result in having uncommitted Tees Valley UKSPF programme funding.

DETAIL

UK Shared Prosperity Fund (UKSPF)

1. In April 2022, the UK Government published its prospectus for the new £2.6 billion UK Shared Prosperity Fund (UKSPF), which succeeded European Structural Investment Fund (ESIF) Programme.
2. Tees Valley Combined Authority (TVCA) is the designated Lead Authority for UKSPF and the Tees Valley UKSPF allocation from April 2022-March 2025 was £46.3 million – this included £42.7 million core funding (this is predominantly revenue focused) and £3.6 million Multiply funding. The Multiply programme is a specific adult numeracy programme, led by the Department for Education (DfE) and is one of the four objectives of the People & Skills Investment Priority.
3. Tees Valley also received an allocation (based on a methodology set by Defra) of £624,909 for the Rural England Prosperity Fund (REPF), which spans across both the Communities & Place and Supporting Local Businesses Investment Priorities. However, unlike the other UKSPF funding, which is Tees Valley wide, REPF is specifically for use only in the most rural parts of Redcar and Cleveland.

4. In July 2022 the Combined Authority Cabinet approved the Investment Plan refresh, including the UK Shared Prosperity Fund (UKSPF) for Tees Valley and our submission to government which set out the following allocations for each of the Investment Priorities:

Investment Priority	Allocation
Communities & Place (including culture)	£24,725,676
Supporting Local Businesses (including innovation)	£13,000,000
People & Skills (including Multiply)	£8,600,000
Rural England Prosperity Fund	£624,909

5. A Tees Valley UKSPF Local Partnership Group was established in June 2022 and includes representatives from TVCA, Local Authorities (also covering Local Resilience Forum), Business Board Thematic Leads, Employer Representative Bodies, Teesside University, Further Education, Environmental Representative, VCSE, Public, Police, DWP, DfE and the Cities and Local Growth Unit.
6. This group was involved in the development of the Tees Valley UKSPF Investment Plan 2022-25 and now meet quarterly and provide oversight for the management and delivery of the Tees Valley UKSPF programme.

Tees Valley UKSPF Programme - update

Communities and Place Investment Priority

7. Growth Programme for the Creative & Visitor Economies

There have been 3 Open Calls so far in the Creative & Visitor Economies programme:

- Sector Growth & Sustainability;
- Festival Scale Up; and
- Sector Network Skills.

All funding allocations for these Open Calls have been committed, with a total value of £3,399,817.

Note: £16.5m for the Growth Programme for the Creative & Visitor Economies was agreed by Tees Valley Cabinet in November 2020. This includes Communities and Place priorities identified in the Investment Plan that will be funded by UKSPF. Delivery routes for this Programme are confirmed in accordance with wider programme delivery and governance for Creative Place.

The proposed route to market for the remaining allocation of the Communities and Place - Growth Programme for the Creative & Visitor Economies [£3.9m] is detailed in the UKSPF Forward Plan 2022-25 update (September 2023-March 2025).

8. Digital Inclusion

Funding of £499,962 has been awarded to undertake a Digital Inclusion Feasibility Study. The project has three agreed outputs and will run to 31st March 2024.



Output 1 - a scalable business model for FurbdIT offering a low impact solution to tech waste. The funding will enable the development of a long term, embedded and sustainable solution to digital device poverty, developing sustainable ways of working and new income streams.

Option 2 – a sustainable and new skills model, through the ‘digital skills for living’ programme supporting individuals to develop the digital skills needed to connect with and access education, jobs, health, social care and other public services.

Option 3 – to produce a detailed mapping and evaluation report with recommendations. The consortium will liaise with a large stakeholder group to test proposed solutions, providing an evaluation of programme impact and sustainability and offering recommendations for future digital inclusion work.

The funding allocation for Digital Inclusion under this investment priority has been fully committed to 31st March 2025.

9. Community Safety proposals

To date, two Local Authorities have submitted Community Safety proposals - these are progressing through internal review.

The total allocation to the Community Safety programme is £2,600,000 – this has not yet been fully committed.

To mitigate against the risks of having uncommitted Tees Valley UKSPF programme funding, it is proposed that the date of 31 December 2023 be agreed as the latest deadline by which Community Safety proposals can be submitted. This is to ensure sufficient time for review of the proposals, funding awards to be issued and signed, and for delivery activity to start no later than 1 April 2024, allowing for a minimum 12-month delivery period for the projects.

People and Skills Investment Priority

10. The People & Skills Investment Priority is to deliver support to economically inactive people.

The relevant People & Skills intervention is defined as:

E33: Employment support for economically inactive people: Intensive and wrap-around one-to-one support to move people closer towards mainstream provision and employment, supplemented by life and basic skills (digital, English, maths and ESOL).

There has been 1 Open Call under the People & Skills Investment Priority split into 2 Lots. The total value of the Open Call was £4,800,000.

The following funding has been awarded to 4 successful applicants across the 2 Lots (3 providers in Lot 1 and 1 provider in Lot 2):

	Allocation	Total awarded	To be awarded
Lot 1	£2,750,000	£2,437,563	£312,437
Lot 2	£2,050,000	£2,049,878	£122

If the above funding offers are accepted this will award a total of £4,487,441 of the £4.8m People & Skills Investment Priority allocation.

The funding still to be awarded [£312,559] will be retained at this time and remain allocated to this investment priority. Once delivery is underway, consideration will be made at the end of Year 1 delivery review point (March 2024) as to how to allocate the remaining funding.

11. Multiply – adult numeracy programme (DfE)

The UKSPF Multiply Programme is a ring-fenced Grant Funded programme that is funded by the Department for Education (DfE). Any under delivery against the outputs and funding will be offset against future allocations.

Grant Funding Award to TVCA (3 years)	£3,631,629
Year 1 Performance	
DfE Grant Funding Award	£1,097,934
Performance Against Grant Funding Award	£1,066,602
Variance	£ 31,332
Year 2 Performance	
DfE Grant Funding Award	£1,266,847
Provider Allocations, Marketing and Management	£1,266,847
Year 3 Remaining Balance	£1,235,515

Following the “call off” light touch procurement opportunity to all the existing AEB providers (31) for the following interventions:

- Pre-Functional Skills
- Workplace Bitesize
- Workplace Bespoke

8 providers submitted a bid and 7 have been successful in securing an allocation for the 2023-24 financial year, with the intention to extend these into the 2024-25 financial year, subject to performance and funding review.

Hartlepool Borough Council will continue to lead on the Community Led interventions and have already started to procure further VCSE and delivery partners for the 2023-24 financial year.

Supporting Local Business Investment Priority

12. An Open Call approach was developed for a significant proportion of UKSPF funding under Supporting Local Business. There has been 1 Open Call under this investment priority split into 7 Lots. The total value of the Open Call was £8,200,000.

Submissions received across the Lots were varied both in quality of the submission and the level of innovation which providers sought to provide to address local challenges. Within the Supporting Local Business open call opportunity, several Lots did not attract submissions that would deliver the required outcomes or substantially improve the offer to local businesses and have therefore not been awarded.

Unsuccessful submissions included proposed approaches that repeated existing programmes and did not identify methods to directly address business need. These Lots were:

Lot 1	Entrepreneur inspiration	£0.2m
Lot 2	Start-up practical support	£1.68m
Lot 5	People	£0.72m

Gateway assessment found four of the Lots received proposals that were viewed as suitable to take forward. These Lots will be awarded based on the outcome of the final round of presentations at the end of July and will provide £5.6m of business support in Tees Valley:

Lot 3	Digital	£1.68m
Lot 4	Securing Investment	£0.88m
Lot 6	Supply Chain	£0.91m
Lot 7	Net Zero	£2.13m

13. The proposed route to market for the remaining allocation of the Supporting Local Business Investment Priority allocation [£5,950,000] is detailed in the UKSPF Forward Plan 2022-25 update (September 2023-March 2025).

These proposals include Open Calls – Specific Activity and Innovative & Pilot Projects and will emphasise:

- The need to define new support proposals for business that do not replicate existing programmes;
- Maximise the direct benefit that businesses will receive from the UKSPF programme; and
- Increase the opportunity for smaller Tees Valley businesses and organisations to provide innovative pilot solutions.

14. To support this, a programme of engagement is being drawn up that will allow Tees Valley businesses to understand the requirements of Due Diligence and Subsidy Control in public sector delivery and enable them to apply for future calls. It is proposed that this programme of engagement be opened to colleagues in Local Authorities so support can be cascaded across all partner networks.

Rural England Prosperity Fund (REPF)

15. The REPF objectives sit within the UKSPF investment priorities for Supporting Local Business and Communities and Place.
16. The Tees Valley REPF allocation is £624,909 for the financial years 2023-24 and 2024-25 and **the funding covers only the most rural parts of Redcar & Cleveland (the REPF fund is not Tees Valley wide). This is defined by DLUHC and is not flexible.**
17. The Tees Valley REPF submission addressed the following interventions:
- Capital grant funding for small scale interventions in micro and small enterprises in rural areas.
 - Capital grant funding for growing the local social economy and supporting innovation.

The grants can be used for capital purchases for two purposes:



- a. The first is to support new and existing rural businesses to develop new products and facilities that will be of wider benefit to the local economy. This includes farm businesses looking to diversify income streams.
 - b. The second is to support new and improved community infrastructure, providing essential community services and assets for local people and businesses to benefit the local economy.
18. The agreed Route to Market was for TVCA to be the Lead Organisation for the fund's management and distribution. This would involve launching this capital grant programme via a light touch regime to enable as many as possible small rural organisations access to the funds.
19. The fund will be launched as soon as practicable and 2023-24 would be seen as a pilot year to test the market and the demand for the grants.

FINANCIAL IMPLICATIONS

20. A breakdown of Tees Valley UKSPF programme 2022-25 funds are attached at Appendix A.
21. The Tees Valley UKSPF Forward Plan 2022-25 update (September 2023-March 2025) is attached at Appendix B.

LEGAL IMPLICATIONS

22. Funding Agreements are documented in consultation with the Chair of the Tees Valley Business Board, Director of Business Solutions, relevant TVCA Thematic Lead and TVCA Legal Team.

RISK ASSESSMENT

23. All Risk Management activity will be done so in line with the Group Risk Management Policy and Framework.

CONSULTATION & COMMUNICATION

24. Consultation on UKSPF activity has been shared with Business Board Chair, Director of Business and Skills, Tees Valley Management Group and the Tees Valley Local Partnership Group.
25. Communication continues to be made available via the TVCA UKSPF web page: <https://teesvalley-ca.gov.uk/business/business-growth-support/uk-shared-prosperity-fund-ukspf/>

EQUALITY & DIVERSITY

26. There has been no impact on groups of people with protected characteristics, highlighted as part of this report.

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