



Worcester
CITY COUNCIL

PLACE AND ECONOMIC DEVELOPMENT COMMITTEE

SUPPLEMENTARY AGENDA

Date: Monday, 25th July, 2022

Time: 7.00 pm

Venue: The Guildhall

PLACE AND ECONOMIC DEVELOPMENT COMMITTEE

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Place and Economic Development Committee
Monday, 25 July 2022

Members of the Committee:-

Chair: Councillor Mrs. Lucy Hodgson (C)
Vice-Chair: Councillor Robyn Norfolk (L)

Councillor Marc Bayliss (C)
Councillor Simon Cronin (L)
Councillor Jill Desayrah (L)
Councillor Allah Ditta (C)
Councillor Simon Geraghty (C)

Councillor Adrian Gregson (L)
Councillor Neil Laurenson (G)
Councillor Karen Lewing (G)
Councillor James Stanley (C)

C = Conservative G = Green L = Labour LCo = Labour and Co-operative
LD = Liberal Democrat

SUPPLEMENTARY AGENDA

Part 1
(ITEMS FOR DISCUSSION AND DECISION IN PUBLIC)

5. UK Shared Prosperity Funding Bid

Page(s): 1 - 8

Ward(s): All Wards

Contact Officer: Zoey West, Deputy Director - Economic Development
Tel: 01905 722041

That the Committee:

1. Confirms the preferred projects and gives permission to submit an application by the deadline of 1 August 2022; and
2. Authorises the Managing Director to oversee the final bid documentation in consultation with the Chair and Vice Chair of the Committee and to ensure timely submission.

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Report to: Place and Economic Development Committee, 25th July 2022

Report of: Deputy Director - Economic Development

Subject: UKSPF FUND BID

1. Recommendation

That the Committee:

- 1.1 Confirms the preferred projects and gives permission to submit an application by the deadline of 1 August 2022.**
- 1.2 Authorises the Managing Director to oversee the final bid documentation in consultation with the Chair and Vice Chair of the Committee and to ensure timely submission.**

2. Background

- 2.1 The UK Shared Prosperity Funding (UKSPF) was launched in April 2022 and is the successor fund to the EU Structural Investment Funds (EUSIF). The fund is part of the Levelling Up agenda and prioritises investment in domestic priorities to focus funding where it is needed most: building pride in place, supporting high quality skills training, supporting employment and productivity growth, and increasing life chances.
- 2.2 Worcester has been allocated **£2,945,472**. The funding is primarily for revenue purposes although there are capital elements to support longer term investments. The split per year is as follows:

	2022/23	2023/24	2024/25
Revenue	321,714	621,987	1,498,473
Capital	35,746	92,939	374,618
Total	357,460	714,920	1,873,091

Each lead local authority will be able to use up to 4% of their allocation to undertake necessary Fund administration, such as project assessment, contracting, monitoring and evaluation and ongoing stakeholder engagement. This equates to £117,818 for Worcester.

- 2.3 The funding is intended to support projects under three key themes: Community and Place, Local Business, and People and Skills.

2.4 To access the allocation, the Council will be required to submit an investment plan that sets out the outcomes and interventions that it wishes to support. The plan must cover the headings set out below:

1. Local context: local evidence of opportunities and challenges through the lens of the three investment priorities for UKSPF (Community and Place, Support for Local Business, People and Skills). *Note: People and Skills activities are only eligible in 24/25, unless delivered by a Voluntary or Community Sector (VCS) organisation.*

2. Outcomes and interventions: chosen from a menu of options, linked to local opportunities and challenges. Examples provided are:

- **Community and Place-** *Improvements to town centres, support for local arts and heritage activities, funding for sports facilities*
- **Support for Local Business-** *research and development grants, business support, business incubator schemes*
- **People and Skills-** *Local gaps in provision, previous ESF interventions, in-work support.*

3. Delivery: the most detailed stage of the investment plans broken down into the following:

a. Approach to delivery and governance: the structures and processes that will support the delivery of the chosen interventions, including the engagement undertaken as part of the development of the Plan, (including with MPs). How we will collaborate with other places in the delivery of specific interventions – for example with neighbouring places, or with places across the UK with common needs or challenges.

b. Expenditure and deliverables: detailing what we want to deliver including the spend profile for the three years of the fund as well as outputs and outcomes figures, and any already identified specific projects we wish to fund under each of the investment priorities.

2.5 Local authorities are tasked with working with a range of local and regional stakeholders, civil society organisations, employers, and businesses to achieve Fund outcomes in their areas. Once plans are approved, partners will be asked to provide ongoing advice and support on strategic fit and deliverability, to ensure that Fund investments complement other activities in the area and meet Fund and local objectives. It is proposed that we will continue to work with the Town Investment Board as our stakeholder group.

2.6 So far, stakeholder engagement has been delivered through one-to-one and group meetings with key partners, including Heart of Worcester College, Worcester LEP, and the Growth Hub. We have also actively engaged with current EUSIF delivery partners whose projects are due to end in March 2023, including Worcester Community Trust, Onside and Fusion partnership led by Platform Housing. The Town Investment Board has also received details of the fund and will, if agreed, continue to be engaged in the development and delivery of the programme.

2.7 The Council will receive funding annually in advance. In 2022-23, funding will be paid once the local investment plan has been signed off. In 2023-24 and 2024-25, it will be paid at the start of the financial year. The council will receive a grant determination letter and Memorandum of Understanding setting out Fund requirements and obligations. Local authorities may be asked to return any underspends at the end of each financial year.

3. Proposals

3.1 To complete the application, it is necessary to identify a range of activities for which the funding can be utilised. These will need to fall within the three strands of the project and be deliverable within the timeframe set out in the guidance. Some expenditure, as shown in the table above, will need to be incurred during the current financial year.

3.2 To facilitate this, officers have completed a review of the known project pipeline and engaged with partners to identify a longlist of potential projects or activities that could be funded. Each district council is expected to produce and deliver a stand-alone investment plan for its place. However, working with other places is strongly encouraged in the delivery of Fund interventions where it meets the needs of place, and achieves value for money or better outcomes for local people or businesses. To this end, officers have worked closely with local authority partners in Malvern, Wychavon, and North Worcestershire to identify coterminous people and skills and business support activity that can be delivered effectively across a wider geography, whilst retaining the Worcester city focus.

3.3 Local authorities will be asked to detail how their proposed interventions will be delivered within the subsidy control regime and their capacity and capability to manage subsidy. The projects have been reviewed to ensure that they are compliant.

3.4 The activities listed below are those that officers feel are of the highest priority and impact for the City. The type and amount of funding across one or more years of the scheme is given in brackets and the relevant 'intervention' workstream is identified. This shows that a wide range of the workstreams is covered.

3.5 Community and Place

- Wayfinding-Feasibility and installation of wayfinding signage and totems across the city centre (£10k revenue £50k capital). *Intervention E1: Funding for improvements to town centres and high streets*
- Establishment of an Arts and Culture and a Heritage Forum, both with allocated grantable funding to support identified local interventions (£30k revenue). *E6: Support for local arts, cultural, heritage and creative activities*
- Extension of the events programme delivered by Severn Arts (£90,000 revenue). *E6: Support for local arts, cultural, heritage and creative activities*
- Extension of the Community Grants programme (£120,000 revenue). *E12 Community engagements schemes*
- Continuation of the Asset Based Community Development programme delivered by WCT (£160,000 revenue). A project focused on working at a very

local level to work with existing residents, community connectors and community groups to provide support, training and increase resilience and sustainability. It also looks to help develop new community networks and will begin the process of establishing new relationships between service providers and communities at a grass roots level. *E11: Investment in capacity building and infrastructure support for local civil society and community groups*

- Feasibility study into a mixed use applied and creative arts facility (£10k revenue). *E14: Funding to support relevant feasibility studies*
- Capital funding for enhancements and improvements to the Worcester Museum and Art Gallery to support wider access. (£200,000 capital). *E4: Enhanced support for existing cultural, historic and heritage institutions that make up the local cultural heritage offer*
- Natural Networks grants and advice to support wildlife networks. (£70k revenue). *E3: Creation of and improvements to local green spaces*
- Empty retail and property enhancement grant programme extension (£303,303 revenue). *E1: Funding for improvements to town centres and high streets, including capital spend and running costs. E16: Investment in open markets and improvements to town centre retail and service sector infrastructure, with wrap around support for small businesses*

3.6 Local Business

- Growth Hub delivery of business engagement and support (£200k revenue). *Intervention E24: Business Support Offers.*
- Visitor economy development via promotions and campaigns (£75,000 revenue). *E17: Funding for the development and promotion (both trade and consumer) of the visitor economy, such as local attractions, trails, tours, and tourism products. & E30: Business support measures to support employment growth*
- Business energy efficiency assessments and grants and low carbon opportunities programme. £2k non-commercial premises/£5k commercial. Delivered by County Council (£140,000 revenue). *E29: Supporting decarbonisation and improving the natural environment whilst growing the local economy*
- Business Research and Innovation support (£150,000 revenue). *E19: Increasing investment in research and development at the local level*

3.7 People and Skills

- Community Housing Partnership supporting those furthest from the labour market (£390,000 revenue). *Intervention 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 additional and/or specialist life and basic skills (digital, English, maths* and ESOL) support where there are local provision gaps*

- Not in Education Employment or Training support (£100,000 revenue)
Intervention 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 additional and/or specialist life and basic skills (digital, English, maths and ESOL) support where there are local provision gaps*
- Digital Skills (£75,000) *E41: Funding to support local digital skills*
- Adult Skills support for those in employment looking to retrain or develop. Level2-3. (£85,000 revenue). *E38: Support for local areas to fund local skills needs. This includes technical and vocational qualifications and courses up to level 2 and training for vocational licences relevant to local area needs and high-value qualifications where there is a need for additional skills capacity that cannot be met through mainstream funding.*
- Green Skills courses to support new skills for the low carbon agenda (both new skills and retraining) (£75,000 revenue)- *E39 Green skills to achieve net zero and wider environmental targets*
- Local skills needs-responsive to identified industry gaps (£75,000) *E37: Tailored support for the unemployed to access training*
- Basic Life and Career Skills (£100,000 revenue) *E34: Courses including basic skills (digital, English, maths (via Multiply) and ESOL), and life skills and career skills** provision for people who are unable to access training through the adult education budget or wrap around support detailed above. Supplemented by financial support for learners to enrol onto courses and complete qualifications*

3.8 A delivery partner for each of the schemes can be procured via competitive bidding, grant award or through self-delivery. A number of projects will be follow-on activity from previously funding programmes that have delivered successfully in previous years. However, assessment will be needed to establish that these meet the terms and conditions of the Fund and will continue to provide value for money.

4. Next Steps

4.1 The investment Plan must be submitted by 1 August 2022. Once submitted the plan will be reviewed against the following criteria:

- Local context – including challenges and opportunities
- Selection of outcomes, outputs, and proposed interventions
- Delivery

4.2 Plans will need to be agreed by the lead local authority and UK government to enable sign off. The Department for Levelling Up, Housing and Communities will lead the government assessment process and will engage relevant departments as needed. However, as this is not a bidding process, the application will not fail. Where a plan cannot be signed off first time, DLUHC to the lead local authority and work iteratively to secure sign off.

5. Preferred option

5.1 The list of proposed interventions is considered for inclusion as set out in the report.

6. Alternative options considered

- 6.1 Access to the UKSFP is dependent upon submission of an application form in the prescribed format and agreement of the range of activities with DLUCH. The projects included in the report are those that have been identified as deliverable within the required timescales and are in line with the purposes of the grant.

7. Implications

7.1 Financial and Budgetary Implications

The Council will be the accountable body for the Levelling Up Fund award if the bid is successful and will therefore be responsible for managing the costs. Lead local authorities will be asked to report data to ensure that allocations are being spent to agreed timescales and milestones, including achievement of outputs and outcomes at the project level. There will be a formal reporting request every 6 months with qualitative updates throughout. Prior to each annual payment, lead authorities will need to complete a report. Authorities who are unable to meet milestones will be supported to ensure delivery remains on track. Leads will also be expected to report on technical delivery aspects such as fraud and risk. Failure to meet the monitoring requirements may result in funding being withheld.

UKSPF is a mix of capital and revenue funding, with all funding needing to be spent by 31 March 2025. There is a limited budget of 4% of the total allocation to support operational delivery. Projects that will be self-delivered by Council teams have the ability to build in delivery costs within the overall project budget. This may result in a reduction of current budgeted costs to the Council where there is an overlap with existing activities, although this would only be for the grant period.

7.2 Legal and Governance Implications

Once approved by DLUHC, the Council will be required to act as accountable body for the grant funding awarded. This will involve entering into legally binding agreements which may include mechanisms for to reduce or clawback grant funding if projects fail to deliver on time or to objectives. It will be important that the Council ensures its responsibilities as accountable body are appropriately shared through similar binding agreements with other organisations that the city may be involved as partners for delivery of any activity.

7.3 Risk Implications

There are no direct risks arising from the report other than the failure to submit the bid by the due date which may result in the Council being deemed to have failed to submit a valid application.

There is a risk that the bid will be rejected by the reviewing department. This is considered a medium risk; government have confirmed that they will work with lead authorities to ensure sign off plans. To minimise this risk the Council will ensure that its bid submission is fully compliant with the Government's funding criteria (including as to outputs, delivery timescales and subsidy control).

There is a reputational risk should the Council fail to deliver, or support the delivery of, the projects proposed in the bid and a financial risk if the project outcomes are not achieved, as the Council will be the accountable body for the programme.

When the Council's bid receives permission to progress, detailed risk assessments will be made for each project as part of their development and reported to the Council's Committees, at the appropriate stage.

7.4 Corporate/Policy Implications

UKSPF has the capacity to meet a wide range of the Council's city plan themes. The application will identify how each of the proposed schemes supports the City Plan objectives and is compatible with wider strategic aims in the Masterplan, Environmental Strategy, and the Town Investment Plan.

7.5 Equality Implications

There are no equalities implications arising directly from the report. The implications for each scheme will form part of the assessment process for inclusion in the application and subsequent delivery of the project.

7.6 Human Resources Implications

There will be a requirement to employ a programme manager to support the delivery of the programme and to ensure effective monitoring and evaluation. The costs for the post can be sourced via the 4% management allowance that will be taken from the overall programme budget. This will be a fixed term post for the lifetime of the programme to March 2025. This can be a secondment or recruitment opportunity. The programme will also extend existing economic development roles that previously delivered ERDF business grant schemes, consultation with the relevant staff will support this element of delivery

7.7 Health and Safety Implications

There are no health and safety implications arising from the report.

7.8 Social, Environmental and Economic Implications

The full social, environmental, and economic impacts will be set out in the investment plan.

Ward(s): All Wards
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Background Papers: None

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