

Report to: Place and Economic Development Committee, 29th January 2024

Report of: Deputy Director - Economic Development

Subject: UKSPF FINAL YEAR (2024/25) ALLOCATIONS

1. Recommendation

That the Committee:

- 1.1 Approves the proposed project interventions and allocations as shown in section 3 subject to the completion of final due diligence and suitable funding terms being agreed by the Managing Director in consultation with the Chair and Vice Chair of the Committee;**
- 1.2 Authorises the procurement of one or more delivery partner(s) for a programme of activities to meet the outcomes of the Green Skills allocation and delegates authority to the Managing Director in consultation with the Chair and Vice Chair of Committee to award suitable funding agreements accordingly; and**
- 1.3 Agrees that the final uses of the £100k of funding from the People and Skills allocation that has been transferred to the Community and Place intervention for deployment in 2024/25 to invest in community measures to reduce the cost-of-living, will be determined by the Health & Wellbeing Committee.**

2. Background

- 2.1 Following the decision of this committee on the 6 November 2023 to reallocate £100k of funding from the People and Skills allocation to the **Community and Place** intervention, this report provides details of proposed delivery options for UKSPF funding for 2024/25 in accordance with the **People and Skills** priorities to ensure that the proposed activity continues to effectively respond to the needs and requirements of the city and its residents.

3. Preferred Option

- 3.1 The table below shows the proposed interventions that have been identified through needs assessment and dialogue with stakeholders to address the **People and Skills** priorities for the City. A number of these proposed interventions are aligned to the current Towns Fund Community Skills project that is being delivered across the city and is reported to P&R Committee. The Towns Fund project provides capital improvements to local facilities to support the delivery of skills and community interventions and will include Building Block 2 at Dines Green, Fairfield, St Peter's, Ronkswood, Horizon, Tolladine and King George V centres. The UKSPF activities that are to be delivered via Worcester Community Trust will complement the capital investment in buildings and facilities.

Intervention	Original Business Plan allocation	Proposed contract Value	Proposed project intervention and delivery partner.
Employment support for the economically inactive	£315,968	£200,000	Careers Hub- Worcestershire County Council (LEP)
Basic Life and Career Skills	£100,000	£65,484	Employability Skills- WCT
Tailored support for the employed to access training	£85,000	£110,484	Business Skills Programme- Growth Hub Worcestershire County Council (LEP)
Green Skills	£75,000	£75,000	to be procured
Local areas to respond to local skills needs	£75,000	£100,000	Upskilling- Chamber of Commerce
Digital Skills	£75,000	£75,000	Digital Inclusion -WCT
Total	£725,968	£625,968	Note balance of £100k transferred to Community and Place

- 3.2 Following dialogue with key stakeholders, a number of delivery proposals have been received, responding to the interventions identified in the investment plan that was submitted to government in June 2022 that allowed us to draw down our £2,945,472 of UKSPF. Proposals were assessed on their ability to achieve outputs and outcomes, and to meet the needs identified within the original investment plan, not all proposals have been granted funding. Two proposals did not meet the needs of the UKSPF investment plan.
- 3.3 Headline details of each proposal are set out in section 3.4 below with full details provided in Appendix 1. Final contract arrangements will be subject to the agreement of satisfactory funding terms and further due diligence regarding value for money when consideration will be given to day rates and unit costs.
- 3.4 **The Careers Hub** delivered by **Worcestershire County Council**, launched in July 2022 with the primary objective of supporting young people in Worcester City. Building upon this success, the service will provide dedicated support for **16–24-year-olds who are inactive and unemployed**.

The programme designed to inspire young people's education choices as well as to support those 16 – 24-year-old NEETs (Not in Employment, Education or Training) back into Education and Training within Worcestershire, therefore improving the success of young people with positive destinations into employment and education.

Employability Skills delivered by **Worcester Community Trust (WCT)**– supporting **individuals 25+** and communities to equip them with the necessary skills to gain and retain employment. This covers basic skills such as Maths, English, and Digital skills, and covers elements such as mental health, employability, personal development, confidence building and overcoming barriers to employment. Includes Construction courses to upskill Worcester City residents to improve job opportunity.

Digital Inclusion delivered by **Worcester Community Trust (WCT)**– providing and developing access to online services, training, and support around digital skills for the **unemployed 25+**, breaking down barriers of confidence and help to reduce loneliness and isolation.

Upskilling delivered by **Herefordshire and Worcestershire Chamber of Commerce** - Anyone within one of the following two groups will be eligible for this support:

- **Those in work.** Employers can choose to send anyone employed by them that would benefit from this support.
- **Those looking to return to work (focus on 50+ age group).** Partner organisations such as DWP and Age UK can choose to send anyone actively looking for work that would benefit from this support.

Business Skills Programme delivered by **Worcestershire Growth Hub** - offering support to businesses to identify current skills needs and training solutions. Support will be provided through a county wide defined Training Needs Analysis process, , which results in identifying and planning training solutions to enhance business productivity, supporting to reduce skills needs and assist in business succession planning. The programme will be led and delivered by Worcestershire's Growth Hub working in partnership with skills and training organisations across the county.

There is capacity within the programme to fund all projects at their requested levels, by moving funding within interventions. Currently, we have not received a proposal for a **green skills** programme. There are a number of key priorities within this area of delivery, including:

- **Green retrofitting** (a shortage of the skills to insulate walls and introduce technologies like heat pumps, with the government placing heavy emphasis on getting homes up to appropriate energy usage standards in the next decade, retrofitting expertise is in extremely high demand),
- **Digital Skills** to support energy modelling and analysis (using software tools, to more accurately evaluate a building's energy performance and identify opportunities to conserve energy),
- **Waste Management** (needing more workers involved in the collection, sorting, and recovery of materials, alongside consultancy, design, FM, business modelling and infrastructure development),

- **Compliance and development** (demand for monitoring skills and an understanding of the technical and legal aspects of green business practice)

3.5 As noted in section 2.1, this committee on the 6 November 2023, agreed to reallocate £100k of funding from the **People and Skills** allocation to the **Community and Place** intervention. Due to the nature of the potential options available for delivery, it is proposed that responsibility for the funding of individual projects within the **Community and Place** allocation will sit with the Health and Well Being Committee, with a report to be presented on 22nd January 2024.

4. **Alternative Options Considered**

4.1 Following dialogue with key stakeholders, the proposals set out in section 3.1 represent a viable option for the achievement of the objectives set out in the original business case (subject to final due diligence as noted above).

4.2 An alternative option would be to conduct a wider procurement process however this option is not recommended for a number of reasons:

- It is likely that the response would include those interventions set out in section 3.1
- Any delay in the contracting as result of additional procurement stages could adversely impact the subsequent delivery of the projects given that the programme only has a one-year operating period.
- A wider and more disparate range of project interventions risks competition and overlap between projects and has the potential to present a more confusing range of options for end users.

5. **Implications**

5.1 Financial and Budgetary Implications

Although People and Skills funding has only been available for spend in 2024/25, a significant level of funding has been allocated to the priority (£886,696 including the Building Better Opportunities continuation project). Community and Place has a total allocation of £455,728. As the accountable body for the funding, we can be able to move funding between interventions and priorities for the final year of delivery.

5.2 Legal and Governance Implications

The Memorandum of Understanding that governs the funding allocation, and the accompanying guidance, allows local authorities to reallocate funding between the interventions within each priority without needing to submit a change request to the Department.

The Council can also, to a limited extent, reallocate funds between the three investment priorities, although a change request will need to be agreed if the reprofiling of funding from one investment priority to another involves moving 30% of the total funding allocation over the 3 years, or £5 million, whichever is lower.

The Council will need to enter into legally binding funding agreements with delivery partners to ensure outcomes and outputs are met. In addition, the Council will need to undertake a procurement process to deliver the Green Skills programme.

5.3 Risk Implications

There are no direct risks arising from the report.

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

5.4 Corporate/Policy Implications

The UKSPF programme and proposals support the full range of themes of the City Plan and have been developed in alignment with the City Plan, the City Centre Masterplan, and the Town Investment Plan.

5.5 Equality Implications

No significant equality implications have been identified at this time.

5.6 Human Resources Implications

No significant Human Resources Implications at this stage

5.7 Health and Safety Implications

None identified at this stage.

5.8 Social, Environmental and Economic Implications

The interventions and projects within the UKSPF package of activity present an opportunity to make a significant positive impact on the social, environmental, and economic well-being of the city.

The proposed projects within the programme will support the achievement of a number of outcomes set out in the 2022 – 27 City Plan, including:

- Increased use of technology by all communities
- A highly skilled workforce, with the experience and the right types of qualifications that city employers need
- Increase in number of disabled people able to work
- Existing businesses retained and new businesses moving to and delivering success in Worcester
- Improved air quality through reduction in carbon emissions

Ward(s):

Worcester City

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Background Papers:

PED report 6th November 2023

Appendix 1-proposals