

# APPENDIX 1

## 1. Explaining the Shared Prosperity Fund

1.1 European Structural Fund programmes have been a major funding source in Wales for several decades. The programmes have funded a wide range of programmes to support businesses, develop skills, and increase employability but are due to close over the next 18 months. UK Government has now launched the Shared Prosperity Fund as a domestically-funded replacement to the European programmes.

1.2 The Shared Prosperity Fund will deliver £2.5bn of investment until March 2025 across the UK. The aim of the programme is “to build pride in place and increase life chances”. The investment priorities set by UK Government are:

**Community and Place** - Strengthening our social fabric and fostering a sense of local pride and belonging. To build resilient and safe neighbourhoods.

**Supporting Local Business** - Creating jobs and boosting community cohesion by supporting local businesses. Promoting networking and collaboration and stimulating innovation and growth. Targeted support to help businesses grow - e.g. innovation, productivity, energy efficiency, low carbon and exporting.

**People and Skills** - Boosting core skills and support adults to progress in work. Supporting disadvantaged people to access the skills they need. Funding local skills needs and supplementing local adult skills provision. Reducing levels of economic inactivity and supporting those furthest from the labour market

1.3 The guidance for the programme was released on 13 April 2022. The programme is to be managed by local government across the UK. Funding is allocated to local government and no competitive bids are expected. An Investment Strategy setting out the approach to delivering the programme is expected in order to release the funding and UK Government will need to receive this by 1 August 2022.

1.4 UK Government has asked local government in Wales to collaborate to produce one Investment Strategy for each region and to nominate a single Lead Body to submit the Strategy and act as the accountable body for the funding. UK Government has indicated that it will approve Investment Strategies by 31 August 2022.

1.5 Local government is expected, in developing the programme, to engage stakeholders including from the third sector and business community and to provide opportunities for organisations to secure resources from the programme to deliver against its priorities.

1.6 A regional budget allocation has been made available by UK Government.

Denbighshire's allocation is £25,647,958 (please see Appendix 2).

1.7 The programme is predominantly a revenue funding programme but 15% capital (or more by agreement) can be included.

1.8 The Multiply programme is a UK Government initiative to boost adult numeracy. The budget for the programme is high and adult numeracy is devolved to Welsh Government for delivery with established programmes already in place. Further discussion between the Welsh Local Government Association, UK Government and Welsh Government is underway to determine how to make the best use of the funding opportunity

## **2. Progress to Date**

2.1 The timetable set by UK Government gives 16 weeks to consult stakeholders and develop and approve the Investment Strategy for submission. Although the Investment Strategy itself is not expected to require much detail to be approved, local government needs to:

- undertake stakeholder engagement both locally and regionally;
- set priorities for the programme regionally and locally;
- agree appropriate governance structures locally and regionally;
- start to prepare the methodology by which funding will be allocated; and
- agree the regional lead body for the programme and set up the necessary structures and agreement

2.2 Structures have been established regionally to lead this process with a senior manager group established to oversee the development of the programme and an operational co-ordinating group to drive forward the work streams above

2.3 It is currently proposed that Gwynedd County Council is asked to act as regional lead authority for the programme. Gwynedd County Council already acts as the lead body for the North Wales Growth Deal portfolio.

2.4 There have been workshops and meetings regionally to engage stakeholders to inform the priorities for the programme in relation to skills and employment. The majority of skills and employment programmes have tended to be delivered on a regional or sub-regional footprint due the commonality of needs of the clients and the ability to secure economies of scale

2.5 Locally, the Council has held one internal and one external webinar, with representation from Council teams, external partners, third sector representatives and

the business community. The feedback from these sessions will be used to inform the priorities for the programme in Denbighshire.

2.6 Some consideration is necessary to identify an appropriate multi-sector partnership to contribute to the local governance for the programme. In addition, the programme priorities and operating models will need to be approved by Cabinet once the funding has been unlocked by UK Government

### **3. Next Steps**

3.1 The programme will be informed by:

- The Council's Corporate Plan and other key strategies (eg Climate and Ecological Change programme)
- The Regional Economic Framework and other key regional strategies (eg Safer North Wales Strategy)
- The outcomes of the consultation events with stakeholders

3.2 The Council will need to compile and submit its preferred priorities for the programme for compilation within the Regional Investment Strategy. UK Government has given assurances that the Investment Strategy will be able to be amended as needed following approval

3.3 There are opportunities for activities under the People and Skills and Supporting Local Business themes to be delivered on a regional and sub-regional rather than local footprint. This helps to secure economy of scale and has worked successfully in the past. There are fewer opportunities for this within the Places and Communities theme. It is proposed that, wherever shared priorities and opportunities for efficiency exist, regional development and delivery should be used. The Council will still be able to deliver locally-specific activities where this is identified as more appropriate. Organisations seeking to deliver regional projects will, at a future stage of programme development later in 2022, be required to demonstrate how their project will deliver measurable benefits to each county in order to receive funding

3.4 Further discussions with strategic stakeholders will determine the approach to be taken to the Multiply element of the programme and how it should be reflected in the Investment Strategy.

3.5 Delivery of the programme will need to comply with Council Contract Procedure Rules. There are expected to be three main methods for delivering the programme:

- Direct delivery by Council teams using programme funding
- Procured or Commissioned activity

- Funding given to third parties through open and competitive calls for proposals

3.6 It is anticipated that, due to the constraints imposed by the timetable for the programme, the majority of expenditure for the 2022/2023 financial year will be through the first method. The third method, open calls for proposals, will be established for the appropriate priorities and will operate in the second half of 2022/2023 so that approved projects are ready to start by 1 April 2023.

3.7 The Council will work with regional and local partners to ensure that the Investment Strategy is delivered to UK Government by the 1 August 2022 deadline.