

Report to	Cabinet
Date of meeting	Tuesday 25 April 2023
Lead Member / Officer	Cllr Jason McLellan, Leader
Head of Service	Liz Grieve, Head of Housing & Communities
Report author	Nicola Kneale, Joint Interim Head of Support Service: Performance, Digital & Assets
Title	Applications shortlisted for Shared Prosperity Funding

1. What is the report about?

- 1.1. Recommendations from the Core Partnership Group about which Shared Prosperity Fund applications to approve at Cabinet.

2. What is the reason for making this report?

- 2.1. To inform Cabinet of the process that's been followed to support the application and shortlisting process associated with the Shared Prosperity Fund, and confirm their satisfaction with the process.
- 2.2. A decision is required on whether to approve the shortlisted applications that have been recommended by the Core Partnership Group.
- 2.3. It should be noted that the Appendices to this report contain details of all applications and their associated recommended outcomes. Due to the fact that this information relates to the financial and business affairs of applicant organisations, the appendices will be published under Part 2. Once Cabinet has agreed the projects to be shortlisted and applicants have been notified of their success or otherwise, the outcome of the decision will be published.
- 2.4. Upon being shortlisted, successful applicants will be invited to submit supplementary information ('Stage 2') that will enable due diligence checks, etc.

This is a non-competitive process, but there is a chance that shortlisted projects will be unable to progress should the checks be unsuccessful. Should this occur, this report asks Cabinet to delegate decision-making to the Leader in consultation with the Lead Member for Corporate Strategy, Policy & Equalities, and the Corporate Director: Environment & Economy.

3. What are the Recommendations?

- 3.1. That Cabinet confirms that it has understood the application and shortlisting processes and approves those procedures as being fair and open.
- 3.2. That Cabinet agrees to fund the projects shortlisted by the Core Partnership Group in Appendix C.
- 3.3. That Cabinet grants delegated powers to the Leader to make subsequent decisions, in consultation with the Lead Member for Corporate Strategy, Policy & Equalities, and the Corporate Director: Environment & Economy. These decisions might be required should the circumstances described in paragraphs 4.9 and 4.11 occur.

4. Report details

- 4.1. The application round for year 2 & 3 funding opened on 31 January 2023 and was live until 24 February 2023. This was promoted via social media and through targeted networks such as City, Town & Community Councils; County Councillors; applicants for Community Renewal Funding, partners, etc. Information on DCC's website also noted the level of funding according to themes, and the level of capital and revenue for years 2 and 3 for each theme. This enabled applicants to develop informed bids, based on the levels of funding available.
- 4.2. 110 applications were received by Denbighshire. 70 of the applications received were regional applications (covering Denbighshire plus at least one other county) with the remaining 40 being direct delivery in Denbighshire only. The total value of applications requests received by Denbighshire was £88.7m, compared to a £25.6m allocation. Hence this fund has been heavily oversubscribed. It should also be noted that there were some detailed

parameters as stipulated by UK Government on the levels of funding available for years 2 and 3, and the proportion of capital and revenue funding available for each year, as follows:

Year 2: £5,150m (gross) – minimum 12.5% capital – plus £1,545m for Multiply

Year 3: £13,493m (gross) – minimum 17.9% capital – plus £1,545m for Multiply

Slide 1 of Appendix C gives a full overview of the monies received, including the level reserved for admin in Denbighshire and the regional team, as well as monies previously allocated to DVSC and Cadwyn Clwyd (see paragraph 4.4).

- 4.3. The DCC team that has led on development of the SPF Investment Plan and other arrangements undertook an initial screening of applications to check they passed 3 basic checks. The requirements were noted on our website as people accessed the application form, and the requirements were as follows:
- i. Projects be deliver within the county footprint;
 - ii. The value of the project must be at least £250k;
 - iii. The proposal had to be a strategic fit and not duplicate existing provision.

As a consequence, 11 applications did not pass this initial screening. They are referenced in Appendix A.

- 4.4. In its February meeting, Cabinet approved the Partnership Group's recommendation to commission DVSC and Cadwyn Clwyd (respectively) to deliver on the following themes:
- i. Healthier, Happier, Caring: Community Capacity Building
 - ii. Prosperous: Business Support Across the County

Consequently, applications that requested monies to deliver against these themes were also screened by the DCC team, due to the monies already being allocated. The 39 projects that fall into this category are also listed in Appendix A, and will be signposted to DVSC and Cadwyn Clwyd for further discussion.

- 4.5. It is important to note that those applications that have not been shortlisted are not without merit. For example, it is frequently the case that a project has not been shortlisted due to the total value of applications received exceeding the level of funding available. This points to a healthy appetite for project delivery in

the county, and it must be remembered that Shared Prosperity Funding is only one source of funding available in our county (alongside windfarm funds, lottery, community ownership fund, etc.) In recognition of this, and in support of those projects, all applications that did not make the longlist will be contacted (post-Cabinet's decision) to be informed of the outcome and to be signposted elsewhere for further support as appropriate. For those that didn't pass the basic checks this might be to DCC's Community Development team for funding advice or DCC's Economic & Business Development Team. Those applicants that had bid for monies already allocated to DVSC or Cadwyn Clwyd, will be signposted to those organisations as appropriate.

- 4.6. The actions described in paragraphs 4.3 and 4.4 led to the creation of a longlist of projects for consideration. A synopsis of these projects was circulated to the wider partnership group, who were invited to comment on the proposals in terms of their strategic fit and their deliverability. The wider partnership group consists of stakeholders stipulated under UK Government guidance (other public sector organisations, representatives of the business community, MPs, etc.) plus Chairs of DCC Member Area Groups and SLT. 12 responses were received, and these responses were shared with the Core Partnership Group during deliberations over the longlist. They can be seen at Appendix B.
- 4.7. The Core Partnership Group met on 21 March 2023 to review the longlist with a view to agreeing recommendations to put to Cabinet for decision at its forthcoming meeting on 25 April 2023. To facilitate this, the applications were organised by theme (in line with DCC's Investment Plan), and the Group was provided with information detailing the overall level of capital and revenue available in year 2 & year 3, plus pertinent details about each project (including a year-on-year capital and revenue split). The Group's task was to prioritise the applications against the budget provided.
- 4.8. Appendix C details – by theme - the projects that have been shortlisted (first slide for each theme) and that are recommended for approval, plus those that were considered but not shortlisted (second slide for each theme). The geographic impact spread of the proposed shortlist is as follows:

Countywide	21
Elwy	2
Rhyl	2
Dee Valley /Elwy	1
Dee Valley	1
Ruthin / Dee Valley	1
Rhyl/ Prestatyn / Elwy	1

4.9. A number of the applications are regional. Each local authority in North Wales is at liberty to make its own local decisions on whether to support each application, but differing decisions will have an impact on the regional picture. It's possible that a project that's viable when six authorities in North Wales approve it is no longer viable if only half of the North Wales LAs do so (the decision-making timelines are staggered, so we don't yet know that full picture). For example, the project's value may no longer reach the £250k minimum value threshold. It is therefore recommended that Cabinet give delegated authority to the Leader to make the final decision (as per paragraph 3.3) on whether to continue with regional projects, once the full regional picture is clear (likely to be late May). It should also be noted that the decision-making processes across the region differ; only DCC is taking SPF decisions through its Cabinet, for example.

4.10. It has previously been noted that those that have not been shortlisted are not without merit – there's just a limit to what can be funded. The Group has also therefore recommended some projects to put in reserve, should funds become available. *These are italicised on the second slide for each theme.* Please note,

funds might become available if any of the projects become unviable, are scaled back, etc.; not because we expect more monies under SPF at present.

4.11. The Core Partnership Group was advised by the SPF team that there was a level of tolerance if the value of the applications shortlisted exceeded the monies available, as it's possible that project costs will fluctuate, and some projects could be scaled to ensure affordability. Cabinet is asked to authorise that the Leader is granted powers to make a delegated decision going forward, in consultation with the Lead Member for Corporate Strategy, Policy & Equalities, and the Corporate Director: Environment & Economy, as per recommendation 3.3.

4.12. An important note relates to the People & Skills theme. Some applications duplicate Working Denbighshire's offer, but also potentially offer added value to WD's core work (e.g. in engaging with certain population groups). As DCC is committed to the Working Denbighshire model - and in the interests of mitigating duplication of provision and the consequences that entails - the Partnership Group recommends that these projects are not shortlisted, but, instead, that Working Denbighshire uses the balance of £1,029 million from this theme to commission services from these organisations.

4.13. Following Cabinet's decision, unsuccessful applicants will be contacted and signposted to further advice. Those shortlisted will be asked to provide further detail to enable closer viability and due diligence checks to be made (Stage 2). This will include seeking an exit strategy for each project. The checks to be made will be standard across North Wales under a system designed by Gwynedd County Council as Lead Authority. It is not the intention that this round will enable further shortlisting to be done; rather that it provides assurance that the projects are deliverable and that there is a plan to deal with any liabilities at the end of project delivery.

5. How does the decision contribute to the Corporate Plan 2022 to 2027: The Denbighshire We Want?

5.1. The Investment Plan for the SPF has been developed within the context of our corporate plan themes, and the recommendations have also been made against that context. Most notably, the projects approved will have a positive impact under the following themes:

1. A prosperous Denbighshire
2. A healthier and happier, caring Denbighshire
3. A Learning & Growing Denbighshire
4. A better connected Denbighshire
5. A greener Denbighshire
6. A fairer, safe, and more equal Denbighshire
7. A Denbighshire of vibrant culture and thriving Welsh language

6. What will it cost and how will it affect other services?

6.1 Monies required to deliver are provided by a UK Government grant. Consideration to deliverability has been given throughout this shortlisting process. Any threats to delivery that occur will be dealt with on a case-by-case basis.

7. What are the main conclusions of the Well-being Impact Assessment?

7.1 This report is about awarding funding under Denbighshire County Council's SPF Investment Plan, hence a Well-being Impact Assessment is not needed. Individual projects that are delivered by DCC with this funding may be subject to a Well-being Impact Assessment, but not this decision.

8. What consultations have been carried out with Scrutiny and others?

8.1. The longlist has been shared electronically with Denbighshire's SPF Partnership Group (including SLT and MAGs) who were asked to provide feedback. Any feedback received was then subsequently referenced at Denbighshire's SPF Core Partnership Group meeting on 21 March 2023, and is noted at Appendix B.

8.2. A shortlisting session was held with the Core Partnership Group on 21 March 2023.

9. Chief Finance Officer Statement

9.1. This report sets out the process and recommendations from the Core Partnership Group. Obviously grant funding is welcome, however the time limited nature of the current funding for revenue projects in particular will need to be managed carefully over the coming two years.

10. What risks are there and is there anything we can do to reduce them?

10.1. There is a reputational risk that unsuccessful applicants will be unhappy with this decision. This is why timely correspondence to signpost to future support will be useful, as well as publically noting the level of oversubscription for this fund.

10.2. 75% of the funding is allocated to DCC projects. There is a reputational risk that this is seen as unfair from other applicants. The rationale is that strategic fit was a key consideration, and those projects shortlisted best fit the Investment Plan developed by the Council. With good governance arrangements in place in the Council this outcome is not unexpected. Nevertheless, careful explanation is required about the importance of strategic fit and the opportunity that other organisations have had to feed into decision-making, alongside the offer of ongoing support.

11. Power to make the decision

11.1. General Power of Competence under the Local Government and Elections Wales Act 2021 s.24.