

# CABINET

## UK Shared Prosperity Fund (UKSPF): Housing and Homelessness

### Individual Cabinet Member Decision: Councillor Caroline Jackson

#### Report of Chief Executive

PURPOSE OF REPORT				
To delegate to the Chief Executive the authority to finalise and agree UK Shared Prosperity Fund (UKSPF) awards in respect of Intervention E13, in line with the council's UKSPF Investment Plan and within the parameters of the UKSPF change control process.				
Key Decision		Non-Key Decision	X	Referral from Cabinet Member
Date of notice of forthcoming key decision	n/a			
This report is public; Appendix A is exempt from publication by virtue of paragraph 3 of Schedule 12a of the Local Government Act 1972				

#### RECOMMENDATIONS OF CHIEF EXECUTIVE

- (1) That the Chief Executive be delegated to finalise and agree UK Shared Prosperity Fund (UKSPF) awards in respect of the following Interventions:
- E13: Community measures to reduce the cost of living, including through measures to improve energy efficiency, and combat fuel poverty and climate change

Funds will be awarded as set out in the council's UKSPF Investment Plan and within the parameters of the UKSPF change control process, to deliver the following projects:

- Affordable Warmth

#### 1.0 Introduction

- 1.1 In April 2022 the government announced the [prospectus for the UK Shared Prosperity Fund \(UKSPF\)](#), to be delivered by local authorities from 2022-25.
- 1.2 The Lancaster district was provisionally allocated £5.3m of UKSPF funding, to be administered by Lancaster City Council and subject to the submission of an Investment Plan detailing the council's proposals for delivering the funding in line with the requirements of the prospectus.

#### 2.0 Investment Plan

2.1 Following a highly consultative development process during summer 2022, Cabinet at its meetings of [12 July 2022](#) and [26 July 2022](#) considered the council's Investment Plan proposals, which were subsequently finalised and submitted to meet the government's deadline of 1 August 2022.

2.2 The council received approval of its Investment Plan in December 2022, followed by release of the initial tranche of funding for 2022-23.

### **3.0 Round 1 Awards**

3.1 Following an application and evaluation process in late 2022 and early 2023, an initial eight projects were awarded funding in January 2023.

3.2 A number of project proposals were also deferred for consideration in subsequent rounds of funding.

### **4.0 Round 2 Awards**

4.1 A further round of applications took place in February 2023, with a closing date of Friday 3 March 2023.

4.2 22 projects were awarded funding across all 3 UKSPF priority interventions: People and Skills, Support For Business, Community and Place

### **5.0 Capital funding Application Window**

5.1 A grant application window opened on Friday 28<sup>th</sup> July and closed 5pm Friday 11th August 2023. Applications were for capital funding only.

5.2 24 applications were received for project funding for the interventions E1, E11, E13 and E29

5.3 The full list of applications is included in the exempt appendix to this report.

### **6.0 Evaluation**

6.1 Applications have been evaluated in line with HM Treasury's 'five cases' best practice approach to business case development (considering the strategic, economic, commercial, financial and management case for each project) as well as the Critical Success Factors agreed by Cabinet at its meeting of 12 July 2022:

- Climate Emergency
- Affordable
- Deliverable
- Impact
- Inclusive
- Collaborative
- Proven Track Record
- Scalable

6.2 As a number of proposals involve awarding funding directly to Lancaster City Council, further independent and neutral evaluation has been commissioned via Growth Lancashire to support internal evaluation.

6.3 Following initial evaluation in August 2023, informal discussions with Cabinet in September 2023 considered the proposed strategic approach and provisional recommendations for this round of funding awards.

6.4 Subsequent further technical evaluation has been conducted to ensure projects are strongly aligned to UKSPF criteria as well as meeting all relevant obligations of the funding.

## **7.0 Proposal Details**

7.1 It is proposed that applications be considered for a decision based on the following two outcomes:

- 1) *Award funding and begin implementation:* projects which clearly meet the criteria and can deliver positive impact against the programme's strategic outcomes and outputs
- 2) *Do not consider awarding funding:* projects which are less well aligned to the criteria or strategic fit

7.2 The recommended decision for each application is contained in the exempt appendix to this report.

7.3 Specific to the relevant portfolio area of Housing and Homelessness the following projects are proposed for a Year 2 and / or Year 3 funding award in respect of Intervention E13 as set out in the Investment Plan:

- Affordable Warmth

7.4 Should the recommendation in this report be approved, officers will initiate the process of finalising all relevant details and agree grant agreements for the projects to be delivered in accordance with the UKSPF programme's guidance and requirements, and within the funding envelope defined by the council's Investment Plan.

7.5 Some projects may contribute to the delivery of multiple UKSPF Interventions, and as such may draw on funds allocated to a number of Interventions set out in the Investment Plan.

7.6 Delivering the complex and wide-ranging UKSPF programme will require a degree of flexibility in managing the specific funding allocated to each of the three Priorities and thirteen Interventions contained in the Investment Plan. All allocations will be determined within the parameters of the UKSPF programme's change control process.

## **8.0 Details of Consultation**

8.1 Delivering a successful UKSPF programme from 2022-25 will be fundamentally dependent on a consultative, collaborative and inclusive approach. The council's programme so far has been characterised by this principle, with wide-ranging consultation including:

- Focus groups and an open Expression of Interest process in summer 2022 to support development of the Investment Plan
- The formation of a Local Partnership Group, in line with the UKSPF Prospectus, to advise and support the Investment Plan development process and subsequent activity in delivering the programme

8.2 The technical nature of project evaluation along with its 'competitive' element means that limited consultation is possible in considering funding awards for specific projects at this stage.

8.3 However, a consultative process has been taken with Cabinet members to ensure recommendations are in line with the desired strategic direction.

## 9.0 Options and Options Analysis (including risk assessment)

	<b>Option 1:</b> Award UKSPF funding in respect of the specified project(s)	<b>Option 2:</b> Do not award UKSPF funding for the specified project(s)
Advantages	Commence delivery of the UKSPF programme with its associated benefits to the district.	Opportunity to consider other projects by not committing funding at this time.
Disadvantages	No specific disadvantages beyond demands on the organisation of delivering the programme.	Failure to deliver on the UKSPF programme.
Risks	Projects may require further development in finalising and agreeing details.	Failure of the council to fulfil its duty of delivering the UKSPF programme.

### 10.0 Officer Preferred Option (and comments)

10.1 The officer preferred option is option 1, to commence delivery of the UKSPF programme.

### 11.0 Conclusion

11.1 A robust process has been conducted in the development of an approved Investment Plan, followed by the evaluation of project proposals.

11.2 This report sets out the proposed approach to the next phase of delivering the programme, and as such it is recommended that officers be delegated to finalise and agree funding awards for the second round of projects.

## RELATIONSHIP TO POLICY FRAMEWORK

The UKSPF Priorities demonstrate significant overlap with the council's Plan 2030 Priorities. As such, UKSPF projects and funding awards provide additional opportunity to advance the council's strategic priorities. This is reflected in the strategic design of the programme to meet the Council's goals.

## CONCLUSION OF IMPACT ASSESSMENT

**(including Health & Safety, Equality & Diversity, Human Rights, Community Safety, HR, Sustainability and Rural Proofing)**

All UKSPF projects are required to be delivered in line with the Public Sector Equality Duty, with the relevant contractual obligations placed on those delivering projects as part of the conditions for receiving funding.

## LEGAL IMPLICATIONS

Legal Services have been consulted throughout this process and will advise on any necessary legal agreements in relation to grant funding arrangements.

## FINANCIAL IMPLICATIONS

There are no direct financial implications arising from this report. All awards to projects are funded by UKSPF money via central government. All funding awards for financial year 2024-2025 at this stage, are subject to receipt of funds from central government. Regarding the resources used to administer the fund, the award includes a 4% allowance from the core revenue budget from the UKSPF programme. A team has been established to address this whilst working within the financial boundaries set and any additional requirements are being managed from within existing budgets.

The Capital Programme has been updated at quarter one (30 June 2023) to reflect the £527K UKSPF funding allocated to the authority by central government and the anticipated related expenditure. This was reported to Cabinet as part of the Delivering Our Priorities Report (section 9.2) on the 12 September 2023 Cabinet agenda. Should the recommendation in this report be approved officers will update the programme to reflect the individual sub-projects within the over-arching UKSPF funding envelope already included.

#### **OTHER RESOURCE IMPLICATIONS**

**Human Resources:**

N/A externally delivered project

**Information Services:**

N/A externally delivered project

**Property:**

N/A externally delivered project

**Open Spaces:**

N/A

#### **SECTION 151 OFFICER'S COMMENTS**

The Section 151 Officer would request that both Members and Officers consider that the Council currently has a significant structural budget deficit and so funding initiatives will need to be (at a minimum) cost neutral to the Council or be subject to the usual arrangements surrounding for on-going support of items not included within the budget framework.

#### **MONITORING OFFICER'S COMMENTS**

The Monitoring Officer has been consulted and has no further comments to add.

#### **BACKGROUND PAPERS**

Appendix (Exempt):

Summary of UKSPF Capital Applications

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