



**RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL
MUNICIPAL YEAR 2023/24**

**CLIMATE CHANGE, FRONTLINE SERVICES & PROSPERITY SCRUTINY
COMMITTEE**

**TO RECEIVE AN UPDATE ON THE UK GOVERNMENT SHARED PROSPERITY
FUND AND THE RHONDDA CYNON TAF LOCAL INVESTMENT PLAN**

1 FEBRUARY 2024

**REPORT OF THE DIRECTOR OF PROSPERITY AND DEVELOPMENT, IN
DISCUSSIONS WITH THE RELEVANT PORTFOLIO HOLDER COUNCILLOR
NORRIS**

1.0 PURPOSE OF THE REPORT

The purpose of this report is to provide an update on the delivery of the UK Shared Prosperity Fund (UKSPF) during the first half of the programme including:

- 1.1 Details of the Year 1 performance in the delivery of the Rhondda Cynon Taf (RCT) local investment plan;
- 1.2 An update on the latest position in respect of Year 2 delivery; and
- 1.3 A summary of the key challenges to the successful delivery of UKSPF during the remaining programme period.

2.0 RECOMMENDATIONS

It is recommended that Members:

- 2.1 Consider the contents of the report; and,
- 2.2 Consider whether they wish to examine in greater depth any further matters arising from the report.

3.0 REASONS FOR RECOMMENDATIONS

- 3.1 The UKSPF supports the government's wider commitment to level up all parts of the UK and provides funding for local investment between 2022 and 2025.



- 3.2 Since Members last received an information report in January 2023, significant work has been undertaken to mobilise and commence delivery.
- 3.3 The key focus during the remainder of the programme which ends in March 2025, is to ensure that the area takes full advantage of the significant resources still available from UKSPF.

4.0 BACKGROUND

- 4.1 Following the withdrawal of the UK from the European Union on 31st January 2020, UKSPF is the UK government's domestic funding, providing £2.6 billion of support for local investment between the period April 2022 to March 2025. It is a key part of the UK government's Levelling Up agenda, forming part of a range of complementary funding, including the Levelling Up Fund and Community Ownership Fund which have both been allocated by a round based competitive bidding process.
- 4.2 The way in which UKSPF is allocated and managed is very different to the previous EU programmes. UKSPF is allocated to local areas for 3 years based on a formula rather than by inviting competitive bids that was normally used for EU Funds. It is not possible to compare allocations at a local authority level with previous EU funding as many EU funded projects spanned more than one geographical area. In addition, the timescales that funds were allocated was different with a seven-year allocation period used. There are also differences in the types of projects eligible to be supported between the two types of funding. As a delegated fund, UKSPF does however give more direct accountability to local government than was the case with EU Funds.
- 4.3 As a key part of the UK government's Levelling Up agenda, UKSPF supports the following key objectives:
- Boost productivity, pay, jobs and living standards by growing the private sector, especially in those places where they are lagging.
 - Spread opportunities and improve public services, especially in those places where they are weakest.
 - Restore a sense of community, local pride and belonging, especially in those places where they have been lost.
 - Empower local leaders and communities, especially in those places lacking local agency.
- 4.4 The programme aims to build pride in place and increase life chances across the UK by focussing on three overarching investment priorities:



- The **Communities and Place** investment priority enabling places to invest to restore their community spaces and relationships and create the foundations for economic development at the neighbourhood-level.
- The **Supporting Local Business** investment priority enabling places to fund interventions that support local businesses to thrive, innovate and grow; and
- The **People and Skills** investment priority helping to reduce the barriers some people face to employment and support them to move towards employment and education. As part of this priority, there is also a dedicated and ringfenced element called **Multiply**, which seeks to improve adult numeracy skills through free personal tutoring, digital training, and flexible courses.

5.0 RHONDDA CYNON TAF LOCAL INVESTMENT PLAN

- 5.1 RCT has a total of £45M or 16.2% of the allocation available for the South East Wales region. This includes £37M core SPF funds and a further £8M for Multiply activity and is the highest allocation of all Welsh local authorities.
- 5.2 The 3 core investment priorities for the UKSPF of Communities and Place, Supporting Local Business and People and Skills includes a range of eligible interventions that has allowed us to align many of the priorities identified in the Council's Corporate Plan with these investment priorities.
- 5.3 The RCT plan includes projects that deliver against a range of Council priorities including, but not limited to the following:
- The development and resilience of communities by improving facilities and access to services.
 - Provision of support to individuals and community-based organisations to deal with the challenges of the current economic environment and cost of living crisis.
 - Supporting the improvement and redevelopment of town centres and key community places.
 - Provision of small business support and development including finance for growth and resilience.
 - Delivery of Employability and Skills initiatives to support unemployed and economically inactive people enter the labour market.



6.0 YEAR 1 PERFORMANCE

- 6.1 Despite the delayed start to the programme with only 4 months of the first year available for delivery following the funding approval, significant work was undertaken in 2022/23 to mobilise and commence delivery.
- 6.2 Significant spend of £3.4M was achieved, which is 60.4% of the Year 1 allocation, and 9 live projects were underway.
- 6.3 Tangible results were also evidenced with examples including:
- Over 100 organisations / enterprises receiving grants.
 - 95 households supported to take up energy efficiency measures.
 - An increase in engagement numbers of over 3,000 in community led projects and initiatives.
 - 25 jobs created; and
 - 43 people sustaining employment for 6 months following support.

7.0 YEAR 2 PERFORMANCE

- 7.1 Formal approval to transfer underspend from Year 1 into Year 2 was not received from UK government until August 2023. Prior to this, the Council was expected to deliver at risk.
- 7.2 During the first 6 months of this financial year, spend of £3.7M or 25% of the Year 2 allocation was still achieved despite some further unavoidable delays such as recruitment difficulties.
- 7.3 It is also encouraging to note that during the first 6 months of this financial year, over 20 projects were in delivery with 97% of the Year 2 allocation financially committed and therefore on track to deliver.
- 7.4 A range of competitive grant schemes have also been made available to organisations and business such as the Councils Community Grant Programme and Business Growth Grant Programme. This approach ensures that resources are aligned with local priorities and can be distributed quickly and equitably to areas of need across the county borough.
- 7.5 As in other areas across Wales, the delivery of Multiply has proved challenging from the start of the programme due to the scale of available funding and lack



of delivery infrastructure. However, successful procurement exercises were undertaken over the Summer and delivery is now well underway with external providers taking the lead on behalf of the Council.

7.6 There is often a time lag between expenditure being incurred and the subsequent evidencing of outputs and outcomes. Tangible results have however been evidenced between April to September with examples including:

- 6 commercial buildings completed or improved.
- 114 organisations receiving grants.
- 156 households supported to take up energy efficiency measures.
- 67 low or zero carbon energy infrastructure measures installed.
- 20 jobs created as a result of support.
- 14 enterprises receiving grants.

8.0 KEY CHALLENGES

8.1 Spending the significant level of available resources on Multiply activity continues to be a challenge and although flexibility was applied by UK government at the end of Year 1 to allow the use of Multiply within the wider People and Skills investment priority during year 2, there has been no indication that any future flexibility will be permitted.

8.2 Year 3 of the programme presents a challenge as any expenditure incurred after the 31st March 2025 will not be eligible for UKSPF even though project closure will be necessary as well as a reporting requirement to UK government until May 2025.

8.3 The Council will therefore continue to work with UK Government, the WLGA and Welsh Authorities to ensure that the implications in respect of the lack of flexibility regarding the use of Multiply and the Programme Closure arrangements are fully understood and that every effort is made to influence the way forward for the benefit of the region.

9.0 EQUALITY AND DIVERSITY IMPLICATIONS / SOCIO-ECONOMIC DUTY

9.1 There is no requirement for an Equality Impact Assessment or Socio-Economic Analysis for the purposes of this update report.



10.0 WELSH LANGUAGE IMPLICATIONS

- 10.1 There is no requirement for a Welsh Language Impact Assessment with this update report.

11.0 CONSULTATION / INVOLVEMENT

- 11.1 Engagement with local partners and stakeholders will continue throughout the life of the programme.

12.0 FINANCIAL IMPLICATION(S)

- 12.1 There is no requirement from UK Government for match funding although it is encouraged where available to maximise the impact of the UKSPF.
- 12.2 The cost of the additional staff resources necessary to deliver the programme in RCT are also funded from the UKSPF.

13.0 LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED

- 13.1 There are no legal implications associated with this update report.

14.0 LINKS TO THE CORPORATE AND NATIONAL PRIORITIES AND THE WELLBEING OF FUTURE GENERATIONS ACT

- 14.1 The 3 investment priorities of the UKSPF – Communities and Place, Supporting Local Business and People and Skills directly complement the main priorities identified in the Council's Corporate Plan 2020-2024 'Making a Difference' of:
- People: independent, healthy and successful.
 - Creating Places: where people are proud to live, work and play.
 - Enabling Prosperity: creating the opportunity for people and business to be innovative, be entrepreneurial and fulfil their potential and prosper.
- 14.2 All activity will make a significant positive contribution to the goals of the Well Being of Future Generations Act. In particular, the economic and environmental well-being of Wales, supporting the delivery of a prosperous Wales, a more resilient Wales and a Wales of cohesive communities.

15.0 STRATEGIC OR RELEVANT TO ELECTORAL WARDS

- 15.1 Successful delivery of the local investment plan and its associated projects are of strategic significance across the county borough.



16.0 CONCLUSION AND NEXT STEPS

- 16.1 The UKSPF is providing £45M for local investment in Rhondda Cynon Taf and despite the delay in receiving approval from UK government, significant work has already been undertaken during the first half of the programme period.
- 16.2 During the remainder of the programme, every effort will be made to ensure that the area takes full advantage of the significant resources still available and that the benefits for the county borough are realised.
- 16.3 The Council will continue to engage with UK Government, the WLGA and other Welsh Authorities to influence the way forward for the benefit of both the county borough and the wider region during the existing programme but also in the planning of any transitional arrangements into the next round of UK government funding.