
REPORT OF
Executive Support Member for Skills, Work & Business

TO
Cabinet

ON
11 October 2022

TITLE: United Kingdom Shared Prosperity Fund – Salford Investment Plan for Communities & Place and SME Workspace

RECOMMENDATIONS:

That Cabinet:

- Notes the content of the report, including the approach and timescales relating to Salford's UKSPF investment plan for Communities & Place and SME Workspace
 - Delegates authority to the Strategic Director of Place, in consultation with Treasurer and Executive Support Member for Skills, Work & Business, to oversee and approve the delivery of activities relating to Salford's investment plan and SME Workspace.
 - Agrees to receive regular updates on UKSPF.
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EXECUTIVE SUMMARY:

In June the Greater Manchester Combined Authority (GMCA) submitted its UK Shared Prosperity Fund (UKSPF) investment plan to government. The plan is currently being reviewed by government and approval is expected from October 2022, at which point a grant funding agreement will be issued and grant payments will commence.

The Communities and Place strand of UKSPF will be passported directly from GMCA to Local Authorities (LA) to manage, whereas the process for Local Business and People & Skills strands has yet to be agreed. Therefore, GMCA has requested that each LA completes an indicative three-year investment plan for Communities & Place, which for Salford totals £2.24m.

The £15m SME Workspace fund will be allocated via an intra-GM competition with each LA able to submit a single proposal for a single site. The deadline for the submission was 10th October 2022.

This paper provides Cabinet with an overview of Salford's Investment Plan for Communities and Place and the proposal for SME Workspace, the process by which they will be co-ordinated and seeks approval for the day-to-day management of activity to be delegated to the Strategic Director for Place in consultation with Treasurer and Executive Support Member for Skills, Work & Business.

BACKGROUND DOCUMENTS:

[UK Shared Prosperity Fund: UK Government Prospectus](#)

KEY DECISION: Yes

DETAILS:

BACKGROUND

- Greater Manchester has been allocated £83,850,595 for core UKSPF activity with a further £14,384,692 for Multiply. An investment plan detailing the outline activity, spend and outcome profiles has been submitted to government and is awaiting approval. This is expected to happen from October 2022, at which point a grant funding agreement will be put in place between both parties.
- The associated funding allocated to each of the UKSPF investment priorities is as follows:-

	Year One 2022/23	Year Two 2023/24	Year Three 2024/5	Total	As % of total
Communities and Place	£7,269,019	£10,038,086	£9,689,466	£26,996,571	32.2%
SME Workspace (E22)	£2,000,000	£3,000,000	£10,000,000	£15,000,000	17.9%
Local Business (E22)	£500,000	£6,500,000	£9,500,000	£16,500,000	19.7%
People and Skills	£0	£0	£22,000,000	£22,000,000	26.2%
Admin Fee 4% (Flat rate applied)	£407,020	£814,071	£2,132,934	£3,354,024	4%
Total by Year	£10,176,043	£20,352,086	£53,322,466	£83,850,595	100.00%

- The timeline for spend is different for each investment priority and an incremental and tailored approach to implementation planning is being taken, based on prioritisation of delivery and spend.

4. This means that Communities and Place, SME Workspace and a small allocation for Local Business are an immediate priority for implementation in Year One. Planning for years 2 and 3 of Local Business will follow in the coming months and development of People & Skills implementation to follow in mid-2023.
5. The GM Investment Plan for Communities & Place focusses on the importance of and challenges that city and town centres and high streets face, as well as the cultural offer and green spaces. This sits alongside the importance of using UKSPF to support a strong and sustainable VCSE sector across GM, a sector that evidenced their reach and trusted status within communities during the extended lockdowns much of GM faced, using the GM VCSE Accord. The Investment Plan highlights the opportunities to use UKSPF to restore and improve green spaces, city and town centres and high streets, and how culture, creative and heritage assets, organisations and events can re-animate centres to create exciting places residents and visitors want to visit and business wants to locate.
6. The interventions, funding allocation and indicative outputs and outcomes relating to Communities & Place included in the GM Investment Plan are detailed in the table below. This is the framework within which Salford's programme must operate, with projects delivering against the specified outcome commitments.

IP	Intervention	Funding Allocation	As % of IP Allocation	Indicative Outputs / Outcomes
Communities & Place	E1 – Funding for improvements to town centres and high streets, including better accessibility for disabled people, including capital spend and running costs. (capital and revenue)	£ 14,553,000	54%	Outputs: <ul style="list-style-type: none"> • Commercial buildings developed or improved sqm: 7,577 sqm (incl. E22) • Rehabilitated land sqm: 5,038 sqm (includes E22) • Public realm created or improved: 1,000 sqm • Local events or activities supported: 53 • Organisations receiving grants: Min. 10 Outcomes: <ul style="list-style-type: none"> • Jobs created: 800 (includes E22) • % increase in visitor numbers: 5% • No. of community-led arts, cultural, heritage and creative programmes: 53 • % improvement in VCSE engagement: 5% • Greenhouse gas reductions (tonnes): TBC
	E3 – Creation of and improvements to local green spaces, community gardens, watercourses and embankments, along with incorporating natural features into wider public spaces	£ 5,390,000	20%	
	E6 - Support for local arts, cultural, heritage and creative activities	£ 5,390,000	20%	
	E11: Investment in capacity building and infrastructure support for local civil society and community groups.	£ 1,663,571	6%	
	Communities & Place Total	£ 26,996,571	32%	

SALFORD'S APPROACH TO COMMUNITIES & PLACE

7. Each LA has been asked to develop its own investment plan for Communities & Place, although £1.67m has been top-sliced to support VCSE capacity building across GM (Intervention E11), and Salford's plan was submitted on 26th September. Salford's allocation will be £2.24m (excluding VCSE top-slice) as detailed below. The government "allocation" was derived using a [methodology](#) based on population, need and previous ERDF & ESF allocations.

Govt "allocation" by LA and Funding Year		2022-23	2023-24	2024-25	Total
Bolton	10.8%	£752,424	£1,014,876	£977,109	£2,744,408
Bury	6.6%	£455,795	£614,781	£591,902	£1,662,478
Manchester	19.8%	£1,374,620	£1,854,100	£1,785,103	£5,013,823
Oldham	9.1%	£629,431	£848,983	£817,389	£2,295,803
Rochdale	8.5%	£593,257	£800,191	£770,413	£2,163,860
Salford	8.9%	£614,962	£829,466	£798,599	£2,243,026
Stockport	9.7%	£672,840	£907,533	£873,761	£2,454,134
Tameside	7.8%	£542,613	£731,882	£704,646	£1,979,141
Trafford	7.0%	£484,734	£653,814	£629,484	£1,768,032
Wigan	11.9%	£824,772	£1,112,460	£1,071,062	£3,008,294
TOTAL		£6,945,448	£9,368,086	£9,019,466	£25,333,000

8. Local market testing has been undertaken to ascertain the scale and reach of local initiatives that could be delivered through UKSPF, with a particular focus on the Communities & Place strand. The council ran an informal expression of interest exercise during the summer months, which gave council services, VCSE and private sector organisations the opportunity to put forward proposals for potential funding. This process revealed a great deal of demand for funding, which has allowed us to develop a strong pipeline of prospective projects, within the funding constraints.
9. The market testing has shaped an outline programme of activity (including both capital and revenue expenditure and outputs/outcomes), which has been clustered into three strands that broadly follow the pro-rata outcome and spend profiles detailed in GM's investment plan (see Annex 1), namely:-
 - a. Thriving Salford: District Centres & the Quays (proposed investment range £1 – 1.3m)
 - b. Green Salford: Parks, Green Spaces and Community Assets (proposed investment range £450 – 700k)
 - c. Creative Salford: Community Arts, Culture & Heritage (proposed investment range £450 – 500k)
10. The GM approach will enable some flexibility to vary, add and remove projects from our programme over the 3 year period, and potentially vire between the three strands, which is why investment ranges have been proposed. GMCA may also require LAs to vary their plans in order to meet GM profiles.
11. When developing the programme and subsequent projects, due consideration has and will continue to be given to strategic fit, deliverability and geography. There will also be regard to the role of the VCSE sector in both the management and delivery of activity.
12. The funding available has the ability to make significant improvements to the city and a number of strategic opportunities have already been identified including:-
 - d. Improvements to district centres and public realm
 - e. Developing our growth sector infrastructure
 - f. Improving our parks and community assets
 - g. Engaging communities in arts, culture and heritage activity through the *Suprema Lex* culture partnership and local community organisations through Salford CVS.
13. UKSPF guidance clearly states that MPs must be engaged in every step of the process and a meeting was arranged for 23rd September, but due to availability constraints a short written update was provided and comments taken into account.

SME WORKSPACE

14. The GM Investment Plan set out £15m of UKSPF to be invested in SME workspace across GM, allocated £2m 2022/23, £3m 2023/24 and £10m 2024/25 with a minimum 20% capital expenditure.
15. This funding will sit separately to the individual grant allocations under Communities and Place and will be managed by GMCA and be allocated through an intra-GM competition with each LA able to submit a single submission for a single project with a deadline for submissions of 10th October 2022. It has not yet been confirmed when decisions will be made, but it is not anticipated that a scheme will be approved in every LA area due to the limited funding.
16. It has been agreed that any proposal should complement existing investment and should be focused in areas of regeneration priority e.g. town/city centres and/or growth locations.
17. The prioritisation criteria used by GMCA to evaluate proposals is as follows:-
 - **Deliverability**, Schemes will be evaluated based upon site ownership, planning, funding, contractor availability, construction drawing availability and longer-term business plan availability. These aspects are to ensure both early delivery and the longer-term success of a scheme. A delivery programme will be required as part of any bid submission.
 - **Business Plan**, Schemes will be evaluated on the availability of the Business Plan to ensure the credible longer-term sustainability of the proposal.
 - **Planning/Building Regulations**, Schemes will be evaluated based upon whether they are deliverable in terms of any required planning consent, and/or Building Regulation Consent for Newbuild or Refurbishment Schemes, respectively.
 - **Funding**, Schemes will be evaluated on the availability of secured funding for both Revenue and Capital elements.
 - **Contractor**, Schemes will be evaluated on the position regarding any required Contractor and/or Framework used to deliver the scheme.
 - **Construction Drawings**, Schemes will be evaluated on the availability of all required Construction Drawings to ensure site starts are possible where relevant.
 - **Strategic Fit**, Schemes will be scored on their location based upon Town/District-wide centres, Growth Location, or both Town Centre and Growth Location locations.
 - **Demand and Supply**, Schemes should evidence demand in the local area, it is suggested that proximity of any evidenced demand will support higher scoring. For Supply, evaluation will target those areas without any current supply.
 - **Value for Money and Leverage**, Schemes will be evaluated and ranked in regard to both the Scheme Cost to Grant ratio to evaluate Value for Money, as well as the Leverage of District, Non-District Public Sector, and Private Sector funding. A greater multiplier is proposed for the leverage of Private Sector Funding. The ranking generates the score.

- **Outputs and Additionality**, Schemes are proposed to be evaluated and ranked in regard to the total m2 Output in Floor Area in relation to the Grant ask. A £ per m2 ranking can therefore be established.

18. A number of Salford sites (both existing and pipeline) were identified which could potentially meet the criteria and feasibility assessments have been undertaken by the council's Regeneration team using the GM scoring matrix. However, only one site was assessed as being able to meet the criteria and delivery timescales required of the funder. On that basis, a proposal was submitted to develop up to 3 floors of HOST (Home of Skills & Technology), a wholly owned subsidiary of the City Council, providing SME work and incubation space.

19. HOST will be able to significantly scale up its current operations ensuring there is a constant stream of business growth and innovation training, mentoring and upskilling to continue to grow and develop the community -focusing on support to enable SMEs to increase their revenues, increase their size (creating more jobs) and therefore grow their networks, driving wider outcomes related to employment, GVA and social outcomes..

20. Cabinet members will be updated once the outcome of the bid is known.

NEXT STEPS

21. The exact timings of next steps are subject to timely and positive Government feedback on the GM UKSPF Investment Plan, but a number of key dates are in the diary relating to GM governance. In early October, GMCA will engage with each LA to discuss Communities & Place Investment Plans and agree any required changes. Once finalised, an aggregate plan will be taken to the GM UKSPF Local Partnership Board before GMCA approval at the end of October.

22. Salford Council will continue to firm up the delivery plan for its programme of activity and will move into the operational phase once confirmation of grant funding has been received from GMCA.

23. It should be noted that a draft grant funding agreement has not yet been received, but it is expected that any conditions contained within it will be passed down from GMCA to LAs and Salford will take these into consideration when planning and delivering local activity, especially before entering into grant funding arrangements with local organisations.

24. A small Salford project team has been established which will manage the day-to-day activity of UKSPF under the oversight of the Strategic Director for Place and Executive Support Member for Skills, Work & Business. Cabinet will be updated on a regular basis and a list of projects will be circulated to all Cabinet members.

KEY COUNCIL POLICIES: The Salford Way, Inclusive and Green Economy Strategy, Great Eight

EQUALITY IMPACT ASSESSMENT AND IMPLICATIONS:

A Co-benefits decision support tool has been used to determine the impacts of the UKSPF Investment Plan, including both carbon and equalities assessments. No negative implications were found.

ASSESSMENT OF RISK: There is a risk to the delivery of programme outcomes and expenditure, due to the tight timescales (especially in year one) and risk of government delay in approving the GM Investment Plan.

LEGAL IMPLICATIONS Supplied by: Shared Legal Services for GMCA

Legal advice has been sought re subsidy control and GMCA's "summary" view is that, under the Interim UK Subsidy Control Regime, the proposed awards of UK Shared Prosperity Fund Grant Funding from the GMCA to the 10 GM LAs will not constitute a "subsidy", as it does not satisfy 2 of the 3 limbs of the "Is it a subsidy?" test.

Salford City Council will take further legal advice when the grant agreement has been produced and routes to market for individual projects are agreed.

FINANCIAL IMPLICATIONS Supplied by:

Treasury advice will be sought once a grant funding agreement has been shared.

PROCUREMENT IMPLICATIONS Supplied by: Anthony Hilton.

If a decision is made to procure any services procurement advice should be sought regarding Public Procurement Regulations.

HR IMPLICATIONS Supplied by: N/A

OTHER DIRECTORATES CONSULTED: People, Service Reform

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WARDS TO WHICH REPORT RELATES: All wards in Salford

Annex 1

Salford Programme	UKSPF Investment Priority	Amount (indicative)	Amount (% of Salford allocation)	Lead Agency	Output/Outcome committed by GM (Salford figure highlighted)
GM PROGRAMME	E11: Investment in capacity/infrastructure for local civil society & community groups	£1.7m across GM (c£150k for Salford)	6%	VCSE Leadership Group/GM	TBC
District Centres & the Quays	E1: Funding for improvements to town centres and high streets, including better accessibility for disabled people, including capital spend and running costs (capital and revenue)	Range £1 - £1.3m	54%	Salford City Council	<p>Amount of commercial space completed or improved (7,577m2/800m2)</p> <p>Jobs created (800/71**)</p> <p>Amount of public realm created or improved (1,000m2/100m2)</p> <p>Feasibility studies completed – 2*</p>
Parks, Green Spaces and Community Assets	E3 – Creation of and improvements to local green spaces, community gardens, watercourses and embankments, along with incorporating natural features into wider public spaces	Range £450 – 700k	20%	Salford City Council	<p>Amount of rehabilitated land (3,750m2/140m2)</p> <p>Amount of green or blue space created or improved – 200 m2*</p> <p>Number of amenities/facilities created or improved – 3*</p>
Community Arts, Culture & Heritage	E6 – Support for local arts, cultural, heritage and creative activities	Range £450 – 500k	20%	<i>Suprema Lex & Salford CVS</i>	<p>Number of local events or activities supported (53/10)</p> <p>Number of community-led arts, cultural, heritage and creative programmes as a result of support (53/10)</p> <p>Increased footfall (5%)</p>

* Additional Salford output/outcome - not included in GM plan.

** This includes outcomes delivered through GM SME Workspace programme & Local Business