

CABINET
19TH March 2024

PART 1 – PUBLIC DOCUMENT

TITLE OF REPORT: Shared Prosperity Fund process and proposed allocation for 2024/5 spend

REPORT OF: The Enterprise Manager

EXECUTIVE MEMBER: Councillor Keith Hoskins – Executive Member for Enterprise and Arts

COUNCIL PRIORITY: A BRIGHTER FUTURE TOGETHER

1. EXECUTIVE SUMMARY

A report to set out the delegated approval (for Executive Members and Service Directors) process for the UK Shared Prosperity Fund allocation. This report also sets out the proposed remaining plans for the 2024/2025 UK Shared Prosperity spend. We are seeking Cabinet's endorsement of the outline proposals in preparation for the 2024/2025 allocation.

2. RECOMMENDATIONS

That Cabinet:

- 2.1. considers and approves the proposed outline distribution of funding allocated (£510,000) to the Council by the Department for Levelling Up Housing and Communities for 2024/5 under the UK Shared Prosperity Fund;
- 2.2. recommends to Full Council the approval of up to £518,000 capital investment for the Solar for Business Programme, in addition to the £51,285 capital funding from the UK Shared Prosperity Fund.
- 2.3. delegate approvals of individual grants and payments under the Fund to the relevant Executive Members and Service Directors, as identified with reference to Directorates in table 8.1.
- 2.4. approves the updated Cabinet Capital and Revenue Grants Panel's Terms of Reference, Appendix C.

3. REASONS FOR RECOMMENDATIONS

- 3.1. The Council will be provided with funding in April 2024 to allocate to schemes which were originally outlined in the Council's UK Shared Prosperity Fund (UK SPF) Investment Plan that was submitted in July 2021. This plan was approved by Department for Levelling Up Housing and Communities (DLUHC) in January 2022.

- 3.2. The Funds regulations allow considerable flexibility in how the Council allocates funding and under which approved UK SPF Activities. Officers presented a report to the Leadership Team on 5th February 2024, which outlined how we are proposing to spend the remainder of the Fund in line with the UK SPF criteria set. The Leadership Team agreed with the proposal in principle, and therefore it has been brought to Cabinet for further consideration.
- 3.3. Once final approval has been obtained, the individual projects will be managed by the relevant North Herts Council (NHC) service areas. We are seeking approval to delegate approval of spend decisions, payments or grants made under the scheme to the relevant Executive Members and Service Directors, as identified under table 8.1 of this report.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1. Should the Council not agree an allocation and therefore not spend the funding, the regulations state we must return the funding to DLUHC.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1. Consultation has been undertaken with the Leadership Team (who have proposed items for scheme) and Political Liaison Board. The final proposal seeks to reflect a balanced distribution of the funding across Council service areas.
- 5.2. The Leader and Deputy Leader, together with Executive Member and Deputy for Community & Partnerships were forwarded a copy of the proposed updated Panel's terms of reference (Appendix C) on 5 March for comment.
- 5.3. External organisations and stakeholders, such as the BID organisations, have also been consulted as to their current plans and these have been taken into account in the final proposal.

6. FORWARD PLAN

- 6.1 This report contains recommendations on a key decision which was added to the Forward Plan on 16th February 2024.

7. BACKGROUND

- 7.1. The UK Shared Prosperity Fund (UK SPF) was originally Launched by DLUHC in April 2021. The SPF would provide funding to every English and Welsh District and Unitary Authority over three years from April 2022 to March 2025.
- 7.2. The allocations set for each year are specific to each Council.
- 7.3. The funding was subject to the Council producing an SPF Investment Plan submitted prior to the 1st August 2021 and to DLUHC approval of it, which was provided in January 2022 (please refer to Appendix A – North Herts SPF Investment Plan for further detail).
- 7.4. The first two years funding was relatively small and has been totally allocated and largely distributed.

- 7.5. The majority of the 2024/5 funding has been allocated to specific projects, notably the 'Outdoor Exercise Programme', the 'Moving Forward Together Programme' and North Herts contribution to the 'pan-Hertfordshire Business Support and People and Skills Programmes'.
- 7.6. There remains some flexibility in the allocations to the unallocated portion of the 'Town Centre Improvements Programme' (approximately £190,000) and the 'North Herts Prosperity Fund' (approximately £320,000), which is what this report is referring to and seeking approval on. Further details on these allocations are set out below.

8. RELEVANT CONSIDERATIONS

- 8.1. Following consultation, it is proposed that the £510,000 (Town Centre Improvements Programme plus the North Herts Prosperity Fund) balance should be allocated as follows:

	Project Title	Suggested Spend	Further notes, Directorate allocation. Relevant Executive¹
A)	Towns Centre Improvements Programme	£90,000	A&B interchangeable depending on applications <i>Directorate: Regulatory</i>
B)	Parishes and Community Projects	£210,000	A&B interchangeable depending on applications <i>Directorate: Legal & Community*</i>
C)	Solar for Business Project	£95,000	Budget Balancing Item <i>Directorate: Place</i>
D1)	Visit Herts Membership	£5,000	<i>Directorate: Enterprise & the Arts</i>
D2)	Herts Film Office Membership	£10,000	In addition to our current FamePro partnership <i>Directorate: Enterprise & the Arts</i>
E)	Healthy Hub and Health Inequalities Schemes	£100,000	<i>Directorate: Legal & Community</i>
	Total	£510,000	

8.2.1 A) Town Centre Improvements Programme

With no big capital projects on the horizon aside from the Churchgate project (see below), we suggest reducing the town centre improvements specific funding by £100,000 leaving a remaining balance of £90,000 for 2024/5 after the existing requests have been paid for. Please see below for an outline of potential projects that have already been

¹ NB These are currently listed in section 14 of the Constitution. However the titles of the Executive Members have not been set out as these titles may change post-election in May 2024,

suggested for the town centres (consulted with and put forward by the town centre representatives);

- Bench renewal/repair and seed funding in Baldock (in consultation with the Baldock Traders Association)
- An expansion of the floral display in Hitchin (in consultation with Hitchin BID)
- Wayfinding Boards for all towns (in consultation with all North Herts Towns)
- Completion of the town improvement programme consultancy work across all towns (in consultation with all North Herts Towns)

The Churchgate project remains the major development town centre infrastructure project. The Enterprise team, alongside the Estates team are working on estimates for the interim repairs and minor improvement work set out in the work schedule led and managed by Brown & Lee.

The potential for spend under this strand could increase as Towns may also apply for funding and be judged under the Parish and Community Groups Scheme (B below).

B) Parish & Community Group Schemes

The Economic Development, Community Partnerships and Policy & Strategy teams will work together to write a criteria paper that allows Parish Clerks (or similar) and Community Group representatives to apply for the SPF money available.

The criteria will use aspects from the SPF guidance and supporting documents as well as the Councils current grants scheme application process. All Parish Clerks and Community Groups will then be briefed on the scheme and encouraged to submit projects (that align with the criteria) that they would like to undertake, including how much match funding (cash or in kind) they can provide towards it. There is no set amount per parish, group or scheme. Both teams will then review the proposals received alongside the relevant Executive Members (of both service areas) and award funding according to the criteria set on the basis of outputs, outcomes, legacy, contribution from the applicant and value for money.

There are no prescribed Capital/Revenue split on the funding (however we expect that at least 40% will be capital spend), which leaves the scope quite wide for Parishes and other community groups.

*Following discussions with the Political Liaison Board, it was thought that this allocation would, in the first instance, be considered by the District Panel – and *Appendix C* sets out the proposed amendments to that Panel, to make it clearer that it can consider both internal and external funding pots prior to the Executive Member decision. The Service Director: Legal & Community has also updated the Panels Terms, to reflect an increased quorum, a desire (rather than necessity) for political balance and updated administrative titles.

C) The Solar for Business Scheme

This project is being led by the Council's Climate Change Project Manager and the Enterprise Team and is being proposed using a similar model to that of West Suffolk Council's own successful scheme.

Under this scheme, the Council invests in the supply and installation of solar technology (solar PV panels) for a selected group of local businesses. The businesses use the electricity generated at a reduced tariff, with any excess power generated sold back to the Grid. The tariff and share of the energy sold to the Grid is governed by a Power Purchase Agreement between the User business and the Council.

The tariff income is pitched at a level to repay the investment over a 6–13-year period, with any income generated up to 25 years (estimated lifespan of equipment) is surplus to reinvest.

The UK SPF allocation will be to assist with set up costs for a pilot of the scheme. Alongside this, the Council will be requested to approve a capital allocation of a maximum of £518,000 to purchase the solar PV panels. The exact amount of capital needed will depend on the size of the businesses involved in the pilot project. See Appendix B for 'Solar for Business business case' for the range of costs and options available, as well as more information on this scheme.

D1) Visit Herts Membership

The remit of Visit Herts is set to change and will be more aligned with our new Economic Development/ Tourism Strategy (due early June 2024) and the Herts Film Office. Visit Herts is the countywide Destination Management Organisation currently producing a new programme strategy. As an ex-member of Visit Herts we felt that their previous offer was not well tuned to the needs of the large number of small tourist, hospitality and leisure venues, often in rural areas that we have in the District.

However, after meeting the Visit Herts team and attending various workshops to understand their objectives, the team believe that their new programme is better aligned to our strategy. We would look to the programme to create a viable destination management programme aimed at increasing the dwell time and spend within our District, by signposting visitors to established venues, our local hospitality and leisure activities available. We propose to rejoin as members of Visit Herts for one year at a cost of £5,000.

D2) Herts Film Office Membership

We did not select the Herts Film Office in our original SPF Investment Plan as North Herts already has a Film Location agent, 'FamePro' under contract. Since inception, the role of the Herts Film Office has grown to include working with local companies who would like to become involved in Film and Media, and building a pipeline of young people with ambitions in the industry to get an insight in to what is involved through working with schools and arranging work experience packages.

These additional services align with our ambitions to get more value added from the film and media industries and promote the district beyond being just a desirable location to shoot movies. The intention is to continue our partnership with FamePro (who often work alongside the Herts Film Office anyway) and enhance our film presence (and income) by also onboarding Herts Film Office. The contribution, in conjunction with the Local Enterprise Partnership will cost £10,000.

E) Additional funding for the Healthy Hub and Health Inequalities Programmes

NHC have already decided to include a three-year continuation of the 'Moving Forward Together' in the Investment Plan with the emphasis of delivery widened to include supporting other Voluntary, Community or Social Enterprise organisations to operate sustainably with more challenging service users who have complex needs. Therefore, to meet the aspirations of this Council to make a difference to the health and wellbeing of our local communities, £100,000 is being requested to expand the work of the Healthy Hub. This will embed a place-based health inequalities programme that tackles the most significant health inequalities across our district and works alongside our Leisure and Active Communities Service who seek to bring a comprehensive physical activity offer to all residents. The health of residents is not solely based on physical wellbeing but also nutritional awareness and mental wellbeing. Wider social determinants of health research notes that increasing physical activity by itself is unlikely to have the desired long-term impact of improving resident's health and outcomes; work to deliver improving the wider determinants of health are also vitally important. Therefore, the proposed placed based health inequalities project seeks to meet this wider health need.

Research has been undertaken to ensure these programmes are located where there are gaps in service provision, as well as ensuring they are targeted at residents experiencing the greatest health inequalities.

Programmes will include:

- Horticultural therapy for people living with or recovering from mental health conditions
- Emotional wellbeing groups (Chat café and craft café) for people with low level depression and anxiety or people experiencing social isolation and loneliness
- Physical and emotional health courses for men (initially), focusing on specific men's health issues. Then expanding to a focus on specific women's health issues
- Food education programmes for families experiencing food poverty
- Wellbeing groups and events for people of all ages experiencing social isolation and loneliness
- Falls prevention and frailty programmes for older people

Additionally, there is a project to enhance the existing outdoor gym equipment available and introduce a whole new site of outdoor gym equipment.

9. LEGAL IMPLICATIONS

- 9.1. The allocation of grant funding is an executive function. This means at this authority, it can, as per section 9E Local Government Act 2000, be discharged by the Leader and Cabinet Executive ("the Cabinet"), by other Executive Member or officer as delegated. The decision being taken is in principle together with allocation and delegation to the Executive and Officers as per table 8.1.
- 9.2. Otherwise, Cabinet has remit under section 5.7.28 of its terms of reference: To make decisions where a policy or strategy does not exist.

10. FINANCIAL IMPLICATIONS

- 10.1. The terms of the UK SPF grant require that a minimum allocation is spent on capital. For 2024/25 the total allocation is £953,561 and at least 20% must be spent on capital (which

equates to £190,712). The anticipated capital expenditure of £331,285 and is more than the required minimum required. We already intend capital spend £100,000 on the Outdoor exercise programme in 2024/5 and anticipate the capital element the allocation of the funding strands in this paper to be as follows:

	Project Title	Suggested Spend	Proportion that is capital spend	Proportion that is revenue spend
A)	Towns Centre Improvements Programme	£90,000	£50,000	£40,000
B)	Parishes and Community Projects	£210,000	£130,000	£80,000
C)	Solar for Business Project	£95,000	£51,285	£43,715
D1)	Visit Herts Membership	£5,000	£0	£5,000
D2)	Herts Film Office Membership	£10,000	£0	£10,000
E)	Healthy Hub and Health Inequalities Schemes	£100,000	£0	£100,000
	Total 2024/25 allocations set out in this table	£510,000	£231,285	£278,715

- 10.2. The additional capital funding (on top of the UK SPF funding) for the Solar for Business scheme will incur revenue costs of capital. These are expected to be up to around 9%. This is made up of Minimum Revenue Provision (MRP) of 5% to reflect a useful life of the solar panels of 20 years, and a medium-term borrowing cost (lost interest from reduced balances) of up to 4%. The first use of the returns will need to cover this cost of capital. Additional returns could then be invested into further panel installations.
- 10.3. The allocations under (A) and (B) will involve a payment to another organisation that has not been subject to Contract and Procurement Rules. In general, these are likely to be outside the scope of the Subsidy Control Act, and where the Act does apply, they are likely to fall under the Minimal Financial Assistance provisions. However, each transaction (or type of transaction) will be assessed against the Subsidy Control Act. It is very unlikely that any payment would be a subsidy that was not allowable, but there may be a need for disclosure on the subsidy website.
- 10.4. The Solar for Business arrangements involve selling energy to businesses at less than the market rate. This will be a subsidy under the Subsidy Control Act. Whilst it is probable that each arrangement with each business would fall under the Minimal Financial Assistance provisions, the Council will look to register the overall project as a Scheme under the Subsidy Control Act.

11. RISK IMPLICATIONS

- 11.1. Good risk management supports and enhances the decision-making process, increasing the likelihood of the Council meeting its objectives and enabling it to respond quickly and effectively to change. When taking decisions, risks and opportunities must be considered.
- 11.2. There is a risk of having to return funding to the DLUHC if allocated funding is not spent in line with funding requirements (by 31 March 2025). This is particularly applicable to the proposed 'Solar for Business' pilot project, where the complexity of legal agreements, limited internal capacity to deliver the scheme, and delays in identifying suitable businesses who are committed to participate, pose real challenges to installing solar panels funded by UK SPF by 31 March 2025. The project Risk Log identifies priority risks and considers potential mitigating activities to help us manage associated threats.

12. EQUALITIES IMPLICATIONS

- 12.1. In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.2. The proposed projects in this report will benefit all members of the community (including those with protected characteristics) and will help improve equality as well as community facilities, community participation and inclusion and support for both individuals and businesses. They demonstrate positive impact on the community as well as foster good relations. As projects progress, Equality Implications will be considered, and Equality Impact Assessments conducted where relevant.

13. SOCIAL VALUE IMPLICATIONS

- 13.1. The Social Value Act and "go local" requirements do not apply to this report.

14. ENVIRONMENTAL IMPLICATIONS

- 14.1. There are no negative environmental implications arising as a direct result of this report. The Solar for Business scheme will have positive environmental implications by helping businesses in the district switch to renewable energy. As projects progress, Environmental Implications will be considered, and Environmental Impact Assessments conducted where relevant.

15. HUMAN RESOURCE IMPLICATIONS

- 15.1 There are no known Human Resource implications noted at the time of this report.

16. APPENDICES

- 16.1 Appendix A – 'North Herts SPF Investment Plan'
Appendix B – 'Solar for Business business case'

Appendix C – ‘Cabinet Capital and Revenue Grants Panel’s Terms of Reference’ amended.

17. CONTACT OFFICERS

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18. BACKGROUND PAPERS

18.1 [THE DISTRICT WIDE COMMUNITY FACILITIES CAPITAL & REVENUE GRANTS PANEL 2021](#)