CABINET
18TH March 2025

PART 1 – PUBLIC DOCUMENT

TITLE OF REPORT: Shared Prosperity Fund process and proposed allocation for 2025/26 spend

REPORT OF: Service Director - Enterprise

EXECUTIVE MEMBER: Councillor Tamsin Thomas – Executive Member for Enterprise and Arts

COUNCIL PRIORITY: A BRIGHTER FUTURE TOGETHER

1. EXECUTIVE SUMMARY

1.1 A report to set out the delegated approval (for Executive Members and Directors) process for the UK Shared Prosperity Fund. This report also sets out the proposed plans for the 2025/26 UK Shared Prosperity Fund spend allocation. We are seeking Cabinet's endorsement of the outline proposals set out in the body of this report.

2. RECOMMENDATIONS

2.1. That Cabinet consider and approve the proposed outline distribution of funding allocated to the Council by the Ministry for Housing, Communities and Local Government (MHCLG) for 2025/26 under the UK Shared Prosperity Fund (UK SPF) to specific schemes;

2.2. That Cabinet delegate approval of individual grants and payments relating to schemes funded by UK SPF 2025/26 to the relevant Directors in consultation with the relevant Executive Members as identified with reference to table 8.1.

3. REASONS FOR RECOMMENDATIONS

3.1. North Herts Council will be provided with funding in May 2025 to allocate to schemes proposed in accordance with the revised Guidance for UK SPF for 2025/26 from the MHCLG (provided as Appendix 1 to this report).

3.2. The funds regulations allow considerable flexibility in how the Council allocates funding to each approved Shared Prosperity Fund (SPF) activity. On 3rd March, officers presented a report to the Political Liaison Board and to the Senior Leadership team who endorsed the proposal set out.

3.3. We are seeking approval to delegate approval of spend decisions, payments or grants made under the schemes to the relevant Directors in consultation with Executive Members. Once Cabinet approval has been obtained, the individual projects will be managed by the relevant service areas.

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 MHCLG.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

5.1. Consultation has been undertaken with relevant Directors and officers, who have proposed items for the scheme. The final proposal seeks to reflect a balanced distribution of the funding across Council priorities.

5.2. As the UK SPF allocation has been reduced considerably from the previous year (-48.5%), the focus has been on schemes that are managed within the Council and are aligned with the Council Plan to ensure maximum impact.

6. FORWARD PLAN

6.1 This report contains recommendations on a key decision which was added to the Forward Plan on 13th February 2025.

7. BACKGROUND

7.1. The UK SPF was originally launched by DLUHC (now MHCLG) in April 2021. The SPF has provided funding to every English and Welsh District and Unitary Authority over three years from April 2022 to April 2025.

7.2. MHCLG has indicated that 2025/26 will form a "transition year" for UK SPF, as they organise longer term funding proposals for subsequent years.

7.3. MHCLG has stated that there will be no carry over of funding from previous UK SPF funding years and that any underspend in previous years will be deducted from the 2025/26 allocation (i.e. rather than having to repay the funds).

7.4. The allocation for North Herts Council in 2025/26 is a total £490,564, of which at least £90,574 must be capital expenditure.

7.5. Assessment of the schemes undertaken in the first three years of UK SPF will be conducted in April 2025, to enable the completion of the MHCLG return.

7.6. The only scheme continuing from previous years is the Herts Futures proposal. The Active Communities and Community Wellbeing proposals build on activities that were previously funded from UK SPF in 2024/25. Extracts from the December 2024 Returns Report are included in Appendix 4.

7.7. The structure of the UK SPF allows flexibility in the use of funds, allowing transfers between projects (subject to Cabinet approval) in order to ensure that funding is used efficiently.

7.8. North Herts Council is not required to produce an 'Investment Plan' however the Economic Development officer will report the activities through the new MHCLG reporting system.

8. RELEVANT CONSIDERATIONS

8.1. It is proposed that the £490,574 funding should be allocated as follows:

Project Title	**Appendix Reference**	**Revenue (£) Budget <=£399,990**	**Capital (£) Budget >=£90,574**	**Directorate**
Active Communities and Community Wellbeing	2	94,000	-	Environment
Economic Development Programme (in line with the strategy)	3	100,000	-	Enterprise
Herts Futures	4	120,000	-	Enterprise
Digital Inclusion Scheme	5	40,000	10,000	Customers
Sustainable Communities Grants	6	25,990	50,574	Environment
Renovation of estate buildings	7	20,000	30,000	Enterprise
Total:		399,990	90,574	

8.2. Active Communities and Community Wellbeing

This project relates to the following themes set out in the criteria:

- Investment Priority: Communities and Place / People and Skills
- Themes: Healthy, safe and inclusive communities / Employability
  Sub-themes:
    E6: Local arts, heritage, cultural and creative activities (including sports) & Healthy – improve health and wellbeing
    E33 & E34: Employment support for economically inactive people & Courses including basic, life & career skills.

The Active Communities and Community Wellbeing teams wish to deliver a programme of wellbeing interventions that build on the success of the £100K programme delivered through UK SPF in 2024/25, and address identified health inequalities in North Herts.

The programme will have the following strands:

1. Strength and balance for individuals at risk from falls and frailty
2. Creative arts to tackle loneliness and social isolation
3. Exercise referral opportunities in the local community

4. Intergenerational interventions utilising the arts to build relationships between our oldest and youngest residents
5. Employability and volunteering interventions.

Element	Cost 2025/26
Community Wellbeing Assistant (20 hours per week, grade 4)	26,000
Strength and balance	15,000
Creative Arts	13,000
Community exercise referral	10,000
Intergenerational arts & culture	10,000
Employability & Volunteering	20,000
Total:	**94,000**

See Appendix 2 for further details.

8.3 Economic Development Strategy Implementation

This relates to: Support and advice for Business (OP10/OC8-17) and Developing the Visitor Economy (OP8,10/OC8-17).

The Economic Development team would like to launch the new Economic Development Strategy and Action Plan to grow and enhance North Herts Council's economic development offering across the District. The strategy is in draft format, with the aim of it being approved by Cabinet in June 2025. Please see below for examples of the proposed work programme:

Building a Local company network in North Herts - increasing online and in-person engagement with and between North Herts businesses (£50K)

Tourism and the Visitor Economy - building on the Place Narrative work (delivered by the Communications Team) and Visit Herts membership, plus supporting activity to promote the District as a tourist destination will cost an estimated (£25K).

Enhancing and closing the skills gap – organising and delivering a school/college/University job fare (£5K).

Supplementary Business Support for Local Companies **–** creating a local Business Hub, organising dedicated awards and offering a series of networking opportunities (£20K).

Total: £100K.

See Appendix 3 for further details.

8.4 Herts Futures

Herts Futures (a part of Hertfordshire County Council) provides a range of Business Support and Skills programmes to businesses and individuals on a Hertfordshire-wide level. These programmes offer comprehensive support and would be uneconomic to provide at district level.

Prior to Britain's withdrawal from the EU, these programmes were funded by a variety of European Regional Development Fund (ERDF) and European Social Fund (ESF) funding paid directly to the Herts LEP, together with extra funding from central government and Herts County Council (HCC). The SPF was designed to replace the ERDF and ESF funding but was paid directly to the Districts.

Recognising that Districts have seen circa. 50% reduction in funding this year, they suggest that, to enable programmes to remain viable the following programmes are prioritised for 2025/26. They have prioritised the programmes that are most effective and have suggested two options (note. The 'adjusted ask' is the option that most districts seem to be choosing):

Workstream	Initial Ask	Adjusted Ask
Herts Growth Hub	£30,000	£30,000
Get Enterprising	£30,000	£30,000
HOP/Brokerage	£20,000	£20,000
Herts Film Office	£10,000	£10,000
Inward Investment	£12,500	£10,000
Pathways to Employment	£45,000	£20,000
Total	£147,500	£120,000

The above request would equate to around 25% of our total 2025/26 allocation or 30% of the revenue element.

Herts Futures provide quarterly progress reports showing progress against each of the above workstreams. They also provide us with details of who they have been engaging with using the funding provided. Extracts from the most recent report for quarter 3 2024/25 are included in the Appendix.

See Appendix 4 for further details.

8.5 Digital Skills Training Scheme

The project relates to:

People and Skills/ Skills/Essential skills (including numeracy, literacy, ESOL and digital)
OC23 – number of people with basic skills
OP21 – number of people supported to participate in basic skills courses

This is a North Herts programme to assess the level of digital exclusion in the community and to hold workshops to enable those identified to gain basic understanding and skills.

Total cost £40K Revenue; £10K (Capital).

See Appendix 5 for further details.

8.6 Sustainability Grants

The Sustainable Communities Grant helps communities and businesses in North Hertfordshire to take action on sustainability and climate change. Projects will seek to increase biodiversity; reduce emissions of buildings by installing low carbon heating options or improving energy efficiency; reduce reliance on fossils fuels in transport; or increase community engagement on sustainability and climate change. This work will support the council priorities of Sustainability and Thriving Communities.

The funding is currently budgeted as £25,990 Revenue and £50,574 Capital spend but may be adjusted to accommodate underspends in other schemes.

See Appendix 6 for further details.

8.7 Renovation of Estate and Community Buildings

The Council estate contains a number of buildings and areas which are in need of renewal and renovation to maximise their potential benefit to the Community as a whole. This scheme aims to transform them into viable, attractive and useful facilities.

See Appendix 7 for further details.

8.8 The Sustainability Grants (8.6) and Renovation of the Estate (8.7), have a flexible budget to enable any underspend to be used within the financial year 2025/26 if required. Quarterly meetings will take place between all the Project leads and Economic Development Officer to ensure that any underspends are quickly identified and reallocated to projects that are able to spend additional funds. These meetings will provide the overall oversight of the UK SPF allocation to ensure that the spend is in line with the proposals. Any reallocation of funds will have to align with any governance arrangements in place for each project These projects cannot operate in isolation and the quarterly meetings must identify any delays or underspend at an early stage and re-assigned with updates to the relevant Directors.

9. LEGAL IMPLICATIONS

9.1 The allocation of grant funding is an executive function. This means that grant funding can, as per section 9E of the Local Government Act 2000, be discharged by the Leader and Cabinet, or by other Executive Members or Officers as delegated in the Council's Constitution. The decision being accords with this principle and the grants are allocated in accordance with the delegated powers of the executive and officers as set out in the table at paragraph 8.1 above.

9.2 Otherwise, Cabinet's remit under section 5.7.28 of its terms of reference in the Council's Constitution allows it 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 2025/26 the total allocation is £490,564 and at least £90, 574 must be spent on capital. The anticipated capital expenditure of £90,574 as per table 8.1 and equates to minimum required.

10.2 We anticipate that capital expenditure will exceed the minimums included in the table 8.1 in the case of the Sustainability grants and the Estate and Communities Building

Renovation schemes. This will be monitored to ensure compliance with the grant conditions.

10.3 All payments made will need to be assessed to ensure compliance with the Subsidy Control Act. This has not previously been an issue.

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 2026). 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 and on a project level.

13. SOCIAL VALUE IMPLICATIONS

13.1. The Social Value Act and “go local” requirements do not apply to this report. Any procurements of goods and services are likely to be at a value where “go local” will need to be considered.

14. ENVIRONMENTAL IMPLICATIONS

14.1. There are no negative environmental implications arising as a direct result of this report.

14.2 The Sustainability Grants scheme will have positive environmental implications by helping groups and businesses to reduce their impact on the environment.

15. HUMAN RESOURCE IMPLICATIONS

15.1 The Active Communities and Community Wellbeing proposal includes the recruitment of a part-time fixed-term Community Wellbeing Assistant. It is expected that the other proposals will align with Council priorities and be delivered from existing staff resources.

16. APPENDICES

16.1 Appendix 1 – Intervention Themes and Outputs & Outcomes set by MHCLG
Appendix 2 - Active Communities and Community Wellbeing.
Appendix 3 - Economic Development Strategy Implementation
Appendix 4 - Herts Futures
Appendix 5 - Digital Training Scheme
Appendix 6 – Sustainable Communities Grant
Appendix 7 - Renovation of estate buildings.

17. CONTACT OFFICERS

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18. BACKGROUND PAPERS

Mapping UK SPF Interventions (2022-2025) to 2025/26 Mission-led Themes and Sub-Themes
UK SPF Indicators 2025/26 – PP1
UK SPF Indicators 2025/26 – PP2 Outcomes
UK SPF Indicators 2025/26 – PP3 Outcomes
Herts Futures – North Herts Feedback Report
Herts Futures – North Herts Case Studies.