

CABINET MEETING: 21 SEPTEMBER 2023

SHARED PROSPERITY FUND UPDATE

LEADER (COUNCILLOR HUW THOMAS)

AGENDA ITEM: 3

Reason for this Report

1. To update Cabinet on the delivery of the Shared Prosperity Fund in Cardiff and to outline and approve the next steps in delivery, including a revised Delivery Programme.

Background

Shared Prosperity Fund

2. The Cabinet report of 17th November 2022 outlined the Council's initial response in preparing for any announcement relating to the Shared Prosperity Fund. The report outlined governance arrangements for the oversight of the programme in Cardiff, the regional arrangements that had been established to manage the fund, an initial programme of activity as well as a wider programme to cover the period of the Shared Prosperity Fund.
3. The report outlined that Cabinet has the responsibility for the approval of a Shared Prosperity Fund Programme. The Programme, which will be updated annually, will outline the broad themes of activity, and is led by the Council's Stronger, Fairer, Greener Strategy. The Programme also reflects partnership priorities where these are relevant to the Shared Prosperity Fund. The Programme outlines areas of interventions with indicative allocations of funding in these areas, as well as proposed means of implementation.
4. The Programme was to be reviewed by the Public Services Board including Cardiff Third Sector Council, as well as the business representative groups FOR Cardiff, FSB, and Cwmpas. Collectively these groups may make recommendations for potential changes to the programme, as well as ensure that there is alignment with partnership activity in the delivery of the Shared Prosperity Fund Programme. Ultimate decision making for the Programme however sits with the Cabinet. The Programme will be reviewed on an annual basis, with a revised Programme to be approved by the Cabinet. The report also noted that a Shared Prosperity Fund Delivery Team, established within

Cardiff Council, will be tasked with working with service areas in the Council to deliver the Shared Prosperity Fund Programme.

5. The report also approved an initial spend profile against a number of key projects. As outlined in the report, a pragmatic approach was undertaken that ensured that, in anticipation of confirmation of the funding, spend could begin relatively quickly, given that the Shared Prosperity Fund works on an annual budgeting basis. This approach sought to allocate funding to Council service areas to work with partners to deliver the key outputs and outcomes of the Shared Prosperity Fund. The approach also enabled key projects and programmes to continue where other external funding was coming to a close putting a number of key projects at risk. This impacted, in particular, the Into Work services team, and as such the Shared Prosperity Fund has enabled the continuation of some vital services for communities in the city.
6. The UK Government confirmed the regional allocation of the Shared Prosperity Fund in December 2022, and subsequently the Lead Authority has been working with the UK Government to conclude funding arrangements and requirements. In addition, work has been completed to establish the necessary governance arrangements including establishing a Service Level Agreement between Rhondda Cynon Taf County Borough Council, who act as the Lead Authority for the South-east Wales region, and Cardiff Council.
7. The 'year one' profile agreed in anticipation of funding has meant that some projects have been able to continue or progress as a result. As noted in the November Cabinet report, a pragmatic approach led by either direct delivery or procurement has been undertaken in order to ensure that the Cardiff allocation can be used within the annual budget framework established for the Shared Prosperity Fund.
8. Following the November Cabinet report, a further report has been taken to Cabinet to outline progress in the delivery of Shared Prosperity Fund Schemes. The projects have been delivered through a mixture of direct delivery, procurement, commissioning, and grants. Initial spend has focussed on direct delivery and procurement, as a result of compressed timescales and annual budgeting, but as the programme develops the March report noted that the approach will become more reliant on externally commissioned activity.

Issues

Shared Prosperity Fund

9. The Council has successfully delivered a programme of activity for year one of the Shared Prosperity Fund. This has seen a total of £5,204,258 spent in the period up to the end of March 2023. Examples of projects supported include:
 - Cycle way improvements in Old St Mellons and Llanishen Park;
 - A new 3G pitch developed in Splott;

- The refurbishment of Rhiwbina Hub;
- Improvements to shelter and lighting in St Mellons Park;
- Support to campaigns such as Crimestoppers and Youth Bus;
- Support given to events for Operation BANG and Gabalfafest;
- 200 events and activities supported for young people;
- Education and training for young people across the city, with targeted support being given to some of the most vulnerable young people in Cardiff;
- Partnership working to support children and young people to increase skills;
- Digital developments in Hub with 17 new PC screens installed;
- Over 140 activities in arts supported at Llanover Hall;
- Support with running activities around well-being such as walking sports and mindfulness hours;
- Over 200 socially excluded individuals accessing support;
- Support centred around developing skills and self-confidence for individuals with learning disabilities;
- Learning essential skills and qualifications that each industry needs;
- Support to VEST to provide transport for residents of Cardiff;
- Direct support to music venues in Cardiff;
- Supported 3,030 litter picks;
- Set up 9 community recycling zones saving over 4 tonnes of CO₂;
- Supported attendance at international business events conference with Meet in Wales;
- Provided assistance to conferences in the city;
- City Centre Management team wide Naloxone training allowing them to provide vital emergency assistance to those who need it most;
- A large amount of public realm improved in the city centre such as decluttering and street furniture/paving;
- Developments in the Canal Quarter such as rehabilitated land and improvement of the current public realm;
- Supporting job club activities to help people with employment, benefits and housing;
- Over 600 people participating in multiply funded courses;
- Support to a wide range of citizens to budget effectively, apply for grants, benefits and discounts, and provide practical solutions to help them out of debt; and
- A dedicated multiply team established focused on non-accredited life skills.

10. The initial approach approved by Cabinet noted the need to review and update the overall Shared Prosperity Fund Programme. In reviewing the Programme, the Council's Shared Prosperity Fund delivery team has had conversations in the summer with the agreed partners, Cardiff Third Sector Council, FOR Cardiff, Cwmpas and FSB. A second engagement event with key stakeholders also took place in June 2023 to inform the review.

11. The draft review of this programme and the revised programme has been attached as Appendix A. The substantive elements of change are also outlined below.

Proposed Additions to the Year One Profile

Supporting Local Business

12. A grant scheme for local businesses was launched in May 2023, with the aim of supporting local SMEs to invest in developing a more productive, sustainable or inclusive business. The scheme provides up to £10,000 for businesses to invest in activity that will improve turnover and productivity, reduce carbon emissions, reduce energy costs or provide more employment opportunities for our communities. The scheme also requires any associated jobs to be paying the Real Living Wage. The scheme is being delivered as part of the year one allocation agreed in November 2022. In order to allow for schemes to be progressed in the financial year 2024/25, it is proposed that an additional allocation for that year of £750,000 is provided, in line with the Shared Prosperity Fund Programme.

Community Facilities Programme and Neighbourhood Renewal and Enhancement Programme

13. The original Shared Prosperity Fund Programme outlined a proposed funding level of £6m to support the Community Facilities Programme and Neighbourhood Renewal and Enhancement Programme. As part of these programmes a grant scheme has been launched to deliver the Community Facilities Programme and a call for proposals for the Neighbourhood Renewal and Enhancement Programme has been undertaken. The initial Year One profile identified an initial revenue budget as well as a small capital allocation for these schemes.
14. The call for proposals for the Neighbourhood Renewal and Enhancement Programme closed in December 2022, and appraisal has taken place of the 13 applications received and subsequently 8 schemes have been prioritised for delivery and development. These schemes are estimated to cost £1.5m and it is proposed that Cabinet approves this allocation from the Shared Prosperity Fund to support delivery, in line with the Programme agreed in November 2022, to allow for identified schemes to progress. Any such schemes delivered as part of this will be required to fit within the overall Programme as well as the Regional Investment Plan.

Cardiff Third Sector Council

15. Discussions with representatives of the Cardiff Third Sector Council have identified the need for a small revenue focussed grant scheme to be established to support grassroots and third sector organisations. It is proposed that £75,000 is allocated annually to the Cardiff Third Sector Council to administer a small grant scheme to provide the support for smaller third sector organisations.

Open Call for Projects

16. As outlined in the previous Cabinet Reports of November 2022 and March 2023, the Shared Prosperity Fund approach in Cardiff was predicated on a pragmatic approach during the initial phase where there was a focus on direct delivery, but with an increasing focus on a commissioning-based approach to delivery as the programme evolves. To that end, an open call for projects has been established that allows eligible organisations to propose projects or schemes that will deliver the Shared Prosperity Fund outputs and outcomes.
17. A call for proposals was launched in July 2023. The call covers all priority areas of the Shared Prosperity Fund, but projects will focus on:
 - Areas where there is a need to improve the overall outcomes and outputs identified in the Regional Investment Plan.
 - Areas where there is need to align spending commitments against priority areas identified in the Regional Investment Plan.
 - Areas where there is a need to align spending commitments against the capital and revenue commitments identified in the Regional Investment Plan.
18. The indicative timeline of the scheme will see funding provided to successful organisations from October 2023. The overall programme of the scheme is:
 - Scheme Opens - July 2023.
 - Scheme Closes - August 2023.
 - Assessment Period –August 2023.
 - Decisions Communicated – September 2023.
 - Projects Go Live – October 2023.
19. In order to enable the delivery of these schemes, it is proposed that £4.5m is allocated for 24/25 from Cardiff's Shared Prosperity Fund allocation. In addition, approval is sought for any identified underspends across Cardiff's Shared Prosperity Fund programme in 23/24 to be allocated to the open call.
20. In assessing open call applications, the Council will need to ensure that the proposed projects fit within the Regional Investment Plan and the criteria of the Shared Prosperity Fund. It is also essential that projects are providing additionality for Cardiff, in particular projects should not be duplicating any current provision, and need to show they are filling a gap in terms of need, and aligned with city priorities identified in Stronger, Fairer, Greener and Cardiff's Local Well-being Plan. The scoring process is attached as Appendix B and will be led by the Council's Shared Prosperity Fund team. In undertaking assessment of submissions, the Shared Prosperity Fund team will also seek advice from partners to assess elements of the submissions such as additionality and alignment with partnership priorities.

21. In addition, following initial assessment, the Shared Prosperity Fund team will work with applicants to make any necessary changes to proposed bids in light of the restrictions of the funding profile of the Regional Investment Plan. This will include, for example, profiling spends across financial years, as well as consideration of elements of duplication, overlap, or complementarity with any existing projects or programmes, or whether there is potential of collaboration between projects. Once this assessment is complete the Shared Prosperity Fund team will work with successful applicants to agree a grant award letter. The administration of associated grants will be undertaken by the Communities directorate in the Council.

Cardiff Market

22. The Cardiff Market project has been identified as a key objective in supporting the city centre recovery as part of Cardiff's Recovery and Renewal Strategy. In addition, FOR Cardiff have identified the need to support investment in activity that will draw footfall to the city centre.
23. Subsequently, a funding bid has been submitted to the Heritage Lottery Fund to support the redevelopment of Cardiff Market. This is predicated on the need to invest in one of the city centre's most iconic heritage buildings and the role that a revitalised Cardiff Market can play in the recovery of Cardiff City Centre.
24. In addition, funding has been sought from the Welsh Government's Transforming Towns scheme.
25. It is proposed that £750,000 is allocated from the Shared Prosperity Fund to support the delivery of the proposed scheme as part of the overall funding package.

Grassroots Music Scheme

26. An additional £100,000 will be allocated to the Grassroots Music Venue scheme to support investment in the sector, including supporting the development of existing venues to become more financially and environmentally sustainable.

Community Cohesion Grant Scheme

27. It is also proposed that £50,000 is allocated to supplement the Council's Community Cohesion Grant Scheme. The scheme provides up to £2,000 for community groups and third sector organisations across Cardiff to support schemes and initiatives that highlight and celebrate the diversity of communities across the city. Funding can be used for a range of purposes, including holding events and activities, producing supportive literature or building capacity within a community.
28. Applications must meet a range of a least one of the following objectives:
 - Celebrating diversity

- Hate crime awareness.
- Countering harmful narratives
- Reducing community tensions.
- Community capacity building.
- Communities working together to support community cohesion.
- Promoting equality across all protected characteristics within the Equality Act 2010.
- Promoting community cohesion as outlined in the Future Generations Act (A Wales of cohesive communities - Attractive, viable, safe and well-connected communities).
- Celebrating a significant equality event

Updating the Shared Prosperity Fund Programme

29. As outlined above, a Shared Prosperity Fund Programme review has been undertaken and this is attached as Appendix A. The review also includes a revised programme that has been shaped by discussions during the summer with the Cardiff Third Sector Council, FOR Cardiff, Cwmpas, FSB and the Public Services Board, as well as a summer engagement event. This will shape the assessment of projects as part of the open call, as well as identifying a focus for spend in year 3 of the Shared Prosperity Fund.

Summary of Additional Schemes

30. An open call scheme that will target funding at gaps within the overall SPF Delivery Programme, and where there is a need to increase spend against the Regional Investment Plan. The scheme opened in July 2023, with assessment taking place across the summer with the aim of approving projects in September allowing projects to begin delivery in October 2023.

Open Call Scheme	23/24	24/25
Capital (50% target)	£750,000	£4,500,000
Revenue (50% target)		

31. In addition to the Year One delivery plan the additional funding sought for grant schemes is provided below:

Neighbourhood Regeneration Scheme	23/24	24/25
Capital	As Year One profile	Additional £1,500,000

Community Building Grant Programme	23/24	24/25
Capital	As Year One profile	Additional £70,000

Cardiff Growth Fund	23/24	24/25
Capital (50% target)	As Year One profile	Additional £750,000
Revenue (50% target)		

Cardiff Market	23/24	24/25
Capital		£750,000

Grassroots Fund Scheme	23/24	24/25
Capital	As Year One profile	Additional £100,000

C3SC Revenue Fund	23/24	24/25
Revenue	£75,000	£75,000

Community Cohesion Fund	23/24	24/25
Revenue		£50,000

Addressing Programme Underspends

32. It is anticipated that some projects and schemes may find difficulty in using all allocated funding within the timescales of the Shared Prosperity Fund Programme. It is proposed therefore that any underspends identified during the 2023/24 financial year would be allocated to the Open Call scheme.

Reason for Recommendations

33. To update Cabinet on the delivery of the Shared Prosperity Fund in Cardiff and to outline and approve the next steps in delivery.

Financial Implications

34. Earlier reports to Cabinet in November 2022 and March 2023 updated on the Shared Prosperity Fund (SPF), the governance and administration arrangements being established and the initial programme of projects and activity proposed to be supported by the 'year one' profile ahead of and in anticipation of the funding confirmation.
35. This report provides a further update on the SPF programme with Appendix A setting out an overview of the programme delivery to date noting that a total of £5,204,258 of SPF funds was spent in the period up to the end of March 2023.
36. The SPF results in significant additional grant income to support specific projects identified by the Council. Any expenditure will need to achieve the maximum impact in meeting the aims identified in the programme and must be in accordance with the terms and conditions of the grant. This will include ongoing monitoring of outcomes, clear expenditure deadlines and specific grant allocations to be spent by the end of each financial year.
37. An SPF delivery team has been set up to support related grant reporting and administration processes and to work with service areas to deliver the programme. The grant allows a proportion of the award to be used towards such costs and post project appraisal should be undertaken in accordance with best practice to report the outcomes achieved.
38. Appendix A sets out the draft Shared Prosperity Fund Programme and Review for approval. Decision making for the SPF programme rests with Cabinet who will also be responsible for the approval of a biannual monitoring report. The programme will be reviewed annually and any revisions must be approved by Cabinet.
39. Paragraphs 12 to 28 of the report set out detail around the proposed programme and seeks Cabinet approval for the funding allocation of £8,620,000 for delivery of the projects identified- a summary table at para 30 and 31 sets this out.

Legal Implications

40. Section 2 of the Local Government Act 2000 provides power to local authorities to do anything that is likely to promote the economic, social or environmental well-being of its area. Statutory Guidance indicates that such power may be used in a wide range of purposes, which may include but are not limited to, sustainable development, improving and conserving the quality of the local environment, promoting economic development, and providing assistance to communities, promoting local culture, heritage and biodiversity.
41. Legal Services understand from the body of the report that Shared Prosperity Fund will provide grant funding to the Council to support specific projects. Accordingly, any expenditure will need to be in

accordance with the terms and conditions of the grant and must be in compliance with Subsidy Law (formerly called State Aid) and the Councils Constitution. The award of any grant should too be in accordance with the scoring mechanism and process as set out in Appendix B.

42. Legal advice should be obtained on each such scheme and initiative prior to being implemented to ensure the same can be achieved within legal constraints. To the extent that any proposed scheme and initiative involves the procurement of works, goods or services then the Council must comply with its Contract Standing Orders and Procurement Rules and procurement legislation.

Consultation and Engagement

43. The report refers to a consultation/engagement exercise being undertaken with external organisations in relation to proposed projects. It should be noted that any consultation and engagement must (a) be carried out when the proposal is at a formative stage (b) consultees must be given sufficient information to understand the project and to respond (c) consultees must be given sufficient time to respond and (d) responses must be conscientiously taken into account when finalising the relevant decision as a consultation exercise gives rise to the legitimate expectation that due regard will be given to the outcome of the consultation in determining the way forward .

Equality Duty.

44. In considering this matter, the Council must have regard to its public sector equality duties under the Equality Act 2010 (including specific Welsh public sector duties). This means the Council must give due regard to the need to (1) eliminate unlawful discrimination, (2) advance equality of opportunity and (3) foster good relations on the basis of protected characteristics. The protected characteristics are: age, gender reassignment, sex, race – including ethnic or national origin, colour or nationality, disability, pregnancy and maternity, marriage and civil partnership, sexual orientation, religion or belief – including lack of belief.
45. An Equalities Impact Assessment should be considered in relation to specific projects to identify the equalities implications of the proposed decision, including inequalities arising from socio-economic disadvantage, and due regard should be given to the outcomes of the Equalities Impact Assessment.
46. When taking strategic decisions, the Council also has a statutory duty to have due regard to the need to reduce inequalities of outcome resulting from socio-economic disadvantage ('the Socio-Economic Duty' imposed under section 1 of the Equality Act 2010). In considering this, the Council must take into account the statutory guidance issued by the Welsh Ministers ([WG42004 A More Equal Wales The Socio-economic](#)

[Duty Equality Act 2010 \(gov.wales\)](#) and must be able to demonstrate how it has discharged its duty.

Well Being of Future Generations (Wales) Act 2015

47. The Well-Being of Future Generations (Wales) Act 2015 ('the Act') places a 'well-being duty' on public bodies aimed at achieving 7 national well-being goals for Wales – a Wales that is prosperous, resilient, healthier, more equal, has cohesive communities, a vibrant culture and thriving Welsh language, and is globally responsible.
48. In discharging its duties under the Act, the Council has set and published well being objectives designed to maximise its contribution to achieving the national well being goals. The well being objectives are set out in Cardiff's Corporate Plan 2022-2. When exercising its functions, the Council is required to take all reasonable steps to meet its well being objectives. This means that the decision makers should consider how the proposed decision will contribute towards meeting the well being objectives and must be satisfied that all reasonable steps have been taken to meet those objectives.
49. The well being duty also requires the Council to act in accordance with a 'sustainable development principle'. This principle requires the Council to act in a way which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs. Put simply, this means that Council decision makers must take account of the impact of their decisions on people living their lives in Wales in the future. In doing so, the Council must:
 - Look to the long term
 - Focus on prevention by understanding the root causes of problems
 - Deliver an integrated approach to achieving the 7 national well-being goals
 - Work in collaboration with others to find shared sustainable solutions
 - Involve people from all sections of the community in the decisions which affect them
50. The decision maker must be satisfied that the proposed decision accords with the principles above; and due regard must be given to the Statutory Guidance issued by the Welsh Ministers, which is accessible using the link below: <http://gov.wales/topics/people-and-communities/people/future-generations-act/statutory-guidance/?lang=en>

General

51. The Council has to be mindful of the Welsh Language (Wales) Measure 2011 and the Welsh Language Standards when making any policy decisions and consider the impact upon the Welsh language, the report and Equality Impact Assessment deals with all these obligations. The Council has to consider the Well-being of Future Guidance (Wales) Act

2015 and how this strategy may improve the social, economic, environmental and cultural well-being of Wales.

52. The decision makers must be satisfied that the proposals fall within the Council's approved policy and budget framework.

HR Implications

53. There are no HR implications directly arising from this report.

RECOMMENDATIONS

Cabinet is recommended to:

- 1) Subject to Recommendation 2 approve the draft Shared Prosperity Fund Programme and Review as set out in Appendix A
- 2) Delegate authority to the Director of Economic Development in consultation with the Leader of the Council, the Section 151 officer and the Monitoring Officer to make minor changes to the approved Shared Prosperity Fund Programme referred to in recommendation 1 above if required following any further discussions with the organisations referred to in paragraph 29.
- 3) Approve the funding to be allocated for the delivery of the projects identified in paragraphs 30 to 31.
- 4) Delegate authority to the Director of Economic Development to allocate any programme underspends to the Open Call scheme identified in paragraphs 16 to 21.
- 5) Delegate authority to the Assistant Director, Housing and Communities to conclude any grant arrangements as a result of the Open Call as outlined in paragraph 21.

SENIOR RESPONSIBLE OFFICER	Neil Hanratty Director Economic Development
	15 September 2023

The following appendices are attached:

Appendix A: Draft Shared Prosperity Fund Programme and Review

Appendix B Open Call Scoring Mechanism and Process