



Date: 23 June 2022

Councillor Thomas
Leader
Cardiff Council
County Hall
Cardiff
CF10 4UW

Public Letter

Dear Councillor Thomas,

SHARED PROSPERITY FUND (SPF)

Thank you for attending the Economy & Culture Scrutiny Committee on 21 June 2022, along with Paul Orders and Jon Day, to discuss the proposed approach for accessing Shared Prosperity Fund (SPF) monies for Cardiff. This letter captures the comments and observations from Members.

Members note the regional approach being taken in Wales, with Cardiff working with the other Cardiff Capital Region City Deal local authority partners to input into the Regional Investment Plan, due to be submitted to UK Government by 1 August 2022. Members note that this Plan will be high level and broad, initially, and that detail will evolve by discussion with the UK Government, with funding available from October 2022 once the Plan is approved. Members note the regional allocation of funding is £278million, of which £41.8m is indicatively allocated to Cardiff, including £7m hypothecated to the Adult Numeracy '*Multiply*' programme.

At the meeting, Members explored the following five areas: nature of funding; focus of funding; flexibility of funding; constraints; and governance arrangements. The sections below note the discussion at the meeting and Members comments and observations.

Funding Type

Members note the guidance indicates projects funded by the SPF should be '*revenue in spirit*', whilst the Levelling Up Fund (LUF) provides capital funding to successful bid

projects. Members asked whether the SPF could be used for any transport schemes and note the response that it could be used for schemes to enable communities to have access to better transport, as opposed to larger infrastructure schemes, such as the Metro, which would look to the LUF for support.

Members sought to understand the longevity of funding – would funding be provided for 18 months or 3 years, for example, and what would happen at the end of this time? Members note your response that you expect the UK Government to keep to its promises that levelling up funding will match or exceed EU funding for regeneration but that the current SPF runs 2022-2025 and there is a lack of clarity regarding what happens next. Members note that this a concern – funding may end up as one-off expenditure, with projects ceasing at the end of the funding.

Focus of funding

Members note the SPF objectives and possible interventions and were interested to receive headline details of the proposed projects that Cardiff is putting forward as well as the three regional propositions. Members note the focus is post-covid recovery, aligning to the Administration's strategic priorities, specifically looking at supporting the city centre, high streets, district and local centres, promoting the region, and building skills in the local population to boost employability.

Members note that the SPF expects there to be a focus on local needs and were pleased to hear your assurances that bids, including the regional propositions, will meet the needs of the diverse communities in Cardiff. This is much needed, as the recent work of the Race Equality Task Force emphasised.

Members sought clarification as to whether SPF can be used to build a sense of community on new estates and are delighted to note officers' views that this is possible and would fit with the SPF criteria; Members are aware this is much needed.

Flexibilities of SPF

Members note that a benefit of the SPF approach is that there is a degree of flexibility that is not always available with top-level regeneration funding. Whilst Members agree that this can bring benefits, Members were interested to understand the consequences were there to be underspends, for example in grant funded

projects; would this money be lost? Members note the response that there will be robust commissioning processes to ensure deliverability of projects.

Members were also interested to understand how the Council will ensure SPF projects do not duplicate existing work and note that there will be engagement with communities of interest to utilise local expertise to ensure this does not happen. Members recognise that, understandably, these are preliminary responses in an evolving area and expect that these issues will need to be revisited to ensure appropriate systems are in place to maximise and target spend appropriately.

Constraints on delivery

Members were interested to hear that there are concerns that it may prove difficult to spend the £7m hypothecated to the Adult Numeracy '*Multiply*' programme due to a shortage of appropriately qualified tutors. Members sought views on other constraints that are causing concern and note the following: recruitment of suitable individuals across the range of projects; and inflation costs.

Governance

Members note there will be a lead authority for the region that will develop the plan, receive and distribute funding, monitor the programme and undertake strategic engagement. Members note it is likely to be one of the local authorities that has staff experienced in undertaking this role with EU funding.

Members were interested to understand the governance model for SPF regionally and note that the aim is to ensure an enabling model of governance is developed to capitalise on the flexibility of the SPF model. Members were pleased to hear your recognition of the need for scrutiny to be an integral part of this model. Members note a report is being taken to July cabinet and we propose to undertake pre-decision scrutiny of this, for completeness, but recognise that more details will be available in October/ November, when it should be possible to scrutinise how individual schemes will be delivered and implemented – we shall bear this in mind when prioritising items for our work programme.

Once again, thank you to you and officers for attending our first scrutiny committee meeting of this Administration and for engaging constructively with Scrutiny Members. Members recognise that all are working to tight timescales, with a lack of

clarity on key areas of the SPF. We appreciate the work being undertaken in Cardiff and the region to ensure our local populations do not lose funding and that existing programmes funded by EU monies will be continued where needed and added to where possible with new schemes. We look forward to receiving more details on successful bids in the future.

This letter does not contain any requests or recommendations and so does not require a response.

Yours sincerely,



COUNCILLOR PETER WONG
CHAIR, ECONOMY & CULTURE SCRUTINY COMMITTEE

cc Members of the Economy & Culture Scrutiny Committee
Group Leaders - Cllr Robson, Cllr Taylor
David Hugh Thomas – Chair, Governance & Audit Committee
Paul Orders Jon Day
Rhian Jones Cabinet Support Office
Chris Pyke Tim Gordon Jeremy Rhys