

Report for: ACTION

Item Number:

Contains Confidential or Exempt Information	No
Title	Grant agreement with GLA for Ealing's UKSPF core grant allocation
Responsible Officer(s)	Sandra Fryer, Interim Strategic Director, Economy & Sustainability
Author(s)	Fiona Crehan, Interim Head of Business Growth & Inward Investment
Portfolio(s)	Cllr Bassam Mahfouz, Cabinet Member for Decent Living Incomes
For Consideration By	Sandra Fryer, Interim Strategic Director, Economy & Sustainability - Key Officer Decision (KOD)
Date to be Considered	29 th March 2023
Implementation Date if Not Called In	6 th April 2023
Affected Wards	All wards
Keywords/Index	UK Shared Prosperity Fund, UKSPF, Ealing allocation, GLA grant

Purpose of Report:

This report seeks approval to enter into a grant funding agreement with the Greater London Authority (GLA) and accept Ealing's UK Shared Prosperity Fund (UKSPF) core grant allocation of £2.08M, including £1.060M capital and £1.022M revenue funds, and progress delivery of projects under this agreement.

1. Recommendations for DECISION

It is recommended that the Strategic Director for Economy & Sustainability, following consultation with the Director of Finance and Portfolio Holder for Decent Living Incomes, authorises the Council

1.1 to

- i. accept the £2.08M UKSPF core grant allocation from the GLA and progress deliver of projects under the grant funding agreement to 31 March 2025.
- ii. utilise the grant in compliance with associated Government guidance, ensuring oversight, governance and monitoring of the programme to March 31, 2025

- iii. Enter into the necessary grant agreement with the GLA necessary to secure the funding.

1.2 Incept the UKSPF capital budget of £1.06m in the capital programme to be funded by UKSPF capital grant subject to accepting the £2.08m UKSPF grant from GLA (see section 5 for more details).

2. Recommendations for NOTING

- i. that the council will engage with Ealing's High Street Taskforce in the design, implementation and delivery of relevant UKSPF projects under the Community & Place Investment strand.
- ii. that the council has submitted a competitive bid requesting £500,870 to the GLA under its UKSPF Open Call programme, if successful a further Key Officer Decision will be necessary.

3. Reason for Decision and Options Considered

3.1 It is necessary for Ealing Council to enter into a grant funding agreement with the GLA in order to draw down the borough's total allocation of £2.08M under the GLA's £144M UKSPF programme for London.

3.2 The delivery timescale for the UKSPF funding is from 1st of April 2022 to end of March 2025. While some costs have been incurred during 2022/23, the majority of spend is expected to be re-profiled into 23/24 and 24/25 once the funding agreement is signed.

3.3 No other options were considered or necessary.

Background

3.4 The UKSPF was launched on 13 April 2022 as part of the Government's Levelling Up agenda and replaces European Structural & Investment Funds (ESIF).

3.5 The UKSPF is unlike other Levelling-Up funds as a core grant allocation is made to each area in the UK based on an assessment of local need and population density and not through a competitive bidding process.

3.6 The UKSPF delivery programme is from 1st of April 2022 to 31 March 2025 with activities and projects under three investment strands:

- Communities and Place;
- Supporting local business;
- People and Skills. (Not in scope of this report as the delivery is managed by the West London Alliance)

3.7 In summer 2022 the GLA submitted an Investment Plan (IP) for London's £144M allocation with delivery based on priorities and strategies for London.

The IP included £78M core grant to be allocated directly to each London council to enable a place-based response to local needs and opportunities.

3.8 The GLA's IP for London was approved in December 2022 and a draft funding agreement issued to each council in London in January 2023.

3.9 The GLA is issuing a final funding agreement to Ealing Council with schedules setting out delivery targets for Ealing in February/March 2023.

3.10 The council is required to sign the grant funding agreement in order to draw down the UKSPF funding and progress delivery of projects set out in the agreement.

3.11 It is not possible to amend Ealing's annual budget profile before signing the grant agreement as this financial profile was informed by the GLA's London-wide financial profile agreed with government.

3.12 Once the funding agreement between Ealing Council and the GLA is signed, the funding profile can be amended to reflect Ealing's actual spend figures in 22/23, and the balance of funds reprofiled into 23/24 and 24/25.

3.13 The projects to be delivered under Ealing's UKPSF core grant programme were developed by a cross council working group and engagement with high street and local business stakeholders via Ealing's High Street Task Force, which will be engaged in supporting the development and delivery of relevant UKSPF projects.

3.14 The projects agreed with the GLA with a total budget of £1.06M capital and £1.08M revenue include:

A. Community & Place Investment Strand (£1.060M cap and £520K rev):

Community Enterprise & Culture Hubs

- Offering support with access to training, start-up and developing enterprise and events and other activities, including support for culture projects.

Public realm improvements to support local high streets:

- Year-round festive lighting to celebrate diverse community festivals.
- Artwork, planting and seating created with local communities, particularly young people, with the process recorded by students in University of West London (UWL) and featured in place promotion.

Events programme

- Year-round events programme on local high streets, with programme created with Ealing's High Streets Taskforce and local communities and promoted on a dedicated platform.

B. Supporting Local Business Investment Strand – (£500K rev only):

- Start-up enterprise support targeting local women and help address under-employment among women in the borough.
- Food Hygiene officer to work with hospitality businesses and deliver training to prepare for regrading and improve their rating to 4+*.
- Support in testing trading opportunities.
- Sector business forums to better understand their needs and enable business growth and the creation of good local jobs.
- How to Guides for high street businesses.

- 3.15 The deliverables included in Ealing's UKSPF programme 2022-2025 include:
- 3 x Community, Enterprise & Culture Hubs to be set-up in underused or vacant spaces
 - 2,000 SQM of public realm improvements
 - 35+ events on local high streets
 - 35+ volunteering opportunities
 - 100 potential entrepreneurs supported (80+ are women)
 - 600 businesses supported
 - 70 jobs safeguarded
 - 70 new jobs created
 - 20 new enterprises set-up

Governance of Ealing UKSPF programme

- 3.16 A UKSPF Project Board, chaired by the Assistant Director for Economic Growth, has been set-up with officers from a range of services to support the delivery of UKSPF projects.
- 3.17 Working groups under Ealing's High Street Taskforce will support delivery of projects linked to local high streets under the Community & Place Investment strand.
- 3.18 The selection of Community Enterprise & Culture Hub locations will be in consultation with Leisure, Strategic Property and other key services.
- 3.19 Monitoring and reporting requirements are included in the UKSPF grant funding agreement, with quarterly progress reports to be submitted to the GLA.
- 3.20 The procurement of all goods works and services under the UKSPF programme with spend thresholds that are set by UK Government that need to be adhered to, and conditions around audit and monitoring of delivery that set out in the funding agreement.
- 3.21 The Portfolio Holder for Decent Living Incomes will receive regular updates on monitoring and delivery.

4. Key Implications

4.1 The UKSPF allocation to Ealing is a grant with funding eligible spend from 1 April 2022 to 31st of March 2025.

4.2 Some costs have been incurred in 2022/23, which the funding will fully offset once the grant funding agreement is signed, including staff costs related to the development of projects and agreeing the programme with the GLA.

5. Financial

Financial impact on the budget

5.1 The UKSPF funding is a one-off grant allocation and will bring local investment that would not otherwise take place.

5.2 Ealing has a total allocation of £2.08M, including £1.02M revenue and £1.06M capital funding.

5.3 Existing staff will manage delivery of the project and the UKSPF budget will offset some staff costs, including managing and monitoring delivery and reporting to the GLA on spend, outputs and outcomes.

5.4 The allocations of capital and revenue under each of three years are set out in the table and based on figures provided by the GLA. As the issuing of the funding agreement was delayed, Ealing Council will agree with the GLA the re-profiling of the expenditure to reflect actual spend in 22/23 and beyond and ensure that the revised funding profile matches the funding allocation and expenditure profile over the three years.

Investment Strands	UKSPF Funding for Year (2022 - 2025)						Total		
	22/23 000		23/24 000		24/25 000		22-25 000		
Community & Place	Cap	Rev	Cap	Rev	Cap	Rev	Cap	Rev	
		£160.0	£123.0	£220.0	£155.0	£680.5	£235.1	£1,060.5	£513.1
Supporting Local Business	£0.0	£80.0	£0.0	£200.0	£0.0	£229.8	£0.0	£509.8	
Total	£160.0	£203.0	£220.0	£355.0	£680.5	£464.9	£1,060.5	£1,022.9	
Total (capital and revenue)								£2,083.4	

6. Legal

6.1 Funds provided under the UK Shared Prosperity Fund are provided pursuant to section 50 of The United Kingdom Internal Market Act 2020.

6.2 The GLA has powers under Sections 30 and 34 of the Greater London

Authority Act 1999 to do anything it considers will facilitate or which is conducive or incidental to the promotion of economic, social development and wealth creation in Greater London and proposes to provide funds to the Council for the selected projects as detailed in this report on the terms set out in the grant agreement.

6.3 In entering into the agreement the Council will be committing to meet targets and milestones which if not met might lead to recovery of the grant (or part by the GLA).

7. Value For Money

7.1 The UKSPF core grant allocation will support local businesses to recover, particularly Ealing's high street businesses, hospitality, creative and other sectors impacted by the pandemic and cost of living crisis.

7.2 Investment will be targeted in parts of the borough that are most deprived, hardest hit and that have not benefited from significant levels of investment recently.

8. Sustainability Impact Appraisal

8.1 Ealing's UKSPF delivery includes projects under the Community & Place investment strand that promotes civic pride and action to support the climate agenda including:

- Set-up 3 x Community Enterprise & Culture Hubs
Activating vacant and underused spaces and buildings to optimise the use of existing resources and assets and reduce the need for building new assets.
- Planters and seating on high streets
Street furniture made from materials linked to the circular economy and managed and maintained by local businesses and the local community.
- Year-round festive lighting
Working with architectural lighting designers to source innovative products that integrate solar power for festive lights.

8.2 The projects under the Supporting Local Business investment strand will capture information from existing and start-up businesses about support they need to be more sustainable, including to reduce energy use and improve waste management.

9. Risk Management

- Risk 1 – Delay in delivery, particularly in year 1 (2022/23)
Joint working with stakeholders and council teams commenced six months ago and is ongoing ensure delivery can be expedited once the grant funding agreement is signed with the GLA.

- Risk 2 – Loss of funding due to underspend in year 1 (22/23)
The government has recently indicated that budget underspend to be reprofiled into future years. Ealing Council's Economic Growth Service will liaise with the GLA regarding how funds will be reprofiled, ensuring Ealing's projects keep within the parameters of the funding agreement, including procurement thresholds.

9. Community Safety

N/A

10. Links to the 3 Key Priorities for the Borough

Fighting inequality

- Start-up enterprise support for local women will help address female unemployment, particularly in BAME communities. Women taking-up this support who do not set-up a business will be given advice to explore training and job opportunities.
- Business support will target the 90+% of local businesses employ <10 people and help develop plans to enable their recovery from the pandemic and rise in overheads.

Tackling the climate crisis

- The scope of design proposals, products and works carried out with funding under Ealing's UKSPF capital budget will seek to maximise the use of sustainable materials and support the growing circular economy.

Creating good jobs

- High street improvements and support for local businesses will support local recovery and help unlock local jobs.
- The support for businesses includes develop plans to improve sales and support recruitment, including apprenticeships.

11. Equalities, Human Rights and Community Cohesion

11.1 An Equality Analysis Assessment (EAA) is being prepared.

12. Staffing/Workforce and Accommodation implications:

12.1 Officers in the Economic Growth Service will manage delivery of the UKSPF programme for Ealing, with staff costs part-funded by the UKSPF budget and in line with UKSPF grant conditions.

12.2 There are no jobs at risk under this programme.

13. Property and Assets

13.1 The locations to be considered for the creation of Community Enterprise & Culture Hubs include Council-owned assets on local high streets and in areas that have not yet benefited from regeneration.

13.2 The long listing of potential sites is being compiled by the Economic Growth Service with the support of Strategic Property.

14. Any other implications:

N/A

15. Consultation

15.1 The development of Ealing's UKSF programme included:

- A multi-service working group to develop the UKSPF delivery plan projects
- Engagement with local business community stakeholders
- Engagement with Ealing's High Street Taskforce and its stakeholders through monthly meetings
- Consultation with the Cabinet Member for Decent Living Incomes

15.2 The scope of the UKSPF delivery projects was also shared with Scrutiny Panel in January 2023.

16. Timetable for Implementation

16.1 The table below summarises key delivery milestones for Ealing's UKSPF programme.

Milestones	Key dates
Sign Grant agreement with GLA	By early April 2023
Launch RFQs to commit budgets	From April '23
Delivery of start-up business support	From April/May '23
Sector business Forums meet	November '22 and from March '23
Delivery of support for sector SMEs	From May '23
Public realm improvement works	From June '23
Events programme	From December '22
Programme Delivery Working Group	Monthly / Bi-monthly to March '25
Monitoring reports to GLA	Quarterly
Completion and evaluation	March 2025

17. Appendices

Appendix 1 - Funding Agreement between the GLA and Ealing Council

Consultation (Mandatory)

Name of consultee	Post held	Date sent to consultee	Date response received	Comments appear in paragraph:
Internal				
Sandra Fryer	Strategic Director			Throughout
Connor McDonagh	Assistant Director	23/02/23	23/02/23	Throughout
Helen Harris	Director, Legal and Democratic Services			e.g. 5. Legal
Emily Hill	Chief Finance Officer			e.g. 4. Financial
Cllr Bassam Mahfouz	Cabinet Member for Economic Growth			
External				
N/A				

Report History

Decision type:	Urgency item?
Key decision	Yes
Report no.:	Report author – Fiona Crehan, Interim Head of Business Growth & Inward Investment Contact for queries: crehanf@ealing.gov.uk