

# CYNGOR GWYNEDD CABINET



## Report to a meeting of the Cyngor Gwynedd Cabinet

<b>Date of meeting:</b>	20 July 2023
<b>Cabinet Member:</b>	Councillor Dyfrig Siencyn, Council Leader
<b>Contact officer:</b>	Dylan Griffiths, Economy Development Service Manager  Siwan Evans, Shared Prosperity Fund Manager: Gwynedd
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<b>Title of Item:</b>	UK SHARED PROSPERITY FUND: COMMITMENTS FROM THE GWYNEDD ALLOCATION

### 1. THE DECISION SOUGHT

- 1.1. To agree to commit a total of £21,352,966 of Gwynedd's allocation from the UK's Shared Prosperity Fund to the schemes listed in Appendix 1 of the report in accordance with the amounts noted.
- 1.2. To authorise the Head of Economy and Community Department, in consultation with the Head of Legal Service, the Head of Finance Department and the Chief Executive, to authorise the release of offer letters to the schemes subject to completing final checks and receiving the approval of the Shared Prosperity Fund: Gwynedd Panel to any special conditions.
- 1.3. To agree to establish four Enabling Funds (with a total budget of £6,131,000) to distribute smaller amounts of Shared Prosperity Fund monies to enterprises and communities in the county and to authorise the implementation of three funds under the management of Cyngor Gwynedd.
- 1.4. To ask the Education and Economy Scrutiny Committee to carry out an investigation into the work area of supporting community / social enterprises to increase the Council's understanding and to ensure that the efforts of the organisations assimilate and reinforce each other.

## 2. THE REASON FOR THE NEED FOR A DECISION

- 2.1. At the Cabinet [meeting on 24 January 2023 \(item 6\)](#), a procedure was established to administrate the Shared Prosperity Fund (SPF) in Gwynedd and to determine applications for funding from the Fund within the county.
- 2.2. A 'Shared Prosperity Fund: Gwynedd Panel' was established (which included the Council Leader and Deputy Leader, the Cabinet Member for Finance, the Chief Executive, the Head of Economy and Community Department, the Head of Finance Department and the Head of Legal Services) to confirm which schemes would be selected to receive funding.
- 2.3. It was noted that Elected Members on the Panel would exclude themselves from discussing a scheme located within their constituency or where they had a personal interest in the application. It was also noted that consideration should be given to refer such a situation to the Cabinet for a decision in order to ensure propriety and transparency.
- 2.4. In accordance with the above, the Panel has decided to refer their recommendations, along with which schemes should be selected to receive funding to the attention of the Cabinet for a decision.

## 3. INTRODUCTION

- 3.1. The [prospectus of the UK Shared Prosperity Fund](#) (UKSPF) was published on 13 April 2022. The Fund will distribute £2.6 billion across the UK by March 2025.
- 3.2. All parts of the UK will receive some of the funding, which has been allocated to individual areas based on a formula.
- 3.3. In England, funding will go directly to individual counties to be used or distributed to other organisations. In Wales, it is a requirement for local areas to collaborate with others within their region (North Wales in Gwynedd's case) and that one 'lead authority' is accountable for the funding on behalf of the region. Cyngor Gwynedd is the 'lead authority' for North Wales.
- 3.4. Gwynedd's allocation for the period up to March 2025 is £24.4 million. £2.9 million of the total has been ring-fenced to support adults to improve their numeracy skills<sup>1</sup> (the Multiply Programme) with the rest of the allocation (£21.5 million) available for other Fund priorities and to be managed / administrated (Core SPF).
- 3.5. The allocation for Gwynedd is part of £126.46 million that has been allocated to the North Wales counties. It should be noted that the

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<sup>1</sup> This amount has been reduced by £1.3 million following a decision by the UK Government to allow the redirection of the amount to other parts of the Shared Prosperity Fund.

allocation is for the period in its entirety, but the UK Government confirms funding on an annual basis. In practice, it should also be noted that schemes receiving funding from the Fund will need to complete their activity by the end of 2024 to allow the closure of the Fund in good time before 31 March 2025.

- 3.6. Although there is emphasis on regional collaboration in the context of the UKSPF, the task is to make a difference to the lives of *local* residents, and each county in North Wales has agreed:
- that areas need to benefit in line with the value of their individual allocation;
  - it is a matter for local authorities to decide on the use of their allocation; and
  - local areas need to choose to be part of schemes that wish to operate across the counties.

### The application process

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- 3.7. North Wales counties agreed that funding should be allocated via competitive grants as usual (with a discretion for individual counties to choose to use alternative methods should the need arise).
- 3.8. To ensure consistency, to reduce the administration cost and to allow schemes to operate across one or more counties, one application process for SPF was established in North Wales.
- 3.9. In order to rationalise the number of schemes that directly receive SPF funding, North Wales counties also agreed that schemes should be applying for £250,000 or more SPF funding in the first instance to be eligible.
- 3.10. In parallel, in order to allocate amounts under £250,000 of SPF funding to enterprises and communities, the concept of creating 'Enabling Funds' was established to allow smaller projects to benefit from the SPF (see section 3.22 below).
- 3.11. [Details of the application process are available on the Council website](#), here is an outline of the key steps in the process:

#### Step one

Applicants submit outline applications (Step 1) summarising their scheme.

#### Step two

Counties to assess outline applications and prioritise schemes

#### Step three

Prioritised schemes submit a detailed application (Step 2)

#### Step four

Counties to assess detailed applications and confirm which schemes will receive funding

#### Step five

Release of a formal funding agreement to selected applicants.

- 3.12. Applicants were given an opportunity to submit outline applications during January / February 2023.
- 3.13. 114 outline applications were received for schemes wishing to operate in Gwynedd (45 wished to work in Gwynedd only and 68 wished to operate across more than one county, including Gwynedd). The schemes requested a total of £2.56 million of Multiply funding (87% of Gwynedd's Multiply allocation) and £49.2 million of Core SPF funding (237% of Gwynedd's Core SPF allocation).

#### The application selection process

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- 3.14. In accordance with the system established by the Cabinet in January 2023, the following steps were followed to select from amongst the brief applications that had been received:
  1. All received applications were verified by Council officers to check that the applicant and proposed activity was eligible.
  2. A workshop was held on 24 March 2023 with members of the 'Shared Prosperity Fund: Gwynedd Consultative Group' - which included stakeholders from the public, private and third sectors - to assess applications individually against published criteria and to prioritise schemes that would be appropriate / they wished to support.
  3. The assessments of the Consultative Group were verified by officers to ensure consistency in the assessment
  4. The Consultative Group's list was submitted to the attention of the Shared Prosperity Fund: Gwynedd Panel
- 3.15. The total required by the schemes prioritised by the Consultative Group for Multiply funding was within Gwynedd's allocation (£1.2 million / 41%) but the Core SPF requirement called for the vast majority of Gwynedd's allocation (£19.5 million / 94%).
- 3.16. Based on the suggestions of the Consultative Group, the Shared Prosperity Fund Gwynedd Panel resolved:
  - To invite the single eligible scheme that required Multiply funding to submit a detailed application (multi-county scheme).
  - To invite a total of 41 schemes that required Core SPF funding to submit a detailed application (23 schemes wished to operate in Gwynedd only and 18 multi-county schemes); *and ask applicants to reconsider and reduce their requested SPF funding.*
- 3.17. Following the decisions of the Panel (and the decisions of other relevant counties in the case of multi-county applications), some schemes have

been amalgamated or adapted and others have been withdrawn. As a result, 37 schemes are under consideration for the second stage of the application process.

- 3.18. 35 applications have been received. Two multi-county applications are yet to be submitted following the decisions of other counties, these applications will be addressed in accordance with procedure after they have been received.
- 3.19. The following steps were followed to select from amongst the detailed applications<sup>2</sup>:
1. The applications were verified by Council Officers who considered:
    - Suitability and circumstances of the applicant and their capability
    - Details of the application and the scheme
    - Any subsidy control implications associated with the application
    - Applicant's risk assessment
    - The scheme's risk to the Council and any measures necessary to manage it
  2. The application's scoring against the published criteria was reviewed by Council Officers to check that they continued to assimilate with Council wishes following any adaptations during the process of preparing the detailed applications.
  3. Recommendations were drawn up for the attention of the Shared Prosperity Fund: Gwynedd Panel
- 3.20. The recommendations were reviewed by the Shared Prosperity Fund: Gwynedd Panel, challenging the individual schemes and considering the pack of activities in its entirety.
- 3.21. The Panel concluded with a decision to recommend approving 34 schemes by the Cabinet, committing £1,224,276 of the Multiply funding available for Gwynedd as well as £13,997,690 of Core SPF funding.
- 3.22. Appendix 1 lists the recommended schemes together with the financial commitments and Appendix 2 includes a brief description of the individual schemes.

### Enabling Funds

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- 3.23. A number of counties in North Wales intend to establish 'Enablem Funds' in order to allocate amounts under £250,000 of SPF funding for local enterprises and communities.
- 3.24. Trough discussion, the Shared Prosperity Fund: Gwynedd Consultative Group recommended that four Funds should be established in

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<sup>2</sup> It is noted that some multi-county schemes are continuing to provide final details after receiving confirmation of other counties' wishes.

Gwynedd, reflecting the county's priorities and areas of activity that are eligible for the Shared Prosperity Fund:

- Regeneration Support Fund - Cyngor Gwynedd to manage
- Supporting Culture, Events and Living Healthily and Active Fund (Diwylliesiant Fund) - Cyngor Gwynedd to manage
- Business Support Fund - Cyngor Gwynedd to manage
- Supporting the Voluntary Sector Fund - Mantell Gwynedd to manage

3.25. Based on the above, with the agreement of the Shared Prosperity Fund: Gwynedd Panel, Cyngor Gwynedd and Mantell Gwynedd were invited to develop the Funds by providing full details in the same way as the schemes that had been submitted via the competitive process. The proposals have been verified and assessed in accordance with the process outlined in 3.18.

3.26. The Panel recommends that the Cabinet commits a further £6,131,000 of Core SPF allocation for the funds. Again, Appendix 1 lists the financial commitments and Appendix 2 includes a brief description of the individual schemes.

#### **Scrutinising the supporting community / social enterprises field of work**

3.27. The process of selecting schemes has highlighted to the Panel the need to increase the Council's understanding of the supporting community / social enterprises field of work. To this end, it is recommended to ask the Education and Economy Scrutiny Committee to carry out an investigation into the area to ensure that the efforts of organisations reinforce each other.

#### **4. THE REASONING AND JUSTIFICATION FOR RECOMMENDING THE DECISION**

4.1. The individual schemes along with the Enabling Funds offer a comprehensive package of interventions that are practical given the short period available to deliver them.

4.2. The package of 38 schemes includes 9 schemes that will operate across more than one county in North Wales where this will bring wider benefits in terms of results and savings in realisation costs.

#### **Anticipated results**

4.3. Despite the practical constraints, it is anticipated that the activity package will deliver substantial results to residents and communities, which includes:

- Providing financial aid to 961 businesses, enterprises and organisations in the county

- Supporting 400 local residents to improve their numeracy skills
- Help 3,100 homes to save energy
- Support the creation or protection of 292 jobs in the county
- Help 728 people from Gwynedd to gain a qualification
- Assist 172 local residents with health challenges to return to work

### **Equality Act (2010)**

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- 4.4. In accordance with the statutory duties under the Equality Act (2010) here, when making decisions, due consideration must be given to the need (1) to eliminate illegal discrimination; (2) promote equal opportunities and (3) develop good relations based on the protected characteristics. As the recommendation falls within decisions which can be considered strategic, the duty is to give due regard to operating in a means which is designed to reduce inequalities derived from 'socio economic' disadvantage. Every applicant is required to conduct an equality assessment (including impact on the Welsh language) of their proposal as part of the second stage of the application process and will be part of the funding agreement.

### **Wellbeing of Future Generations (Wales) Act 2015**

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- 4.5. The Wellbeing of Future Generations (Wales) Act 2015 is about improving the social, economic, economic and cultural wellbeing of Wales. The Act places a wellbeing duty on public bodies aimed at realising the 7 wellbeing goals of; a prosperous Wales; a resilient Wales; a healthier Wales; a more equal Wales; a Wales of more cohesive communities; a Wales of vibrant culture and thriving Welsh language and a globally responsible Wales. Every applicant was required to show how their scheme aligned with the principles of the Future Generations (Wales) Act during the first stage of the application process. Bearing the circumstances in mind, the recommendations are aligned with this duty.
- 4.6. Monitoring the performance of schemes against the Generations Act and maintaining an impact assessment will form part of the programme's management arrangements.

## **5. NEXT STEPS AND TIMETABLE**

- 5.1. After confirming the Cabinet's decision, to issue funding agreements to the applicants, which include special conditions if appropriate to protect the Council's interests.

6. **ANY CONSULTATIONS UNDERTAKEN PRIOR TO RECOMMENDING THE DECISION**

6.1. The proposals as outlined in the report have included the consultation via the Shared Prosperity Fund: Gwynedd Consultative Group.

6.2. Monitoring Officer's Observations:

*"The recommendations are the result of a detailed assessment process to establish a list of projects which could meet the requirements of the Shared Prosperity Fund. The report explains that this was undertaken in accordance with the arrangements adopted by the Cabinet in January 2023. The Terms of reference left the door open to refer the matter to the Cabinet for a final decision. The report is intended to appropriately ask the Cabinet to approve the proposals."*

6.3. Observations of the Head of Finance Department:

*"I believe that the decision sought is justified and I support the contents of the report. I am satisfied that the steps that have been taken to reach the final list which appear in the appendices are transparent and robust, and I can confirm the accuracy of the financial figures appearing in the report. Cyngor Gwynedd has received an adequate allocation to fund the schemes listed, and the main financial risk is being able to complete the projects in such a short space of time."*