

CABINET MEETING – 14 JULY 2022

EXECUTIVE SUMMARY SHEET – PART I

Title of Report:

UK Shared Prosperity Fund and Multiply – Endorse the submission process for Sunderland’s investment plans and approve the Council’s role as Lead Authority for the management and administration of both programmes.

Author(s):

Executive Director of Corporate Services

Purpose of Report:

The report seeks Cabinet approval to endorse the submission process for Sunderland’s investment plans for the UK Shared Prosperity Fund (“UKSPF”) and the Multiply programmes, acknowledging that the Multiply investment plan had to be submitted by the deadline of 30 June 2022. It also seeks approval of the Council’s role as Lead Authority for the two programmes including responsibility for programme management and administration, monitoring, evaluation and assurance, procurement and contracting, and other requirements as set out in the Government’s Funding Agreements.

Description of Decision:

Cabinet is requested to:

- I. Endorse the submission process for the UK Shared Prosperity Fund investment plan and authorise the Executive Director of Corporate Services, in consultation with the Chief Executive and Leader, to submit the plan by the deadline of 1 August 2022;
- II. Note the submission process for the Multiply investment plan which was submitted by the earlier deadline of 30 June 2022;
- III. Approve the Council’s role as the Lead Authority (“Accountable Body”) for the UKSPF and Multiply during programme implementation, delivery and monitoring from April 2022 until March 2025, and through to programme completion and closure in 2025/26;
- IV. Authorise the Executive Director of Corporate Services, in consultation with the Chief Executive of Together for Children / Director of Children’s Services (for the Multiply programme), Leader and Cabinet Secretary, to accept the terms of the Funding Agreements with associated conditions from the Department for Levelling Up, Housing and Communities (“DLUHC”) and Department for Education (“DfE”) and to enable delivery of both programmes;
- V. Authorise the Executive Director of Corporate Services, in consultation with the Chief Executive of Together for Children / Director of Children’s Services, Leader and Cabinet Secretary, to agree the terms of Local Funding Agreements or contracts with project delivery organisations whose projects are selected for support through the UKSPF or Multiply programmes (“the projects”);
- VI. Authorise the Executive Director of Corporate Services and/or the Assistant

VII.	<p>Director of Law and Governance to execute all necessary legal agreements in order to give effect to (iii) and (iv) above; and</p> <p>Authorise the Executive Director of Corporate Services, in consultation with the Chief Executive of Together for Children / Director of Children's Services and Cabinet Secretary, to take all necessary action on behalf of the Council as Accountable Body for the UKSPF and Multiply based on the terms set out in this report including entering into individual project funding agreements and the procurement and award of all necessary contracts.</p>
Is the decision consistent with the Budget/Policy Framework? *Yes	
If not, Council approval is required to change the Budget/Policy Framework	
<p>Suggested reason(s) for Decision:</p> <p>The UKSPF and Multiply programmes require the Council to perform the role of an Accountable Body, coordinating the development of both investment plans, managing calls for projects and commissioning activities, entering into local funding agreements and contracts with projects and overseeing monitoring, financial claims and other reporting requirements. When the UKSPF and Multiply programme guidance was published in April 2022, investment plans could only be submitted by local authorities acting as Lead Authorities.</p> <p>The delivery of the programmes will lead to significant investment in business support, community activities and capacity-building for the voluntary and community sector, and skills, training and employability support for residents and the existing workforce. It is expected that both investment plans will be approved by Government in September/October 2022, with the first projects commencing activities from this point onwards. Both programmes have been allocated a provisional three-year allocation which ends in March 2025. Final benefits and outcomes will be summarised in programme and project evaluation reports at the end of the funding period.</p>	
<p>Alternative options to be considered and recommended to be rejected:</p> <p>There is no alternative option recommended. A decision not to proceed would mean that significant investment in communities and place, supporting local business, and people and skills, in Sunderland would be lost and the outcomes of the two programmes would not be delivered.</p>	
<p>Impacts analysed;</p> <p> Equality <input type="text" value="Y"/> Privacy <input type="text" value="Y"/> Sustainability <input type="text" value="Y"/> Crime and Disorder <input type="text" value="Y"/> </p>	
Is the Decision consistent with the Council's co-operative values? Yes	
Is this a "Key Decision" as defined in the Constitution? Yes	
Is it included in the 28 day Notice of Decisions? Yes	

UK SHARED PROSPERITY FUND AND MULTIPLY – ENDORSE THE SUBMISSION PROCESS FOR SUNDERLAND'S INVESTMENT PLANS AND APPROVE THE COUNCIL'S ROLE AS LEAD AUTHORITY FOR THE MANAGEMENT AND ADMINISTRATION OF BOTH PROGRAMMES

REPORT OF THE EXECUTIVE DIRECTOR OF CORPORATE SERVICES

1. Purpose of the Report

- 1.1 The report seeks Cabinet approval to endorse the submission process for Sunderland's investment plans for the UK Shared Prosperity Fund ("UKSPF") and the Multiply programmes, acknowledging that the Multiply investment plan had to be submitted by the deadline of 30 June 2022. It also seeks approval of the Council's role as Lead Authority for the two programmes including responsibility for programme management and administration, monitoring, evaluation and assurance, procurement and contracting, and other requirements as set out in the Government's Funding Agreements.

2. Description of Decision (Recommendations)

2.1 Cabinet is requested to:

- I. Endorse the submission process for the UK Shared Prosperity Fund investment plan and authorise the Executive Director of Corporate Services, in consultation with the Chief Executive and Leader, to submit the plan by the deadline of 1 August 2022;
- II. Note the submission process for the Multiply investment plan which was submitted by the earlier deadline of 30 June 2022;
- III. Approve the Council's role as the Lead Authority ("Accountable Body") for the UKSPF and Multiply during programme implementation, delivery and monitoring from April 2022 until March 2025, and through to programme completion and closure in 2025/26;
- IV. Authorise the Executive Director of Corporate Services, in consultation with the Chief Executive of Together for Children / Director of Children's Services (for the Multiply programme), Leader and Cabinet Secretary, to accept the terms of the Funding Agreements with associated conditions from the Department for Levelling Up, Housing and Communities ("DLUHC") and Department for Education ("DfE") and to enable delivery of both programmes;
- V. Authorise the Executive Director of Corporate Services, in consultation with the Chief Executive of Together for Children / Director of Children's Services, Leader and Cabinet Secretary, to agree the terms of Local Funding Agreements or contracts with project delivery organisations whose projects are selected for support through the UKSPF or Multiply programmes ("the projects");
- VI. Authorise the Executive Director of Corporate Services and/or the Assistant Director of Law and Governance to execute all necessary legal agreements in order to give effect to (iii) and (iv) above; and
- VII. Authorise the Executive Director of Corporate Services, in consultation with the Chief Executive of Together for Children / Director of Children's Services

and Cabinet Secretary, to take all necessary action on behalf of the Council as Accountable Body for the UKSPF and Multiply based on the terms set out in this report (including entering into individual project funding agreements and the procurement and award of all necessary contracts).

3. Introduction to UKSPF and Multiply

- 3.1 The UK Shared Prosperity Fund is a Government allocated fund which is intended to reduce inequalities between communities, as part of the Government's wider "levelling up" agenda. This fund was first announced in 2017, as the successor programme to the 2014-2020 European Structural and Investment Funds Growth Programme.
- 3.2 The primary goal of the UKSPF is to build pride in place and increase life chances across the UK. This aligns with the Levelling Up White Paper missions, particularly: 'By 2030, pride in place, such as people's satisfaction with their town centre and engagement in local culture and community, will have risen in every area of the UK, with the gap between the top performing and other areas closing.'
- 3.3 On 13 April 2022, the full UKSPF prospectus was published by DLUHC, the lead Government department for UKSPF, with further detail on the investment plan process and timescales for submission. It was confirmed that the fund would provide £0.44 billion in 2022/23, £0.7 billion in 2023/24, rising to £1.5 billion per year by 2024/25. Funding has been allocated to local areas using a formula rather than inviting competitive bids. Funding is predominantly revenue, with the local split of capital and revenue rising from 10% of the Core UKSPF allocation in 2022/23 to 20% in 2024/25.
- 3.4 As part of the UKSPF announcement, local areas were tasked with developing and submitting investment plans detailing how they intend to prioritise and spend the money. The investment plan must consider the challenges and opportunities for Sunderland in the context of three investment priorities set out by Government:
- Communities and Place
 - Supporting Local Business
 - People and Skills (which includes the Multiply Programme)
- 3.5 Under each investment priority Government also published a list of 41 interventions that local areas can consider when developing their investment plans. The table below summarises the main objectives of the three priorities of UKSPF.

1. Communities and Place	
Objectives	<ul style="list-style-type: none"> • Strengthening our social fabric and fostering a sense of local pride and belonging, through investment in activities that enhance physical, cultural and social ties and amenities, such as community infrastructure and local green space, and community-led projects. • To build resilient and safe neighbourhoods, through investment in quality places that people want to live, work, play and learn in, through targeted improvements to the built environment and innovative approaches to crime prevention.
2. Local businesses	
Objectives	<ul style="list-style-type: none"> • Creating jobs and boosting community cohesion, through investments that build on existing industries and institutions,

	<p>and range from support for starting businesses to visible improvements to local retail, hospitality and leisure sector facilities.</p> <ul style="list-style-type: none"> • Promote networking and collaboration, through interventions that bring together businesses and partners within and across sectors to share knowledge, expertise and resources, and stimulate innovation and growth. • Increase private sector investment in growth-enhancing activities, through targeted support for small and medium-sized businesses to undertake new-to-firm innovation, adopt productivity-enhancing, energy efficient and low carbon technologies and techniques, and start or grow their exports.
3. People and skills	
Objectives	<ul style="list-style-type: none"> • Supporting people to engage with local services which support them on their journey towards employment, identifying and addressing any potential barriers these individuals may face in gaining employment or moving closer to the labour market, supporting people to gain the basic skills they need to develop their potential for sustainable work, testing what works in helping people move towards work.

- 3.6 Guidance from Government on core UKSPF funding is that the first two years of the investment plan should focus on Communities and Place, and Supporting Local Business. In the third year, the fund can be used for People and Skills interventions. However, places can make the case for delivering People and Skills activities earlier where a local voluntary and community provision, previously supported by the European Social Fund, has been identified as at risk of closure. Unless this exception applies, proposals under this investment priority should be for 2024/25 only.
- 3.7 The Multiply adult numeracy programme will be delivered across all years and is included within the People and Skills priority with approximately £0.56 billion available over the next three years to: (i) enable local areas across England, Scotland, Wales and Northern Ireland to deliver bespoke adult numeracy interventions; (ii) provide a new national online platform that offers free personal tutoring and digital training; and (iii) build the evidence base on 'what works' in improving functional adult numeracy.
- 3.8 The Multiply programme has its own prospectus and guidance which was also published in April 2022 alongside a three-year financial allocation to each local area. Under Multiply, all local areas in the United Kingdom will receive revenue funding to deliver bespoke adult numeracy programmes from 2022/23 to 2024/25.
- 3.9 The conditional financial allocations for Sunderland for both programmes are set out in the table below. To meet the investment plan financial requirements for UKSPF and Multiply the Council has forecast its provisional budget and deliverables profiles at priority and intervention level over the three financial years that the programmes will operate.

	2022/23	2023/24	2024/25	Total
Core UKSPF	£1,812,641	£3,625,282	£9,498,238	£14,936,161
Multiply	£496,337	£572,696	£572,697	£1,641,730
Total	£2,308,978	£4,197,978	£10,070,935	£16,577,891

- 3.10 The Department for Levelling Up, Housing and Communities will oversee the UKSPF at UK level, working with other departments. The Department for Education will lead delivery of the Multiply programme and will play a key role in relation to wider skills interventions, working with local partners. The Department for Work and Pensions will play a key role in the planning and delivery of employment interventions supported by UKSPF.
- 3.11 Interventions supported by the UK Shared Prosperity Fund and Multiply also need to take account of other local and national policies and priorities, including the government's commitment to reach Net Zero by 2050 and clean growth, and must complement other UK, national or local provision.

4. Development of Sunderland's investment plans

- 4.1 It should be noted that the Multiply investment plan deadline was 30 June 2022, and that its submission was approved by the Chief Executive, Section 151 Officer and Leader of the Council in consultation with the Chief Executive of Together for Children / Director of Children's Services. The submission deadline for the UKSPF investment plan is 1 August 2022. The UKSPF plan also requires the approval of the Chief Executive, Section 151 Officer and Leader of the Council.
- 4.2 Following updates to the Council's Chief Officer Group, Sunderland City Board and the Sunderland Voluntary Sector Alliance in April and May 2022, the Council has conducted wide-ranging engagement with public bodies, business organisations and representatives, and the voluntary and community sector city-wide and regionally. A strategic review of all 41 UKSPF interventions against the Sunderland City Plan has also been undertaken identifying a priority list of interventions that most strongly align with the City Plan. These high priority interventions are set out in the table below and it is these priority areas that will be the focus of early project development and commissioning activity in years 1 and 2 of the programme. The Council, working with the Sunderland City Board, will review the broader range of UKSPF interventions on an ongoing basis to identify other important project activities to be developed as a priority for UKSPF or Multiply.

Communities and Place
<ul style="list-style-type: none"> • E1. Improvements to town centres and high streets • E4. Enhancing existing cultural, historic and heritage institutions offer • E5. Built & landscaped environment to 'design out crime' • E6. Local arts, cultural, heritage and creative activities • E11. Capacity building and infrastructure support local groups • E13. Community measures to reduce the cost of living • E15. Digital connectivity for local community facilities
Supporting Local Business
<ul style="list-style-type: none"> • E23. Strengthening local entrepreneurial ecosystems

<ul style="list-style-type: none"> • E25. Bid for and host international business events and conferences • E26. Growing the local social economy • E29. Supporting decarbonisation and improving the natural environment whilst growing the local economy. • E30. Business support measures to drive employment growth, particularly in areas of higher unemployment.
People and Skills
<ul style="list-style-type: none"> • E33. Employment support for economically inactive people • E36. Increase levels of digital inclusion, essential digital skills • E41. Funding to support local digital skills • Multiply programme (separate menu of interventions)

- 4.3 Led by Corporate Services (External Funding Team) a Council Task and Finish group was convened in April 2022 to coordinate the development and submission of both plans. This has involved officers from Corporate Services, City Development, Health, Housing and Communities, and Children's Services / Together for Children.
- 4.4 The Council also determined that it would be helpful to launch a local call for expressions of interest to identify early project ideas and to gather evidence about local challenges and priorities, existing delivery, gaps in local provision and examples of good practice and what works well. This expression of interest (EOI) process was launched on 27 May 2022 and closed on 28 June 2022. In total, 84 EOIs were received from 56 organisations indicating a strong level of interest in both the UKSPF and Multiply programmes. This exercise will help inform the content of the investment plans and the first targeted call for projects to be launched in summer.
- 4.5 This preparatory work has been supplemented by regional and local analysis of key demographic and socio-economic indicators, review of local evidence and research, and discussions at a regional level to identify areas of common interest and potential collaboration. As a result of these regional discussions each Lead Authority for UKSPF in the North East Local Enterprise Partnership area (North of Tyne Combined Authority, Durham County Council, South Tyneside Council, Gateshead Council, Sunderland City Council) has agreed to support the development of a regional UKSPF framework. This framework will highlight the sub-set of areas where there is an opportunity for a collective or collaborative approach to delivery, whilst being clear that this must result in local impact. The emerging framework will help in the development of local investment plans but will only be finalised once all plans have been approved locally. Opportunities for regional working, including joint commissioning, will be reviewed on an ongoing basis by the Council working in partnership with the Sunderland City Board. Where there are clear local benefits, proportionate and appropriate targeting the Council will seek the approval of the Sunderland City Board regarding local allocations to regional projects or programmes.
- 4.6 As of 1 July 2022, local engagement and consultation on Sunderland's investment plans has taken place as follows:
- 5 community based workshops, covering all investment priorities, held across the city organised through the Sunderland Voluntary Sector Alliance.
 - Business workshop with representatives of the business community and business support organisations.
 - Multiply workshop with education and training providers.

- Participation in regional workshops led by the Economic Directors Group.
- Updates to the City Board in respect of its role as the local partnership group.
- Briefings to Members, MPs, the Sunderland Voluntary Sector Alliance and cultural and creative sector organisations.

4.7 During the development of both investment plans, priority interventions and expressions of interest have been identified which have been used to inform the phasing and focus of UKSPF and Multiply activities, outputs and outcomes over the three year period. As explained above, each Lead Authority must include details of its intended budget and deliverables profile at priority and intervention level. Benchmarking against previous programmes, in terms of value for money and impacts (outputs/outcomes), has also been undertaken where there is available and appropriate evidence.

4.8 The content of Sunderland's investment plans for UKSPF and Multiply conforms with Government's guidance and includes the following information:

- Assessment of local challenges and priorities against the three investment priorities. Evidence of need and demand drawing on available data and evidence; clear understanding of current provision and local needs.
- Deliverability and governance – Partnership working, engagement and governance; Impact of interventions; Administration and management capacity; Ability to deliver new activity in financial year 2022/23; Evidence of benefits and value for money.
- Proposed interventions – identification of priority interventions and pipeline projects that align with the 3 UKSPF investment priorities, or the Multiply menu of interventions, and local strategies.
- Strategic fit – Alignment with wider ambitions of the Levelling Up White Paper and Skills for Jobs White Paper; strategic fit with local strategies such as the City Plan, Covid recovery strategies and local economic and social needs; coordination across other funding programmes and areas where there are opportunities for joint working on common priorities.
- Measuring success – identification of outputs and impacts and how monitoring and evaluation of activities will be managed and reported.

5. Investment plan management, delivery and next steps

5.1 Local government has been given responsibility for developing the investment plans for approval by Government, and for management and delivery of the two funds thereafter. The Lead Authority role will involve being the Accountable Body for funding, receiving the area's allocation to manage, assessing and approving project applications, processing claims and payments and undertaking day-to-day monitoring.

5.2 Each Lead Authority will be able to use a proportion of their allocation (up to 4% for UKSPF and 10% for Multiply) to undertake preparatory work, and fund administration, such as project assessment, contracting and monitoring. This approach, and broader

technical guidance for fund delivery and monitoring is expected from Government over summer 2022.

- 5.3 As a Lead Authority, the Council will have flexibility over how it manages and delivers the funds, for example, funding could be allocated through a mix of local competitions (the default approach set out in Cabinet Office Grants Standards), procurements or the Council could be a project partner or delivery organisation itself.
- 5.4 The UKSPF prospectus also sets out the requirements to ensure that a local partnership group is formed or designated to provide local insight and expertise and identify needs and opportunities. In circumstances where a place already has a group that could be used, then the group can be designated for UKSPF purposes, ensuring that the partnership is fully representative and that its terms of reference meet UKSPF needs. Following advice by the Council's Chief Officer Group it has been agreed that the Sunderland City Board acts as the local partnership group for UKSPF purposes. The City Board comprises membership from the public, private and voluntary and community sectors and is viewed as the most appropriate forum for overseeing the UKSPF investment plan. It should be noted that MP briefings have also been held to ensure that the three local MPs in Sunderland have oversight of the UKSPF investment plan and support its submission. No local partnership group is required for Multiply, however, the Council will provide relevant updates to the City Board on the progress of the Multiply programme at appropriate intervals.
- 5.5 When the investment plans are being assessed by Government in summer 2022, it is proposed that a local operational group or investment panel is formed to support with the UKSPF project appraisal and assurance process and to provide strategic advice and recommendations to the City Board for approval. It is proposed that the Secretariat for this group would be the Council as Lead Authority, with representation from the City Board, nominated members of the sub-groups or other appropriate representatives. These sub-groups include the Health and Wellbeing Board, Community Wealth Building Partnership, and Independent Advisory Group. The UKSPF governance arrangements will be developed over summer including terms of reference, nomination process and declarations of interest. This arrangement will only apply to core UKSPF investment, and not the Multiply programme.
- 5.6 Following submission of the plans they will be assessed by Government over the summer and, subject to approval, the first payments for Multiply to be paid by Government from September 2022 and for UKSPF from October 2022. Funded activities would then begin once the plans are finalised in late summer/early autumn 2022. According to the technical guidance Government will pay each Lead Authority annually in advance. In 2022-23, funding will be paid once the local investment plans have been signed off. In 2023-24 and 2024-25, payments will be made at the start of the financial year. Lead Authorities will receive a grant determination letter and Memorandum of Understanding setting out funding requirements and obligations. Lead Authorities may be asked to return any underspends at the end of each financial year.
- 5.7 It is proposed that commissioning of early project activities that could take place from October 2022 will commence in summer 2022 through a targeted call for projects for UKSPF and a commissioning approach and / or local call for projects for Multiply. All documentation, including application form templates and guidance will be made available via the Council's UKSPF webpage or, in some cases as appropriate, through the Council's procurement portal. A dedicated workshop for all potential applicants will

also be delivered on an open basis. Project assessment will include initial gateway checks, due diligence and assessment against strategic fit, deliverability, impact, effectiveness, and value for money/efficiency criteria. The UKSPF assessment process will be coordinated by the Financial Management Service (External Funding Team), with specialist advice from other teams and external organisations as appropriate. For UKSPF specifically, the UKSPF operational group or investment panel will be convened to review appraisals prior to recommendations being made to the City Board. Corporate Procurement will be required to support with specific procurements. No contracts or local grant agreements will be issued until the Council enters into a formal funding agreement with DLUHC for UKSPF and DfE for Multiply.

- 5.8 During summer 2022 the Council will prepare draft local grant funding agreements so that they are ready to be issued to the first projects once the outcome of the Government's assessment process is confirmed. Subject to Cabinet approving the proposals in this report, the Council will then firstly enter into the master funding agreements, or Memorandum of Understanding, with DLUHC and the DfE and then enter into local funding agreements (incorporating the DLUHC / DfE funding terms) or contracts (if a procurement route is adopted) with the relevant delivery organisations or contractors for each project approved. The Council will need to ensure appropriate systems and processes are established with each project to enable the Council to meet its obligations for financial, output/outcome and other relevant reporting requirements contained within the funding agreements with DLUHC or DfE. These will be developed and reviewed on an ongoing basis with the Executive Director of Corporate Services.

6. Reasons for the Decision

- 6.1 The UKSPF and Multiply programmes require the Council to perform the role of an Accountable Body, coordinating the development of both investment plans, managing calls for projects and commissioning activities, entering into local funding agreements and contracts with projects and overseeing monitoring, financial claims and other reporting requirements. When the UKSPF and Multiply programme guidance was published in April 2022, investment plans could only be submitted by local authorities acting as Lead Authorities.
- 6.2 The delivery of the programmes will lead to significant investment in business support, community activities and capacity-building for the voluntary and community sector, and skills, training and employability support for residents and the existing workforce. It is expected that both investment plans will be approved by Government in September/October 2022, with the first projects commencing activities from this point onwards. Both programmes have been allocated a provisional three-year allocation which ends in March 2025. Final benefits and outcomes will be summarised in programme and project evaluation reports throughout and at the end of the funding period.

7. Alternative Options

- 7.1 There is no alternative option recommended. A decision not to proceed would mean that significant investment in communities and place, supporting local business, and people and skills, in Sunderland would be lost and the outcomes of the two programmes would not be delivered.

8. Other Relevant Considerations / Consultations

(a) Equalities

Both the UKSPF and Multiply programmes recognise that diversity is a positive attribute that brings many social and economic benefits. Both investment plans, and projects that come forward for support, will be required to describe how equalities impacts will be considered, the relevant affected groups based on protected characteristics, and any measures proposed in response to these impacts. Project monitoring and evaluation will seek to ensure measures proposed are delivered.

(b) Privacy Impact Assessment (PIA)

Privacy risks will be managed as part of the Council's approach to monitoring, data protection and document retention for UKSPF and Multiply. Monitoring systems will be put in place to ensure that the privacy of the information of individual beneficiaries is protected in accordance with legal requirements and that personal information is securely stored throughout the duration of UKSPF and Multiply.

(c) Sustainability

There are no negative sustainability impacts as a result of the Programme. Each project will be asked to consider its sustainability impact and to ensure alignment with the Council's Low Carbon Framework where appropriate to its activities.

(d) Reduction of Crime and Disorder – Community Cohesion / Social Inclusion

Both programmes will have a positive impact on social inclusion and cohesion, with a number of projects supporting disadvantaged groups or targeting voluntary and community organisations and businesses located across the city and in the most deprived neighbourhoods.

(e) Co-operative Values

Both programmes seek to create a positive impact on a number of beneficiary groups including those individuals seeking work and access to training and skills support, vulnerable individuals who require more intensive support, VCSE organisations delivering new projects for key target groups, the wider community in general, potential entrepreneurs and the existing business community.

It is also underpinned by a number of key principles consistent with those values of the "Co-operative Council":

- It will enable local communities to pilot innovative local solutions;

- It will lead to increased community resilience by investing in projects that tackle social inclusion through targeted employability and skills support, community enterprise activities and capacity-building.
- It will target those groups and communities that are most disadvantaged or deprived.

Both programmes will also contribute positively to the aims of the Council's Community Wealth Building strategy.

(f) Financial Implications

The Council's programme management and administration costs will be funded by the two provisional allocations to Sunderland (up to 4% for UKSPF and 10% for Multiply). Further guidance on the drawdown of grant will be confirmed by Government during summer. The Council will build on existing Accountable Body processes ensuring that they are fit for purpose and meet DLUHC and DfE funding conditions. Project delivery organisations are likely to be required to report on a quarterly basis (in January, April, July and October each year), with all financial claims based on defrayed costs and paid in arrears. Where procurements are required, the terms and conditions of payment will be agreed as part of the procurement and contracting process.

(g) Risk Analysis

Each project will be required to provide a risk register to the Accountable Body as part of the application or contracting process. Ongoing risk assessment will also form part of the monthly and quarterly claims and monitoring process that the Council as the Accountable Body will put in place. As is standard in grant funding agreements, provisions for clawback, default and termination are included. These conditions will be passed to each project or contractor through back-to-back local funding agreements and contracts.

(h) Legal Implications

As set out above, the Council will be required to enter into two grant funding agreements with the DLUHC and DfE as the Lead Authorities for UKSPF and Multiply respectively. This will be in accordance with the Government's standard funding terms for each programme. The Council will then subsequently enter into local grant agreements or contracts which will incorporate and flow down the funding conditions to each delivery organisation or contractor.

(i) Implications for Other Services

The Financial Management service (External Funding Team), working with the Law and Governance Team, will establish the local grant funding agreements with approved UKSPF projects. Children's Services (Learning and Skills Team), working with the Law and Governance Team, Corporate Procurement and External Funding Team, will establish the contracting arrangements and / or local grant funding agreements with approved Multiply delivery organisations and contractors. Appropriate grant conditions for UKSPF and Multiply procurement requirements will also be included in local grant funding agreements with each project. The Council will be the Accountable Body for claims, monitoring and reporting purposes.

The Council will also seek to ensure that each project will also have a designated contact within either the Business and Investment Team (for the

business-focused projects) or the Community Resilience Team (for the projects working with residents, and the voluntary, community and social enterprise sector). This support will ensure that clear communication channels are in place to maximise engagement with businesses, residents and voluntary and community sector organisations.

(j) Project Management Methodology

Appropriate management and monitoring systems will be put in place to ensure projects are delivered in accordance with their approved applications or contracts, and that accurate financial, outcome and monitoring information is provided in a timely fashion to enable the Council to meet its reporting and grant funding agreement obligations with DLUHC and DfE.

9. Background Papers

UK Shared Prosperity Fund Prospectus – 13 April 2022
Multiply Prospectus and Technical Guidance – 13 April 2022

