

Report to:	EXECUTIVE CABINET
Date:	8 February 2023
Executive Member:	Councillor David Sweeton (Inclusive Growth, Business & Employment)
Reporting Officer:	Julian Jackson – Director of Place
Subject:	UK SHARED PROSPERITY FUND, SME WORKSPACE (INTERVENTION E22) (TAMESIDE)
Report Summary:	The report provides an update on the successful bid by the Council to the UK Shared Prosperity Fund (UKSPF) for Tameside under the SME Workspace investment priority (Intervention E22). Approval is sought to implement the programme of works, to formally accept the funding and to enter into the Grant Funding Agreement.
Recommendations:	That Executive Cabinet be recommended to: <ul style="list-style-type: none"> (i) Note the successful bid by the Council to UKSPF; (ii) Delegate to Director of Place, the approval for entering into the formal agreements for the receipt of UKSPF funding subject to satisfactory approval by Legal and Finance for the projects set out in Appendix 1. (iii) Approve the Director of Place to manage the programme of works associated with the UKSPF Programme for Tameside and to drawdown and incur all UKSPF expenditure related to delivery. (iv) Any variations to the programme to be agreed by Councillor David Sweeton – Executive Member (Inclusive Growth, Business & Employment) in consultation with the First Deputy Finance. (v) Include the projects within the UKSPF SME Workplace programme for Tameside in the Council’s Capital Programme to ensure quarterly monitoring by the Strategic Planning & Capital Monitoring Panel.
Corporate Plan:	Key aims of the Corporate Plan are to provide opportunities for people to fulfil their potential through work, skills and enterprise and to ensure modern infrastructure and a sustainable environment that works for all generations and future generations. The interventions that will be supported by the UKSPF programme in Tameside will deliver against these aims in the areas of job creation, modern infrastructure and a sustainable environment
Policy Implications:	The interventions that will be supported by the UKSPF programme in Tameside will support delivery of the Borough’s Inclusive Growth Strategy 2021, Tameside Climate Change & Environment Strategy, the Council’s growth priorities agreed at Council February 2020 and the draft Greater Manchester Places for Everyone joint development strategy.

Financial Implications:
**(Authorised by the statutory
Section 151 Officer)**

The report provides supporting details of the recently announced successful grant funding bid to the UK Shared Prosperity Fund (UKSPF) under the SME Workspace investment priority (Intervention E22). The grant award to the Council is £1,214,859.

Appendix 1 provides the profiled allocation of the grant award that has to be expended by 31 March 2025. It is noted that the expenditure will be a combination of revenue (£461,458) and capital (£753,401). Approval to include the related projects within the revenue budget and approved capital programme of the Place Directorate will be reported to Members via the existing governance approval processes as appropriate. Appendix 2 provides supporting details of the projects that will be financed via the grant.

In addition, the Council awaits the related grant funding agreement for the award, the acceptance of which will be subject to a separate decision.

Section 3.2 of the report refers to funding that has been made available to the Council (via the GM Investment Plan) to fully fund a UKSPF Project Manager on a 2.5 years fixed term contract. Details of the post grade or sum awarded are not contained within this report. It is therefore advised that the supporting details are included within the afore-referenced decision to formally accept the UKSPF award once the grant conditions are available.

All works and services that will be funded via the grant award are to be commissioned in accordance with the approved procurement procedures with advice sought via STaR as appropriate.

Legal Implications:
**(Authorised by the Borough
Solicitor)**

As outlined in the report, approval is sought to implement the programme of works funded by the UKSPF, to formally accept the funding and to enter into the Grant Funding Agreement with GMCA. The terms and conditions of the grant funding agreement with GMCA are not yet known. It is likely that it will set out specific monitoring requirements, any subsidy control implications and the circumstances under which the funding could be clawed back so further legal advice on its terms should be sought to ensure compliance.

Any commissioned works or services proposed under the programme should be procured in line with the Council's Contract Procedure Rules and appropriate advice sought from STaR Procurement.

Risk Management:

Risks associated with the project are set out at Section 4.

Background Information:

The background papers relating to this report can be inspected by contacting: Damien Cutting – Economic Growth Lead

Telephone: 07974 111 756

e-mail: damien.cutting@tameside.gov.uk

Or, Sarah Jamieson – Head of Economy, Employment and Skills

Telephone: 0161 342 3629

e-mail: sarah.jamieson@tameside.gov.uk

1. INTRODUCTION

- 1.1 The UK Shared Prosperity Fund (UKSPF) is a £2.6bn fund designed to succeed and improve upon EU structural funds. The definition, provided by Government, for E22: SME Workspace is an investment in enterprise infrastructure and employment / innovation site development projects.
- 1.2 Unlike the Communities and Place Intervention, no Greater Manchester authority has been allocated a specific amount. Districts were invited to bid to be evaluated and prioritised against other bids with a maximum of a single bid per district as it was anticipated that the total bid for grant by Districts would exceed the £15m available.
- 1.3 Devolved authorities are responsible for submitting implementation plans, working to set Government timescales. An overarching implementation plan was submitted by the Greater Manchester Combined Authority (GMCA) to Central Government in July 2022, followed by an Investment Plan in September 2022. Approval of the Investment Plan was received by GMCA from Central Government on 5 December 2022. Following this approval GMCA are now able to provide the relevant grant agreements to Greater Manchester (GM) Local Authorities (LA's), including Tameside.
- 1.4 The UKSPF funding in GM is split across Investment Priorities as shown in Table 1 below.

Table 1 Total UKSPF in GM across the Investment Priorities

Investment Priority	Year One 2022/23	Year Two 2023/24	Year Three 2024/25	Total
Communities & Place	£7,269,019	£10,038,086	£9,689,466	£26,996,571
SME Workspace (E22)	£2,000,000	£3,000,000	£10,000,000	£15,000,000
Local Business (E22)	£500,000	£6,500,000	£9,500,000	£16,500,000
People & Skills	£0	£0	£22,000,000	£22,000,000
Admin Fee 4% (Flat rate applied)	£407,020	£814,071	£2,132,934	£3,354,025
Total by Year	£10,176,039	£20,352,157	£53,322,400	£83,850,596

- 1.5 The GM UKSPF Investment Plan identified a limited number of cross cutting priorities that would be reflected across all UKSPF investment. It is suggested that all proposals for UKSPF will be asked to outline their approach to delivering and reporting on each of the cross-cutting priorities. These are:
- Contribution to GM's 2038 net zero ambitions,
 - Contribution to reducing inequalities, and:
 - Embedding social value.

2. TAMESIDE UKSPF PROGRAMME

- 2.1 The Council submitted bids in October 2022 of £1,979,141 and £1,700,000 for Tameside against the UKSPF Communities and Place and SME Workspace investment priorities. Both bids were designed to be an economic driver that delivers genuine levelling up opportunities across Tameside supporting national, GM and Tameside strategic policies.
- 2.2 In October 2022 the three Members of Parliament (MPs) with Parliamentary Constituencies covering Tameside were briefed on the UKSPF Communities and Place and SME Workspace investment priorities and gave their approval to the submissions.

2.3 In December 2022 GMCA received unconditional approval of the GM UKSPF Investment Plan and a draft MOU and grant determination letter. Following this approval, it has been confirmed that both the Tameside Communities and Place submissions have been successful and the associated funding will now be awarded subject to a funding agreement. The Communities and Place successful submission is subject to another report titled 'UK Shared Prosperity Fund, Communities and Place (Tameside)' currently being considered by the Council's Executive Cabinet.

SME Workspace, Ashton Old Baths, Tameside

2.4 All ten GM authorities submitted bids totalling £15,927,769. The agreed SME Fund allocation was £15m. Tameside's bid focused on Ashton Old Baths, Ashton Town Centre and comprised of the following:

- Creation of new SME workspace,
- Improvement works to the roof and brickwork of the historic building, and
- The appointment of a Business Support Officer to be based at Ashton Old Baths.

2.5 It was originally envisaged before running the competition that bids would be received well in excess of the £15m allocation and only a handful of the projects would be funded. Given the actual funding request, and in line with discussions with Directors of Place, it is proposed that the funding awarded to each project is 94.2% of the requested funding (which equates to £15m overall) meaning that all Local Authorities can receive funding through the SME Fund.

2.6 In terms of assessment and review, GMCA used a set of prioritisation criteria in order to assess proposals being put forward. These included:

- Deliverability
- Strategic Fit
- Demand
- Value for Money/Leverage
- Output and Additionally

2.7 The final criteria 'Output and Additionally' has two elements:

- Total m2 output in floor area in relation to grant ask
- £ per m2

2.8 Following assessment of the submissions, it is proposed that projects scoring over 50 should be approved in principle. Tameside's bid scored 54 and was particularly strong on the first three criteria above.

2.9 Overall, this funding will ensure that the Grade II* Listed Ashton Old Baths is futureproofed for years to come as an important incubation space for the DCT sector. AOB sits within the recently adopted Future St Petersfield Masterplan which is a key destination for new commercial, leisure and residential development. AOB is considered to be the catalyst for regeneration in this area which sits within an area of deprivation and has set the bar high in terms of good quality design and development in the area in order to trigger the step change required in the town. Specifically, some of the outputs and benefits include:

- An additional 250sqm of SME floorspace,
- c33 new jobs,
- Physical improvements to an important historical asset,
- Improved business support function.

2.10 The allocation of 94.2% (rounded up from c 94.175%) of the original funding ask equates to an agreed funding allocation of £1,214,859 with a Capital/Revenue split of £753,401/£461,458 respectively. As this is 5.8% below the original ask of £1,290,000, the proposed works will require value engineering to ensure they can be delivered within the

approved funding allocation. It is anticipated that the £75,141 can be reduced from the original bid without adversely impacting the project and outputs to be delivered. **Appendix 1** includes the expenditure profile and identifies where the proposed reductions will come from in the original bid.

- 2.11 Within the SME Workspace investment priority Tameside’s allocation (£1,214,859) with set amounts to be utilised in specific timeframes, creating a challenging start and requiring projects that can be delivered without delay.
- 2.12 The SME Workplace funding will support the delivery of a range of borough wide projects against these interventions and a series of town centre specific projects focused on Stalybridge, Hyde and Ashton. The full submission of the proposal that will be supported by the UKSPF SME Workspace programme in Tameside, their associated costs and the timescales for delivery are set out in **Appendix 2** (the detail of projects within the programme remains subject to change as it is developed further and formal agreements for receipt of funding are finalised).

3. NEXT STEPS

- 3.1 The Council will need to agree and sign the grant funding agreement to enable the Council to deliver the UKSPF SME Workplace Place Programme for Tameside and drawdown associated funding
- 3.2 Within the GM Investment Plan, funding has been made available to the Council to fully fund a UKSPF Project Manager on a 2.5 years Fixed Term Contract. The focus of this role will be to work closely with GMCA to implement and develop UKSPF across all Investment Priorities in Tameside during the delivery period from the start of 2023; this will include ensuring the delivery of outputs/outcomes and facilitating engagement with Members, representatives from partner organisations, and local stakeholders in the delivery programme. The role will evolve throughout the contract period to ensure that local priorities are represented and funding is well utilised locally, with demonstrable outputs/outcomes. The role will sit within the Place Directorate but will work cross Directorate throughout as required.
- 3.3 The delivery of the interventions supported by UKSPF will be progressed in alignment with the Council’s wider Corporate Plan and Inclusive Growth Strategy and designed to deliver genuine levelling up opportunities supporting national, GM and Tameside strategic policies. Delivery will involve appropriate consultation and collaboration with partners to coordinate all interventions.
- 3.4 On-going performance and reporting will be provided via the appropriate governance routes, including the Strategic Planning and Capital Monitoring Panel where any interventions form part of the Council’s Capital Programme.

4. RISK MANAGEMENT

- 4.1 The main project risks associated with delivery of the UKSPF Programme for Tameside have been identified in the table below.

Risk Area	Detail	RAG Rating	Mitigation	RAG Rating
Procurement	Lack of capacity in the consultancy sector to undertake the work.		Early engagement with STaR procurement to understand the most appropriate procurement routes.	

Financial	Conditions attached to funding agreement may not be acceptable.		Early engagement with GMCA in relation to terms and conditions.	
Financial	Insufficient budget to complete the scope of works required.		Early engagement with internal Council teams and external partners to clearly understand requirements.	
Financial	Underspend on expenditure for the SME Fund in the 1st year of the programme given the £75,340 allocation for Tameside in 22/23 needs to be spent by 31 March 2023.		Early engagement with internal Council teams and external partners to clearly understand requirements.	
Financial and Programme	Funding subject to annual confirmation of the grant from Central Government reflecting the terms of the MOU with GMCA.		Programme management and effective engagement with GMCA throughout to ensure all terms are complied with.	
Programme	Lack of resource capacity to undertake workstreams in line with expectations.		Apply adequate resource to the project to ensure programme adherence.	
Programme	As with all capital projects, there is a risk that projects will not be delivered until a planning consent is received and contractor appointed to undertake the necessary works. There is similarly a risk that during the construction and operating period there are unforeseen issues that arise that prevent the completion of the building or the provision of the anticipated outputs.		Early engagement with the Council's Planning Team about the proposed Listed Building consent will be vital.	

5. CONCLUSION

- 5.1 The interventions supported by the UKSPF programme for Tameside will support delivery of the Council's strategic priorities as set out in the Tameside Corporate Plan and Tameside Inclusive Growth Strategy.
- 5.2 The funding secured provides a significant financial contribution to the Council and provides a proactive approach to the delivery of future inclusive growth.

6. RECOMMENDATIONS

- 6.1 As set out at the front of the report.