

Agenda

Cabinet

Date: **Thursday 28 July 2022**

Time: **2.30 pm**

Place: **The Conference Room, Herefordshire Council Offices,
Plough Lane, Hereford, HR4 0LE**

Notes: Please note the time, date and venue of the meeting.

For any further information please contact:

Sarah Buffrey

Tel: (01432) 260176

Email: sarah.buffrey@herefordshire.gov.uk

If you would like help to understand this document, or would like it in another format, please call Sarah Buffrey on (01432) 260176 or e-mail sarah.buffrey@herefordshire.gov.uk in advance of the meeting.

Agenda for the meeting of Cabinet

Membership

Chairperson Councillor David Hitchiner, Leader of the Council
Vice-Chairperson Councillor Liz Harvey, Deputy Leader of the Council

Councillor Ellie Chowns
Councillor Pauline Crockett
Councillor Gemma Davies
Councillor John Harrington
Councillor Diana Toynbee
Councillor Ange Tyler

Agenda

1. APOLOGIES FOR ABSENCE

To receive any apologies for absence.

2. DECLARATIONS OF INTEREST

To receive declarations of interests in respect of Schedule 1, Schedule 2 or Other Interests from members of the committee in respect of items on the agenda.

3. MINUTES

To approve and sign the minutes of the meeting held on 21 July 2022.

HOW TO SUBMIT QUESTIONS

The deadline for submission of questions for this meeting is:

9:30am on Monday 25 July 2022.

Questions must be submitted to councillorservices@herefordshire.gov.uk. Questions sent to any other address may not be accepted.

Accepted questions and the response to them will be published as a supplement to the agenda papers prior to the meeting. Further information and guidance is available at <https://www.herefordshire.gov.uk/getinvolved>

4. QUESTIONS FROM MEMBERS OF THE PUBLIC

To receive questions from members of the public.

5. QUESTIONS FROM COUNCILLORS

To receive questions from councillors.

6. NUTRIENT CERTAINTY - LUSTON INTEGRATED WETLAND

As the competent body under the Conservation of Habitats and Species Regulations 2017 (as amended) Cabinet is asked to note the progress being made towards creating Integrated Wetlands phosphate reduction and steps being taken to ensure Nutrient Certainty to the required standard of beyond reasonable scientific doubt.

7. UK SHARED PROSPERITY PLAN SUBMISSION TO GOVERNMENT

To seek cabinet approval to submit the UK Shared Prosperity Fund (UKSPF) Investment Plan to government on 1 August 2022. Government has allocated Herefordshire £7.6m of UKSPF, subject to the submission and approval of an Investment Plan.

8. 2023/24 BUDGET SETTING TIMETABLE

Cabinet is required to publish its timetable for making proposals to Council for the following financial year's revenue and capital budgets and estimates of future years' revenue resources by way of a Medium Term Financial Strategy.

Cabinet is also required to set out its approach public consultation on the budget proposals.

Pages

To Follow

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To Follow

The Public's Rights to Information and Attendance at Meetings

In view of the continued prevalence of covid-19, we have introduced changes to our usual procedures for accessing public meetings. These will help to keep our councillors, staff and members of the public safe.

Please take time to read the latest guidance on the council website by following the link at www.herefordshire.gov.uk/meetings and support us in promoting a safe environment for everyone. If you have any queries please contact the Governance Support Team on 01432 261699 or at governancesupportteam@herefordshire.gov.uk

We will review and update this guidance in line with Government advice and restrictions. Thank you for your help in keeping Herefordshire Council meetings safe.

You have a right to:

- Attend all Council, Cabinet, Committee and Sub-Committee meetings unless the business to be transacted would disclose 'confidential' or 'exempt' information.
- Inspect agenda and public reports at least five clear days before the date of the meeting. Agenda and reports (relating to items to be considered in public) are available at www.herefordshire.gov.uk/meetings
- Inspect minutes of the Council and all committees and sub-committees and written statements of decisions taken by the Cabinet or individual Cabinet Members for up to six years following a meeting.
- Inspect background papers used in the preparation of public reports for a period of up to four years from the date of the meeting. (A list of the background papers to a report is given at the end of each report). A background paper is a document on which the officer has relied in writing the report and which otherwise is not available to the public.
- Access to a public register stating the names, addresses and wards of all Councillors with details of the membership of Cabinet and of all Committees and Sub-Committees. Information about councillors is available at www.herefordshire.gov.uk/councillors
- Have access to a list specifying those powers on which the Council have delegated decision making to their officers identifying the officers concerned by title. Information about councillors is available at www.herefordshire.gov.uk/councillors
- Copy any of the documents mentioned above to which you have a right of access, subject to a reasonable charge (20p per sheet subject to a maximum of £5.00 per agenda plus a nominal fee of £1.50 for postage).
- Access to this summary of your rights as members of the public to attend meetings of the Council, Cabinet, Committees and Sub-Committees and to inspect and copy documents.

Recording of meetings

Please note that filming, photography and recording of this meeting is permitted provided that it does not disrupt the business of the meeting.

Members of the public are advised that if you do not wish to be filmed or photographed you should let the governance services team know before the meeting starts so that anyone who intends filming or photographing the meeting can be made aware.

The reporting of meetings is subject to the law and it is the responsibility of those doing the reporting to ensure that they comply.

The council may make a recording of this public meeting or stream it live to the council's website. Such recordings form part of the record of the meeting and are made available for members of the public via the council's web-site.

Public transport links

The Herefordshire Council office at Plough Lane is located off Whitecross Road in Hereford, approximately 1 kilometre from the City Bus Station.

The location of the office and details of city bus services can be viewed at:

<http://www.herefordshire.gov.uk/downloads/file/1597/hereford-city-bus-map-local-services->

Guide to Cabinet

The Executive or Cabinet of the Herefordshire Council consists of a Leader and Deputy Leader and six other Cabinet Members each with their own individual programme area responsibilities. The current Cabinet membership is:

Cllr David Hitchiner (Leader) (Independents for Herefordshire)	Corporate Strategy and Budget
Cllr Liz Harvey (Deputy Leader) (Independents for Herefordshire)	Finance, Corporate Services and Planning
Cllr Diana Toynbee (The Green Party)	Children's and Family Services, and Young People's Attainment
Cllr Gemma Davies (Independents for Herefordshire)	Commissioning, Procurement and assets
Cllr Ellie Chowns (The Green Party)	Environment and Economy
Cllr Pauline Crockett (Independents for Herefordshire)	Health and Adult Wellbeing
Cllr Ange Tyler (Independents for Herefordshire)	Housing, regulatory services, and community
Cllr John Harrington (Independents for Herefordshire)	Infrastructure and Transport

The Cabinet's roles are:

- To consider the overall management and direction of the Council. Directed by the Leader of the Council, it will work with senior managers to ensure the policies of Herefordshire are clear and carried through effectively;
- To propose to Council a strategic policy framework and individual strategic policies;
- To identify priorities and recommend them to Council;
- To propose to Council the Council's budget and levels of Council Tax;
- To give guidance in relation to: policy co-ordination; implementation of policy; management of the Council; senior employees in relation to day to day implementation issues;
- To receive reports from Cabinet Members on significant matters requiring consideration and proposals for new or amended policies and initiatives;
- To consider and determine policy issues within the policy framework covering more than one programme area and issues relating to the implementation of the outcomes of monitoring reviews.

Who attends cabinet meetings?

	Members of the cabinet, including the leader of the council and deputy leader – these are the decision makers, only members of the cabinet can vote on recommendations put to the meeting.
	Officers of the council – attend to present reports and give technical advice to cabinet members
	Chairpersons of scrutiny committees – attend to present the views of their committee if it has considered the item under discussion
	Political group leaders attend to present the views of their political group on the item under discussion. Other councillors may also attend as observers but are not entitled to take part in the discussion.

**The Seven Principles of Public Life
(Nolan Principles)**

1. Selflessness

Holders of public office should act solely in terms of the public interest.

2. Integrity

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

3. Objectivity

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

4. Accountability

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

5. Openness

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

6. Honesty

Holders of public office should be truthful.

7. Leadership

Holders of public office should exhibit these principles in their own behaviour and treat others with respect. They should actively promote and robustly support the principles and challenge poor behaviour wherever it occurs.



Title of report: Nutrient Certainty - Luston Integrated Wetland

Meeting: Cabinet

Meeting date: Thursday 28 July 2022

Report by: Cabinet member Infrastructure and transport;

Classification

Open

This report is open but appendices 1, 2 and 3 are exempt by virtue of the following paragraph(s) of the Access to Information Procedure Rules set out in the constitution pursuant to Schedule 12A of the Local Government Act 1972, as amended.

- 3 Information relating to the financial or business affairs of any particular person (including the authority holding that information)

Decision type

Key

This is a key decision because it is likely to be significant having regard to: the strategic nature of the decision; and / or whether the outcome will have an impact, for better or worse, on the amenity of the community or quality of service provided by the authority to a significant number of people living or working in the locality (two or more wards) affected.

Notice has been served in accordance with Part 3, Section 9 (Publicity in Connection with Key Decisions) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

Wards affected

(All Wards);

Purpose

As the competent body under the Conservation of Habitats and Species Regulations 2017 (as amended) Cabinet is asked to note the progress being made towards creating Integrated Wetlands phosphate reduction and steps being taken to ensure Nutrient Certainty to the required standard of beyond reasonable scientific doubt.

Recommendation(s)

That:

- a) To agree that all necessary due diligence to confirm Nutrient Certainty has now been achieved,
- b) To authorise the Corporate Director Economy and Environment to commence the trading of credits as outlined in the Phosphate Credit Pricing and Allocation Policy agreed by Cabinet on 26 May 2022,
- c) To establish a Cabinet Phosphates Commission- Restoring the River Wye to consider how the Council and its partners can progress the wider systemic and strategic issues needed to address Phosphate Pollution in the Wye; and
- d) To delegate to the Leader of the Council final sign off of the Terms of Reference for the Cabinet Commission- Restoring the River Wye.

Alternative options

1. The options to purchase and build Integrated Wetlands were determined in the August 2020 Executive Member decision. This is an update report following that decision and no options are presented on the Integrated Wetland Projects. This report is available here:
 - <https://councillors.herefordshire.gov.uk/documents/s50081736/The%20construction%20and%20management%20of%20Integrated%20Wetlands%20as%20tertiary%20treatments%20for%20waste%20water%20treatm.pdf>
2. Not to form a Commission to take any further action to protect Water Quality in River Wye and Lugg. This is not recommended. There is strong resident support for taking further action. Inaction would delay river restoration and the Commission will increase the capacity available to address the issue beyond what is currently being provided through the important work of the Nutrient Management Board.

Key considerations

3. Herefordshire Council has chosen to voluntarily exercise its well-being powers to build constructed integrated wetlands in the Lugg Catchment to provide development headroom and some improvement called “river betterment” to provide phosphate credits to developers in the catchment who are unable to otherwise demonstrate nutrient certainty. Through its work to support the Wye Catchment Nutrient Management Board the Council is also actively supporting efforts to improve water quality in the Wye and Lugg catchment.
4. At its meeting on 26 May 2022 Cabinet received a comprehensive report setting out the process and chronology of the steps being taken, to design, build and commission the Council’s first Constructed Integrated Wetland at Luston. The report identified that further work was needed before a recommendation could be made that all necessary due diligence had been completed.
5. Cabinet agreed through a separate report on 26 May 2022 a Credit Pricing and Allocation Policy which was subject to Nutrient Certainty being achieved.
6. Since the May Cabinet meeting extensive work has been undertaken by the Council’s designer, the Wye and Usk Foundation and the Council’s Peer reviewer Ricardo Consulting and the appointment of specialist external legal advisors.
7. A final Design report (Appendix 1 - **exempt**), Peer review Assessment (Appendix 2 - **exempt**) and further commentary from Rob McInnes of RI Consulting - a leading international expert on

Constructed Integrated Wetlands (Appendix 3 - **exempt**) was reviewed by all parties including the Council's external legal advisor on 8 July 2022. Following those discussions the Council's Project Team is now able to recommend that all necessary due diligence steps have been undertaken to provide the necessary assurance that Nutrient Certainty has been achieved and that Phosphate Credit Trading may commence.

8. The project team will provide a certificate of offset to the Local Planning Authority and Trading in Phosphate Credits will commence in August 2022 and will increase as further Wetlands arrive on stream. Credits will be allocated on the agreed first come first served policy. A successor policy with weighted allocation criteria aligned to the County Plan is under development and will be consulted upon in the autumn.

Cabinet Commission- Restoring the River Wye Catchment

9. In January 2022 the Council voted unanimously for a Water Protection Zone. The Leader wrote to Minister Pow- Secretary of State- Defra to join the Nutrient Management Board in calling for a Water Protection Zone. Minister Pow rejected this because she believed further evidence is necessary and because of the additional burdens it would place on business in the catchment.
10. Also in January, the Environmental Audit Committee published its 4th Report on Rivers making recommendations which local authorities need to consider with particular focus on the Wye. On May 31st, 2022 [RePhoKus](#) published its seminal report Re-focusing Phosphorus use in the Wye Catchment again with significant recommendations which local authorities including Herefordshire Council need to assess. In May 2022, Natural England issued revised more stringent Phosphate targets both the Lugg and the Wye recommending more action is taken to restore river quality. In July 2022, the latest source apportionment data for the Upper Wye was published indicating the main causes of phosphate pollution following sampling work in the river. This shows a further reduction from water companies and other sources and a 5% increase from agriculture.
 - 72% agricultural diffuse pollution including run-off
 - 23% sewage treatment works
 - 5% other (eg highways run off)
11. Herefordshire Council has undertaken a lead role in efforts to support the restoration of the Wye, developing the UK's first development Phosphate Calculator, delivering Integrated Wetlands and an Agricultural Supplementary Planning Policy which is about to be published for consultation. The Council has been a driver for supporting improvement around the Nutrient Management Board and has invested in a significant national influencing role to progress river restoration.
12. The recent reports described in paragraphs nine and ten above and failure to deliver a Water Protection Zone means that there is a need to consider what more can be done. A Cabinet Commission is proposed to undertake a more strategic and systems led review of river quality and in particular to consider how Herefordshire Council can use all the powers and influence available to it to progress the restoration of the Wye and Lugg.
13. The Technical Advisory Group of the Nutrient Management Board comprises of practitioner staff from partner agencies undertaking important work which will deliver incremental improvements within current systems approaches. TAG is not equipped or resourced to take a wider strategic role. The Cabinet Commission will therefore add value and capacity rather than duplicate the work of NMBs TAG. Close liaison will take place to ensure that activity compliments and supports each other.
14. An early task of the Commission will be to consider what more can be achieved by the Local Planning Authority and in particular identifying a package of measures that will create a staged

route map to move the planning regime for both agriculture and new housing development to demonstrate full Nutrient Neutrality for all new planning applications within the LPA area by April 2025. We would propose to introduce new measure in phases based on the source apportionment data as a priority for action. This would also allow time for agricultural and housing developers to prepare and to enable the council to complete the development of appropriate systems and safeguards.

15. In particular the Commission will consider whether it is now reasonable to use Planning Conditions and the Planning Enforcement regime to ensure that nutrient outputs from new developments are certified to ensure that they do not create down-stream impacts within the Lugg and Wye Catchments. The Commission will also address what more can be done to address river quality issues caused by current developments.
16. Over the summer recess work will be undertaken to finalise the Commissions terms of reference work programme and timetable regular progress reports will be provided to Cabinet. Additional capacity will be created by commission support where existing gaps exist. It is envisaged that the Commission will want to draw on expertise, leading national experts, other impacted local authorities and from our national regulatory partners.

Community impact

17. No new impacts have been identified beyond those identified in the 26 May Cabinet report.

Environmental Impact

18. No new impacts have been identified beyond those identified in the 26 May Cabinet report. The Cabinet Commission will undertake a comprehensive environmental impact assessment when making its final recommendations.

Equality duty

19. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to –

- a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
20. The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services. As this is a decision on back office functions, we do not believe that it will have an impact on our equality duty.

21. No new impacts have been identified beyond those identified in the 26 May Cabinet report. The Cabinet Commission will consult broadly with stakeholders and will undertake a comprehensive equalities impact assessment when making its final recommendations.

Resource implications

22. Grant funding of £100k has been provided for Phosphates work by DLUHC enabling a commissioning budget of £60k to be created to underpin the work of the Cabinet Commission.

Legal implications

23. This is an Executive function under the Council's Constitution Part 3 Section 3 and is a key decision because it is likely to be significant having regard to the strategic nature of the decision; and/ or whether the outcome will have an impact, for better or worse, on the amenity of the community or quality of service provided by the authority to a significant number of people living or working in the locality (two or more wards in Herefordshire) affected. It is also likely to result in the council incurring expenditure which is, or the making or savings which are, significant having regard to the Council's budget for the service or function concerned.
24. The Herefordshire Core Strategy 2015 states that the water quality of Herefordshire's main rivers and their tributaries is of strategic importance and it identifies unacceptable levels of nutrients along part of the rivers need to be addressed.
25. Most of Herefordshire is in the catchment of the River Wye and its waters are a measure of the health of the county's environment. In Herefordshire, the River Wye has a high level of protection under European law as a Special Area of Conservation (SAC). The SAC designated area includes the River Lugg sub catchment
26. Prior to July 2019, planning applications submitted for land that fell within the **River Lugg catchment area** of the River Wye Special Area of Conservation ("SAC") were determined taking into account, in particular, CS Policies SD4 and LD2 and the Nutrient Management Plan ("NMP"). The NMP considers proposed development growth within Herefordshire and calculates the predicted impact of development on phosphate levels within the SAC.
27. The judgment in the case of Cooperatie Mobilisation handed down in November 2018 by the Court of Justice of the European Union (Joined Cases C-293/17 and C-294/17) (known as the Dutch Case), has had implications for many parts of the country.
28. The 2018 Dutch Case concerned authorisations for schemes for agricultural activities in sites protected by the Habitats Directive and where nitrogen deposition levels already exceeded the critical load. Following the 'Dutch Case', all new development are required to demonstrate 'nutrient neutrality' to ensure that it would not contribute additional nutrient loads to a national site that is close to unfavourable condition or in an unfavourable condition due to nutrient pollution and to ensure that it is compliant with the 'Habitats Regulations'. This would be identified when a Habitats Regulations Assessment (HRA) is undertaken.
29. The Dutch judgement deemed that where a site is failing its water quality objectives and is therefore classed as being in unfavourable condition, there is limited scope for the approval of planning applications that give rise to additional damaging effects. Furthermore, the future benefit of mitigation measures cannot be relied upon in an appropriate assessment, where those benefits are uncertain at the time of the assessment.
30. Phosphorus levels were identified as an issue during the preparation of the 2015 Herefordshire Core Strategy. There were concerns raised that the proposed levels of development set out in the Core Strategy would result in unacceptable additional amounts of phosphorus entering the

River Wye catchment. In response to this a Nutrient Management Plan (NMP) was developed by the Environment Agency in partnership with Natural England and Herefordshire Council to support the Core Strategy policies that seek to protect the quality of the rivers in the county and also to address the impacts of practices not under the jurisdiction of the land use planning system.

31. Following discussions with Natural England during 2019 it was concluded that the NMP could not be relied upon. In Herefordshire, this has effectively resulted in restrictions on various types of development that could lead to an increase in the levels of phosphorus in the SAC. This has had the greatest impact on housing development, with restrictions in place in the Lugg Catchment which amounts to approximately 40% of the County's administrative area.
32. The Council produced an initial position statement in October 2019 which was updated in March 2020, with a list of FAQs, to explain the position and as advice for developers/applicants with applications/future applications within the SAC.
33. Since that time, the Council have worked with NE and its appointed consultant and legal advisers to implement a strategy to address the increased phosphate load in respect of the River Lugg SAC arising from new housing and a mitigation proposal through the development of integrated constructed wetlands, designed to deliver phosphate reduction to with a view to achieving nutrient certainty.
34. The Council appointed a QC to review the steps taken by the Council to ensure nutrient certainty and the robustness of the Luston Design and Feasibility Report Final. Counsel concludes the report to be robust and credible and has been subject to peer review pursuant to the correct legal framework. Counsel is satisfied that its authors of the report, have been subjected to rigorous challenge and have justified reports approach and conclusions.
35. In terms of the phosphorous budget calculator, the report by Ricardo Consulting on this also appears satisfactory, with the requisite tests being identified, and an explanation of differences between that calculator and the more recent Natural England one explained. Counsel is not aware of any reason why both may not be relied upon by the council in the next steps in the process.

Risk management

36. The robust approach to due diligence undertaken by the project team has significantly reduced the risks associated with the commencement of trading credits.

Consultees

37. No additional consultation has been undertaken as this is a technical update report on the approach previously agreed by Cabinet.
38. Extensive discussions have commenced with Natural England, Powys Council, Natural Resources Wales and the Environment Agency concerning ways in which strategic capacity can be created through the Cabinet Commission. Communication mechanisms are in place to ensure the Commission builds on and does not duplicate the Technical Advisory Group of the Nutrient Management Board.
39. A member briefing session was held on 19th July 2022 with good cross party attendance. Attendees expressed strong support on the progress to nutrient certainty for the Luston wetland, supported the creation of a cabinet commission with suggestions for the commission to explore and there was good cross party support for taking the next steps on this journey.

Appendices

- Appendix 1 - (Exempt) - Luston Design and Feasibility Report Final
- Appendix 2 – (Exempt) - Ricardo Wetland Sign Off Letter
- Appendix 3 – (Exempt) - RM Wetland & Environment Peer Review

Background papers

- 26 May 2022, Cabinet Report on Nutrient Certainty Report
<https://councillors.herefordshire.gov.uk/documents/s50100959/Nutrient%20Certainty.pdf>
- 26 May 2022, Credit Pricing and Allocation Report
<https://councillors.herefordshire.gov.uk/documents/s50100960/Phosphate%20Credit%20Pricing%20and%20Allocation%20Policy.pdf>

Report Reviewers Used for appraising this report:

Governance	John Coleman	Date 05/07/2022
Finance	Louise Devlin	Date 13/07/2022
Legal	Sharon Bennett-Matthews	Date 13/07/2022
Communications	Luenne Featherstone	Date 01/07/2022
Equality Duty	Carol Trachonitis	Date 01/07/2022
Procurement	Lee Robertson	Date 13/07/2022
Risk	Kevin Lloyd	Date 30/06/2022

Approved by	Ross Cook	Date 20/07/2022
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Please include a glossary of terms, abbreviations and acronyms used in this report.

- **Phosphate credit pricing and allocation**
- **Nutrient certainty**
- **Nutrient Management Board (NMB)**
- **Technical Advisory Group (TAG)**
- **Habitats Regulations Assessment (HRA)**
- **River Wye Special Area of Conservation (SAC)**

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UK Shared Prosperity Plan Submission to Government

Meeting: Cabinet

Meeting date: Thursday 28 July 2022

Report by: Cabinet member environment and economy

Classification

Open

Decision type

Key

This is a key decision because it is likely to result in the council incurring expenditure which is, or the making of savings which are, significant having regard to the council's budget for the service or function concerned. A threshold of £500,000 is regarded as significant.

This is a key decision because it is likely to be significant having regard to: the strategic nature of the decision; and / or whether the outcome will have an impact, for better or worse, on the amenity of the community or quality of service provided by the authority to a significant number of people living or working in the locality (two or more wards) affected.

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Wards affected

(All Wards);

Purpose

To seek cabinet approval to submit the UK Shared Prosperity Fund (UKSPF) Investment Plan to government on 1 August 2022. Government has allocated Herefordshire £7.6m of UKSPF, subject to the submission and approval of an Investment Plan.

Recommendation(s)

That:

- a) **Cabinet approve the submission of the Herefordshire UK Shared Prosperity Fund Investment Plan to government, in order to secure up to £7.6m of funding for the county;**
- b) **Authority to make technical amendments to the final Investment Plan submission is delegated to the Corporate Director for Economy and Environment;**
- c) **Should the Investment Plan be approved, Herefordshire Council agrees to be the accountable body for the implementation of the UK Shared Prosperity Fund allocation and the resulting projects; and**
- d) **Authority is delegated to the Chief Executive Officer and the Section 151 officer to formally submit the bids by the 1 August 2022 deadline**

Alternative options

1. Do nothing – The council could choose not to submit the Herefordshire UKSPF Investment Plan to government by 1 August 2022 deadline. However, this would result in the council being unable to access the up to £7.6m of funding allocated to the county, which is critical to supporting the economic growth of Herefordshire. This option is not recommended.
2. Alternative priorities in the Investment Plan – the council could choose to submit an alternative Investment Plan (to those set out in Appendix 2), identifying different priorities for the county. As required by the national guidance, the Investment Plan has been developed against a clear evidence base and in consultation and agreement with local stakeholders. Alternative priorities may not meet the county's needs, and is unlikely to meet the government's requirements for approval. This option is not recommended.
3. The council could choose to not be the accountable body for the funding. There is no other suitable organisation in the county to fulfil this role, it is likely that Herefordshire would not be able to access the funding. This option is not recommended.

Key considerations

4. In April 2022 government launched the UK Shared Prosperity Fund (UKSPF), to replace the European Union funded structural funds. The guidance for UKSPF can be found here: [UK Shared Prosperity Fund: prospectus - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/106424/ukspf-prospectus.pdf).
5. In accordance with the Levelling Up White Paper, government has launched the UKSPF to help address geographical disparities in economic performance and circumstances. The funds objectives are to;
 - a) Boost productivity, pay, jobs and living standards by growing the private sector, especially in those places where they are lagging
 - b) Spread opportunities and improve public services, especially in those places where they are weakest
 - c) Restore a sense of community, local pride and belonging, especially in those places where they have been lost

- d) Empower local leaders and communities, especially in those places lacking local agency
6. Each 'Lead Local Authority' has been allocated a three year funding commitment, subject to the development, submission and approval of a suitable Investment Plan. The council has been identified as the lead local authority for Herefordshire and the county has been allocated £7,545,330 between 2022/23 and 2024/25, of which £903,194 is for 'Multiply' adult numeracy support. Due to differing timeframes and requirements a separate Multiply investment plan has been developed and submitted to government, subject to the following Cabinet Member governance decision: [Decision - Multiply Local Investment Plan submission to the Department for Education - Herefordshire Council](#).
 7. The remaining £6,642,136 is the focus of this decision and accompanying Investment Plan. The majority of the funding is revenue (£5.5m), with the remainder (£1.1m) capital.
 8. The guidance states *'Within the context of the Fund's aims, each place will have flexibility to invest across a range of activities that represent the right solutions to improve local pride in place, increase life chances, to help spread and create opportunity, and a sense of community and belonging. The balance of priorities should reflect local need and opportunity. It should build on existing national provision to create the optimal mix of support for each place. This flexible approach represents a key shift from the previous EU system. These interventions will be set out in an investment plan submitted to the UK government for approval'*.
 9. The investment plan should identify priorities across three themes of communities and place, local business and people and skills.
 10. The guidance also states that Lead Local Authorities will be responsible for implementing the Investment Plan. *'In England, Scotland and Wales, local government is being given responsibility for developing an investment plan for approval by the UK government, and for delivery of the Fund thereafter. This recognises that pride in place and increasing life chances can be best achieved by delivery close to local people and businesses; by authorities that understand each place's unique local context and identity, and with established governance. Lead local authorities will receive an area's allocation to manage, including assessing and approving applications, processing payments and day-to-day monitoring'*.
 11. The guidance also states *'Lead local authorities for each area will have flexibility over how they deliver the Fund. They may wish to use a mix of competitions for grant funding (which is the default approach set out in Cabinet Office Grants Standards), procurement, commissioning or deliver some activity through in-house teams. For example, some community level interventions may require a commissioning or in-house approach, recognising that competitions for grant may create barriers to participation in left behind communities. Lead local authorities should also design their project selection and contracting processes so they have mechanisms to recover funding where beneficiaries do not comply with fund parameters, UK law or any local requirements'*.
 12. Lead Local Authorities can utilise up to 4% of the UKSPF allocation to administer the funds.

Herefordshire UKSPF Investment Plan

13. Given the limited timescales to develop the Investment Plan (for submission to government on 1 August 2022), the council needed to quickly establish the capacity and expertise required to support the development of the Plan. Therefore the council have commissioned Metro Dynamic consultants to lead the development of the UKSPF Investment Plan for Herefordshire. Metro Dynamics have significant experience of working in the area both in terms of

establishing the required evidence base but also understanding local needs and opportunities, having recently led the development of the Marches Local Enterprise Partnership Strategic Economic Plan and Draft Local Industrial Strategy.

14. As required in the UKSPF guidance, the council has, in preparation to submit its application, also formed a strategic partnership board to oversee the development of the Investment Plan. The Herefordshire Sustainable Growth Strategy Board (HSGSB) was formed in June 2022, and includes representation from across the county's business sectors, geographies, communities, and the chairs of other local stakeholder groups such as the Herefordshire Business Board, Skills Board and Climate and Nature Partnership. The membership of the HSGSB can be found in appendix 1.
15. The Investment Plan can be found in appendix 2. In line with the guidance, initially Metro Dynamics have focussed on forming and analysing a local evidence base to identify issues and or opportunities. The analysis has identified possible local priorities, as a basis for consultation and engagement with local partners. The analysis of the evidence base has identified the following headlines;
 - i. Herefordshire is one of the most sparsely populated areas of the UK, with an ageing population and connectivity challenges characteristic of rural areas. The overall population of Herefordshire has increased by 2% over the past 10 years compared to 6.6% in England, and between 5.2% and 6.4% in neighbouring areas. This increase has been primarily amongst the over 65 population, with the working age population declining by 4.1% (ONS Census, 2021).
 - ii. A larger proportion of homes in Herefordshire (16.6%) are in fuel poverty than in the West Midlands (13.5%) and England (11%). This is particularly a concern for older people who are more susceptible to ill health (including the risk of death in the winter) as a result of residing in cold homes. An estimated 60% of people aged 65+ live in rural parts of Herefordshire, where access to mains gas may not be possible, and properties with poor thermal efficiency are more common, both of which increase the risk of fuel poverty. Applying the Government's new 'low-income low energy efficiency' measures, around 17% (14,000) of households in Herefordshire were in fuel poverty in 2019 (higher than England's 13%).
 - iii. The county's natural landscape and quality of life offer attracts retirees, but does not offer the range of high-quality employment opportunities or density of leisure and recreational services that attracts and retains young people and business talent. Young people are more likely to be less satisfied with the local area than the rest of the population, report lower levels of well-being, and feel they have less influence in their local communities¹.
 - iv. Low Skilled low wage economy -with a high proportion of employment in low value sectors such as retail, health and agriculture, average earnings are below the national average. The latest Annual Survey of Hours and Earnings (ASHE, 2021) reveals that the workplace-based median weekly earnings for people who work in Herefordshire is now £536; a 12% increase from the amount recorded for 2020 (£481). Herefordshire's weekly earnings however remain significantly lower than that in England £613, and the county has the lowest median earnings of all 14 West Midlands authorities.
 - v. The county has a lower proportion of working age people qualified at NVQ4+ (39% compared to 43% nationally) (ONS, 2021).

¹ Community Wellbeing Survey (2021)

- vi. Productivity is below the national average, with GVA per hour worked at £23.79 which is much lower than the average of £35.15. GVA per hour has also grown at a slower rate than nationally which is resulting in the productivity gap widening.
- vii. Herefordshire's business base is growing more slowly than the UK as a whole. The number of active businesses increased by 6% over the past five years, compared to 13% nationally, and the start-up rate is 9.5% compared to 12% nationally (ONS Business Demography data, 2020).
- viii. The council is committed to reducing carbon emissions to net zero by 2030. Our carbon reduction strategy has identified that the adoption of energy efficiency measures will be a key factor in delivering our target. We are already making positive progress with our decarbonisation agenda, with data indicating that transport emissions per capita have reduced more rapidly over the past 5 years than in England (5.6% compared to 4% nationally) and are now in line with national averages. However our built environment is not energy efficient. We have fewer domestic properties with an EPC rating of A-C and higher incidence of fuel poverty.
- ix. Analysis of Indices of Multiple Deprivation (IMD) data (2019) indicates that 16 Lower Super Output Areas (LSOA) in Herefordshire are amongst the 25% most deprived in England in terms of adult skills and of these, five are within the 10% most deprived.

16. Following the analysis of the evidence base, consultation with the HSGSB and wider partners focussed on the future priorities for the county, against the three UKSPF themes (para 9 above). The consultation has identified four priority areas;
- a) **Place-making/ Vibrant places where people want to live, work and visit-** creating vibrant places which provide the quality of services, attractions, built environment, and activities that will attract visitors, encourage business growth and create more opportunities for residents. The events of recent years have highlighted the critical role community, engagement and social interactions play in health, well-being and productivity, and our network of market towns and local villages are vital to providing accessibility of services to an increasingly ageing population; providing the services, infrastructure and enlivenment which will attract SMEs, visitors, and young people; and raising the profile of Herefordshire as a vibrant place to live.
 - b) **Decarbonisation/ Sustainable communities** - In order to deliver the county's carbon reduction strategy and maximise the local impacts of this, we will need to ensure the workforce has the skills to deliver green jobs and support the growth of businesses able to benefit from new 'green' markets and supply chain opportunities. SPF funding will encourage businesses to increase their energy efficiency, supporting workforce development to meet green economy needs, and helping existing and new businesses to access new market opportunities the net zero agenda creates. We will also provide targeted support to households to improve their energy efficiency. We will also ensure that wider interventions funded through SPF adhere to sustainable growth principles. We expect all projects therefore to support the delivery of net zero objectives wherever possible.
 - c) **Higher skilled/ higher waged economy** - With the county experiencing slowing productivity growth, and a business base which is growing more slowly than nationally, there is a need to help our existing business base to scale, innovate and access new markets. This includes driving incremental innovation and improvement across our major employment sectors, as well as encouraging investment in R&D within priority growth sectors. There are also opportunities to expand our creative and digital sectors to support diversification, innovation and growth across other sectors – particularly agriculture, manufacturing and health – as well as build the vibrancy of urban centres through the

development of niche retailing and craft businesses which will support the visitor economy and cultural tourism.

- d) Future skills and inclusive growth** - headline statistics mask hidden inequalities across the county. Many young people within lower income households do not experience the same degree of social mobility as those from other backgrounds, and survey analysis suggests that people in disadvantaged communities more likely to be less satisfied with the area, feel like they have less influence, and experience lower levels of well-being. The county also has a higher proportion of employment in low skilled and low wage sectors which limits the number of opportunities for young people and makes residents more vulnerable to rising costs and in-work poverty. Provision is required to support people to progress in work and supplement local adult skills provision. We also need to build a future-focused workforce with the skills and qualifications able to meet the needs of key growth sectors and an increasingly digital and green economy.

Community impact

17. UKSPF will support local people to improve their skills, to access new employment opportunities, to grow local businesses, and create a better place for people to live, work, study and visit.
18. Should the Investment Plan be approved, either through the availability of grant funding or the commissioning of local services, funding will be utilised to help local people in to employment (replacing some of the services provided currently through the European Social Fund) specifically targeted at assisting those Not in Education , Employment or Training (NEETs). Local colleges and businesses will work together to address local skills gaps, helping local people to gain the training they need to access new employment opportunities. For example, the investment plan has identified a critical need for people with the skills needed to support the retrofit of both residential and business premises, which will help address fuel poverty, address escalating energy cost, and support decarbonisation of the county.
19. The UKSPF Investment Plan will address the following County Plan 2020 to 2024 priorities;
- a) Invest in education and the skills needed by employers
 - b) Protect and promote our heritage, culture and natural beauty to enhance quality of life and support tourism
 - c) Protect and improve the lives of vulnerable people
 - d) Build understanding and support for sustainable living Invest in low carbon projects
20. The UKSPF Investment Plan will support the implementation of the following council Delivery Plan actions;
- a) Address the climate and ecological emergency in the county (supporting objectives EN3 EN4, EN6 & EN7)
 - b) Invest in creating affordable net zero carbon housing (supporting objective CO3)
 - c) Work to minimise inequalities in our communities (supporting objective CO4)
 - d) Support economic opportunity through business support (supporting objectives EC2 & EC6)

- e) Work with partners to increase the Skills and Workforce in the county (supporting objective EC3)
- f) Support Tourism and Cultural Sector in the county (supporting objective EC5)

Environmental Impact

20. A key priority of the UKSPF Investment Plan is to focus support at decarbonising the county, in terms of enabling the retrofit of residential and business premises through the development of appropriate local skills to meet the current gap in capacity, the provision of specialist business support advice and audits, as well as seeking to support the provision of grant funds to support energy efficiency.

Equality duty

Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to –

- a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
21. The Equality Act 2010 established a positive obligation on local authorities to promote equality and to reduce discrimination in relation to any of the nine 'protected characteristics' (age; disability; gender reassignment; pregnancy and maternity; marriage and civil partnership; race; religion or belief; sex; and sexual orientation). In particular, the council must have 'due regard' to the public sector equality duty when taking any decisions on service changes.
22. The UKSPF Investment Plan will ensure that support is made available to help those not currently in employment, education and training to develop the skills they need to access employment opportunities.
23. As the accountable body for the fund, the council will ensure that any available grant funding or commissioning of services is open to any and all who wish to be considered for support, that the criteria and selection process are transparent and fair. Equality Impact Assessments will be required by anyone who seeks UKSPF funds from the council, and will be a key consideration in the assessment of grant funding applications.

Resource implications

24. The council has been identified as the Lead Local Authority for UKSPF and the county has been allocated £7,545,380 between 2022/23 and 2024/25, of which £903,194 is for 'Multiply' adult numeracy support. Due to differing timeframes and requirements a separate Multiply investment plan has been developed and submitted to government, subject to the following Cabinet Member governance decision: [Decision - Multiply Local Investment Plan submission to the Department for Education - Herefordshire Council](#).

25. The following profile is based on the national UKSPF guidance, which identifies a minimum capital allocation of 10.4% in 2022/23, rising to 17.9% in 2024/25. The national guidance also identifies an increasing profile of allocation over the three years, with the majority of skills activity commencing in 2024/25 as existing European Social Fund activities come to an end.

Revenue or Capital cost of project (indicate R or C)	2022/23	2023/24	2024/25	Future Years	Total
UKSPF (R)	£645,776	£1,325,548	£3,308,282	£000	£5,279,606
UKSPF (C)	£71,753	£198,070	£827,071		£1,096,894
UKSPF Administration (R) (4%)	£88,562	£88,562	£88,563		£265,687
TOTAL	£806,091	£1,612,180	£4,223,916		£6,642,187

Funding streams (indicate whether base budget / external / grant / capital borrowing)	2022/23	2023/24	2024/25	Future Years	Total
UKSPF (R)	£645,776	£1,325,548	£3,308,282	£000	£5,279,606
UKSPF (C)	£71,753	£198,070	£827,071		£1,096,894
UKSPF Administration (R) (4%)	£88,562	£88,562	£88,563		£265,687
TOTAL	£806,091	£1,612,180	£4,223,916		£6,642,187

Revenue budget implications	2020/21	2021/22	2022/23	Future Years	Total
N/A (100% funded from UKSPF allocation)	£000	£000	£000	£000	£000
TOTAL					

Total Funding Allocation Per UKSPF Theme

UKSPF Theme	Interventions	Total Funding Allocation
Communities and place	<ul style="list-style-type: none"> Funding to support the delivery of our culture strategy and encourage engagement in arts, culture and heritage-based activities Growth of the creative economy and niche retailing to support placemaking Interventions which support the delivery of net zero targets and rising energy prices 	£2.5m revenue

Supporting business	<ul style="list-style-type: none"> • Funding which supports productivity growth, supports the transition to a higher skilled / higher waged economy, and the delivery of net zero targets including: • Business and innovation support for start-ups and scale ups • Growth of creative industries and the visitor economy • Supporting businesses to improve energy efficiency 	£1.6m revenue £1.1m capital
People and skills	<ul style="list-style-type: none"> • Funding which supports inclusive growth, the transition to a higher skilled / higher wage economy, and the delivery of net zero targets including: • Workforce development to facilitate career progression and meet employer recruitment and growth needs • Interventions which support those facing barriers to employment and training to achieve their potential • Experiential learning opportunities and access to basic/life skills which support community well-being, improve access to services and employment, and reduce social isolation 	£1.1m revenue
Admin	<ul style="list-style-type: none"> • Accountable Body administration of the programme, 4% as defined in the national guidance. 	£0.265
Total		£6.6m

Legal implications

26. The council has the power to act as the Accountable Body for the UKSPF under s 1 -4 of the Localism Act 2011 and although there is no statutory requirement for the council to act as Accountable Body the UK Shared Prosperity Fund prospectus makes it clear that it is anticipated that the council will fulfil this role.
27. Any funding awarded to the council following the submission of the Investment Plan will be provide by way of a Section 31 ring-fenced grant under the Local Government Act 2003. The grant determination letter will be accompanied by a Memorandum of Understanding which will set out the fund requirements and obligations. These requirements and obligations will be included in any onward grant agreements with those delivering the interventions to mitigate any risk to the council.

Risk Management

28. The following are considered to be the key risks;

Risk / opportunity	Mitigation
The Herefordshire UKSPF Investment Plan is not approved by government.	The council has commissioned Metro Dynamics with the skills and experience required to develop the Investment Plan against the national government guidance.
Partners do not agree with the priorities identified in the Investment Plan, given the reduced availability of public funding compared to previous EU programmes.	The Investment Plan has been developed in accordance with the national guidance, overseen by the HSGSB, including consultation with a wide range of partners, is based on an evidence base and aligned to other local strategies such as the County Plan 2020 to 2024.
If the Investment Plan is approved, no-one applies for the grant schemes/ responds to the commissioning of activity.	The county has significant experience of successfully delivering previous EU funded schemes, with a high number of organisations indicating they would like to apply for UKSPF.
The council fails to deliver its role as accountable body.	The council has significant experience of being the accountable body for a wide range of similar grant funds. For example the council is currently the accountable body for the £22.4m of Stronger Towns funding allocated to Hereford.

Consultees

29. Political Groups have been consulted on the decision paper through a virtual meeting held on the 15th July. Cllrs were broadly supportive of the high level priorities identified, but expressed a strong desire to be further engaged as the specific deliverables/ activities are developed once the Investment Plan is approved by government. Cllrs also said it is essential that rural areas are supported, not only Hereford and the market towns.

Appendices

Appendix 1 – Members of Herefordshire Sustainable Growth Strategy Board

Appendix 2 – Herefordshire UKSPF Investment Plan

Background papers

None

Report Reviewers Used for appraising this report:

Governance	John Coleman	Date 14/07/2022
Finance	Louise Devlin	Date 18/07/2022
Legal	Alice McAlpine	Date 13/07/2022
Communications	Luenne Featherstone	Date 12/07/2022
Equality Duty	Carol Trachonitis	Date 12/07/2022
Procurement	Lee Robertson	Date 13/07/2022
Risk	Kevin Lloyd	Date 14/07/2022

Approved by	Ross Cook	Date 20/07/2022
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Annex 1 – List of Stakeholder Group

Name	Organisation
Cllr Chowns	Herefordshire Council - Cabinet Member for Environment and Economy
Kesri Smolas	Drovers Rest
Merry Albright	Border Oak
John Reed	Avara
Rachel Laver	Marches LEP
Frank Myers	Herefordshire Business Board
David Williams	Skills Board/ Hereford and Ludlow College
Claire Wozencroft	V8 Media
Jesse Norman MP	MP (South)
Bill Wiggan MP	MP (North)
Sophie Leake	Speller Metcalfe
Hannah Jones	Student HCA
Maria Marchancoses	Midlands Connect - Transport Rep (Rail and bus for Herefordshire)
Will Lindsay	HVOSS
Gordon Coppock	Climate and Nature Board
Matthew Richards	Steatite Limited
Duncan Sutherland	Homes England
Joanna Cobb	Chair Courtyard
Ali Capper	Stocks Farm
Paul Walker	Herefordshire Council – Chief Executive
Ross Cook	Herefordshire Council – Corporate Director, Economy and Environment
Roger Allonby	Herefordshire Council – Acting Service Director for Economy



UK Shared Prosperity Fund

Herefordshire Investment Plan

July 2022

Your location

Herefordshire

Your details

Roger Allonby, Acting Service Director for Economy

Roger.Allonby@herefordshire.gov.uk

01432 260330

Herefordshire Council

Local challenges and opportunities

ARE THERE ANY LOCAL CHALLENGES YOU FACE WHICH FALL UNDER THE COMMUNITIES AND PLACE INVESTMENT PRIORITY?

(If yes) Describe these challenges, give evidence where possible

Meeting the needs of an ageing population

Herefordshire is one of the most sparsely populated areas of the UK, with an ageing population and connectivity challenges characteristic of rural areas. The overall population of Herefordshire has increased by 2% over the past 10 years compared to 6.6% in England, and between 5.2% and 6.4% in neighbouring areas. This increase has been primarily amongst the over 65 population, with the working age population declining by 4.1% (ONS Census, 2021).

With a dispersed and older population structure the county is vulnerable to increasing levels of ill-health and disability, which in turn puts pressure on health and community infrastructure and working families who have to balance care with other responsibilities¹.

Data from the Institute of Public Care (2017) indicates that the number of people predicted to live alone in Herefordshire will increase from 17,700 in 2020 to 24,300 by 2035, with the highest proportion of lone pensioner households living in Hereford and market towns. Findings from the Herefordshire Community Foundation's Vital Signs Survey (2018) noted that there has been a decline in the proportion of respondents reporting their health as being either 'good' or 'very good', from 80% in 2012 to 56% in 2018. The pandemic has exacerbated this trend, with the 2021 Community Wellbeing Survey indicating that the proportion of people rating their health as 'good', had fallen to 41%.

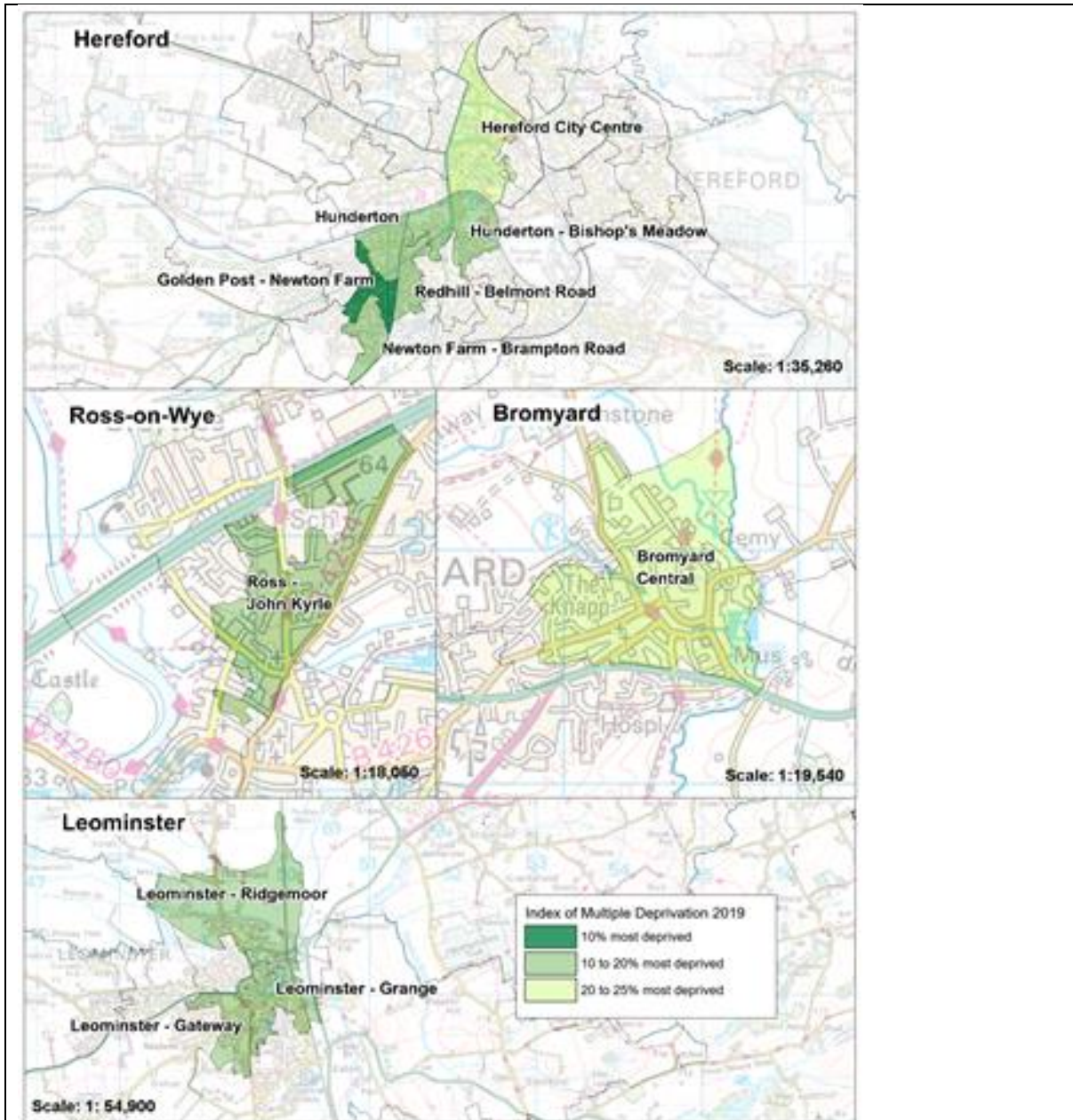
Supporting residents to 'age well' is therefore paramount to the long-term well-being and sustainability of our communities.

Tackling inequalities and deprivation

Herefordshire has hidden inequalities which are masked by county-wide statistics. Deprivation data tends to be skewed towards the incidence of urban deprivation, with the most deprived areas highlighted in Figure 1.

Figure 1: IMD (2019) Most Deprived Areas

¹ Future of an Ageing Population, GOS, 2016



However, within our rural areas we know deprivation is also hidden amongst more affluent households. Much of the county is deprived in terms of access to services, with 46% of the population facing longer journey times to key services than the UK as a whole (IMD, 2019). Living costs are typically 10-20% higher for rural households, making these residents more vulnerable to price increases (JSNA, 2021). The Vital Signs community survey (2018) highlighted that people living in the most disadvantaged communities are more likely to be less satisfied with the area, and levels of wellbeing are lower. Findings from the Joint Strategic Needs Assessment (JSNA, 2021) indicated that:

- Males born in the 10% most deprived areas of the county can expect to live 6.3 fewer years than those in the least deprived;
- People living in the most deprived areas are twice as likely to die of respiratory diseases and 1.3 times more likely to die of heart disease or stroke;
- Older people living in the most deprived areas are three times as likely to be living in income deprivation as those in the least deprived; and,
- There are approximately 4,450 under 16s living in absolute poverty, with the highest rates in parts of Hereford, Leominster and Ross.

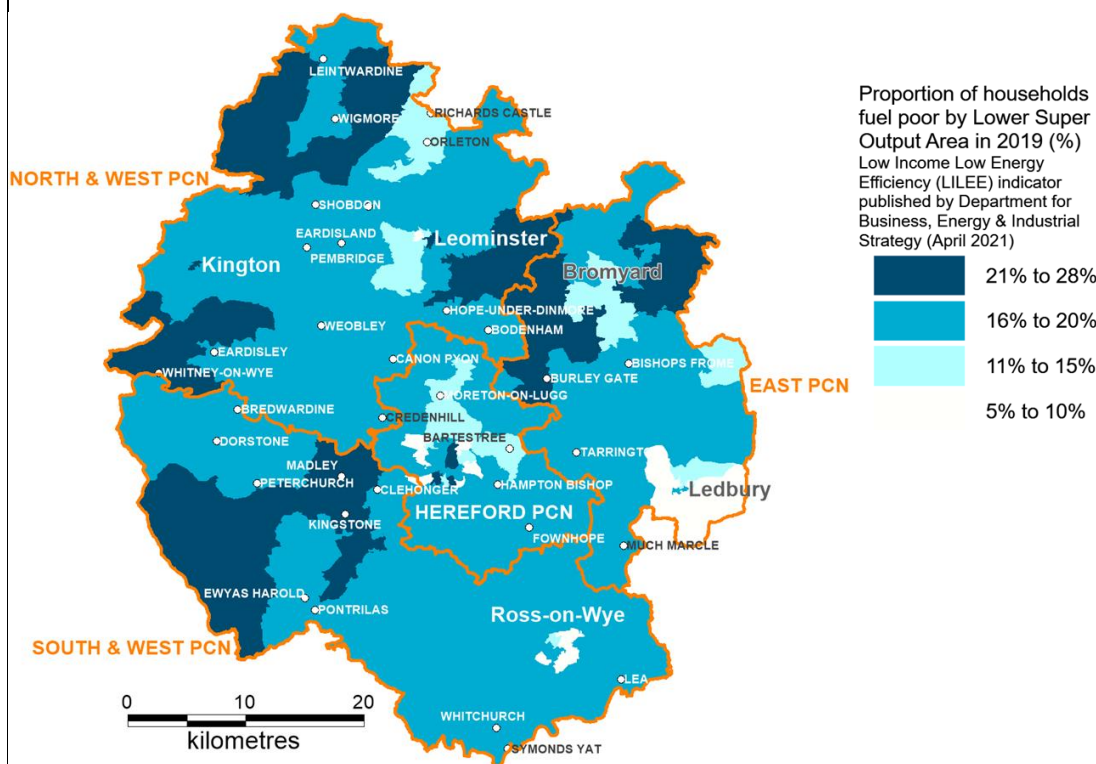
Analysis of the impact of the pandemic also indicated that the poorest people in the county were the hardest hit (JSNA, 2021), and the pandemic negatively impacted community engagement and interaction, with just over a quarter of residents indicating they talk to friends, family and neighbours less than before the pandemic (Community Wellbeing Survey 2021).

Fuel poverty and the rising cost of living

A larger proportion of homes in Herefordshire (16.6%) are in fuel poverty than in the West Midlands (13.5%) and England (11%). This is particularly a concern for older people who are more susceptible to ill health (including the risk of death in the winter) as a result of residing in cold homes.

An estimated 60% of people aged 65+ live in rural parts of Herefordshire, where access to mains gas may not be possible, and properties with poor thermal efficiency are more common, both of which increase the risk of fuel poverty. Applying the Government's new 'low-income low energy efficiency' measures, around 17% (14,000) of households in Herefordshire were in fuel poverty in 2019 (higher than England's 13%), as illustrated in Figure 2 below. The detrimental effects of fuel poverty pose a considerable threat to the health and wellbeing of older people living in Herefordshire (JSNA, 2021).

Figure 2: Incidence of Fuel Poverty (2019)



There is also a significant risk that without intervention the cost-of-living crisis worsens fuel poverty levels across the county, but particularly amongst more vulnerable communities. Although Herefordshire has had relatively low levels of absolute and relative poverty compared to nationally, there is an increasing trend for numbers living in relative poverty. There is also anecdotal evidence from local foodbanks that more people were supported during 2020 than in previous years (JSNA, 2021). Recognising that fuel poverty is a particular challenge locally, Herefordshire's Health and Wellbeing Board have made it a priority area.

Retention of young people

The county's natural landscape and quality of life offer attracts retirees, but does not offer the range of high-quality employment opportunities or density of leisure and recreational services that attracts and retains young people and business talent. Young people are more likely to be less satisfied

with the local area than the rest of the population, report lower levels of well-being, and feel they have less influence in their local communities². Whilst the creation of better paid employment opportunities will be critical to retaining talent (and is a key theme of Supporting Local Business), we need to build the social infrastructure and vibrancy which will support higher satisfaction rates amongst young people, and raise the profile of Herefordshire as a great place to live.

Our focus for investment

In addition to ensuring our older population ‘age well’, we must take this opportunity to level up the county and ensure everyone enjoys a good quality of life. This is particularly important given the rising cost of living which will disproportionately impact our most vulnerable communities and could exacerbate inequalities.

Alongside a multi-agency approach to service delivery, the Council’s approach has been to build the strength of individuals and what they can do themselves with the support of family, friends and the wider community. UKSPF will provide much needed investment in preventative community measures, and draw on the expertise of the voluntary and community sector, as well as our cultural and heritage assets, to engage people in community support, events and activities. Research by the What Works Centre for Wellbeing has found that culture and social prescribing approaches have a positive impact on wellbeing, and participation can have greater benefits for those living in worse off areas, particularly in relation to measures of happiness and sense of purpose. If tailored correctly, community engagement can also deliver benefits to older populations and other target groups, enabling them to feel connected and providing opportunities for capacity building³.

In addition to driving health and well-being benefits, the strengthening of our community infrastructure and delivery of arts, culture and heritage activities will also increase the vibrancy of communities and accelerate the delivery of our Culture Strategy⁴. Where this is targeted as part of wider place-making interventions it will further develop the unique identities of our market town network, and create the conditions which will support the growth of our visitor economy (outlined below).

By supporting people in fuel poverty to reduce their energy costs, investment will not only deliver against health and wellbeing objectives, but will also support the delivery of the county’s Carbon Reduction Strategy and upgrade of the building stock, which is being embedded as a cross-cutting theme of Herefordshire’s SPF programme.

ARE THERE ANY LOCAL OPPORTUNITIES UNDER THE COMMUNITIES AND PLACE INVESTMENT PRIORITY THAT YOU INTEND TO SUPPORT?

(If yes) Describe these opportunities, give evidence where possible

Vibrant market towns and recovery of the visitor economy

Given Herefordshire’s demographic profile, our network of market towns and rural villages are vital to ensuring accessibility of services and providing the space for community interaction essential to well-being. They are also of importance to the visitor economy which drives footfall, supports local businesses, and facilitates the maintenance and preservation of our heritage assets. Visit Britain data (2019) indicates that day visits alone contribute £99m to the local economy.

Since the launch of Herefordshire’s Economic Vision in 2018, the Council and partners have progressed a county-wide ambition of supporting market towns and rural communities to maximise their role in building thriving, distinctive service centres that support their communities and rural hinterlands. Investment has helped to create a sense of distinctiveness and a niche tourism offer. Small scale production, niche retailing, and the growing food, drink and hospitality sectors comprising artisan brewers and food entrepreneurs have also helped to diversify the economy.

² Community Wellbeing Survey (2021)

³ https://whatworkswellbeing.org/blog/the-role-of-the-cultural-sector-in-social-prescribing-for-older-people-through-the-covid-19-pandemic/?mc_cid=b4dfb451dd&mc_eid=f67fc612a5

⁴ Herefordshire Culture Strategy 2019-29 https://www.the-shire.co.uk/sites/default/files/inline-files/Herefordshire_Cultural_Strategy_20192029_DIGITAL_VERSION_compressed.pdf

However the visitor economy, and vibrancy of our market town networks has been adversely impacted by the pandemic; and its future growth may be at risk due to the impact of the cost-of-living crisis on disposable incomes. A key focus of the Herefordshire Covid Recovery Plan has been to support the recovery of the visitor economy. This included working extensively with the private sector to re-brand the county, redevelop the website, and implement national marketing and PR campaigns for the first time in circa 10 years. This has led to a significant increase in visitors and profile of the county, named as a top 10 staycation location in a wide range of national media. The proposed UKSPF activity will build on this programme, to continue to support the recovery and growth of an important local sector.

Recognising the importance of the market towns to the county's economy, the council has also led the development of Market Town Investment Plans that identifies the barriers and opportunities to enabling the growth of each town⁵. All the plans identify tourism and place-making as priorities for each market town, aligned to UKSPF priorities.

As the sector is integral to the success and vibrancy of our service centres, it is imperative that we act now to support recovery and mitigate the risk of further decline and job losses. Herefordshire has all the ingredients to accelerate recovery and further develop the sector to provide a year-round offer. Achieving this will enhance our local service centres for residents and visitors – providing activities and enlivenment, attracting new investment within the creative sector and niche retailing (see Supporting Local Business theme), creating the critical mass of leisure and recreational services that can attract younger residents and working age families, and enabling our culture and heritage assets to extend their reach.

We have a strong events programme to build upon to attract visitors, providing opportunities for community engagement and interaction, and putting the county on the national and international tourist map. Herefordshire is home to a number of large-scale events and festivals, ranging from Bromyard Folk Festival, Nozstock and Lakefest music festivals to Ledbury Poetry Festival and, Kington Walking Festival, with the internationally acclaimed Hay on Wye Literary festival just over the border in Wales. Hereford also hosts the revived Hereford River Carnival, the Indie Food Festival, the Hereford Food Festival, the Hereford Mayfair and the Ferrous Festival of Blacksmithing plus the Three Choirs Festival which is hosted in Hereford every three years. We have a range of cultural and heritage assets including the Hereford Cathedral, the Hereford Library and Art Museum, the Courtyard Centre for the Arts, and the Cider Museum. We also have a strong leisure and recreational offer including water sports on the River Wye, climbing, walking and cycling.

The Hereford Town Investment Plan identifies the unrealised tourism potential of the city as a key opportunity, with significant scope to build a powerful heritage and visitor offer linked to key assets, as well as improve access to the River Wye for tourism and wider recreational uses. A key focus of the Hereford Stronger Town Investment Plan is place-making with a focus on culture. For example, projects include the £18m redevelopment of Hereford Museum and Art Galley to create a new world class visitor attraction, the £3.5m redevelopment of the Maylord Orchards shopping centre creating a new library and Learning Resource Centre, and the development of the visitor offer along the Hereford riverside. Herefordshire Council has also submitted a £4.5m bid to the Levelling Up Fund focussed on enhancing the visitor offer and place-making in Ledbury and Leominster. Alongside other funding such as Towns Fund and Levelling Up Funding, UKSPF will provide an opportunity to realise this potential.

Our focus for investment

UKSPF investment will add significant value to the development of our tourism offer. It will support the delivery of our culture strategy and Towns Fund programme; providing enrichment opportunities through community and visitor engagement in arts, culture and heritage-based activities. Investment will build the unique identities and place-based assets of towns and communities through enlivenment, visual arts, music, events and festivals, as well as support the creative economy and local craft industries and upgrade the building stock to support the delivery of net zero targets.

⁵ Market Towns Investment Plans, Herefordshire Council

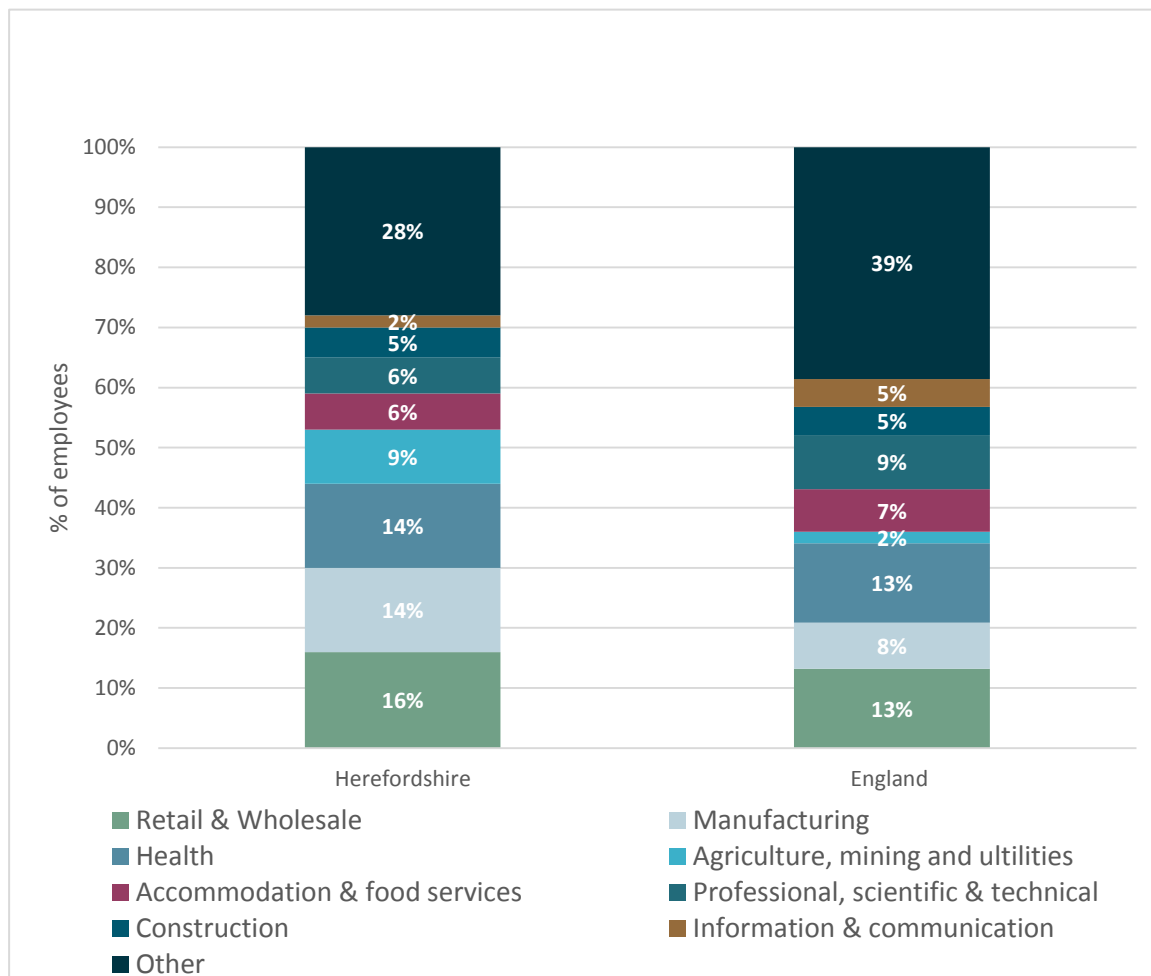
ARE THERE ANY LOCAL CHALLENGES YOU FACE WHICH FALL UNDER THE SUPPORTING LOCAL BUSINESS INVESTMENT PRIORITY?

(If yes) Describe these challenges, give evidence where possible

A low skilled, low wage economy

With a high proportion of employment in low value sectors such as retail, health and agriculture, average earnings are below the national average.

Figure 3: Employment by Sector (2020, BRES ONS)



The latest Annual Survey of Hours and Earnings (ASHE, 2021) reveals that the workplace-based median weekly earnings for people who work in Herefordshire is now £536; a 12% increase from the amount recorded for 2020 (£481). Herefordshire’s weekly earnings however remain significantly lower than that in England £613, and the county has the lowest median earnings of all 14 West Midlands authorities. Resident based weekly earnings are also lower compared to England and the West Midlands region. Analysis of the business base indicates that the county has a lower proportion of businesses providing knowledge intensive services than the UK, and a lower proportion of employment in knowledge-based jobs⁶. In addition, the county has a lower proportion of working age people qualified at NVQ4+ (39% compared to 43% nationally) (ONS, 2021).

A low wage economy has several negative impacts:

⁶ The proportion of innovation jobs is 2.4% compared to 5% nationally (ONS IDBR, 2020)

- **Productivity is below the national average**, with GVA per hour worked at £23.79 which is much lower than the average of £35.15. GVA per hour has also grown at a slower rate than nationally which is resulting in the productivity gap widening.
- **It restricts the attraction and retention of talent** evidenced by low levels of population growth, a declining working age population and growing proportion of over 65 year olds (ONS Census, 2021). In addition to the social challenges this creates (outlined above), it also results in recruitment difficulties for businesses. The Herefordshire and Worcestershire Chamber quarterly business survey (Q4, 2021) noted that 53% of businesses attempted to recruit in the last quarter, and it is persistently recorded that approximately two-thirds of businesses recruiting experience difficulties doing so. The main problem areas being professional, managerial and clerical positions. Business comments include: “*staff recruitment is the single biggest problem for the business*”, and “*the lack of suitable candidates coming forward has worsened*”⁷.
- **It impacts social mobility**. The county has been identified as a cold spot by the Government’s social mobility index, being among the worst 20% of local authorities in England in terms of children from disadvantaged backgrounds progressing into a good job and secure housing. The key driver of this is low wages with 21% of jobs paying less than the living wage⁸.
- **It increases financial vulnerability and reduces resilience**. Residents with lower earnings are more vulnerable to in-work poverty which may worsen as inflation continues to rise. As noted above, although Herefordshire has had relatively low levels of absolute and relative poverty compared to nationally, there is an increasing trend for numbers living in relative poverty (JSNA, 2021).
- **It impacts housing affordability**. In 2021 the ratio of lower quartile house price to lower quartile annual workplace-based earnings in Herefordshire was 9.73: significantly higher than in England (7.96) and the West Midlands region as a whole (7.33).

Slow growth of the business base

Herefordshire’s business base is growing more slowly than the UK as a whole. The number of active businesses increased by 6% over the past five years, compared to 13% nationally, and the start-up rate is 9.5% compared to 12% nationally⁹.

The county has a higher proportion of people in self-employment (15.8% and increasing compared to 9.5% and declining nationally) and above average 5-year survival rates¹⁰ suggesting there is an entrepreneurial culture to build upon. However a lower start-up rate suggests there is a need to encourage more business start-ups with growth potential that can create employment opportunities, deliver a step change in productivity and earnings, and provide the diversity of opportunity which will appeal to younger workers.

Carbon reduction

The council is committed to reducing carbon emissions to net zero by 2030. Our carbon reduction strategy has identified that the adoption of energy efficiency measures will be a key factor in delivering our target. We are already making positive progress with our decarbonisation agenda, with data indicating that transport emissions per capita have reduced more rapidly over the past 5 years than in England (5.6% compared to 4% nationally)¹¹ and are now in line with national averages. However our built environment is not energy efficient. We have fewer domestic

⁷ Herefordshire and Worcestershire Chamber Quarterly Economic Survey, Q3 2021

⁸ ASHE, 2021

⁹ ONS Business Demography data, 2021

¹⁰ ONS Business Demography data, 2021

¹¹ Transport and Environment statistics, DfT, 2021

properties with an EPC rating of A-C (47% completed to 51% nationally) and higher incidence of fuel poverty (as outlined in Communities and Place).

In addition to achieving net zero targets, energy efficiency is also vital to the resilience of our business base. Rising energy prices are a major concern to businesses¹², but 30% of businesses have not made any changes to become more environmentally sustainable or cut carbon emissions in the past year. Businesses indicate that further action would require:

- Funding (69% of businesses);
- Technical and impartial advice (28% of businesses); and,
- Networking with other businesses (27% of businesses).

7% of businesses also noted the importance of skilled employees to support the net zero transition.

Our focus for investment

Raising productivity and the quality of local job opportunities is a priority within our current Economic Vision and emerging strategic economic plan. UKSPF will help to lay the foundations for our longer-term strategy.

The provision of high-quality business support will raise the capacity of our business base to innovate, diversify and scale, as well as capitalise on new growth opportunities within emerging, high value markets (see opportunities response below). We will also provide support to entrepreneurs to establish and grow new businesses, particularly where this supports the retention of talent and the vibrancy of service centres. As a cross-cutting theme of our SPF programme, funding will help to address two of the key barriers to the adoption of energy efficiency measures within business (funding and advice).

ARE THERE ANY LOCAL OPPORTUNITIES UNDER THE SUPPORTING LOCAL BUSINESS INVESTMENT PRIORITY THAT YOU INTEND TO SUPPORT?

(If yes) Describe these opportunities, give evidence where possible

Developing sector specialisms and innovation-led growth

Herefordshire and the wider Marches LEP area has specialisms in several key growth sectors with the potential to attract investment, talent, and create the high-quality job opportunities which will raise pay and productivity. Investments and opportunities to build upon include:

- **A thriving energy efficiency business sector, agri-tech and wider environmental technologies sector** covering renewable energy and waste management, and a local supplier base able to fulfil the county's identified retrofit needs. With capital investments already made in supporting infrastructure such as the Herefordshire and Ludlow College Energy Training Centre, the sector presents an opportunity for innovation-led higher skilled job creation¹³ including green and net zero building skills.
- **Cyber and the Hereford Enterprise Zone** (Skylon Park) which is developing local defence and security specialisms and links to the Malvern Science Park. Skylon Park in Hereford is part of the Herefordshire-Gloucestershire-Worcestershire Cyber Valley; the UK's largest cyber cluster outside London. It is also the home of the Marches Growth Hub. Cyber companies located in Hereford include Serbus, Simtech-IT, ETL Systems and ZoVolt.
- **Food and drink processing and its supply chain** in packaging, materials and preservation solutions; as well as opportunities amongst artisan suppliers. A recent survey by Legges of Bromyard identified more than 120 independent food and drink producers in

¹² Herefordshire and Worcestershire Chamber Quarterly Economic Survey (Q4, 2021)

¹³ The Marches LEP Local Skills Report (2022)

the county, including an emerging artisan food quarter in the heart of Hereford's medieval city. Key businesses include Weston's Cider and the Wye Valley Brewery companies¹⁴.

These sectors offer the opportunity for innovation-led growth and higher skilled employment.

Growth of the creative industries

Research undertaken by the Herefordshire Cultural Partnership notes¹⁵ that there is significant untapped potential within the county's creative industries and scope for Herefordshire to establish itself as a model for UK rural communities. There are opportunities to expand our creative and digital industries to support innovation and growth across other sectors (e.g. agri-tech and cyber), as well as supporting wider place-making e.g. through niche retailing and craft businesses. The creative industries can provide a focus for interventions to retain young people and grow the business base, building on successful facilities such as Hereford MAKE (see below).

There will also be an opportunity to align UKSPF with the Towns Fund investments such as the Hereford College of Arts' new School of Creative Digital Futures and the Digital Culture Hub.

Case Study Example: Hereford MAKE

Herefordshire has low average wages, and a lack of higher education options and high skill jobs opportunities means about 300-400 young people leave the county each year and do not return¹⁶. Herefordshire needs skilled, employed young people and we look to the creative industries to help provide solutions. The county is home to specialist art colleges such as the National School of Blacksmithing and Hereford College of Arts. Hereford MAKE provides affordable space for established artists, makers and creatives as well as students and recent graduates, as well as resources to support the growing creative community, with individual studio spaces as well as a large communal workspace, forges and small bronze casting facility. Business support is provided through mentoring, hot-desking and help with funding to help promote and develop commercial opportunities.

Our focus for investment

A strong business support offer which encourages businesses to invest in innovation will help to realise the potential of higher value-added growth sectors and diversification of the business base. This will include driving incremental innovation and improvement across our major employment sectors, as well as encouraging investment in R&D within priority growth sectors. We are particularly keen to support the growth of the environmental technologies sector where this facilitates our wider net zero objectives. The Hereford Town Investment Plan (2021) identifies a pressing need to trial, test and development low carbon solutions which our business base is well placed to do with support.

ARE THERE ANY LOCAL CHALLENGES YOU FACE WHICH FALL UNDER THE PEOPLE AND SKILLS INVESTMENT PRIORITY?

(If yes) Describe these challenges, give evidence where possible

A social mobility 'cold spot'

Herefordshire has below average economic inactivity rates. However, as outlined in our response to the Communities and Place theme, headline statistics mask hidden inequalities across the county. Analysis of IMD data (2019) indicates that 16 Lower Super Output Areas (LSOA) in Herefordshire are amongst the 25% most deprived in England in terms of adult skills and of these, five are within the 10% most deprived. Furthermore, amongst the economically inactive, the county has a higher proportion of people who are suffering from long term ill-health (APS, 2021).

¹⁴ Hereford Town Improvement Plan (2021)

¹⁵ Get Creative: 9 Ways to Super-charge Herefordshire <https://www.the-shire.co.uk/sites/default/files/inline-files/Herefordshire%27s%20Creative%20and%20Cultural%20Industries%20Report%202022%20-%20Get%20Creative%20-%20Print%20Size.pdf>

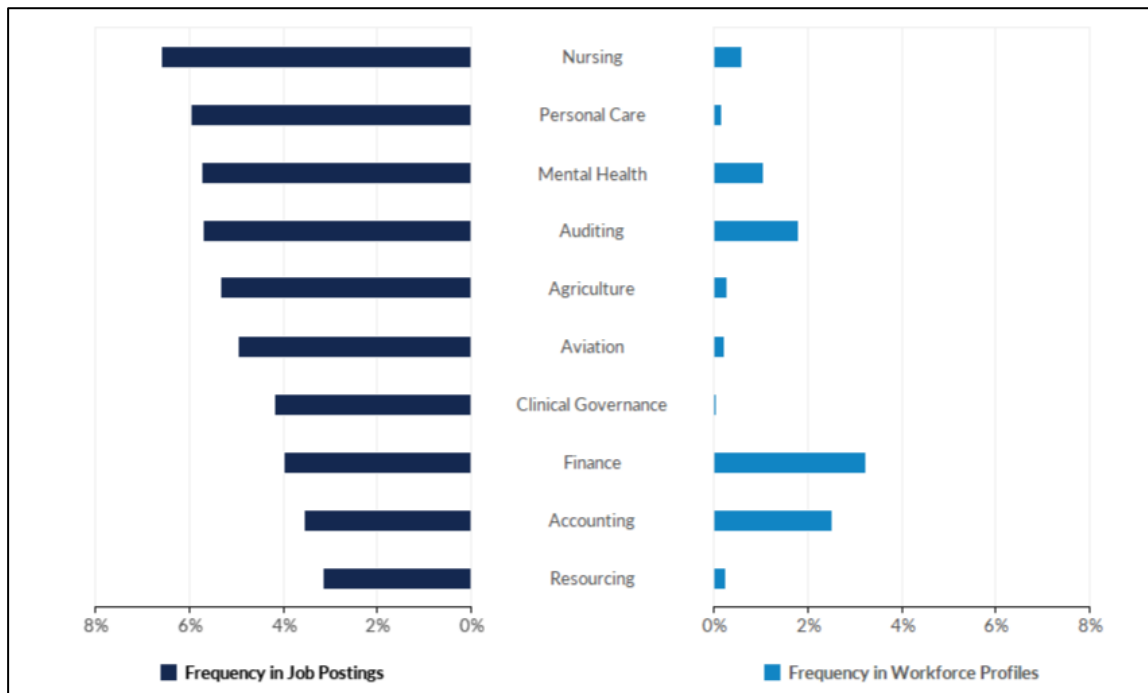
¹⁶ www.herefordmake.com

The county is also a social mobility 'cold spot'. A high proportion of employment is in low skilled and low wage sectors which limits the opportunities for career progression and makes residents more vulnerable to rising costs and in-work poverty (as evidenced in response to the Supporting Local Business theme).

Intervention is therefore required to increase skills and qualification levels where this supports social mobility and removes barriers to employment, education and training, particularly amongst disadvantaged communities and those furthest from the labour market.

Low level of skills and skills mismatches

Skills attainment is lower in Herefordshire than it is nationally, and a lower proportion of the population are qualified at NVQ4 and above (APS, 2021). EMSI data indicates a mismatch between the skills most prevalent in job profiles and their frequency in the workforce¹⁷. This contributes to employer recruitment difficulties¹⁸ and highlights that major employment sectors, particularly health and social care are experiencing particularly acute skills challenges.



With an ageing population, adult social care is a growing sector. Across England it has increased by 12% since 2012, and in the West Midlands region it increased by 14% over the same period. In Herefordshire there were an estimated 6,000 jobs in adult social care in 2020/21 and if the workforce grows proportionally to the projected number of people aged 65 and over, the West Midlands will see a 24% increase in jobs by 2035. Analysis by Skills for Care data show that half (52%) of the direct care providing workforce in the county hold a relevant adult social care qualification (compared to 46% in England). Their research also suggests that staff retention within the sector improves where employees have access to training and the opportunity for career progression and increased pay¹⁹.

Our focus for investment

Training programmes and opportunities for upskilling will target working people in low-productivity occupations to help them transition towards higher-skilled work. This would have the potential to increase salary, GVA and employee aspirations for working residents, resulting in a better quality of

¹⁷ Herefordshire Economic Update, Herefordshire Council Intelligence Unit, April 2022

¹⁸ Herefordshire and Worcestershire Chamber of Commerce, Quarterly Economic Review (Q4, 2021)

¹⁹ A Summary of the Adult Social Care Sector and Workforce in Herefordshire, 2020/21, Skills for Care

life. Intervention will also support capacity building and social mobility amongst the socially excluded and those facing financial stress, and build viable pathways for young people to encourage their retention in the area.

ARE THERE ANY LOCAL OPPORTUNITIES UNDER THE PEOPLE AND SKILLS INVESTMENT PRIORITY THAT YOU INTEND TO SUPPORT? (In Scotland, Wales, and Northern Ireland this should also include challenges relating to Multiply)

(If yes) Describe these opportunities, give evidence where possible

Green skills and the future workforce

The delivery of decarbonisation extends across all industries and across broad occupational types. Although the process is more acutely felt in those industries which already have a higher carbon footprint, it is creating another dimension to existing skills gap across the business base and there is now a need to develop specific skill sets to respond to this. Transitioning to net zero is likely to consist of:

- Structural changes leading to increased demand for some occupations and decreased demand for others;
- New economic activity creating new occupations and prompting a need for new skills profiles, qualifications and training frameworks; and,
- ‘Greening’ of existing occupations and industries requiring adjustments to the current training and qualification frameworks for these occupations.

Specific skills needs brought about by transitioning are expected to include:

- Generic e.g. business skills such as carbon literacy for procurement and resource efficiency skills, appreciation of energy efficiency measures, as well as entrepreneurship to seize new opportunities; and,
- Technical e.g. STEM skills; design skills, low carbon technology and energy efficiency installation.

Herefordshire’s commitment to net zero by 2030, and supporting investment, is creating demand for green skills across the business base, particularly in relation to the adoption of energy efficiency measures. The council is currently developing the business case for a major investment in retrofit which will create local employment opportunities and drive demand for green skills. There will also be a requirement to develop generic ‘green’ skills across the business base and drive a wider behavioural change if our net zero target is to be reached.

Interventions

WHAT ARE THE OUTCOMES YOU WANT TO DELIVER UNDER THE COMMUNITIES AND PLACE INVESTMENT PRIORITY? SELECT ALL THAT APPLY.

Outcome	Tick if applicable
Jobs created	√
Jobs safeguarded	√
Increased footfall	
Increased visitor numbers	√
Reduced vacancy rates	
Greenhouse gas reductions	√
Improved perceived/experienced accessibility	
Improved perception of facilities/amenities	√
Increased number of properties better protected from flooding and coastal erosion	
Increased users of facilities / amenities	
Improved perception of facility/infrastructure project	
Increased use of cycleways or paths	
Increase in Biodiversity	
Increased affordability of events/entry	
Improved perception of safety	

Reduction in neighbourhood crime	
Improved engagement numbers	√
Improved perception of events	
Increased number of web searches for a place	
Volunteering numbers as a result of support	
Number of community-led arts, cultural, heritage and creative programmes as a result of support	√
Increased take up of energy efficiency measures	√
Increased number of projects arising from funded feasibility studies	√
Number of premises with improved digital connectivity	
None of the above	

SELECT THE INTERVENTIONS YOU INTEND TO USE WHICH MEET THE COMMUNITIES AND PLACE INVESTMENT PRIORITY. YOU CAN SELECT AS MANY AS YOU LIKE.

Intervention

A full list of nation-specific interventions is available in the relevant annex to the Prospectus.

E1: Improvements to town centres and high streets which support carbon reduction

E4: Enhanced support for existing cultural, historic and heritage institutions that make up the local cultural heritage offer

E6: Support for local arts, culture, heritage and creative activities

E11: Investment in capacity building and infrastructure support for local civil society

E13: Community measures to reduce the cost of living

E14: Funding for feasibility studies

DO YOU PLAN TO USE ANY INTERVENTIONS NOT INCLUDED IN THE COMMUNITIES AND PLACE LIST?

State the name of each of these additional interventions and a brief description of each of these

N/A

Explain how each intervention meets the Communities and Place investment priority. Give evidence where possible, including why it is value money and the outcomes you want to deliver.

N/A

Do you consider that any of these interventions may provide a subsidy to potential recipients of the funding under the intervention's planned activity?

All bids must also consider how they will deliver in line with subsidy control as [set out in the guidance](#).

Yes

No

Detail the assessment you undertook to consider whether the intervention is a subsidy and any specific measures you will take to make sure the subsidy is permitted.

N/A

HAVE YOU ALREADY IDENTIFIED ANY PROJECTS WHICH FALL UNDER THE COMMUNITIES AND PLACE INVESTMENT PRIORITY?

Describe these projects, including how they fall under the Communities and Place investment priority and the location of the proposed project.

N/A

Do you consider these projects may provide a subsidy to potential recipients of the funding under the proposed planned activity?

All bids must also consider how they will deliver in line with subsidy control as [set out in the guidance](#).

Yes No

Detail the assessment you undertook to consider whether the proposed projects constitute a subsidy and any specific measures you will take to make sure the subsidy is permitted.

N/A

WHAT ARE THE OUTCOMES YOU WANT TO DELIVER UNDER THE SUPPORTING LOCAL BUSINESS INVESTMENT PRIORITY? SELECT ALL THAT APPLY.

Outcome	Tick if applicable
Jobs created	<input checked="" type="checkbox"/>
Jobs safeguarded	<input checked="" type="checkbox"/>
Increased footfall	<input type="checkbox"/>
Increased visitor numbers	<input checked="" type="checkbox"/>
Reduced vacancy rates	<input type="checkbox"/>
Greenhouse gas reductions	<input checked="" type="checkbox"/>
Number of new businesses created	<input checked="" type="checkbox"/>
Improved perception of markets	<input type="checkbox"/>
Increased business sustainability	<input type="checkbox"/>
Increased number of businesses supported	<input checked="" type="checkbox"/>
Increased amount of investment	<input type="checkbox"/>
Improved perception of attractions	<input type="checkbox"/>
Number of businesses introducing new products to the firm	<input checked="" type="checkbox"/>
Number of organisations engaged in new knowledge transfer activity	<input type="checkbox"/>
Number of premises with improved digital connectivity	<input type="checkbox"/>
Number of businesses adopting new to the firm technologies or processes	<input checked="" type="checkbox"/>
Number of new to market products	<input type="checkbox"/>
Number of R&D active businesses	<input type="checkbox"/>
Increased number of innovation active SMEs	<input checked="" type="checkbox"/>
Number of businesses adopting new or improved products or services	<input checked="" type="checkbox"/>
Increased number of innovation plans developed	<input checked="" type="checkbox"/>
Number of early-stage firms which increase their revenue following support	<input type="checkbox"/>
Number of businesses engaged in new markets	<input type="checkbox"/>
Number of businesses increasing their export capability	<input type="checkbox"/>
Increased amount of low or zero carbon energy infrastructure installed	<input checked="" type="checkbox"/>
Number of businesses with improved productivity	<input checked="" type="checkbox"/>
Increased number of projects arising from funded feasibility studies	<input type="checkbox"/>
Increased number of properties better protected from flooding and coastal erosion	<input type="checkbox"/>
None of the above	<input type="checkbox"/>

SELECT THE INTERVENTIONS YOU INTEND TO USE WHICH MEET THE SUPPORTING LOCAL BUSINESS INVESTMENT PRIORITY. YOU CAN SELECT AS MANY AS YOU LIKE.

Intervention

A full list of nation-specific interventions is available in the relevant annex to the Prospectus.

E17: Funding for the development and promotion of the visitor economy

E24: Funding for new and improvements to existing training hubs, business support offers, 'incubators' and 'accelerators' for local enterprise

E29: Supporting decarbonisation whilst growing the local economy

E19: Increasing investment in research and development at the local level. Investment to support the diffusion of innovation knowledge and activities.

DO YOU PLAN TO USE ANY INTERVENTIONS NOT INCLUDED IN THE SUPPORTING LOCAL BUSINESS LIST?

State the name of each of these additional interventions and a brief description of each of these

N/A

Explain how each intervention meets the Supporting Local Business investment priority. Give evidence where possible, including why it is value money and the outcomes you want to deliver.

N/A

Do you consider that any of these interventions may provide a subsidy to potential recipients of the funding under the intervention's planned activity?
All bids must also consider how they will deliver in line with subsidy control as [set out in the guidance](#).

Yes No

Detail the assessment you undertook to consider whether the intervention is a subsidy and any specific measures you will take to make sure the subsidy is permitted.

N/A

HAVE YOU ALREADY IDENTIFIED ANY PROJECTS WHICH FALL UNDER THE SUPPORTING LOCAL BUSINESS INVESTMENT PRIORITY?

Describe these projects, including how they fall under the Supporting Local Business investment priority and the location of the proposed project.

N/A

Do you consider these projects may provide a subsidy to potential recipients of the funding under the proposed planned activity?
All bids must also consider how they will deliver in line with subsidy control as [set out in the guidance](#).

Yes No

Detail the assessment you undertook to consider whether the proposed projects constitute a subsidy and any specific measures you will take to make sure the subsidy is permitted.

N/A

WHAT ARE THE OUTCOMES YOU WANT TO DELIVER UNDER THE PEOPLE AND SKILLS INVESTMENT PRIORITY? SELECT ALL THAT APPLY.

Outcome	Tick if applicable
Number of economically inactive individuals in receipt of benefits they are entitled to following support	
Increased active or sustained participants of UKSPF beneficiaries in community groups [and/or] increased employability through development of interpersonal skills	√
Increased proportion of participants with basic skills (English, maths, digital and ESOL)	√
Number of people in supported employment [and] number of people engaging with mainstream healthcare services	
Number of people sustaining engagement with keyworker support and additional services	√
Number of people engaged in job-searching following support	
Number of people in employment, including self-employment, following support	√
Number of people sustaining employment for 6 months	

Increased employment, skills and/or UKSPF objectives incorporated into local area corporate governance	
Number of people in education/training	√
Increased number of people with basic skills (English, maths, digital and ESOL)	
Fewer people facing structural barriers into employment and into skills provision	√
Increased number of people familiarised with employers' expectations, including, standards of behaviour in the workplace	
Number of people gaining a qualification or completing a course following support	
Number of people gaining qualifications, licences, and skills	√
Number of economically active individuals engaged in mainstream skills education, and training.	√
Number of people engaged in life skills support following interventions	
Number of people with proficiency in pre-employment and interpersonal skills (relationship, organisational and anger-management, interviewing, CV and job application writing)	
Multiply only - Increased number of adults achieving maths qualifications up to, and including, Level 2.	
Multiply only - Increased number of adults participating in maths qualifications and courses up to, and including, Level 2.	
None of the above	

SELECT THE INTERVENTIONS YOU INTEND TO USE WHICH MEET THE PEOPLE AND SKILLS INVESTMENT PRIORITY. YOU CAN SELECT AS MANY AS YOU LIKE.

Intervention

A full list of nation-specific interventions is available in the relevant annex to the Prospectus.

E37: Tailored support to help people in employment who are not supported by mainstream provision to address barriers to accessing education and training courses

E34: Courses to support basic, life and career skills

E35: Enrichment and volunteering activities to improve opportunities and well-being

E33: Supporting the economically inactive and socially excluded to move closer to mainstream provision

E39: Green skills courses

DO YOU PLAN TO USE ANY INTERVENTIONS NOT INCLUDED IN THE PEOPLE AND SKILLS LIST?

State the name of each of these additional interventions and a brief description of each of these

N/A

Explain how each intervention meets the People and Skills investment priority. Give evidence where possible, including why it is value money and the outcomes you want to deliver.

N/A

Do you consider that any of these interventions may provide a subsidy to potential recipients of the funding under the intervention's planned activity?

All bids must also consider how they will deliver in line with subsidy control as [set out in the guidance](#).

Yes

No

Detail the assessment you undertook to consider whether the intervention is a subsidy and any specific measures you will take to make sure the subsidy is permitted.

N/A

ENGLAND ONLY: People and Skills interventions can only be used in 2022-2023 and 2023-2024 if you have identified a local voluntary and community provision, previously supported by the European Social Fund, at risk of closure. If you have not identified a suitable provision, you will not be able to select interventions for 2022-2023 and 2023-2024 and your investment plan will not be approved.

HAVE YOU ALREADY IDENTIFIED ANY PROJECTS for 2024-2025 WHICH FALL UNDER THE PEOPLE AND SKILLS INVESTMENT PRIORITY?

No

Describe the projects for 2024-25, including how they fall under the People and Skills investment priority and the location of the proposed project.

N/A

Do you consider these projects may provide a subsidy to potential recipients of the funding under the proposed planned activity?

All bids must also consider how they will deliver in line with subsidy control as [set out in the guidance](#).

N/A

Detail the assessment you undertook to consider whether the proposed projects constitute a subsidy and any specific measures you will take to make sure the subsidy is permitted.

N/A

HAVE YOU IDENTIFIED A LOCAL VOLUNTARY PROVISION AT RISK AS PART OF YOUR PEOPLE AND SKILLS INVESTMENT PRIORITIES?

Yes

(If Yes) Describe the local voluntary provision at risk and your rationale for supporting it.

Landau Ltd is a supported employment and training registered charity. They deliver the ESF funded NEET/Risk of NEET (the In2 project) and Building Better Opportunities Big Lottery projects across Herefordshire, in partnership with a number of local voluntary and community organisations such as HVOSS, Plynlimon Trust (Horizon Training), Red Spark Learning CIC, Vennture, South Wye Development Trust and Herefordshire Wildlife Trust.

Both project contracts end in March 2023, however the In2 project will not be taking on any new starts from December 2022, leaving a gap in provision for our very vulnerable young people to support them into education, employment and/or training.

The In2 project has engaged with over 350 young people aged 15 to 24 who are not in education, employment and or training (NEET) or at risk of becoming NEET, including young people at risk of social exclusion, with special educational needs and disabilities (SEND) and care leavers. The project focuses on developing young people's employability and key life skills to take control of their own lives and move towards a better future. The In2 programme provides them with the support to move into sustained education, employment, or training, through traineeships or apprenticeships.

The Building Better Opportunities Project aimed at people aged 19 and over, has been reducing levels of economic inactivity through investment in bespoke intensive life and employment support tailored to local need across Herefordshire. The project has used one-to-one keyworker support which has greatly improved the employment outcomes for specific cohorts who face labour market barriers. The project has supported over 1200 participants, and this community led programme shows how local voluntary organisations are able to engage and sustain positive outcomes for this economically inactive hard to reach group.

The project has been supporting economically inactive people, overcome barriers to work by providing cohesive, locally tailored support enabling access to learn new skills and volunteering. Participants have progressed onto further learning and employment. 50% of participants have a

disability and 14% come from a single adult household with dependent children. The Project has employed 10 other voluntary sector organisations across Herefordshire employing 36 full time staff and 8 part time staff to deliver provision through wider a range of engagement routes and enabling more intensive innovative provision. In general, referrals have come from the community and have not been reliant on Job Centres where there is a range of support for job seekers.

Herefordshire is a social mobility 'cold spot'. The county has been identified as a cold spot by the Government's social mobility index, being amongst the worse 20% of local authorities in England in terms of children from disadvantaged backgrounds progressing into a good job and secure housing. A high proportion of employment is in low skilled and low wage sectors which limits the opportunities for career progression and makes residents more vulnerable to rising costs and in-work poverty (as evidenced in response to the Supporting Local Business theme).

Intervention is therefore required to increase skills and qualification levels where this supports social mobility and removes barriers to employment, education and training particularly amongst disadvantaged communities and those furthest from the labour market.

Provide the European Social Fund Project Names and Project References for this voluntary and community provision at risk.

- Landau In2 NEET/Risk of NEET project ESF-5090 (More Developed) co-funded by the ESFA
- Landau Building Better Opportunities – Removing Barriers to Work – co-funded by the Big Lottery

What year do you intend to fund these projects? Select all that apply.

2022-2023	✓	2023-2024	✓	2024-2025	✓
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Describe the projects for 2022-2023 and 2023-2024, including how they fall under the People and Skills investment priority and the location of the proposed project.

Both project contracts end in March 2023, however the In2 project will not be taking on any new starts from December 2022, leaving a gap in provision for our very vulnerable young people to support them into education, employment and/or training.

It is proposed that the project for 2022-2023 and 2023-2024 will reduce barriers to education, employment and training for all ages across Herefordshire, instead of having two separate projects as there are currently.

The project will continue to provide support for young people aged from 15/16 (year 11) to 24 who are NEET or at risk of becoming NEET, including young people at risk of social exclusion and young people from marginalised communities. A key group to support through this programme are the increasing number of young people with mental health difficulties including social and behavioural difficulties. It will provide a range of opportunities for young people to engage with employers and undertake a range of learning opportunities to secure a pathway into employment, education or training as well as a range of coaching and flexible support.

The project will be delivered in partnership maximising different organisations' expertise and experience. It will work with communities through for example Talk Community Hubs and social prescribers. It will not duplicate mainstream provision such as DWP/Job CentrePlus activity and the adult education budget. The project aims to reduce levels of economic inactivity through investment in bespoke support tailored to local need across Herefordshire. The project will use keyworker support to move people closer towards mainstream provision and employment.

The project must cover the whole of Herefordshire and must be able to support people living in rural and isolated areas.

The UKSPF will be the main source of funding to support employment provision for economically inactive people and reduce levels of economic inactivity. This project aligns with the following People and Skills Investment priorities as follows:

- E33 Employment support for economically inactive people: Intensive and wrap-around one-to-one support to move people closer towards mainstream provision and employment, supplemented by additional and/or specialist life and basic skills (digital, English, maths* and ESOL) support where there are local provision gaps.
- E34 Courses including basic skills (digital, English, maths (via Multiply) and ESOL), and life skills and career skills** provision for people who are unable to access training through the adult education budget or wrap around support detailed above. Supplemented by financial support for learners to enrol onto courses and complete qualifications.
- E35 Activities such as enrichment and volunteering to improve opportunities and promote wellbeing.

Do you consider these projects may provide a subsidy to potential recipients of the funding under the proposed planned activity?

All bids must also consider how they will deliver in line with subsidy control as [set out in the guidance](#).

No ✓

Detail the assessment you undertook to consider whether the proposed projects constitute a subsidy and any specific measures you will take to make sure the subsidy is permitted.

Assessment comprised three stage test as set out in government guidance²⁰:

- Given by a public authority;
- Makes a contribution to an enterprise; and
- Affects international trade.

The project is not considered to affect international trade and does not therefore constitute a subsidy.

Approach to delivery and governance

STAKEHOLDER ENGAGEMENT AND SUPPORT

Have you engaged with any of the following as part of your investment plan? Select all that apply.

Public sector organisations ✓ | Private sector organisations ✓ | Civil society organisations ✓

Describe how you have engaged with any of these organisations. Give examples where possible.

As required by the UKSPF guidance, the council has also formed a strategic partnership board to oversee the development of the Investment Plan and to provide engagement with the key sectors: public, private and civil society. The Herefordshire Sustainable Growth Strategy Board (HSGSB) was formed in June 2022, and includes representation from across the county's business sectors, public sector organisations, geographies, the voluntary sector, communities, and the chairs of other local stakeholder groups such as the Herefordshire Business Board, Skills Board and Climate and Nature Partnership.

This cross sectoral, representative group has made sure that the investment plan is fully informed by a wide range of representative stakeholders from across the county as a whole as well as a wide range of interests. The board's full involvement with the investment plan development has

²⁰ Guidance on the UK's International Subsidies Control Commitments (BEIS, 2021)

included scoping workshops to identify the challenges and opportunities, as well as sessions to identify and form the interventions and the outcomes.

Due to the membership of this board and the council's broader local engagement with representative groups, the plan has had wide stakeholder involvement. Engagement around the initiatives has continued within other activities of the council. This includes corporate plan and the budget setting consultations, in addition to the council's regular engagement of businesses and business representatives this includes the business board, chamber of commerce and over 12 open business engagement sessions held each year through the county. The council's pioneering Talk Community initiative's intrinsic engagement model also links with other public sector partners, civil society and the private sector. This has also been embraced within the development of the plan.

Summarise the governance structures you have in place, including how any advisory panels or associated partnership groups are made up

The Herefordshire Sustainable Growth Strategy Board (HSGSB) will be the partnership/advisory board for the Shared Prosperity Fund within Herefordshire. As outlined above, the newly formed board includes the county's business sectors, public sector organisations, geographies, the voluntary sector, communities, and the chairs of other local stakeholder groups such as the Herefordshire Business Board, Skills Board and Climate and Nature Partnership.

The board will have a key role in the delivery of the UK Shared Prosperity Fund within Herefordshire. Firstly, the board has overseen the development of this investment plan, including identifying the challenges and opportunities along with the interventions and outcomes. The board will continue to oversee the scoping of competitions and commissioning for delivery of the plan encompassing the project selection. The board will also monitor and evaluate the delivery of, the programme, and make recommendations to the accountable body for the programme.

Herefordshire Council will be the accountable body and the programme will follow the council's constitution, codes and standing orders and guidance. The council's cabinet has taken the decision to approve the submission of this investment plan and subject to the approval by Government, the cabinet endorsed the accountable body role. Subject to the approval of the investment plan and other approvals by government, the council as accountable body will make further decisions around accepting funding and approval of commissioning/competitions and funding awards.

The shared prosperity programme will be accountable to the Executive Programme Board. This is the ultimate level of officer review and authority. The Executive Programme Board has many roles, including exception reporting, final approvals and annual review of the capital programme and Project Management Office (PMO) process. Chaired by Andrew Lovegrove (Director of Resources and Assurance) and attended by Director of Economy and Environment and the Director of the PMO, the Executive Programme Board has overall authority over the day-to-day process and programme. It receives escalated matters and provides solutions to Delivery Boards. Support for the Economic Development Delivery Board is provided by the Programme Management Office (PMO).

The Programme Board provides final approvals for expenditure and undertakes reviews of programme and project management. It receives escalated matters and will provide solutions to the UKSPF Delivery Board (assuming one is created). The UKSPF Delivery Board will provide oversight and guidance to SROs and Project Managers, reporting on escalation/de-escalation of project changes / risks and cost issues on projects identified as Red (Compromised) or Amber (At Risk).

A Project Board will be in place for the project, led by Ross Cook (Senior Responsible Officer, Corporate Director, Economy and Environment). Project updates, including matters requiring more senior approval (e.g. emerging programme and cost risks) will be escalated to the UKSPF Delivery Board.

The council uses Verto, a programme management and collaboration platform which enables effective communication, information sharing and quality assurance. The Council's Delegated

Grants Team will manage the financial management and monitoring of the scheme. The team comes with nearly 20 years of experience of administering a wide range of grants (internal and externally funded) and values/complexity. The team has a successful track record in supporting Council-led third-party grants and currently oversees over 30 schemes which includes four complex LEP wide partnership ERDF and ESF schemes all of which have been successfully audited through DLUHC. In addition they were the team to support a lead INTERREG-funded project which was successfully delivered and closed down. The team works with all internal teams of audit, info governance, finance, legal and fraud to ensure that all systems and processes are compliant and have recently restructured to sit in the Corporate Finance Team. They are also leading on the Corporate Grants work for the Council.

Confirm all MPs covering your lead local authority have been invited to join the local partnership group.

Yes

Are there MPs who are not supportive of your investment plan?

No

(If Yes) Who are the MPs that are not supportive and outline their reasons why.

N/A

PROJECT SELECTION

Are you intending to select projects in any way other than by competition for funding?

No

(If Yes) Describe your approach to selecting projects, and why you intend to do it this way.

N/A

DO YOU INTEND TO WORK WITH OTHER PLACES ON ANY OF THE INTERVENTIONS WHICH FALL UNDER THE COMMUNITIES AND PLACE INVESTMENT PRIORITY?

Which interventions do you intend to collaborate on? Select all that apply.

Intervention N/A

Tick if applicable

A full list of nation-specific interventions is available in the relevant annex to the Prospectus.

N/A

Describe any interventions not included in this list?

N/A

Who are the places you intend to collaborate with?

N/A

DO YOU INTEND TO WORK WITH OTHER PLACES ON ANY OF THE INTERVENTIONS WHICH FALL UNDER THE SUPPORTING LOCAL BUSINESS INVESTMENT PRIORITY?

Which interventions do you intend to collaborate on? Select all that apply.

Intervention

Tick if applicable

We are in active contact with the Marches LEP and neighbouring areas (such as Telford and Wrekin, Shropshire, and Worcestershire) regarding the future delivery of business support services within Herefordshire, building in a successful history of cross boundary collaborative working on multi-area EU funded grant schemes such as the Marches Business Improvement Programme and the Business Energy

Efficiency Programme. Whilst no new collaborative arrangements have yet been agreed, where there are opportunities to secure economies of scale whilst still meeting the specific needs of the local business community, we will consider the merits of collaborative delivery arrangements.	
<i>A full list of nation-specific interventions is available in the relevant annex to the Prospectus.</i>	
Describe any interventions not included in this list?	
N/A	
Who are the places you intend to collaborate with?	
N/A	

DO YOU INTEND TO WORK WITH OTHER PLACES ON ANY OF THE INTERVENTIONS WHICH FALL UNDER THE PEOPLE AND SKILLS INVESTMENT PRIORITY?

Which interventions do you intend to collaborate on? Select all that apply.

Intervention	No	Tick if applicable
<i>A full list of nation-specific interventions is available in the relevant annex to the Prospectus.</i>		
N/A		
Describe any interventions not included in this list?		
N/A		
Who are the places you intend to collaborate with?		
N/A		

PUBLIC SECTOR EQUALITY DUTY

How have you considered your public sector equality duty in the design of your investment plan?

Herefordshire Council fully complies with requirements, in the exercise of its functions, including to have due regard to the need to –

- a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The Equality Act 2010 established a positive obligation on local authorities to promote equality and to reduce discrimination in relation to any of the nine ‘protected characteristics’ (age; disability; gender reassignment; pregnancy and maternity; marriage and civil partnership; race; religion or

belief; sex; and sexual orientation). In particular, the council must have 'due regard' to the public sector equality duty when taking any decisions on service changes.

The design of this Investment Plan has taken into account the above requirements and the council, and its partners have established a positive approach to promoting equality and to reducing discrimination within the plan and its interventions and outcomes.

Within the engagement of stakeholders via the representative board, all members have provided a consideration to the positive obligation and the broad representation has been beneficial to make sure the plan makes a positive impact on the needs of a broad range of groups. For example, the investment plan will make sure that support is made available to help those not currently in employment, education and training to develop the skills they need to access employment opportunities. The council will make that the design of these services considers and reflects the need to promote equality and to reduce discrimination during service delivery.

How will you consider your public sector equality duty when implementing your investment plan, including in the selection of projects?

As the accountable body for the fund, the council will ensure that any available grant funding or commissioning of services is open to any and all who wish to be considered for support, that the criteria and selection process are transparent and fair. Herefordshire Council has extensive experience of successfully being an accountable body, for example for the Hereford Towns Fund and delivering a wide range of grant programmes such as the Marches Business Improvement Programme, the Business Energy Efficiency Programme, the LEADER programme, and the Marches LEP funding for the New Model Institute in Technology and Engineering. The council also led the delivery of circa £100m of Covid support grants to businesses over the last two years.

Herefordshire Council also has significant experience in delivering large multi-million capital projects to time and budget, such as the recent Shell Store £7.5m business incubator facility on the Hereford Enterprise Zone funded by ERDF and the Marches LEP.

All delivery partners will be required to comply with the Equalities Act 2010 and will need to demonstrate a policy is in place for protected groups. Equality Impact Assessments will be required by anyone who seeks UKSPF funds from the council, and will be a key consideration in the assessment of grant funding applications.

The council will require delivery partners to gather and monitor information/data on protected groups benefitting from SPF investment to inform long term evaluation.

All staff and delivery partners engaged in the SPF programme are expected to share the council's equality commitment including people, organisations, and companies we work in partnership with and those who provide goods and services on our behalf.

RISKS

Have you identified any key risks that could affect delivery, for example lack of staff or expertise?

Yes

(If Yes) Describe these risks or issues, including the contingency measures you have in place to mitigate them.

Risk management for the programme will follow best-practice guidelines. It will be an ongoing iterative process where risks are proactively monitored and managed throughout the delivery of the programme using a five-stage process of identification, analysis, evaluation, action and monitoring. This is recorded in a working risk register, for which the Project Manager has day to day responsibility. Where appropriate, risk owners will be allocated risks and will be responsible for ensuring the likelihood of their occurrence is minimised. The Project Manager will hold regular risk

and performance review meetings throughout the delivery phase with suppliers and delivery partners.

Delivery risks and mitigation include:

<p>No response or limited interest to the grant schemes/competitions/commissioning of activity (subject to investment plan approval)</p>	<p>Assessed impact/likelihood: Low The county has significant experience of successfully delivering previous EU funded schemes, with a high number of organisations indicating they would like to apply for UKSPF. Through the partnership and other channels, the council will build the awareness and communications reach to make sure that there is high awareness to match the identified intervention demand</p>
<p>Herefordshire Council fails to deliver its role as accountable body. Including in the areas of:</p> <ul style="list-style-type: none"> • Organisation capacity • Lack of staff capacity & capability • Governance & Decision making • Timescales 	<p>Assessed impact/likelihood: Low Herefordshire Council has significant accountable body experience for a wide range of similar programme. For example the council is currently the accountable body for the £22.4m of Stronger Towns Fund allocated to Hereford. The council's cabinet has taken the decision (subject to approval of the plan) to assume the role of accountable body for the fund. The council will therefore make sure that appropriate resources are made available for delivery and include appropriate project management, reporting and monitoring processes including internal project/programme boards. Teams with experience of external funding delivery will be utilised during the delivery of the programme.</p> <p>Governance requirements have been identified and mapped so that they are in line with the accountable body requirements (including timescales).</p>
<p>Stakeholder support and appropriate independent oversight required for delivery is not available</p>	<p>Assessed impact/likelihood: Low The Investment Plan has been developed with oversight from the HSGSB, a new board with broad representation across sectors, civil society, geography, areas of interest and it includes the chairs of several other groups such as the business board. The board is fully supportive of the investment plan and can provide effective oversight as the plan moves into delivery.</p> <p>The council also engaged a wide range of partners within the development of the evidence base and aligned to other local strategies such as the County Plan 2020 to 2024. This engagement activity will continue into delivery.</p>
<p>The Herefordshire UKSPF Investment Plan is not approved by government.</p>	<p>Assessed impact/likelihood: Medium It is considered that the Investment Plan has been developed in accordance with the national guidance, overseen by the HSGSB, including consultation with a wide range of partners, is based on an evidence base and aligned to other local strategies such as the County Plan 2020 to 2024.</p>

Delayed start/slippage due to funding approval and contracting delays	The council are actively working with the HSGSB to progress Year 1 delivery plans which will ensure quick mobilisation once funding is approved.
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Robust project management processes and designated Project Management staff are in place to ensure risks are assessed on an on-going basis and financial control is maintained. Additional control and assurance will be provided by the Economic Development Programme Board chaired by the Corporate Director for Economy and Place who will have ultimate responsibility for financial monitoring.

Have you identified any key fraud risks that could affect UKSPF delivery?

Yes

(If Yes) Describe these risks or issues, including the contingency measures you have in place to mitigate them.

Whilst we do not foresee any significant fraud risks, it is possible that SPF funding could be used for ineligible activities. The council have robust financial management and assurance processes in place which will mitigate this risk. This includes procedures for compiling, authorising and ensuring only eligible and defrayed expenditure is included in claims for payment. In addition, the Council has an internal counter fraud department which is able to investigate instances of alleged and suspected fraud against the authority. As part of this service, the council considers fraud risks across the organisation, delivers fraud awareness training to all internal staff members, has a corporate counter fraud policy and fraud response plan. In the event that suspected fraud is identified within the UK Shared Prosperity Fund, a referral can be made directly to the Council's internal fraud department, who will consider grounds for further investigation and notify the relevant government body where fraud is proven.

The Council adheres to the Lord Chancellor's Code of Practice on the Management of Records under s.46 of the Freedom of Information Act 2000. The policy stipulates duties and responsibilities for the effective retention of records. All SPF related documentation will be held on the council's document management system and financial system and retained for 7 years (to comply with HMRC regulations) after the final SPF claim has been processed.

This programme will be added to the Council's internal audit programme as well as being subject to external audit – any issues identified through internal audit reports will be reviewed at departmental level and a management action plan developed for corrections. Significant failings will be reviewed by the Council's Audit Committee.

A summary of risks and mitigation is provided below.

<p>Procurement and Commissioning Fraud (to include competitions), including:</p> <ul style="list-style-type: none"> • Allegations of collusion, bribery and corruption within the pre-tender stages • Or false, intentionally inflated or duplicate claims within the post tender stages. 	<p>Assessed impact/likelihood: Medium</p> <p>The council will follow their robust procurement and contract regulations and undertake appropriate "due diligence" checks on all potential third parties involved in delivery.</p> <p>Appropriate claim checks on claims/invoicing will be carried out including to ensure that the services are delivered and are within accordance to the contract.</p> <p>Scheme will be subject to audits, and spot checks will take place during every claim. The council will investigate any fraud concerns that are raised.</p>
<p>Fraudulent applications within approved scheme</p>	<p>Assessed impact/likelihood: Medium/high</p> <p>As above appropriate identify, financial and governance checks will be required from all end applicants receiving funding through the programme. This requirement will be placed on third parties that have been commissioned or were awarded funds via competitions.</p>

	<p>Toolkits and resources for undertaking fraud and other due diligence checks will be prepared by the council.</p> <p>A reporting system will be established to enable issues to be identified and where appropriate intelligence disseminated to delivery partners.</p>
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Capacity and capability

In this section, we will ask you about:

- The capacity and capability of your team to manage funding
- The resources you have in place for work related to UKSPF

Your answers here will help us know how to support you with delivery. They will not affect the amount of funding you will get.

Answer as honestly as possible.

TEAM RESOURCE
<p>How many people (FTE) will be put in place to work with UKSPF funding?</p> <p>Subject to the approval of the Investment Plan, Herefordshire Council will ensure that the resources are in place to oversee the implementation of the Investment Plan, including a dedicated Project Manager and drawing on expertise from across the council services. For example the council's grants and programmes team, Project Management Office, and sector specific expertise like the Economic Development Team, Environment team, Growth Hub, post 16 skills team. The 4% admin budget will be utilised to ensure the appropriate capacity is in place to effectively manage the implementation of the programme.</p> <p>In accordance with our standard governance systems and processes the council will establish a specific project board to oversee the implementation of the funds, identifying a senior manager Senior Responsible Officer (Service Director for Economy), and including representation from the following;</p> <ul style="list-style-type: none"> • Finance Officer: The finance officer will be an existing member of the Council's finance team and will oversee and manage the financial claims and evidencing process. • Legal advisor: The legal advisor will be an existing member of the Council's legal team and will ensure the project is compliant with Subsidy Control and adheres to the Grant Agreement stipulated between the Council and UKG. • Procurement advisor: The procurement advisor will be an existing member of the Council's commissioning and procurement team and will oversee the procurement of contractors and ensure that the project adheres to the Council's procurement procedures.
<p>Describe what role these people will have, including any seniority and experience.</p> <p>The Project Manager (likely to be Grade 12, 0.5 FTE) will have demonstrable experience of delivering comparable programmes, successfully managing external funding, and with a detailed knowledge of social and economic development and the policy environment. A suitable project management qualification and relevant professional accreditation will also be expected. The Project Manager will:</p> <ul style="list-style-type: none"> • manage the relationship between the Council as accountable body, the partnership group, delivery partners and UKG • liaise with internal experts as required to support the successful delivery of the programme including procurement, legal and financial teams and Service Directors

- be responsible for ensuring delivery to agreed timescale, budget and quality;
- monitor risks and ensure any complementarity/alignment with other Council investments is maximised
- provide regular progress reports to internal Programme Management and Financial Assurance Board
- review and sign off programme monitoring returns

The Project Manager will be supported by a Project Assistant (Grade 8, 0.5FTE) who will be seconded onto the role from within the Council to provide administrative support. The Project Assistant will ensure that the appropriate evidence and audit trails are maintained in line with government guidance and the funding agreement. The post holder will be expected to have demonstrable experience of programme administration.

- Strong capability: Has extensive experience and/or a proven track record of delivery in this area.
- Strong capacity: High degree of confidence that there is enough staffing/resource to manage funding in this area.
- Some capability: Has previous experience of delivery in this area.
- Some capacity: Confident that there is enough staffing/resource to manage funding in this area.
- Limited capability: Does not have previous experience and/or no track record of delivery in this area.
- Limited capacity: Limited confidence that there is enough staffing/resource to manage funding in this area. Additional resource may be needed to support delivery.

CAPACITY AND CAPABILITY

How would you describe your team's current experience of delivering funding and managing growth funds?

Very experienced

How would you describe your team's current capability to manage funding for procurement?

Strong capability

How would you describe your team's current capability to manage funding for procurement?

Strong capability

How would you describe your team's current capacity to manage funding for procurement?

Strong capacity

How would you describe your team's current capability to manage funding for subsidies?

Strong capability

How would you describe your team's current capacity to manage funding for subsidies?

Strong capacity

COMMUNITIES AND PLACE CAPACITY AND CAPABILITY

Does your local authority have any previous experience of delivering the Communities and Place interventions you have select?

Yes

How would you describe your team's current capability to manage funding for Communities and Place interventions?

Strong capability

Describe the key capability challenges (if you have any) for delivering Communities and Place interventions. This may include challenges within your local authority and/or your local/regional delivery system.

We do not foresee any capability challenges. Our team have considerable experience of managing and delivering comparable programmes (including LEADER circa £2m, Towns Fund £22.4m)

Community Renewal Fund £3m, Leominster Heritage Action Zone £3.6m). We also have robust programme management and governance processes in place based on a clear structure with lines of accountability running throughout the delivery team, connecting each part of the team to senior leadership within the Council, enabling monitoring of progress, accountability and the ability to escalate issues where required.

The programme will be led by the council's highly experience Project Management Office according to PRINCE2 principles and methodologies. PRINCE2 is the recognised corporate project management methodology employed by the Council and all project managers are appropriately trained. The programme delivery and management team operate within the Council's very robust rules and procedures. This ensures that the team maintains compliance with current UK legislation.

In addition to thematic expertise within the council, our HSGSB is highly engaged in the delivery of the programme which will provide additional expertise if required and will also ensure opportunities to complement and add value to other activities across the county are maximised.

Describe what further support would help address these challenges.

N/A

How would you describe your team's current capacity to manage funding for Communities and Place interventions?

Strong capacity

Describe the key capacity challenges (if you have any) for delivering Communities and Place interventions. This may include challenges within your local authority and/or your local/regional delivery system.

We do not foresee any capacity challenges. Our team have considerable experience of managing and delivering comparable programmes (including LEADER circa £2m, Towns Fund £22.4m Community Renewal Fund £3m, Leominster Heritage Action Zone £3.6m), and significant long-term experience of successfully delivering a wide range of similar programmes funded through ERDF, ESF, Local Growth Fund for instance.

We have robust programme management and governance processes in place based on a clear structure with lines of accountability running throughout the delivery team, connecting each part of the team to senior leadership within the Council, enabling monitoring of progress, accountability and the ability to escalate issues where required.

The council is committed to the successful delivery of the UKSPF programme and have appropriate contingency and business continuity arrangements in place should key members of staff become unavailable or unforeseen issues arise. Additional expertise and advisory support will be provided by the HSGSB to ensure successful delivery.

Describe what further support would help address these challenges.

N/A

SUPPORTING LOCAL BUSINESS CAPACITY AND CAPABILITY

Does your local authority have any previous experience of delivering the Supporting Local Business interventions you have select?

Yes

How would you describe your team's current capability to manage funding for Supporting Local Business interventions?

Strong capability

Describe the key capability challenges (if you have any) for delivering Supporting Local Business interventions. This may include challenges within your local authority and/or your local/regional delivery system.

We do not foresee any challenges as outlined in response above. The council has considerable experience of supporting local business interventions (including the Marches Growth Hub services in Herefordshire, a wide range of ERDF and ESF, Towns Fund, Local Growth Fund, Leader, and Get Building Fund); and has access to professional support through internal procurement, legal and financial teams.

Furthermore, the council has a strategic commitment to supporting and engaging with businesses which will greatly assist within the delivery of the selected business interventions. This includes how the council supports and engages with the Herefordshire business board, made-up of a cross section of key local businesses and the local enterprise partnership. Additionally, the council engages with businesses in Hereford city and the market towns every 6 months via open invitation sessions. Within these sessions, the council listens to issues that businesses have as well as briefs on key initiatives.

Describe what further support would help address these challenges.

N/A

How would you describe your team's current capacity to manage funding for Supporting Local Business interventions?

Strong capability

Describe the key capacity challenges (if you have any) for delivering Supporting Local Business interventions. This may include challenges within your local authority and/or your local/regional delivery system.

N/A

Describe what further support would help address these challenges.

N/A

PEOPLE AND SKILLS CAPACITY AND CAPABILITY

Does your local authority have any previous experience of delivering the People and Skills interventions you have select?

Yes

How would you describe your team's current capability to manage funding for People and Skills interventions?

Strong capability

Describe the key capability challenges (if you have any) for delivering People and Skills interventions. This may include challenges within your local authority and/or your local/regional delivery system.

We do not foresee any capacity challenges. Our team have considerable experience of managing and delivering comparable programmes (including LEADER circa £2m, Towns Fund £22.4m Community Renewal Fund £3m, Leominster Heritage Action Zone £3.6m), and significant long-term experience of successfully delivering a wide range of programmes funded through ERDF, ESF and Local Growth Fund for instance.

Describe what further support would help address these challenges.

N/A

How would you describe your team's current capacity to manage funding for People and Skills interventions?

Strong capability

Describe the key capacity challenges (if you have any) for delivering People and Skills interventions. This may include challenges within your local authority and/or your local/regional delivery system.

We do not foresee any challenges as outlined in response above.

Describe what further support would help address these challenges.

N/A

SUPPORT TO DELIVERY UKSPF

All lead authorities can use up to 4% of their UKSPF allocation to support the delivery of their chosen interventions but by exception, lead authorities will be able to use more than 4%. Are you planning to use more than 4%?

No

(If Yes) Explain why you wish to use more than 4%.

N/A

Approvals

Before submitting your investment plan, you should have approval from your:

- Chief Executive Officer
- Section 151 Officer
- Leader of your lead authority

Do you have approval from your Chief Executive Officer for this investment plan?

- Yes

Do you have approval from your Section 151 Officer for this investment plan?

- Yes

Do you have approval from the leader of your lead authority for this investment plan?

- Yes

If you do not have approval from any of these people, please explain why this is:

N/A

Additional documents

You will have received an email giving you access to a folder where you will need to upload supporting evidence to your investment plan. All applicants must complete and upload the following spreadsheet to the folder prior to submitting their investment plan:

- UKSPF Expenditure Profile spreadsheet
- UKSPF Indicative Deliverables spreadsheet

Your investment plan submission will be considered incomplete without the required documents.

Have you completed and uploaded the two spreadsheets to the SharePoint folder as requested?

- Yes

