

**Matter which the Chairman has decided is urgent by reason of the need for Cabinet to consider the current proposals for the Levelling Up Fund (Round 2) and UK Shared Prosperity Fund prior to the submission deadlines of 6th July, 2022 and 1st August, 2022, respectively.**

Meeting of:	<b>Cabinet</b>
Date of Meeting:	<b>Thursday, 23 June 2022</b>
Relevant Scrutiny Committee:	Environment and Regeneration
Report Title:	The Levelling Up Fund (Round 2) and UK Shared Prosperity Fund
Purpose of Report:	To update Cabinet on the Levelling Up Fund and UK Shared Prosperity Fund, and to seek delegated authority to submit an application for the Levelling Up Fund (Round 2) and to submit an Investment Plan for the UK Shared Prosperity Fund funding allocation in line with submission deadlines.
Report Owner:	Executive Leader and Cabinet Member for Performance and Resources
Responsible Officer:	Director of Place
Elected Member and Officer Consultation:	No Elected Members have been consulted at this stage - refer to paragraph 2.24 of the report Chief Executive Relevant Heads of Service Legal Services - Committee Reports Operational Manager - Accountancy Operational Manager - Property Services Operational Manager - Regeneration Major Project Managers - Project Management Unit
Policy Framework:	This is a matter for Executive decision by Cabinet.

Executive Summary:

1. The content of this Cabinet report is time sensitive due to the submission deadlines for the Levelling Up Fund (Round 2) bid and the Investment Plan for the UK Shared Prosperity Fund funding allocation.
2. Since the last Cabinet report (14th March, 2022) UK Government has published guidance for both funding streams and updated the Index of Priority Places for the Levelling Up Fund (Round 2). The Vale of Glamorgan local authority area is now a category 1 area (having previously been a category 2 area). Category 1 represents the highest level of identified need and is one of four bid assessment criteria.
3. Since the publication of guidance for the Levelling Up Fund (Round 2) bidding process and the UK Shared Prosperity Fund, officers have been working at pace with consultants (Rothwell) and with relevant landowners and partner organisations to develop proposals for consideration by the funding body.
4. Cabinet is asked to endorse the emerging Levelling Up Fund (Round 2) bid and Investment Plan linked to the UK Shared Prosperity Fund funding allocation, outlined in Section 2 of the report (and the delivery thereof) subject to legislative provisions, statutory consents and funding.
5. Cabinet is also asked to grant delegated authority for the Director of Place (in consultation with the Executive Leader and Cabinet Member for Performance and Resources, Chief Executive, Head of Finance/Section 151 Officer and Monitoring Officer/Head of Legal and Democratic Services) to take necessary actions to meet the submission deadlines.
6. Future reports will be brought before Cabinet for consideration as appropriate.

## **Recommendations**

- 1.** That Cabinet notes and endorses the emerging Levelling Up Fund (Round 2) bid and Investment Plan linked to the UK Shared Prosperity Fund funding allocation, subject to the appropriate legislative provisions, statutory consents and funding.
- 2.** That the Director of Place is confirmed as the Senior Responsible Owner for the Levelling Up Fund (Round 2) bid.
- 3.** That delegated authority be granted to the Director of Place (in consultation with the Executive Leader and Cabinet Member for Performance and Resources, Chief Executive, Head of Finance/Section 151 Officer and Monitoring Officer/Head of Legal and Democratic Services) to submit a grant application and associated funding packages, including contributions from sources identified for regeneration purposes in paragraphs 4.2 - 4.4 (inclusive) of this report, for the Levelling Up Fund (Round 2) bid on behalf of the Vale of Glamorgan Council.
- 4.** That delegated authority be granted to the Director of Place (in consultation with the Executive Leader and Cabinet Member for Performance and Resources, Chief Executive, Head of Finance/Section 151 Officer and Monitoring Officer/Head of Legal and Democratic Services) to negotiate and agree terms with relevant landowners and partner organisations pursuant to the development and submission of the Levelling Up Fund (Round 2) bid.
- 5.** That the response by the UK Government to the Levelling Up Fund (Round 2) bid be reported back to Cabinet in due course together with more detailed budget management and governance arrangements relating to the delivery of any successful bid.
- 6.** That delegated authority be granted to the Director of Place (in consultation with the Executive Leader and Cabinet Member for Performance and Resources, Chief Executive, Head of Finance/Section 151 Officer and Monitoring Officer/Head of Legal and Democratic Services) to submit and take all necessary actions to finalise a regional (South East Wales) Investment Plan linked to the UK Shared Prosperity Fund funding allocation on behalf of the Vale of Glamorgan Council.
- 7.** That the finalised regional Investment Plan linked to the UK Shared Prosperity Fund funding allocation be reported back to Cabinet in due course together with more detailed budget management and governance arrangements relating to the local delivery of the Investment Plan.
- 8.** That delegated authority be granted to the Director of Place (in consultation with the Executive Leader and Cabinet Member for Performance and Resources, Chief Executive, Head of Finance/Section 151 Officer and Monitoring Officer/Head of Legal and Democratic Services) to undertake all necessary actions to agree the terms of the Service Level Agreement for the UK Shared Prosperity Fund funding allocation.
- 9.** That delegated authority be granted to the Monitoring Officer/Head of Legal and Democratic Services to prepare, complete and execute the Service Level Agreement for the UK Shared Prosperity Fund funding allocation.

10. That the use of paragraph 15.14.2(ii) of the Council's Constitution (urgent decision procedure) be authorised in respect of the above recommendations.

### **Reasons for Recommendations**

1. To apprise Cabinet of the current position and to obtain endorsement from Cabinet for the emerging Levelling Up Fund (Round 2) bid and Investment Plan linked to the UK Shared Prosperity Fund funding allocation and the delivery thereof subject to legislative provisions, statutory consents and funding.
2. To meet an eligibility requirement for the bid.
3. To obtain authority to submit a bid for the Levelling Up Fund (Round 2) in line with the submission deadline of 6th July, 2022.
4. To obtain authority to negotiate and agree terms with relevant landowners and partner organisations pursuant to the development and submission of the Levelling Up Fund (Round 2) bid.
5. To report back to Cabinet on the success or failure of the Levelling Up Fund (Round 2) bid and any advice received from the funding body.
6. To obtain authority to submit and finalise an Investment Plan linked to the UK Shared Prosperity Fund funding allocation in line with the submission deadline of 1st August, 2022.
7. To report back to Cabinet on the development of the Investment Plan linked to the UK Shared Prosperity Fund funding allocation and any advice received from the lead authority and funding body.
8. To obtain authority to agree the terms of the Service Level Agreement for the UK Shared Prosperity Fund funding allocation.
9. To obtain authority to prepare, complete and execute the Service Level Agreement for the UK Shared Prosperity Fund funding allocation.
10. In recognition of the submission deadlines.

### **1. Background**

- 1.1 Cabinet (14th March, 2022, Minute C873 refers) received an update report taking into consideration the Levelling Up White Paper published on 2nd February 2022 and work being undertaken by consultants (Rothwell) in respect of the Barry Growth Plan and development of a Levelling Up Fund (Round 2) bid. At the time guidance for the Levelling Up Fund (Round 2) bidding process had not been published. This was also the case for the UK Shared Prosperity Fund. Furthermore, the Vale of Glamorgan local authority area was classified then as a category 2 area for the purposes of the Levelling Up Fund.
- 1.2 Since the above-mentioned Cabinet report, UK Government has published a prospectus, application guide and technical note for the Levelling Up Fund (Round 2). The UK Government has also updated the Index of Priority Places for the Levelling Up Fund (Round 2). Furthermore, a prospectus for the UK Shared

Prosperity Fund and a conditional funding allocation for the period 2022/23 - 2024/25 has also been published.

- 1.3 Links to all the published documents referred to in paragraphs 1.1 and 1.2 can be found in Section 5. of this report.

## 2. Key Issues for Consideration

- 2.1 Since the publication of guidance for the Levelling Up Fund (Round 2) bidding process and the UK Shared Prosperity Fund, officers have been working at pace with Rothwell and with relevant landowners and partner organisations to develop proposals for consideration.

### Levelling Up Fund (Round 2)

- 2.2 The Levelling Up Fund (Round 2) is a competitive fund with funding distributed to places across the UK based on successful project selection. Local authorities in England, Scotland, and Wales are eligible to apply. Funding is classified as capital and will be targeted towards places that are most in need of the type of investment the fund provides, as measured by an Index of Priority Places.
- 2.3 The Index of Priority Places considers the following place characteristics: need for economic recovery and growth, need for improved transport connectivity, and need for regeneration. Bid assessment will focus on four criteria: characteristics of places, deliverability, strategic fit with local and fund priorities, and the economic case in line with the published assessment framework. As regards *characteristics of places* each local authority has been placed into category 1, 2 or 3 based on The Index of Priority Places, with category 1 representing the highest level of identified need. Since the Cabinet report dated 14th March, 2022, the Index has been updated by the funding body and the Vale of Glamorgan local authority area is now a category 1 area.
- 2.4 The Levelling Up Fund (Round 2) is open to projects that can demonstrate spend from the fund in the 2022/23 financial year. Eligible expenditure in 2022/23 could include capital development costs. The funding body would expect all funding provided from the fund to be spent by 31st March, 2025 and by 2025/26 on an exceptional basis.
- 2.5 The fund will focus investment in smaller scale, local projects that require up to £20 million in capital grant value per bid. However, there is scope for investing in higher value projects, by exception. A local contribution of 10% or higher (local authority and/or third party) of the bid costs is encouraged. An applicant may submit a bid for an individual project or a package bid, consisting of up to a maximum of three projects.
- 2.6 The application form aligns to HM Treasury's Green Book which sets out guidance on how to appraise projects. In line with the Green Book and the scale and scope of the proposed interventions it is recommended that the Director of Place is the Senior Responsible Owner (SRO) for the Levelling Up Fund (Round 2) bid.
- 2.7 The funding body encourages applicants to take a holistic approach to their infrastructure needs across transport, regeneration and cultural investment

when developing their bids. Applications for funding should clearly demonstrate how proposed investments will support relevant local strategies and their objectives for improving infrastructure, promoting growth, enhancing the natural environment, and making their areas more attractive places to live and work. Applicants should consult a range of local stakeholders across the full geography of a place in developing their proposed investments for the fund including Members of Parliament and Members of the Senedd.

- 2.8** Eligible applicants must submit their full bids, with all supporting documentation via the online application portal, by 12:00 noon Wednesday 6th July, 2022. The funding body is expected to make an announcement regarding the outcome of the bid in the autumn of 2022. We expect this to be a highly competitive process with only the strongest applications succeeding.
- 2.9** Subject to viability, funding and statutory consents, the emerging proposal is to submit a package bid focused on the settlement of Barry and its waterfront, consisting of two projects under the package 'Barry Making Waves'. Following extensive community consultation over a number of years - notably through the Barry Making Waves initiative - a focus on regeneration of, and the links between, the Barry waterfront and town centre have emerged as key priority themes for the community. Given the Levelling Up Fund requirements summarised above, two projects focused on the regeneration of the waterfront have now reached a stage where they should be in a position to meet the gateway criteria to meet eligibility for investment. An outline of each project is contained in paragraphs 2.10 - 2.15 (inclusive) below. Illustrative information can be found in Appendix 1.

### **Barry Mole and Marina**

- 2.10** The proposal is to facilitate a new marina at No.1 Dock with the site known as The Mole as the centrepiece of a coordinated master planned redevelopment. The marina would attract visitors and tourists to the town and serve as the catalyst for the next stage of the regeneration of the docks. The redevelopment would also include:
- an upgrade of the locks onto the No.1 Dock
  - provision of innovative business incubator hubs featuring a range of small units to suit a variety of businesses particularly space for small enterprises to grow and generate new jobs for Barry (up to 30,000 sq. ft.)
  - units for hospitality businesses
  - new residential properties, and
  - a landscaped area of public open space (linear park) to create a welcoming gateway for residents and visitors (approximately 2 acres).
- 2.11** The proposal would be delivered by the landowner (ABP) with the Levelling Up Fund (Round 2) grant being used as gap funding. Subject to negotiating and agreeing terms, the business incubator hub would be a candidate for the Council's Non-Treasury Service Investment and Growth Fund (Council, 7th March

2022, Minute 931 refers). Financial and Legal considerations are outlined in Section 4 of this report.

- 2.12** Scheme design proposals will be prepared in due course, subject to statutory consents and therefore determined by the separate statutory planning process and associated community consultation.

### **Barry Watersports Centre**

- 2.13** The proposal is to redevelop a brownfield site which abuts the east end of No.1 Dock to accommodate a new, green, purpose-built watersports facility. Designed to boost leisure opportunities and wider community use of the area, the facility would provide a new home for the Ocean Watersports Trust (currently based on The Mole). This will not only benefit local clubs and organisations but also schools, youth groups, and the public by giving them access to first class facilities to enjoy the water. The new space would provide meeting rooms, community spaces and classrooms, as well as equipment storage space.
- 2.14** In terms of project delivery, the proposal is to be delivered by the Council subject to negotiating and agreeing terms with the landowner for a long lease. Once complete it is proposed that the new facility would be sub-let to the Ocean Watersports Trust. Financial and Legal considerations are outlined in Section 4 of this report.
- 2.15** Scheme design proposals will be prepared in due course, subject to statutory consents and therefore determined by the separate statutory planning process and associated community consultation.

### **UK Shared Prosperity Fund**

- 2.16** The UK Shared Prosperity Fund forms part of a suite of complementary Levelling Up funding. It is a mix of revenue and capital funding.
- 2.17** The overarching aim of the fund is to build pride in place and increase life chances. Underneath this aim there are three investment priorities: communities and place; supporting local business; and people and skills.
- 2.18** All local authorities in England, Scotland, and Wales are eligible for the fund and each local authority will receive a conditional allocation. The conditional offer for the Vale of Glamorgan Council can be found in paragraph 4.8 of this report.
- 2.19** In terms of project delivery, local government is being given responsibility for developing an Investment Plan for approval by the UK Government, and for delivery of the fund thereafter. In Wales, the UK Government will support delivery across the four regional strategic geographies which are co-terminous with strategic geographies covering City and Growth Deal areas. For South East Wales / Cardiff Capital Region, all local authority allocations will therefore be aggregated at the strategic geography level. The lead authority for South East Wales / Cardiff Capital Region (Rhondda Cynon Taff County Borough Council), will have overall accountability for the funding and how the fund operates. In this regard it is envisaged that the Vale of Glamorgan Council will be required to enter into a Service Level Agreement with the lead authority to access the funding allocation. Each local authority is currently drafting their own local Investment Plan for the lead authority to aggregate into a regional plan, setting

out the interventions they wish to deliver and measurable outcomes that reflect local needs and opportunities.

- 2.20** A draft Investment Plan for the Vale of Glamorgan local authority area can be found in Appendix 2. The draft Investment Plan is Vale wide and is subject to legislative provisions, statutory consents, funding, governance and resources structures. Moreover, the draft Investment Plan is subject to consideration by the lead authority and UK Government.
- 2.21** The UK Government has confirmed funding for three financial years (2022/23, 2023/24 and 2024/25) and that all interventions should end by March 2025. The submission window for Investment Plans opens on 30th June, 2022 and closes on 1st August, 2022. It is anticipated that the funding body will approve the first Investment Plans in October 2022.
- 2.22** The Multiply element (revenue) of the funding allocation is a new UK Government programme, which aims to increase the levels of functional numeracy in the adult population across the UK. In this regard discussions between the funding body, Welsh Government and the Welsh Local Government Association are on-going to prevent Multiply from replacing and / or duplicating any existing adult numeracy provision and to determine the most appropriate scale for intervention (national/regional/local).

#### **Urgency**

- 2.23** The submission deadlines of 6th July, 2022 and 1st August, 2022 for the Levelling Up Fund (Round 2) bid, and the Investment Plan linked to the UK Shared Prosperity Fund funding allocation respectively, are particularly challenging. The report therefore recommends the use of paragraph 15.14.2 (ii) of the Council's constitution (urgent decision procedure).

#### **Consultation and Engagement**

- 2.24** The timescales for the Council, relevant landowners and partner organisations in terms of feasibility, design, procurement, consultation and delivery (by the end of March 2025) are also particularly challenging. Local ward members will be notified and consulted at key stages during the emerging programme for both the Levelling Up Fund (Round 2) bid, and the Investment Plan linked to the UK Shared Prosperity Fund funding allocation. In respect of the emerging proposals for the Levelling Up Fund (Round 2) bid, arrangements are in hand for further public engagement work to be undertaken (both online and staffed display) immediately after the consideration of this report by Cabinet.

### **3. How do proposals evidence the Five Ways of Working and contribute to our Well-being Objectives?**

- 3.1** The emerging proposals set out in this report accord with the five ways of working as follows:
- a) Involvement** - Both investment programmes have and will continue to be subject to discussions and engagement with partners as well as wider community engagement. Wide ranging engagement will be a fundamental part of the investment programmes and to this end a tailored engagement and communication programme is being developed.

**b) Collaboration** - Both investment programmes have and will continue to involve collaboration with other public sector bodies, investors/developers, businesses and third sector.

**c) Integration** - The delivery of both investment programmes creates the opportunity for teams from across the Council to work closely and in an integrated manner to achieve the delivery of economic and social well-being benefits in Barry and the wider Vale of Glamorgan.

**d) Prevention** - Both investment programmes are complementary and, in this regard, reduce the risk of delivering piecemeal solutions. The focus will be on delivering projects that make a genuine difference to local areas in Barry and the wider Vale of Glamorgan.

**e) Long Term** - The Levelling Up White Paper published in February 2022 is underpinned by twelve ambitious missions over 10 years and tracked by an annual report that will monitor levelling up progress and ensure the UK government is held to account. Moreover, the emerging Levelling Up Fund (Round 2) bid is part of a long-term investment plan for Barry based on widespread consultation, a clear narrative and data that attempt to identify the issues and opportunities in Barry and projects to tackle and support these.

## **4. Resources and Legal Considerations**

### **Financial**

- 4.1** To date the survey, feasibility and design of the projects identified in paragraphs 2.9 - 2.15 (inclusive) of this report has been funded by UK Government and £125,000 has also been awarded for this purpose.
- 4.2** In terms of budget costs for the Levelling Up Fund (Round 2) bid, the total capital grant value is currently approximately £20 million. It is forecast that approximately £15.1 million of the grant is required for the Barry Mole and Marina project and approximately £4.9 million of the grant is required for the Barry Watersports Centre project. The total budget cost of the Barry Mole and Marina project is currently approximately £20 million with the landowner (ABP) expected to contribute approximately £4.9 million. Subject to internal protocols and the legal considerations set out below it is proposed to use the Council's Non-Treasury Service Investment and Growth Fund to purchase the business incubator hub at a verified market value (to be agreed but currently considered to be approximately £3 million as verified by the Council's advisors Cushman and Wakefield). The use of the Non-Treasury Service Investment and Growth Fund will require the approval of a Full Business Case by the Investment Project Board and Cabinet with consideration of appropriate due diligence and independent advice against the investment objectives of the Fund.
- 4.3** The Non-Treasury Service Investment and Growth Fund is funded by PWLB borrowing, the cost of borrowing at certainty rate is currently 3.61% for 40 years and borrowing of £3 million would equate to a total cost of £5.693 million over the life of the loan with annual repayments of £142k.

- 4.4** As regards the Barry Watersports Centre project, it is proposed to sub-let the site once completed for a nominal rent subject to the legal considerations outlined below.
- 4.5** The Council will also be taking on ownership and future maintenance responsibility for the proposed linear park of approximately 2 acres on The Mole and will be seeking to secure satisfactory means for ensuring future funding to support this as part of future negotiations with ABP should the bid be successful.
- 4.6** Cabinet is asked to recognise that both projects are being developed at a time of uncertain inflationary market conditions. Furthermore, the bid submission is time sensitive and there is currently limited information in respect of design details and abnormalities such as contamination and utilities. This information will have a bearing on cost. This is particularly the case in relation to the Barry Watersports Centre project.
- 4.7** The deadline of March 2025 is very challenging for both projects and certain tasks such as site investigation works may have to be undertaken at risk immediately. Additionally, the new watersports facility will require a business plan to determine viability. An initial indicative budget of £50k has been set aside to fund these investigation and project management works to be funded from the Council's earmarked reserves for the Non-Treasury Investment Fund Reserve.
- 4.8** The Council's total conditional funding allocation from the UK Shared Prosperity Fund for years 2022/23 - 2024/25 (inclusive) is £14,029,222.00 and is set out in the table below:

Vale of Glamorgan UK Shared Prosperity Fund: Total Notional Allocation	
	2022/23 - 2024/25
UK Shared Prosperity Fund (Revenue)	£9,831,602.54
UK Shared Prosperity Fund (Capital)	£1,774,902.46
Multiply	£2,422,717.00
<b>Total</b>	<b>£14,029,222.00</b>

### **Employment**

- 4.9** The resourcing of the emerging projects identified in this report will be considered by the Director of Place as part of an overall resource plan to ensure the Council is positioned to respond accordingly and maximise all funding sources available.

### **Legal (Including Equalities)**

- 4.10** The Council is obliged to have regard to Subsidy Control rules each time they award financial assistance ('a subsidy'), including grants, which are required to meet the relevant legal requirements set out in the Subsidy Control Act 2022.
- 4.11** If the bid submission is successful and progresses to the next stage for further consideration by the funding body, further legal advice will be provided by the externally commissioned leading law firm DWF who specialise in subsidy control advice to public sector bodies. Advice will be obtained to ensure compliance with subsidy control rules in demonstrating that the subsidy is proportionate and necessary to the objective, as identified at that stage.
- 4.12** A supplemental paper will be provided to Cabinet from the Council's externally instructed Lawyers, DWF regarding subsidy control, and the position reached at this stage.
- 4.13** Going forward, and subject to UK Government decision making processes each bid and/or funding allocation will be managed in accordance with the Council's Constitutional requirements with separate and specific legal advice being sought in relation to further subsidy control advice, and procurement and financial implications on a case-by-case basis. Future reports will be brought before Cabinet for consideration as appropriate.
- 4.14** When making bids for external funding, it will be necessary to ensure that all terms and conditions attached to the external funding offer and grant are complied with and that the Council's Procedure Note on Grant Funding is followed.
- 4.15** Under Section 123 of the Local Government Act 1972, the Council may dispose of its land in any manner it wishes but is under a duty to achieve the best consideration reasonably obtainable on the disposal of land unless it has the consent of the Welsh Ministers to dispose of land for less. However, general disposal consents have been issued by the Welsh Ministers (the General Disposal Consent (Wales) 2003) and under these consents, a local authority may dispose of an interest in land for a sum which is less than best consideration that can reasonably be obtained where the authority considers that the purpose for which the interest in the land is to be disposed of is likely to contribute to one or more of the following objects in respect of the whole or any part of its area, or all or any persons resident in its area, or all of the persons resident in its area: (i) the promotion or improvement of economic well-being; (ii) the promotion or improvement of well-being; (iii) the promotion or improvement of social wellbeing; and the difference between the unrestricted value of the interest to be disposed of and the consideration agreed does not exceed £2,000,000.
- 4.16** It is envisaged that the Service Level Agreement for the UK Shared Prosperity Fund funding allocation will be executed as a deed under the common seal.

## **5. Background Papers**

Department for Levelling Up, Housing and Communities - [The Levelling Up White Paper](#) (Published 2nd February, 2022)

Council (7th March, 2022), [Reference from Cabinet 28th February 2022](#): Proposed Introduction of a Non Treasury Service Investment Strategy, The Investment and Growth Fund, Minute [931](#)

Cabinet (14th March, 2022), [Barry Growth Programme](#), Minute [C873](#)

Department for Levelling Up, Housing and Communities, HM Treasury, Department for Transport - [Levelling Up Fund Round 2: prospectus](#) (Published 23rd March, 2022)

Department for Levelling Up, Housing and Communities - [Levelling Up Fund Round 2: updates to the Index of Priority Places](#) (Published 23rd March, 2022)

Department for Levelling Up, Housing and Communities, HM Treasury, Department for Transport - [Levelling Up Fund Round 2: application guidance](#) (Published 13th April, 2022)

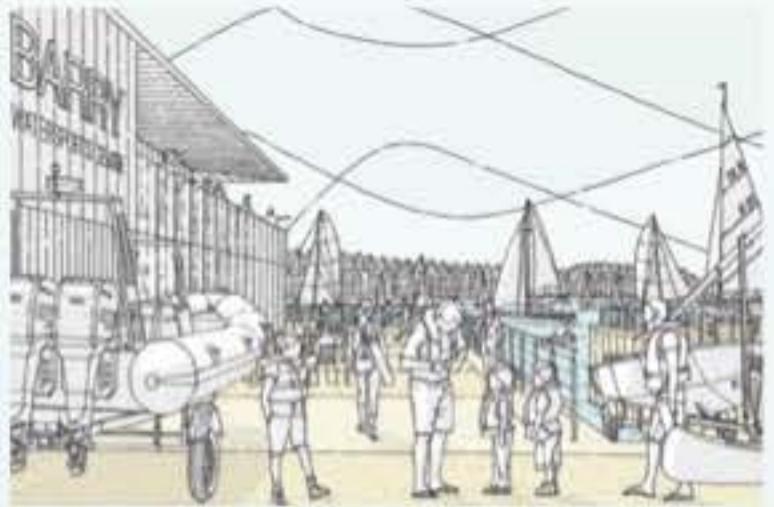
Department for Levelling Up, Housing and Communities, HM Treasury, Department for Transport - [Levelling Up Fund Round 2: technical note](#) (Published 13th April, 2022)

Department for Levelling Up, Housing and Communities - [UK Shared Prosperity Fund: prospectus](#) (Published 13th April, 2022)

HM Treasury - [The Green Book, Central Government Guidance on Appraisal and Evaluation](#) (Published 2022)

Department for Levelling Up, Housing and Communities - [Guidance, Multiply in Scotland, Wales and Northern Ireland](#) (Update 15th June, 2022)

# Our Levelling Up Bid for Barry



Have your say on the Vale of Glamorgan Council's bid for a share of the UK Government's Levelling Up Fund, to transform the Barry Docks waterfront.

- A new marina at The Mole in No.1 Dock
- A new watersports centre to house the Ocean Watersports Trust
- Business incubator hubs alongside to generate jobs
- New hospitality units complementing the above



[www.valeofglamorgan.gov.uk](http://www.valeofglamorgan.gov.uk)



## **UK Shared Prosperity Fund: Vale of Glamorgan Emerging Headlines, June 2022**

The UK Shared Prosperity Fund (SPF) sets out:

4 Objectives (from the Levelling Up White Paper) that any investment case should address:

- Boost productivity, pay, jobs and living standards (private sector)
- Spread opportunities and improve public services,
- Restore a sense of community, local pride and belonging,

- Empower local leaders and communities,

These are linked to 3 Investment Priorities:

- Communities and Place
- Supporting Local Business
- People and Skills

In response, the Vale of Glamorgan SPF is based on an understanding of both local need and opportunities.

The **challenges the area faces**<sup>1</sup> are based on both recent evidence base analysis and current external pressures. The 3 ***structural challenges*** are:

1. Pockets of **persistent inequality**
2. Economic opportunities and health and well-being imperatives to **reduce emissions and switch to net zero**
3. A need to support locally significant **sectors and jobs** while laying the foundations for growth in green and digital **future facing skills and sectors**

The Council is mindful of the need to ensure its SPF Investment Plan responds to **2 Short term** challenges:

On-going support around **Covid continuing recovery, Brexit impacts** and pressures from the escalating **cost of living crisis**.

These issues overlap in places, for example in terms of the pressure on recruitment in hospitality businesses.

There is one further local context challenge (**rural population**) which the Council faces related to the costs and complexity associated with delivery of services and support for rural villages and less densely populated parts of the area. This includes issues around transportation (and the costs) of getting to town based services or facilities.

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<sup>1</sup> See Appendix A for supporting material for the evidence themes. This is intended as visual prompt to support the emerging investment areas, it does not replace the detailed and thorough local evidence base already in place. This is an external view of some key challenges and opportunities.

In response to this evidenced need we set out the **headline opportunities** that will form the basis of the SPF investment plan project prioritisation for the Council:

- Greater efficiencies of delivery and improved outcomes from lessons learned and current projects (Community Renewal & Leader scheme e.g. effectiveness of targeted neighbourhoods hubs)
- Regional dividend from joint working /scale of delivery across the Cardiff Capital Region
- Maximising local assets within the area, including the Barry masterplan priority zones, the Cardiff airport sites and a range of public and Council-owned assets.

## **Emerging investment themes – local and regional priorities:**

Although engagement work is on-going both with local stakeholders and partners and at a regional level, early scoping work has identified a number of programme proposal areas, and these have been used to embark on discussions at a regional level. ***As engagement and project ideas are developed these will be subject to refinement.***

### **1) Communities and Place** programme proposal areas are:

- Priority communities: Levelling-Up support for 'left behind' communities both of geography and interest, including action to sustainably offset cost of living crisis.
- The Vale Town Centres Programme: Support for the revitalisation of our urban and rural towns.
- Growing the Vale Volunteering community
- Community and place-based events programme: Targeting well-being, culture, arts and heritage.
- Green communities and resilient infrastructure: Supporting our ambition to create a zero carbon Vale by 2050
- Communities and place feasibility studies

### **2) Supporting Local Business** programme proposal areas are:

- Investment in high quality workspace provision across the Vale: Prioritising SMEs and Social Enterprise.
- Priority sector support programme (including supply chain support): Food & farming, tourism, creative clusters and advanced engineering and manufacturing. ***Potential link to regional investments***
- Business growth and innovation support (inc social enterprise). ***Potential link to regional investments***
- Business decarbonisation and resource efficiency programme. ***Potential link to regional investments***
- Business start-up (including social enterprise). ***Potential link to regional investments***
- Support for destination marketing - The Vale.

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- Local business support feasibility studies
- Supporting regional initiatives ( VoG)

**3) People and Skills programme** proposal areas<sup>2</sup> are:

- Priority Communities Outreach activity, including learning disability support, mentoring and pathways to employment
- NEET support programme

*and with Council involvement in two regional projects:*

- Regional Employability Model: Joint Commissioning (Remaining in FE)
- Regional Employability Model: Joint Commissioning (Upskilling at work)

**Indicative budgets**

	£	Capital	Revenue
<b>C&amp;P</b>	4,950,000	1,680,000	3,270,000
<b>SLB</b>	4,800,000	920,000	3,880,000
<b>P&amp;S</b>	1,839,800	200,000	1,639,800
<b>Multiply</b>	2,422,717		2,422,717
<b>Total</b>	<b>14,012,517<sup>3</sup></b>	<b>2,800,000</b>	<b>11,212,517</b>
<b>Allocation</b>	<b>14,029,222</b>		

<sup>2</sup> The projects are further along the development cycle due to regular ESF and CRF engagement locally and regionally.

<sup>3</sup> The difference is £16,705 which once further detail is known on contributions to regional projects will be adjusted to match the total allocated fund. Figures for C&P and SLB have been to reflect emerging detail.

We can break these down further by the programme categories introduced above:

<b>Investment Priority</b>	<b>Project Area</b>	<b>Capital Costs</b>	<b>Revenue costs</b>
<b>Communities and Place</b>	Priority Communities	400,000	1,000,000
	Town Centres Programme	600,000	750,000
	Volunteering		200,000
	Community and place-based events programme	-	200,000
	Green communities and resilient infrastructure	680,000	1,020,000
	Communities and place feasibility studies		100,000
<b>Supporting Local Business</b>	Investment in high quality workspace provision	520,000	230,000
	Priority sector support programme	-	750,000
	Business growth and innovation support	400,000	1,100,000
	Business decarbonisation	-	400,000
	Business start-up (including social enterprise	-	400,000
	Support for destination marketing	-	50,000
	Local business support feasibility studies	-	150,000
	Supporting regional initiatives ( VoG)	-	800,000
<b>People &amp; Skills</b>	Priority Communities Outreach activity	200,000	848,800
	NEET support programme	-	491,000
	Regional Employability: (Remaining in FE)	-	150,000
	Regional Employability (Upskilling at work)	-	150,000

**Key Interventions-**

The main interventions by investment priority are set out in shorthand in the order of the table above .

<b>Communities &amp; Place</b>	<b>Intervention (s)</b>
<b>Priority Communities</b>	<p>W5: Design and management of the built and landscaped environment to 'design out crime'.</p> <p>W11: Investment in capacity building and infrastructure support for local civil society and community groups</p> <p>W12: Investment in community engagement schemes to support community involvement in decision making in local regeneration.</p>
<b>Town Centres Programme</b>	W1: Funding for improvements to town centres and high streets, including better accessibility for disabled people, including capital spend and running costs
<b>Volunteering</b>	<p>W9: Funding for impactful volunteering and/or social action projects to develop social and human capital in local places.</p> <p>W36: Activities such as enrichment and volunteering to improve opportunities and promote wellbeing.</p>
<b>Town centre improvements</b>	W6: Support for local arts, cultural, heritage and creative activities.
<b>Community and place-based events programme</b>	<p>W2: Funding for new, or improvements to existing, community and neighbourhood infrastructure projects</p> <p>W3: Creation of and improvements to local green spaces, community gardens, watercourses and embankments,</p> <p>W7: Support for active travel enhancement and other small-scale green transport infrastructure projects</p> <p>W13: Community measures to reduce the cost of living, including through measures to improve energy efficiency, and combat fuel poverty and climate change.</p>
<b>Green communities and resilient infrastructure</b>	W14: Funding to support relevant feasibility studies.

<b>Supporting Local Business</b>	<b>Intervention (s)</b>
<b>Investment in high quality workspace provision</b>	W22: Investing in enterprise infrastructure and employment/innovation site development projects. This can help to unlock site development projects which will support growth in places.
<b>Priority sector support programme</b>	W19: Increasing investment in research and development at the local level. Investment to support the diffusion of innovation knowledge and activities, in both economically important and emerging areas. Support the commercialisation of ideas, encouraging collaboration and accelerating the path to market so that more ideas translate into industrial and commercial practices. Investment in doctoral training centres.
<b>Business growth and innovation support</b>	W23: Strengthening local entrepreneurial ecosystems, and supporting businesses at all stages of their development to start, sustain, grow and innovate, including through local networks.
<b>Business decarbonisation</b>	W29: Supporting decarbonisation and improving the natural environment whilst growing the local economy. Taking a whole systems approach to invest in infrastructure to deliver effective decarbonisation across energy, buildings and transport and beyond, in line with our legally binding climate target. Maximising existing or emerging local strengths in low carbon technologies, goods and services to take advantage of the growing global opportunity.
<b>Business start-up (including social enterprise)</b>	W24: Funding for new and improvements to existing training hubs, business support offers, 'incubators' and 'accelerators' for local enterprise (including social enterprise) which can support entrepreneurs and start-ups through the early stages of development and growth by offering a combination of services including account management, advice, resources, training, coaching, mentorship and access to workspace.
<b>Support for destination marketing</b>	W17: Funding for the development and promotion (both trade and consumer) of the visitor economy, such as local attractions, trails, tours and tourism products more generally.
<b>Local business support feasibility studies</b>	W31: Funding to support relevant feasibility studies.

People & Skills	Intervention (s)
<b>Priority Communities Outreach activity</b>	<p>W34: Employment support for economically inactive people: Intensive and wrap-around one-to- one support to move people closer to mainstream provision and to gain and retain employment, including wraparound support to people undertaking apprenticeships, supplemented by additional and/or specialist life and basic skills (digital, English, maths* and ESOL) support where there are local provision gaps.</p> <p>W38: Tailored support to help people in employment, who are not supported by mainstream provision to address barriers to accessing education and training courses. This includes supporting the retention of groups who are likely to leave the labour market early.</p>
<b>NEET support programme</b>	<p>W43: Funding to support engagement and softer skills development for young people, with regard to the work of Careers Wales/Working Wales.</p>
<b>Regional Employability: (Remaining in FE)</b>	<p>W43: Funding to support engagement and softer skills development for young people, with regard to the work of Careers Wales/Working Wales.</p>
<b>Regional Employability (Upskilling at work)</b>	<p>W39: Support for local areas to fund local skills needs. This includes technical and vocational qualifications and courses up to level 2 and training for vocational licences relevant to local area needs and high-value qualifications where there is a need for additional skills capacity that cannot be met through mainstream funding.</p>

**Outputs and Outcomes alongside an assessment of impacts / linked Levelling Up Missions and potential beneficiaries will be presented separately once this first cut SPF investment Plan has been refined further.**

**Appendix A** SPF supporting evidence material:

This contains some key graphics to support the evidence messages. This is a simple summary –more detailed analysis and assessments can be found in the link in the footnote<sup>4</sup>.

In response, the emerging Vale of Glamorgan SPF Investment Plan is based on an understanding of both local need and opportunities.

The **challenges the area faces** are based on both recent evidence base analysis and current external pressures. The 3 ***structural challenges*** are:

1. Pockets of **persistent inequality**
2. Economic opportunities and health and well-being imperatives to **reduce emissions and switch to net zero**
3. A need to support locally significant **sectors and jobs** while laying the foundations for growth in green and digital **future facing skills and sectors**

There is one further local context challenge (**rural population**) which the Council faces related to the costs and complexity associated with delivery of services and support for rural villages and less densely populated parts of the area. This includes issues around transportation (and the costs) of getting to town based services or facilities.

[A View of the Vale of Glamorgan – An Assessment of Current and Future Well-being](#) – the assessment summary document, brings together the findings of four key reports, which provide an in-depth review of each subject but also illustrate the interconnected nature of well-being. The four in-depth reports are:

- [Demographic Report](#) – a detailed analysis of past, current and future population changes and trends.
- [Education and Economy Report](#) – an analysis of education and skills, employment and earnings, economic growth and housing.
- [Health and Communities Report](#) – an analysis of key health indicators, healthy behaviours, social and cultural well-being.
- [Environment and Transport Report](#) – an analysis of the climate and nature emergency, habitats, flooding, transport and energy.

## Persistent Inequality

The distribution or, issues around and impacts of inequality are well rehearsed and well understood within the Council and local partners. To illustrate this simply the following map shows the geographical concentration of hotspots of population where there are 1.5x (at a minimum) higher rates of people with no qualifications than the vale average. This is 2011 census data so can be updated later in 2022/23 with 2021 census data.



## **Reduce emissions and switch to net zero**

This shows two examples for a national data set<sup>5</sup> which measures how “healthy” neighbourhoods are, including data on:

- Access to retail outlets (fast food outlets, pubs, off-licences, tobacconists, gambling outlets)
- Access to health services (GPs, hospitals, pharmacies, dentists, leisure services)
- Air quality (green space, air pollution)
- Access to natural environment (green spaces including parks and recreational spaces, blue space including rivers, canals and lakes). It can be found here

Across the Vale:

- 19,000 people live in neighbourhoods ranked in worst 30% for access to green spaces<sup>6</sup>
- & 40% of residents (54,000) live in neighbourhoods ranked in worst 30% for So<sub>2</sub><sup>7</sup> emission levels.

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<sup>5</sup> <https://data.cdrc.ac.uk/dataset/access-healthy-assets-hazards-ahah>

<sup>6</sup> The greenspace indicator labelled as 'active' is based on the distance people have to travel to their nearest greenspace access point conducive to physical activity.

<sup>7</sup> SO<sub>2</sub> is also known to combine with nitrogen oxides and ammonia to form particulate matter which has serious health implications

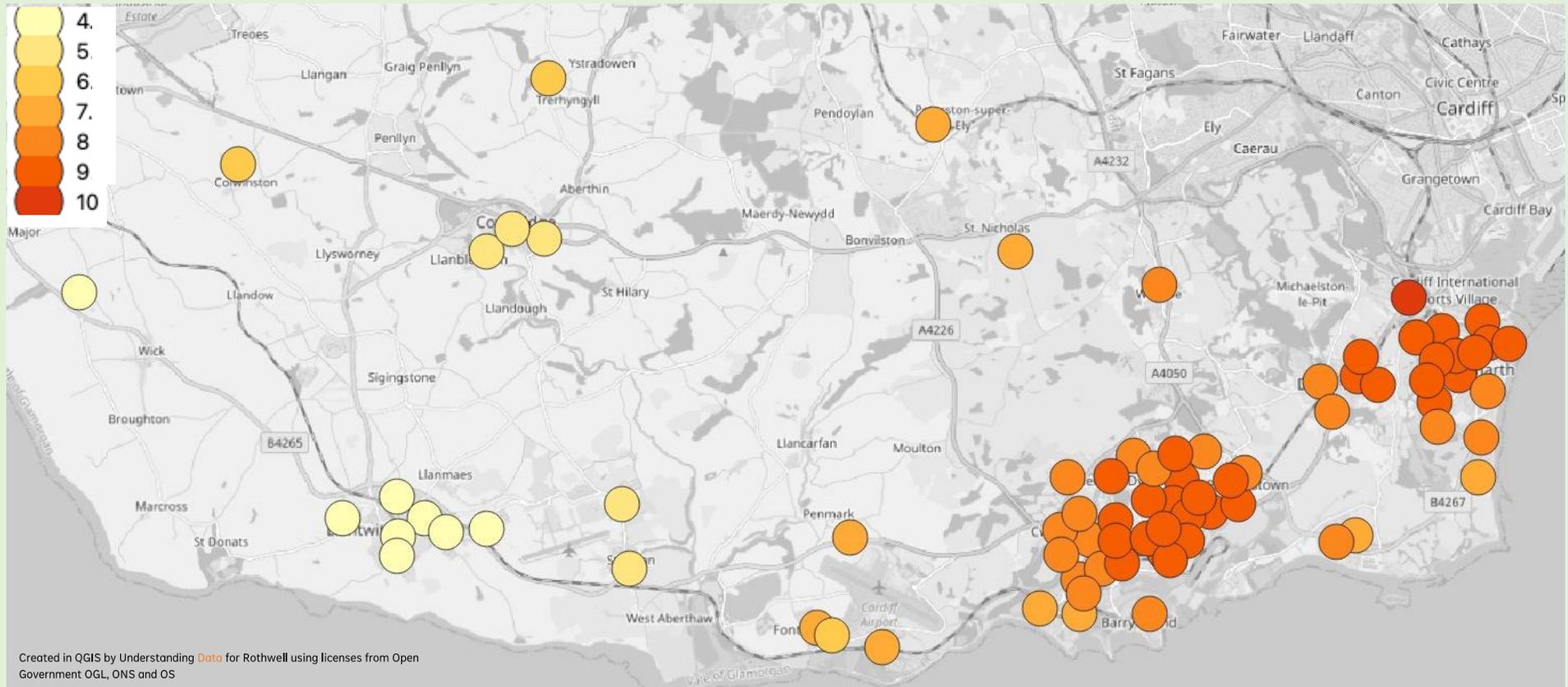
Emissions of sulphur dioxide have fallen by 98 per cent since 1970, to 136 thousand tonnes in 2020. Emissions decreased by 13 per cent from 2019 to 2020, dropping to the lowest level in the time series. This was driven by a decline in coal use in power stations, continuing a long-term decrease in emissions from this source. Stricter limits being placed on the sulphur content of liquid fuels has also reduced emissions in the long-term.

## Access to Healthy Assets and Hazards - access to greenspace



This shows the worst three percentiles (30%) for access to green spaces from the Access to Healthy Assets and Hazards dataset. It is a measure of active and passive distance from accessible greenspace (See note2)

### Access to healthy assets and hazards - Sulphur Dioxide levels So2 showing LSOA data by national decile



The Vale of Glamorgan has all LSOAs within the highest 70% nationally by mean Sulphur Dioxide levels – the bubbles show the weighted centre

## Sectors and jobs – foundations for growth in green and digital

To illustrate both some of the challenges and opportunities facing the area the table below sets out the change and share using an alternative sector definition linked to some of the current national growth agendas. This data is from UK Business Counts and uses the local units measure. It is not intended as a 100% capture of the economy locally - local data and analysis goes into further detail about the mix of sectors and wider issues around skills needs and development.

	2021 Share		% Change 2010-21	
	Vale of Glamorgan	Wales	VoG	Wales
Advanced manufacturing	0.8	0.7	0.0	-4.8
Digital industry	14.1	10.1	76.7	37.4
Marine industry	0.1	1.0	-50.0	9.2
Energy (& Renewables)	10.1	10.3	40.7	52.4
KIBS & OECD Top 10 R&D sectors	34.4	29.9	38.7	27.1
SEMTA Engineering definition (2010)	15.2	16.9	26.7	23.6
Tourism	29.1	34.8	22.5	15.0
Overall total			35.4	24.9

## **Covid recovery, Brexit adjustments, costs of living and rural challenges**

Cost of Living, energy prices & Rural Issues:

The energy price cap increased by 12% in October 2021 and 54% in April 2022<sup>8</sup>. The April increase is equivalent to £700 more across a year for 'typical' levels of dual fuel consumption paid by direct debit.

Higher wholesale prices, especially after Russia invaded Ukraine, have led some to forecasts that the cap could increase by a further 30-50% in October 2022.

Low-income households spend a larger proportion than average on energy and food so will be more affected by price increases.

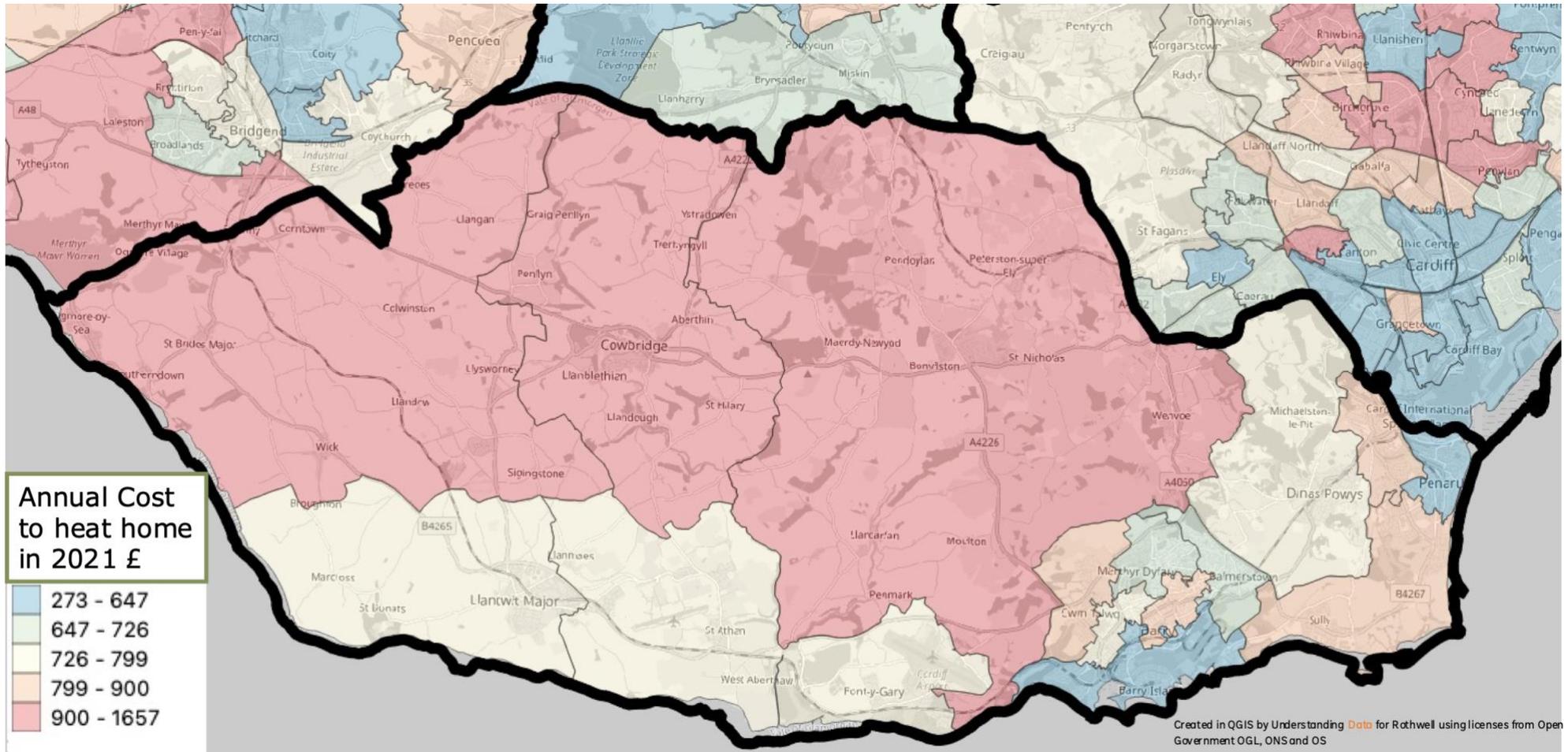
The table and map<sup>9</sup> below shows the reliance in some area (rural) on heating oil, and the cost hotspots which rely solely on heating oil to heat their homes. This illustrates one of the many current pressures across the Vale from costs of living pressures, exacerbated for some outside the towns where alternative source sot heat homes are not available.

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<sup>8</sup> House of Commons Library [Research Briefing Domestic energy prices](#)

<sup>9</sup> Table 1f: Percentage of dwellings by main fuel type or method of heating used in central heating by middle layer super output area, England and Wales, up to financial year ending 2021 & Table 1e: Median estimated energy cost (£/year) by middle layer super output area, England and Wales, up to financial year ending 2021 both part of Energy Efficiency of Housing, England and Wales, middle layer super output area, all records up to financial year ending March 2021. These statistics were created using domestic, record-level EPC data published on Open Data Communities by the Department for Levelling Up, Housing and Communities (DLUHC).

Middle super output layer (MSOA) name		MSOA names	Oil	Annual costs to heat home 2021 £
The Vale of Glamorgan 015	Barry Island	Ynys y Barri	0.04	442
The Vale of Glamorgan 005	Penarth	Penarth	0.08	627
The Vale of Glamorgan 007	Gibbonsdown	Gibbonsdown	0.04	675
The Vale of Glamorgan 009	Palmerstown	Palmerstown	0.06	718
The Vale of Glamorgan 006	Dinas Powys	Dinas Powys	1.37	747
The Vale of Glamorgan 013	Barry West	Gorllewin y Barri	:	758
The Vale of Glamorgan 011	Llantwit Major	Llanilltud Fawr	2.38	772
The Vale of Glamorgan 014	Rhose & Airport	Y Rhws a'r Maes Awyr	1.67	786
The Vale of Glamorgan 004	Llandough & Cogan	Llandochau a Cogan	0.07	812
The Vale of Glamorgan 008	Lower Penarth & Sully	Penarth Isaf a Sili	0.36	823
The Vale of Glamorgan 012	Barry East	Dwyrain y Barri	:	831
The Vale of Glamorgan 010	Barry Dyfan & Iltyd	Y Barri Dyfan ac Iltyd	0.22	837
The Vale of Glamorgan 003	Peterston-super-Ely & Wenvo	Llanbedr-y-fro a Gwen	16.65	927
The Vale of Glamorgan 001	Ogmore-by-Sea & Llandow	Ogwr a Llandŵ	16.85	968
The Vale of Glamorgan 002	Cowbridge	Y Bont-faen	10.38	1020



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