

FULL BUSINESS CASE (FBC)

A. GENERAL INFORMATION

A1. General

Project Title <i>(as per Voyager)</i>	UK Shared Prosperity Fund (UKSPF)		
Voyager code	TBC		
Portfolio /Committee	The Deputy Leader	Directorate	Place, Prosperity, and Sustainability
Approved by Project Sponsor	N/A	Approved by Finance Business Partner	Azhar Rafiq

A2. Outline Business Case approval *(Date and approving body)*

A3. Project Description

The UK Government is making funds available as part of its levelling up agenda and to replace EU Structural funds which are no longer available since the UK left to European Union. The UKSPF (UK Shared Prosperity Fund) is being made available across the UK from 2022/2023 to 2024/2025. The regional conduit for these funds the WMCA (West Midlands Combined Authority) has delegated part of the UKSPF budget for more local delivery. The Council will be allocated part of the UKSPF funds and asked to deliver them. The UKSPF prospectus was published on 11th April 2022 and outlined the Governments proposals for the fund. The Council, other local authorities and regional stakeholders have discussed the allocations and arrangements for each area with the WMCA and they submitted the WM Investment Plan to DHLUC (in full) in October 2022. The plan includes an allocation of £25.0m for the Council plus a further £9.0m to be spent in Birmingham but administered by the WMCA.

The WMCA consulted with Local Authorities over its proposals for use of the UKSPF during the summer of 2022 and adjusted its initial proposals by increasing the amount of the Support to Local Business strand that would be delegated. Following approval by the CA board on 28 October 2022, it submitted its UKSPF Investment Plan to DHLUC for assessment and approval. The plans was approved in December 2022 and BCC has been invited to submit its year 1 plan (22/23).

BCC needs to put in place a Governance structure to administer the funds. This is outlined at (diagram A). The Governance will report on the funds as a whole back to WMCA. The Governance will include all aspects of the use of the funds from their acceptance, to allocation to those responsible for expending the funds, monitoring expenditure, making appropriate grant claims, ensuring outcomes/outputs and objectives are met etc.

A4. Scope

BCC will be allocated £25.0m for the Council to manage plus a further £9.0m to be spent in Birmingham but administered by the WMCA. The funds are ring fenced for activity under 3 pillars – Community and Place, Supporting Local Business and People and Skills and are limited to the geography of Birmingham. The allocation come with a range of outputs and outcomes – these are listed in the Indicative Deliverables submitted to WMCA but not yet agreed. The funds provide up to 100% funding for the activities stated.

A5. Scope exclusions

The funds are limited to the 3 pillars stated and are not to replace other BCC spend. The funds are limited to the Birmingham Municipal boundary.

B. STRATEGIC CASE

This sets out the case for change and the project's fit to the Council Plan objectives

B1. Project objectives and outcomes

The case for change including the contribution to Council Plan objectives and outcomes

The project will contribute to 3 of the 5 of the City's Corporate priorities under its Corporate Plan 2022 – 2026.

A Prosperous City – The funds will assist SMSs to grow and thrive, will assist people towards and into the labour market and help their skills improve. Local Communities will be supported to improve and thrive. This will help achieve growth and provide employment.

An Inclusive Birmingham – Young people will be assisted towards and into the labour market helping them to thrive.

A Green Birmingham – The funding will enable specific actions to be supported that will assist Birmingham on its route to zero.

B2. Project Deliverables

These are the outputs from the project eg a new building with xm2 of internal space, xm of new road, etc

The submitted deliverables covering the three pillars of activity cover the following

Local Business

E18 – Business non financial support – 15 SMEs

E19 – Investment in local R&D – 140 investments

E20 – R&D Grants – 55 grants

E21 – Innovative Infrastructure – 15 developments

E23 – Strengthen local entrepreneurs eco systems – 8220 SME receiving non financial support

E24 – Training Hubs & Business support – 1020 SME receiving non financial support, 10 Grants

E27 – Develop Angel Investor networks – 100 SME receiving non grant financial support

E28 – Overseas Export grants – 60 SMEs engaged in new markets.

E29 – Supporting decarbonisation – 25 SME receive non financial support

E30 – Business support for growth – 1800 grants to SMEs

Community & Place –

E1: Improvements to town centres & high streets – 25 units – 500 M2
 E2: Community & neighbourhood infrastructure projects – 125 M2
 E3: Creation of and improvements to local green spaces – 1500 M2
 E4: Enhancing existing cultural, historic & heritage institutions offer – 10 assets assisted
 E6: Local arts, cultural, heritage & creative activities – 10 grants
 E7: Support for active travel enhancements
 E8: Campaigns to encourage visits and exploring of local area – 25 events
 E9: Impactful volunteering and/or social action projects – 5 projects
 E11: Capacity building & infrastructure support local groups – 200 grants
 E12: Community engagement schemes, local regeneration – 100 engagements

Skills & People –

E33: Employment support for economically inactive people – 2,111 people
 E34: Courses including basic, life & career skills – 1513 people
 E35: Enrichment & volunteering activities – 968 people

B3. Project Benefits

These are the social benefits and outcomes from the project, eg additional school places or economic benefits.

Measure	Impact
<i>List at least one measure associated with each of the objectives and outcomes in B1 above</i>	<i>What the estimated impact of the project will be on the measure identified – please quantify where practicable (eg for economic and transportation benefits)</i>
Impact on Local Businesses	As above number of SMEs assisted via grants or tailored advice to achieve growth and employ more people.
Impact on Local Communities	As above Communities assisted with local assets and building improvements including green space. Assisted to reduce CO2. Assistance with heritage projects and community engagements.
Impact on People	All ages assisted especially the young and vulnerable people excluded from the labour market. People assisted into employment , with skills development and to Volunteering activities.

For major projects and programmes over £20m:

A detailed Benefits Register is attached at G5 below.

B4. Benefits Realisation Plan

Set out here how you will ensure the planned benefits will be delivered

The WMCA will set out in its agreement with BCC the activities and outcomes it expects for the funds to be delegated. BCC has already set out its ambitions in its submitted outline implementation plan to WMCA, this includes the setting up of appropriate Governance structures, identifying the appropriate teams and resources and the timescale for the expenditure of the funds and achievement of outcomes.

B5. Stakeholders

A stakeholder analysis is set out at G4 below. A summary of consultation responses is in the

covering Executive report.

C. ECONOMIC CASE AND OPTIONS APPRAISAL

This sets out the options that have been considered to determine the best value for money in achieving the Council's priorities

C1. Summary of options reviewed at Outline Business Case

(including reasons for the preferred option which has been developed to FBC)

If options have been further developed since the OBC, provide the updated Price quality matrix and recommended option with reasons.

The budgeted grant is an allocation of UKSPF grant to BCC and has evolved since the summer in discussions with the WMCA into the version that was submitted in WMCAs Investment plan to DHLUC, which was subsequently approved. The summer discussions shaped what would be delegated to BCC and what part of UKSPF would be retained by WMCA for regional delivery. The version in the WMCA Investment plan is now the one to be delivered.

C2. Evaluation of key risks and issues

The full risks and issues register is included at the end of this FBC

The UKSPF is currently a 3 year programme for 2022 – 2025 but which was only approved by Government in December 2022, giving just 2 years and 3 months for full delivery. There is an allocation of £2.1m for communities and Place Pillar for 22/23 which cannot be slipped and will prove a challenge to deliver. The People & Skills pillar is only allocated budget in 2024/25 but their remaining EU funds will run out in mid 2023/24 leaving a potential gap in delivery. As the UKSPF is a different programme to previous EU funded programmes there will be a transition of staff resources between programmes with some changes required.

C3. Other impacts of the preferred option

Describe other significant impacts, both positive and negative

BCC has been given a significant devolved budget to administer according to local priorities and this will benefit Birmingham Citizens significantly. There are some restrictions to the grant as per C2 above but these will be managed. The scale of the resources available compared to previous levels of available EU resources is reduced. BCC staff will be required to administrate and implement the new UKSPF funds – these will mainly be existing staff, primarily those that previously administered EU funds, this is a benefit as existing skilled staff will be retained and costs of changes will be minimised. (See LB paper to Paul Kitson on restructure of E&IA and BDI teams and separate Cabinet report on TUPE transfer of staff from LEP)

D. COMMERCIAL CASE

This considers whether realistic and commercial arrangements for the project can be made

D1. Partnership, Joint venture and accountable body working

Describe how the project will be controlled, managed and delivered if using these arrangements

BCC will receive a delegated budget and plan from WMCA to deliver. As accountable body BCC will set up the internal governance required (see appendix x) and this in turn will drive the teams required to deliver the funds successfully.

D2. Procurement implications and Contract Strategy:

APPENDIX

What is the proposed procurement contract strategy and route? Which Framework, or OJEU? This should generally discharge the requirement to approve a Contract Strategy (with a recommendation in the report).

The funds can be allocated as grant aid to external bodies, commissioned to delivery parties as required or delivered direct by BCC officers. The funds will be utilised using a mix of these approaches. Where determined funds will be commissioned out using procurement to Public Procurement standards.

D3. Staffing and TUPE implications:

The funds will require the use of existing BCC staff. The majority of these will be from existing teams who are currently administering EU funds. In addition, there may be the TUPE transfer in of staff from the current GBS LEP. This is as per Lloyd Broads paper to Paul Kitson.

E. FINANCIAL CASE*This sets out the cost and affordability of the project***E1. Financial implications and funding****UKSPF Allocation for £25million****Community and Place**
Managed by BCC:

Year 1 (22/23): £2,118,950
 Year 2 (23/24): £4,237,898
 Year 3 (24/25): £4,000,000

TOTAL: £10,356,848**Supporting Local Businesses**
Managed by BCC:

Year 1 (22/23): £0
 Year 2 (23/24): £2,600,600
 Year 3 (24/25): £4,623,291

TOTAL: £7,223,891

+

People and Skills
Managed by BCC:

Year 1 (22/23): £0
 Year 2 (23/24): £0
 Year 3 (24/25): £7,103,296

TOTAL: £7,103,296

+

TOTAL BCC: 24,684,035 + £275,000 (allocation from 4% top slice - TBC) = £24,959,035

E2. Evaluation and comment on financial implications:
<p>There are on-going discussions with the WMCA. We have received the Year 1 funding agreement and schedule, year 2 and year 3 are still under detailed discussion but we have been given an overall budget allocation.</p> <p>This is a 100% grant programme for 3 years, which should fully fund all of the activities outlined in Appendix 6 and should cover at least the all of the additional revenue costs.</p> <p>TUPE implications – this is under discussion but should lead to the transferring of formal LEP staff from the growth hub.</p>
E3. Approach to optimism bias and provision of contingency
Not applicable as the funds are grant funding with a multiyear allocation.
E4. Taxation
<i>Describe any tax implications and how they will be managed, including VAT</i>
Not applicable as the funds are grant funding. Any expenditure requiring the use of VAT will be fully VAT recoverable.

F. PROJECT MANAGEMENT CASE	
<i>This considers how project delivery plans are robust and realistic</i>	
F1. Key Project Milestones	Planned Delivery Dates
<i>The summary Project Plan and milestones is attached at G1 below</i>	
Planned start date for delivery of the project – C&P Pillar	2022/2023
UKSPF – WMCA Implementation Plan approved	December 2022
Main contract award – WMCA to BCC	January 2023
Business Support pillar starts	April 2023
People & Skills Pillar starts	April 2024
Project closure	March 2025
F2. Achievability	
<i>Describe how the project can be delivered given the organisational skills and capacity available</i>	
BCC has existing teams that have significant experience of delivering grant based programmes. These will be re-organised from delivering existing EU funded schemes that are coming to an end.	
F3. Dependencies on other projects or activities	
There are no dependencies on other projects. Delivery will take note of other UKSPF delivery in the region to ensure alignment and not overlap. It is envisaged that some other LA areas will ask BCC to deliver their UKSPF Business Support activities due to BCC's expertise and capacity in this area.	
F4. Officer support	
Project Manager: Lloyd Broad	
Project Accountant: Rob Pace	
Project Sponsor: Paul Kitson	
F5. Project Management	
<i>Describe how the project will be managed, including the responsible Project Board and who its members are</i>	

APPENDIX

Overall the programme will be managed by the Strategic Director for Place, Prosperity and Sustainability (PPS). They will chair a UKSPF Committee which will oversee the direction and running of the programme and make appropriate recommendations and decisions. The board will be formed of the relevant directors/ AD's/Service Heads who will utilise or who are affected by the programme. The Board will be serviced by the European & International Team who will co-ordinate all UKSPF activity and act main point of contact with WMCA and DHLUC. Finally, day to day activity will be co-ordinated by an internal UKSPF Working Group led by the E&IT staff.

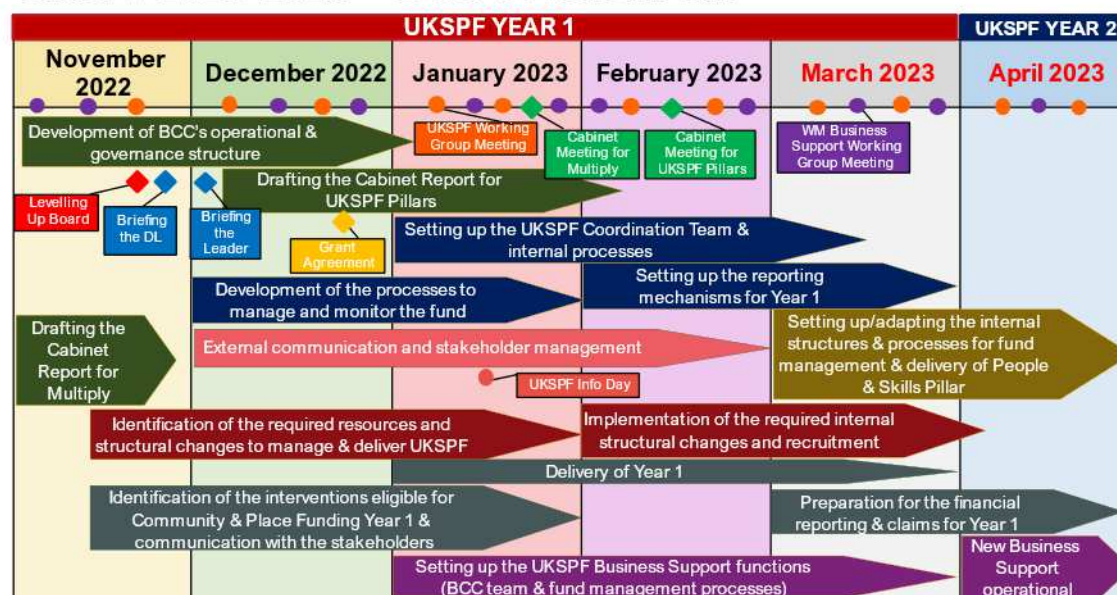
G. SUPPORTING INFORMATION

(Please adapt or replace the formats as appropriate to the project)

G1. PROJECT PLAN

Detailed Project Plan supporting the key milestones in section F1 above

UKSPF 2022-2025 – BCC's Action Plan



G2. SUMMARY OF RISKS AND ISSUES REGISTER

Risks should include Optimism Bias, and risks during the development to FBC

Grading of severity and likelihood: High – Significant – Medium - Low

		Risk after mitigation:	
Risk or issue	mitigation	Sever-ity	Like-lihood
1. No published UKSPF rules & regulations	Experience of UK funding and existing prospectus outlining activities	Significant	Medium
2. Funds not formally allocated to BCC yet	BCC allocation contained in WMCA Plan which is approved	Medium	Low
3. Expenditure required in 2022/2023 but no contract in place	BCC allocation and detail contained in WMCA Plan which is approved. BCC plans in place.	Medium	Low
4. Staff resources needed to deliver the funds.	Existing staff will be utilised where possible. The fund will cover the costs of this.	Low	Low
5.			
6.			

G3. EXTERNAL FUNDING AND OTHER FINANCIAL DETAILS

Description of external funding arrangements and conditions, and other financial details supporting the financial implications in section E1 above (if appropriate)

BCC will be allocated UKSPF funds from DHLUC via WMCA. BCC has received the Year 1 contract from WMCA for the funding with year 2 and year 3 to follow. The full rules and regulations are starting to be published. However, WMCA submitted its Implementation Plan which contained BCC's element of the fund, and this will form the basis of the allocation and its detail of what is to be delivered and when.

G4. STAKEHOLDER ANALYSIS		
Stakeholder	Role and significance	how stakeholder relationships will be managed
Strategic Director Place, Prosperity, and Sustainability	Delegated authority for delivery of the Local Business Support Pillar and programme coordination and management	See recommendations in the Cabinet report or the management structure of the fund.
Strategic Director City Operations (Neighbourhoods)	Delegated authority for delivery of the Community and Place Pillar	
Strategic Director Children (Employment and Skills)	Delegated authority for delivery of the People and Skills Pillar	
Strategic Director Adult Social Care		
Strategic Director Council Management	Consultee for the above	
City Solicitor		
Deputy Leader		
Cabinet Member Finance & Resources		
Cabinet Member for Children, Young People, and Family		
Cabinet Member for Health and Social Care		
Cabinet Member for Social Justice, Community Safety, and Equalities		

G5. BENEFITS REGISTER

For major projects and programmes over £20m, this sets out in more detail the planned benefits. Benefits should be monetised where it is proportionate and possible to do so, to support the calculation of a BCR and NPSV (please adapt this template as appropriate)

Measure	Annual value	Start date	Impact
<i>List at least one measure associated with each of the outcomes in B1 above</i>			<i>What the estimated impact of the project will be on the measure identified</i>
(a) Monetised benefits:	£		
To be identified/determined			
(b) Other quantified benefits:			
To be identified/determined			
(c) Non-quantified benefits:	n/a		
To be identified/determined			

Other Attachments <i>provide as appropriate</i>	
• Eg. Outcome of consultation	N/A
• Technical Feasibility Assessments	N/A
• Site plans and drawings	N/A
• Summary of Impact assessments	N/A
• External Funding and Partnership agreement implications	TBC
•	
•	
•	