



Report to Finance Committee

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Report of: Kate Martin, Executive Director City Futures

Report to: Economic Development and Skills Policy Committee

Date of Decision: 15th June 2023

Subject: UKSPF – Commissioning Strategies

Has an Equality Impact Assessment (EIA) been undertaken?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
If YES, what EIA reference number has it been given? 2123				
Has appropriate consultation taken place?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Has a Climate Impact Assessment (CIA) been undertaken?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Does the report contain confidential or exempt information?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-				
<p><i>“The (report/appendix) is not for publication because it contains exempt information under Paragraph (insert relevant paragraph number) of Schedule 12A of the Local Government Act 1972 (as amended).”</i></p>				

Purpose of Report:

The purpose of this report is to seek approval for the Commissioning Strategies associated with two Local Business Support projects funded by UK Shared Prosperity Fund (UKSPF) with contract values over £250,000.

Recommendations:

It is recommended that the Economic Development and Skills Policy Committee approves the following recommendations:

1. The Commissioning Strategies as set out in this Report.

Background Papers:

Lead Officer to complete:-						
1	<table border="1"> <tr> <td rowspan="4">I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.</td> <td>Finance: Mark Wassell</td> </tr> <tr> <td>Legal Gemma Day</td> </tr> <tr> <td>Equalities & Consultation: Ed Sexton</td> </tr> <tr> <td>Climate: Jess Rick</td> </tr> </table>	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.	Finance: Mark Wassell	Legal Gemma Day	Equalities & Consultation: Ed Sexton	Climate: Jess Rick
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	Equalities & Consultation: Ed Sexton					
	Climate: Jess Rick					
	<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>					
2	EMT member who approved submission: Kate Martin, Executive Director, City Futures					
3	Committee Chair consulted: Martin Smith					
4	<p>I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Committee by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.</p> <table border="1"> <tr> <td>Lead Officer Name: Ben Morley</td> <td>Job Title: Head of Programmes and Accountable Body</td> </tr> <tr> <td colspan="2">Date: 30 May 2023</td> </tr> </table>	Lead Officer Name: Ben Morley	Job Title: Head of Programmes and Accountable Body	Date: 30 May 2023		
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Date: 30 May 2023						

1. PROPOSAL

1.1.1 This report seeks approval for the Commissioning Strategies associated with two Local Business Support projects funded by UK Shared Prosperity Fund (UKSPF) both with contract values over £250,000.

1.2 Background

1.2.1 The UKSPF is the Government's major economic development fund, replacing EU Structural and Investment Funds (ESIF) and aims to contribute to the "Levelling Up" agenda by providing financial assistance (largely revenue) to boost productivity, tackle geographical inequalities and improve life chances, especially in deprived areas. The financial restrictions for the funding are limited to the priorities outlined in the UKSPF Investment Plan.

1.2.2 The UKSPF has three Investment Priorities and will operate over the next three years. The Investment Priorities and their objectives are:

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

1.2.3 The South Yorkshire Mayoral Combined Authority (SYMCA) who is the lead body for the UKSPF in South Yorkshire submitted an Investment Plan to Government in August 2022. The core themes in the Plan were:

- Supporting communities to address cost of living and pandemic recovery
- Promoting the cultural and visitor economy
- Providing a broad and inclusive 'total business support' offer
- Stimulating enterprise and growth
- Accelerating Research and Development and innovation
- Building pathways to participation and accessing the benefits of being economically active
- Promoting a skills-driven green economy

As such the South Yorkshire UKSPF will:

- Contribute to the Council's response to the Cost of Living (Col) crisis, support recovery post pandemic and encourage engagement and participation of some of our most vulnerable communities.
- Support the cultural and visitor economy.
- Replace EU funding to support South Yorkshire regional programmes in respect to Business Support and Skills development.

1.2.4 In total £38.9m UKSPF has been allocated to South Yorkshire of which £32m is revenue and £7m capital. The notional allocations to Sheffield have been calculated as being £12.8m revenue and £2.7m capital.

Government approved the South Yorkshire Investment Plan in December 2022 and since then SYMCA has approved two Year One revenue projects based in Sheffield:

Year 1 – Building Thriving Communities

Year 1 – High Street Business Information Officer

Year 1 – Culture and Events

Year 2 and 3 – Communities Programme

Year 2 and 3 – Energy Efficiency for Community and Cultural Buildings

Year 2 and 3 – Business Support Programme

To complete the full UKSPF Programme details of Years 2 and 3 Culture and Events and the People and Skills programme are due to be presented to the Committee in June 2023.

1.2.5 In November 2022 Finance Sub-Committee approved that Sheffield City Council should act as Accountable Body for the UKSPF for activity within Sheffield and South Yorkshire (where necessary) and authorised the Council to enter into funding agreements with the SYMCA to accept grants associated with UKSPF.

1.2.6 A detailed programme of Business Support activity utilising UKSPF was presented to the Economic Development and Skills Policy Committee on 22nd February 2023. Since then capacity within the UKPSF allocation to Sheffield has been identified to incorporate a Social Enterprise strand to the programme.

1.3 Commissioning Strategies

1.3.1 To facilitate the delivery of a number of projects from all three Investment Priorities the Council will need to commission services from a variety of external specialist providers.

1.3.2 The two projects requiring Commissioning Strategy approval are:

- **Low Carbon Business Support and Energy Efficiency Grants for Community and Cultural Buildings**

The aim of the activity is to enable businesses and community organisations to access specialist advice in respect of their energy use and costs and to identify means of introducing efficiency measures. Specialist advisors will work with the organisations to offer solutions to not only reduce costs but also introduce measures that reduce their carbon impact. The outputs of this work will be an Energy Audit or Sustainability Plan that can then be utilised to access a grant to support some of the measures identified.

The expertise and capacity to deliver this specialist service does not exist within the Council and as a result it is recommended that external support be commissioned.

Activity proposed to be commissioned:	Framework of Environmental Consultants to deliver Energy Audits to SMEs / Organisations based in Doncaster, Rotherham and Sheffield
Estimated Value of Activity:	£355,000
Proposed Procurement Route:	Open Tender
Appointment:	<p>Framework</p> <ul style="list-style-type: none"> • Maximum of 12 providers will be appointed to the Framework based on the scoring methodology set out in the tender document. A fixed daily rate will be agreed for each Provider as part of this process. • Following appointment to the Framework, the Council will, when it requires an energy audit, invite all appointed Providers to confirm via email their availability to deliver a specified number of audits within a set timeframe. • A Contract for Services will be awarded based on the provider's rank in the Framework and their stated availability.

- **Social Enterprise**

The aim of the activity is to increase the startup, survival and impact of the sector, through a business focused, expert led, collaborative approach, aligning with the wider Sheffield/South Yorkshire business support infrastructure and ecosystem. Social enterprises receiving support will be helped to tackle barriers to start and growth through increased knowledge, support and effective collaborations.

The expertise and capacity to deliver this specialist service does not exist within the Council and as a result it is recommended that external support be commissioned.

Activity to be Commissioned:	A Service provider with social enterprise expertise to deliver a programme of specialist business support and advice for social enterprises in Sheffield.
Estimated Value of Commission:	£375,000

Proposed Procurement Route:	Open tender
Appointment:	Single appointment (but potential multiple appointment depending on tender returns).

2. HOW DOES THIS DECISION CONTRIBUTE?

- 2.1 The South Yorkshire Investment Plan for UKSPF sets out a need to deliver the £38m UKSPF programme effectively and efficiently across South Yorkshire for the benefit of residents and businesses.
- 2.2 The activity supports the Clean Growth ambition of the Council and aligns with the Covid Business Recovery Plan and enables the delivery of UKSPF projects agreed by the Committee.

3. HAS THERE BEEN ANY CONSULTATION?

- 3.1 No specific consultation is required in connection with this report however the procurement activity will be in relation to projects that have been agreed by the Committee and undergone their own appropriate consultation during the development process.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality of Opportunity Implications

- 4.1.1 An EIA was undertaken for the wider UKSPF Programme as part of a Finance Sub Committee report in November 2022, (now renumbered EIA 2118 on the Council's new EIA platform). This identified potential positive UKSPF impacts across a range of characteristics and groups. The EIA has been updated and presented alongside the Economic Development and Skills Committee report in February 2023.
- 4.1.2 It has been determined that approval for entering into procurement does not require a further assessment.

4.2 Financial and Commercial Implications

- 4.2.1 All appointments following procurements will be paid for within approved project budgets.
- 4.2.4 Procurement

Section 1.3 identifies significant procurement activity that is potentially over £250,000 in value.

All public sector procurement is governed by and must be compliant with UK National Law and the Grant Agreement. In addition, all procurement in the Council must comply with its own Procurement Policy, and internal regulations known as 'Contracts Standing Orders' (CSOs).

Contracts Standing Orders requirements will apply in full to the procurement of services, goods or works utilising grants. All grant monies must be treated in the same way as any other Council monies and any requirement to purchase/acquire services, goods or works must go via a competitive process.

Procurement requirements will also be passed on to grant beneficiaries where the Council provides UKSPF to a third party via a grant agreement

4.3 Legal Implications

4.3.1 The Council has a general power under Section 1 of the Localism Act 2011 to do anything that an individual may generally do provided it is not prohibited by other legislation and the power is exercised in accordance with the limitations specified in the Act which enables the Council to undertake the procurements with the funding provided by UKSPF.

4.3.2 Procurements will be undertaken in line with the requirements set out in Section 4.2.4 and the requirements of the Funding Agreement with SYMCA.

4.3.3 Successful providers will be required to enter into contracts with the Council.

4.4 Climate Implications

4.4.1 Positive Climate Impact Assessment have been completed for UKSPF projects and programmes have since they were first presented to Finance Committee in November 2022.

4.4.2 The commissioning of experts to undertake energy audits for Low Carbon Business Support and Energy Efficiency Grants for Community and Cultural Buildings is welcomed. This expertise does not currently sit within the Council.

The procured and successful bidder delivering Social Enterprise will be working with start-up and established social enterprises – many of which will have environmental and sustainability focussed business strategies.

4.4.3 The decision to approve the Commissioning Strategy does not require any further Climate assessment.

5. **ALTERNATIVE OPTIONS CONSIDERED**

5.1 The specialist nature of services and capacity required through the procurement process are not available within the Council. It is not possible to effectively and efficiently deliver UKSPF projects without the procurement of external services.

6. REASONS FOR RECOMMENDATIONS

- 6.1 In order to deliver a number of large UKSPF projects external support is required that can provide specialist knowledge and capacity.
- 6.2 Without the external services the UKSPF programme will either not be delivered as approved by Economic Development and Skills Committee and the outputs and outcomes within Funding Agreements with SYMCA will not be achieved. This will have a negative impact upon the services being provided to Sheffield and South Yorkshire based businesses and residents.