



UK Shared Prosperity Fund

Cheshire West and Chester Investment Plan
Executive Summary

December 2022

Cheshire West and Chester UK Shared Prosperity Fund (UKSPF) Investment Plan

What is the UK Shared Prosperity Fund (UKSPF)?

The UKSPF was launched by the Government on 13 April 2022. It is part of the Levelling Up agenda and replaces previous European Funding pots such as the European Structural Investment Fund (ESIF) and the European Regional Development Fund (ERDF). Nationally the fund is worth £2.6billion and will support communities and businesses across all of the UK over the next three years

UKSPF will support projects across three priority areas or themes: Communities and Place, Support for Local Businesses and People and Skills.

In addition to the three areas above, a ring-fenced amount of the UKSPF will be used to support programmes that will improve the maths skills of adults without a Level 2¹ qualification (Multiply programme). A further capital allocation has been available to those Local Authorities who have significant rural areas to help address market failures.

Each local authority area has received an allocation of funding, calculated using a national formula. It will be up to each local area to decide how the funding will be spent and the systems and processes used.

In order to access this funding, each local authority was asked to produce an Investment Plan which identified the local challenges and opportunities, and subsequently areas for investment. This plan was informed by local evidence and discussions with stakeholders and partners.

More information on the UKSPF can be found here:

<https://www.gov.uk/government/publications/uk-shared-prosperity-fund-prospectus/uk-shared-prosperity-fund-prospectus>

¹ Level 2 is equivalent to a Grade C/4 at GCSE

Cheshire West and Chester UKSPF

Cheshire West and Chester (CW&C) has been awarded an UKSPF allocation of £12,642,310 to be spent over three-years, of which £1,497,302 is ring-fenced for Multiply. ²

The Council has worked with consultants Metro-Dynamics to identify key challenges and opportunities for the borough, using the data and evidence used in the development of the Fairer Futures and the Inclusive Economy Strategies and feedback from the webinars, roundtables and conversations held with partners between April and July 2022. This intelligence has informed the Investment Plan for Cheshire West and Chester.

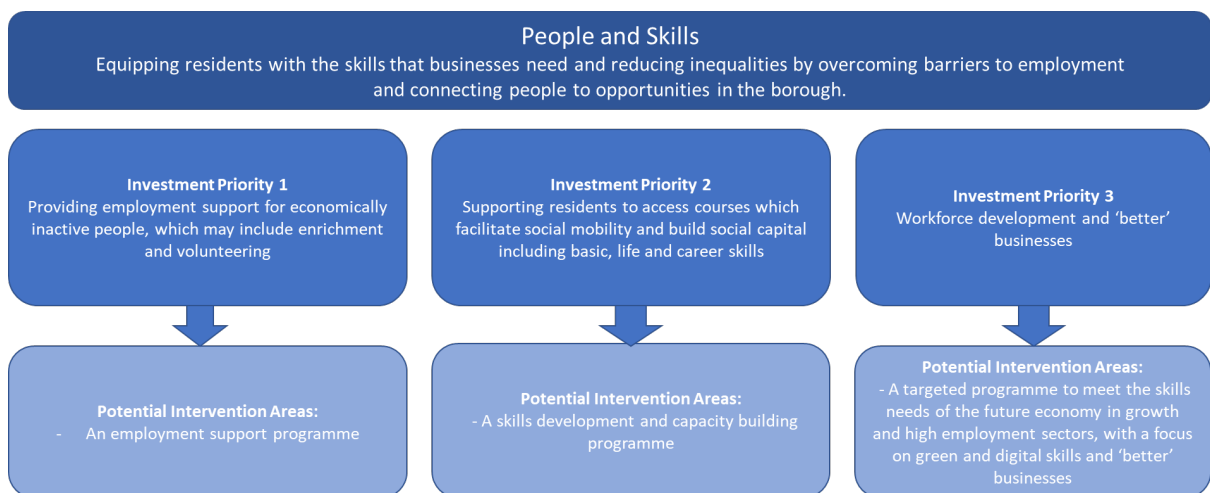
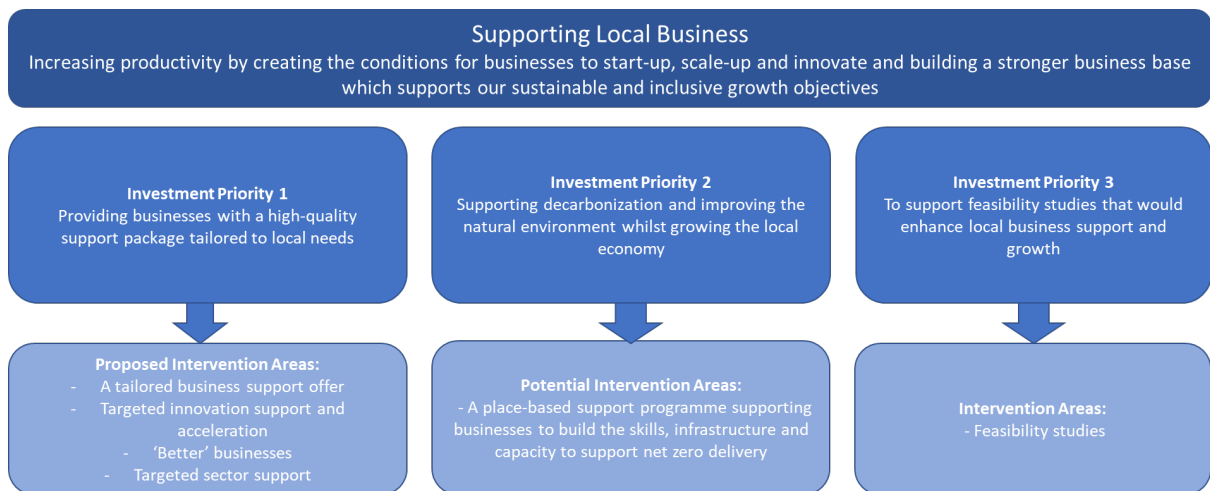
The local Investment Plan was submitted to the Department for Levelling Up, Communities and Housing (DLUCH) on 29 July 2022 and was approved on 5 December 2022.

Priorities

Below is a summary of what priorities Cheshire West and Chester Council are looking to support through the UKSPF under the three themes.



² An additional £992,000 of capital funding has also been made available to CW&C to be spent between April 2023 and March 2025. This Rural England Prosperity Fund (REPF) will be used to support communities and businesses in rural wards.



Annex A provides further detail on each theme, the challenges and opportunities that were identified and the focus on investment. This information will be used to inform programmes of activity that will be supported through UKSPF.

Funding

To access the funding, Local Authorities had to identify interventions³ which aligned to the priorities identified. These interventions were also linked to a set of outcomes and outputs which will need to be achieved in order to demonstrate impact.

A breakdown of funding for each theme for Cheshire West and Chester is as follows:

³ For more detail on interventions outputs and outcomes see: <https://www.gov.uk/government/publications/uk-shared-prosperity-fund-interventions-outputs-and-indicators>

Communities and place

The following interventions identified for this theme were as follows:

- E4: Enhancing existing culture, historic and heritage institutions
- E6: Support for local arts, culture, heritage and creative activities
- E9: Funding for impactful volunteering and social action to develop social and human capital
- E11: Investment in community capacity building and infrastructure support for local civil society and community groups
- E14: feasibility studies

Table 1 shows the breakdown of funding aligned to each year across the 5 interventions, and the split by revenue and capital

Table 1: Communities and place: funding by year, intervention and by type

Intervention	2022-23		2023-24		2024-25		Total
	Revenue	Capital	Revenue	Capital	Revenue	Capital	
E4	£96,000	£0	£144,000	£72,799	£192,000	£215,202	£720,001
E6	£96,000	£0	£288,000	£0	£480,000	£0	£864,000
E9	£0	£0	£144,000	£0	£192,000	£0	£336,000
E11	£144,000	£64,922	£384,000	£96,000	£720,000	£465,184	£1,874,106
E14	£96,000	£0	£99,299	£0	£144,000	£0	£339,299
Total	£432,000	£64,922	£1,059,299	£168,799	£1,728,000	£680,386	£4,133,406

The outputs associated with this theme include allocation of grants, number of events, number of assets created or improved, number of volunteering opportunities, number of people accessing training and number of feasibility projects supported.

The outcomes associated with this theme include an increase in visitor numbers and footfall, improved engagement, number of community-led programmes and projects arising from feasibility activity.

Supporting Local Business

The following interventions identified for this theme were as follows

- E19: Increasing investment in research and development at the local level.
- E24: Funding for new and improvements to existing training hubs, business support offers, 'incubators' and 'accelerators' for local enterprise
- E29: Supporting decarbonisation and improving the natural environment whilst growing the local economy.
- E31: Funding to support relevant feasibility studies.

Table 2 shows the breakdown of funding aligned to each year across the 4 interventions, and the split by revenue and capital.

Table 2: Supporting Local Business: funding by year, intervention and by type

Intervention	2022-23		2023-24		2024-25		Total
	Revenue	Capital	Revenue	Capital	Revenue	Capital	
E19	£240,000	£0	£432,000	£0	£480,000	£0	£1,152,000
E24	£336,000	£0	£672,000	£0	£1,152,000	£340,193	£2,500,193
E29	£96,000	£64,923	£96,000	£168,798	£144,000	£340,193	£909,914
E31	£64,603	£0	£0	£0	£115,092	£0	£179,695
Total	£736,603	£64,923	£1,200,000	£168,798	£1,891,092	£680,386	£4,741,802

The outputs associated with this theme include number of businesses receiving support and grants, number of potential entrepreneurs supported, amount of low-carbon infrastructure installed and decarbonisation plans developed and number of feasibility studies developed.

The outcomes associated with this theme include number of jobs created and/or safeguarded, reduction in greenhouse gas emissions, number of new businesses created, number of new products to firm and the number of businesses adopting new to firm technologies, number of new to market products, improved productivity and new projects arising from feasibility activity

People and Skills

The People and Skills theme does not come on board until the third year of the UKSPF (2024-25). This is due to a number of existing European projects delivering well into 2023, along with skills and employment programmes that were commissioned by the government and managed by the Department of Work and Pensions (DWP) in response to the pandemic.

The following interventions identified for this theme were as follows:

- E33: Employment support for economically inactive people
- E34: Courses including basic skills (digital, English, maths (via Multiply) and ESOL)
- E35 Activities such as enrichment and volunteering to improve opportunities and promote wellbeing.
- E37 Tailored support to help people in employment, who are not supported by mainstream provision

Table 3 shows the breakdown of funding aligned to 2024-25 across the 4 interventions. People and Skills is 100% revenue funding.

Table 3: People and Skills: funding by intervention

	2024-25
Intervention	Revenue
E33	£576,000
E34	£192,000
E35	£192,000
E37	£864,000
Total	£1,824,000

The outputs associated with this theme include number of economically inactive people engaging in services, number of socially excluded people accessing support, number of people accessing basic skills or support to gain employment, number of people engaged in life skills, number of people accessing volunteering opportunities, number of people accessing work experience or supported to participate in education

The outcomes associated with this theme include number of people increasing employability or accessing employment following support, number of people accessing basic skills or experiencing reduced structural barriers to employment, number of people gaining a qualification or completing a course, number of people familiar to employers' expectations.

The Council will be looking to work with stakeholders, including the Local Partnership Group to develop these programmes of activity and to ensure that we are able to support projects which have the largest impact on those residents and businesses that need it the most. It will also be looking to support projects that will be aligned to the

Inclusive Economy Strategy, the Fairer Futures Strategy and the Climate Change Emergency Response plan.

Table 4 shows a summary of the total allocation for each priority by intervention type.

Table 4: Allocations by Intervention Type as Initially Approved

SPF Priority	Intervention	Total Allocation
Communities and Place	E4 - Enhancing existing culture, historic and heritage institutions	£720,001
	E6 - Support for local arts, culture, heritage and creative activities	£864,000
	E9 - Funding for impactful volunteering and social action to develop social and human capital	£336,000
	E11 - Investment in community capacity building and infrastructure support for local civil society and community groups	£1,874,106
	E14 - Feasibility studies	£339,299
	Total Communities and Place	£4,133,406
Supporting Local Business	E19 - Increasing investment in research and development at the local level	£1,152,000
	E24 - Funding for new and improvements to existing training hubs, business support offers, 'incubators' and 'accelerators' for local enterprise	£2,500,193
	E29 - Supporting decarbonisation and improving the natural environment whilst growing the local economy	£909,914
	E31 - Funding to support relevant feasibility studies.	£179,695
	Total Supporting Local Business	£4,741,802
People and Skills	E33 - Employment support for economically inactive people	£576,000
	E34 - Courses including basic skills (digital, English, maths (via Multiply) and ESOL)	£192,000
	E35 - Activities such as enrichment and volunteering to improve opportunities and promote wellbeing.	£192,000
	E37 - Tailored support to help people in employment, who are not supported by mainstream provision	£864,000
	Total People and Skills	£1,824,000
Administration and management	To support the delivery of interventions	£445,800
Total		£11,145,008
Multiply (ringfenced)	Adult numeracy programme	£1,497,302
Total including Multiply		£12,642,310

The figures included in the Investment Plan are indicative and may be altered to reflect local needs and in response to individual schemes that are chosen to be supported. In addition, the Council has the ability to re-align funding between priorities and interventions in line with government guidance and approval where a need arises.

Annex A: Cheshire West and Chester Local Challenges and Opportunities

Communities and Place

Challenges

- Several neighbourhoods in the borough remain in the most deprived nationally. Strong socio-economic indicators at Cheshire West level hide entrenched inequalities and poverty. Approximately 78,500 residents are currently affected by health deprivation, 68,000 by employment deprivation and 67,900 by education deprivation (MHCLG, 2019).

The rise in the cost of living is likely to have a disproportionate impact on these most vulnerable communities who are largely found in the urban areas of the borough, primarily in Chester, Ellesmere Port, Northwich and Winsford.

- Residents of Cheshire West and Chester are largely satisfied with where they live, but few think that local communities are improving. There is a need to invest in community, voluntary and faith organisations who work hard to support local health and wellbeing who despite having less funding are experiencing an increase in demand for their services.
- Cheshire West and Chester was cited as a “blackspot” for the arts by Arts Council England, not helped by the fall in funding per head by -67% over the last five years compared with a -23% fall nationally (DLUHC, 2021), and a reduction in the number of businesses in the arts sector by -3% (ONS, 2020). There is also a need to significantly improve local cultural and heritage businesses, assets, and facilities, to provide the infrastructure through which we can increase the sense of community and place and support vulnerable communities.

Our focus for investment

Residents and partners want:

1. More engagement and volunteering opportunities, along with investment in local facilities to tackle the borough’s health and wellbeing challenges in Cheshire West. These should be targeted to support the most vulnerable communities and will require capacity and capability support for our voluntary and community sector.
2. Increased engagement in arts and culture activities and events, especially those which promote well-being; develop basic / life skills and employability amongst disadvantaged residents
3. Art and cultural events and activities to attract visitors to the borough, increasing footfall and adding value to major capital investments.
4. Regeneration schemes to support stronger places, unlocking further opportunities and a cleaner, greener environment.

These activities will support the delivery of the CW&C Inclusive Growth strategy, the Fairer Futures poverty strategy, the Place Plan, the Council Plan and Climate Emergency Response Plan.

Opportunities

- A strong cultural offer is central to the future of our city and town centres and can help communities to thrive. The Council should build on local assets, including four Arts Council England (ACE) dance and theatre National Portfolio Organisations – Theatre Porto in Ellesmere Port; Storyhouse in Chester, Cheshire Dance, and Cheshire Rural Touring Arts and develop a programme of events, music, visual arts and other activities will bring communities to life and add considerable value to planned capital regeneration schemes.

Our focus for investment

Residents and partners want:

1. UKSPF will add significant value to place-making programmes and use arts and culture assets to engage communities in activities and events that will promote well-being, develop basic life-skills and employability (particularly amongst disadvantaged client groups).

Supporting Local Business

Challenges

- Despite a strong economy, growth in Cheshire West and Chester has stalled and investment in strengthening the entrepreneurial and innovation ecosystems is needed to reignite productivity growth. The area contributes a total of £10.5 billion in annual GVA to the national economy (CW&C Council 2022), with an above average GVA per worker of £60,600 per annum. However, levels of productivity growth have slowed in recent years and the growth rate now sits below the UK average (ONS, 2019).

This decline in growth is due to a number of reasons, including a decline in business start-ups, a diminishing number of high-growth businesses, despite innovative active businesses, few are developing new to market products or accessing available innovation grants, and several low value sectors are major employers – these have been impacted by both the pandemic and Brexit – including retail, health and social care and the visitor economy.

- Although carbon emissions in Cheshire West are declining, they remain above the national average, with industry by far the biggest contributor. The Council wants to introduce low carbon energy for homes and industry as part of its Council's Climate Emergency response plan. This will also help with concerns about the rising cost of energy.

Our focus for investment

Employers and stakeholders want:

- 1 A joined up and sustainable 1:1 advisory service providing advisory, financial, training, and infrastructure support for businesses. Areas for support include:
 - a. Support for young entrepreneurs and graduates to start and grow a business
 - b. Support for early-stage businesses and scale up/fast growth businesses with a bespoke sector development programme
 - c. Support for diffusion and adoption of new to firm product, process and service innovation to increase their resilience and competitiveness
 - d. Review of assets that could drive competitive advantage for West Cheshire
 - e. Encourage 'better business' practices and support the growth of social enterprises, co-operative models and community businesses to help deliver the ambitions of our inclusive growth strategy and tackle the inequalities
 - f. Provide bespoke support to those sectors struggling to recruit or maintain staff
 - g. Support wider place-making, supporting creative industries and the visitor economy
 - h. Interventions which support the delivery of net zero targets and support businesses to mitigate the impact of rising energy prices.

Opportunities

- Innovation activity across Cheshire as a whole is above the national average and has amongst the highest levels of business expenditure on research and development amongst NUTS2 areas (Eurostat, 2018). Cheshire has a higher proportion of innovation active businesses, a higher proportion collaborate on research and development, and a higher proportion undertake product and process innovation (BEIS, 2021). Additionally, the area has received a high number of Innovate UK grants and patents (IPO, 2016), and with investments in the Cheshire Science Corridor Enterprise Zone, is recognised as a hub for research and development.
- Cheshire West has significant potential for growth in high value sectors, including
 - Low carbon energy sector and energy technology developments, e.g. HyNet.
 - Manufacturing with opportunities for productivity growth through innovation adoption, automation and digitalisation, as well as opportunities within low carbon supply chains.
 - Finance which needs to be supported to ensure this strength is maintained and capitalised on.

Our focus for investment

Employers and stakeholders want:

- 1 To building on local sector specialisms, particularly within local carbon and energy to support innovation-led productivity growth and create high value employment opportunities.
- 2 Support early-stage businesses to develop their scale up strategies, investing in incubator activity and developing areas of expertise;
- 3 Support 'new to market' R&D and supply chain development in key sectors;
- 4 Bring together innovation partners, facilitating collaborative R&D and accelerating the commercialisation process, including grant support to facilitate collaborative working
- 5 Invest in R&D which supports the delivery of net zero targets and develops low carbon sector specialisms, unlocking the potential of Ellesmere Port Industrial Area (potential to develop a full proposition to support this high value site).

People and Skills

Challenges

- Social mobility and access to opportunity varies across the borough. The Social Mobility Commission has found that the Borough is amongst the worst 10% of all local authorities for youth social mobility (measured by disadvantaged young people achieving good qualifications and progressing to university).
- The Borough also has pockets of entrenched deprivation where residents are more likely to have lower qualification levels and experience poor health, unemployment, lower life expectancy and lower wages. Despite low unemployment overall, 15 wards have unemployment rates above the Borough average, and unemployment is much higher in urban than rural areas (ONS, 2021). Similarly, educational and skills statistics mask local inequalities with 16 neighbourhoods amongst the 10% most deprived and educational attainment levels below national averages (MHCLG, 2019).
- Although the proportion of NEETs is below the national average, 3.7% compared to 5.5% nationally, (DfE, 2021) this has started to increase and therefore further intervention is needed.
- An ageing population will mean a greater replacement demand for employees with higher level skills (Levels 4 to 8, higher education to doctorate). Although the Borough has good overall workforce qualification levels, between 2020 and 2021 the proportion of the working age population in CW&C qualified at NVQ4+ declined, as did attainment at NVQ3 which fell below the national average (ONS, 2021).
- Adult Social Care experiencing skills challenges. With an ageing population, demand for the service is growing. In CW&C there were an estimated 9,500

jobs in adult social care in 2020/21. However, analysis by Skills for Care (2021) estimates that only 37% of the direct care providing workforce in Cheshire West hold a relevant adult social care qualification (compared to 49% in North West and 46% in England). Staff retention will be improved if employees have access to training, the opportunity for career progression and increased pay.

Our focus for investment

Residents and partners want:

- 1 Employees to have access to progression routes and higher-earning opportunities, and that employers have access to the skills they need to support business growth and productivity. This activity will be underpinned by the Inclusive Economy Strategy – generating economic growth that provides local opportunity for all.
- 2 Learning and volunteering opportunities available to raise the aspirations of young people and build viable career pathways, thus enabling social mobility
- 3 Support for workforce development to support career progression and meet employer recruitment and growth needs, developing a strong pipeline of talent at all levels;
- 4 Support for those facing barriers to employment and training to achieve their potential,
- 5 The People and skills theme will link directly to the activities developed and delivered through our local Multiply plan.

Opportunities

- Historically, the Borough has had a highly qualified workforce and a high proportion of people employed in the most skilled occupational categories. More people are qualified at NVQ4+ than nationally and fewer people qualified at NVQ1 and below (ONS, 2021). The Council seeks to support more people to benefit from improved skills and higher earnings, raise business productivity, and support local business growth and investment.
- The proportion of employment in West Cheshire's skilled occupations is forecast to grow, with opportunities in low-carbon industries that will support the climate emergency, e.g. the Hydrogen Energy Cluster in Ellesmere Port
- Further development of employer-led provision to respond to future skills needs, such as Skills Bootcamps and ensure there are skills in place to maximise the impact of large-scale development plans.

Our focus for investment

Residents and partners want:

- 1 To maximise the benefit of the area's high skills levels to reduce inequalities and to ensure that the workforce meets the needs of the future economy.
- 2 To support skills development in low-carbon industries that address the climate emergency
- 3 To raise ambitions of residents, particularly young people, to pursue training and employment in new growth sectors
- 4 To develop a fair employment charter to support people to thrive in the workplace and businesses to attract, develop and retain talent.