

UK Shared Prosperity Fund

Regional engagement event

Thursday 19 May 2022, St James Park, Newcastle

Hosted by:



Welcome

Thank you for taking part in the regional engagement session on 19 May.

The purpose of the session is to consider where it might make sense to work collectively at regional level on certain interventions and to engage with people who want to engage once at regional level rather than several times more locally.

A summary of the discussions at the event will be published and shared to support lead authorities as they develop their investment plans.

Agenda

Time	Activity
10am - 10.10am	Welcome and introduction Rob Hamilton, Chief Economist, North of Tyne Combined Authority
10.10am - 10.15am	North East Evidence Base – Levelling Up Richard Baker, Policy and Strategy Director, North East Local Enterprise Partnership
UK Shared Prosperity Fund – Objectives	
10.15am - 10.20am	Communities and place Sarah McMillan, Assistant Director of Policy, Northumberland County Council
10.20am - 10.25am	Supporting local business Sue Parkinson, Vice Chair, County Durham Economic Partnership
10.25am - 10.30am	People and skills Catherine Auld, Assistant Director Economic Regeneration, Sunderland City Council
10.30am – 12 noon	Table discussions
12 noon	Close

The UK Shared Prosperity Fund

The UK Shared Prosperity Fund (SPF) is a central pillar of the UK Government's Levelling Up agenda and a significant component of its support for places across the UK.

The Levelling Up White Paper identifies 12 cross-cutting missions which provide a focus for the UKSPF and for wider government action. It will legislate to create a responsibility to report on progress annually on an associated set of indicators. As is illustrated below, these missions are the focus for the UKSPF and its Investment priorities.



Ambitions of the Fund

To build pride in place and increase life chances across the UK, aligned with the missions set out in the Levelling Up White Paper – you can read the Paper at: gov.uk/government/publications/levelling-up-the-united-kingdom

Prioritise interventions to strengthen pride in place in 2022-23 and 2023-24, alongside the Multiply programme

From 2024-25, further emphasis on investment to support life chances and skills for those furthest from the labour market

Government published its prospectus and supporting documents on April 22 which is available here: gov.uk/government/publications/uk-shared-prosperity-fund-prospectus

The structure of the Fund

£2.6 billion is available for the UKSPF over the Spending Review period, with a mix of revenue and capital funding, to be spent by March 2025.

UK Shared Prosperity Fund

£ billion	Plans 2022-23	Plans 2023-24	Plans 2024-25
Total DEL	0.4	0.7	1.5
of which: Resource DEL	0.4	0.6	1.3
of which: Capital DEL	0.0	0.1	0.2

Every area has received a conditional allocation according to a funding formula. Lead authorities will be asked to develop an Investment Plan, and submit for government approval in the summer.

Investment Plans should include measurable outcomes, and priorities for intervention under three investment priorities: Communities and place, Local business, People and skills.

In the North East, the North of Tyne Combined Authority will be responsible for the fund in Newcastle, North Tyneside, and Northumberland. Durham, Gateshead, South Tyneside, and Sunderland local authorities will be lead authorities for their areas.

In England, the Fund will focus on communities and place and local business interventions in 2022-23 and 2023-24, further investment to support people and skills will follow from 2024-25.

Each lead local authority is required to identify local partners and stakeholders who can provide advice and insight on local needs for developing Investment Plans. Lead authorities should involve MPs "in every stage of UKSPF planning and delivery".

Each area will be required to invest a ring-fenced amount of the Fund in local Multiply interventions to support adult numeracy. This will be managed by the Department for Education and will total up to £430m across the UK by March 2025.

Regional allocations

UKSPF allocations			
	UKSPF core	Multiply	Total
North of Tyne	£47,085,061	£4,128,607	£51,213,668
County Durham	£30,830,618	£2,803,077	£33,633,695
Gateshead	£11,634,466	£1,169,621	£12,804,087
South Tyneside	£8,868,632	£810,389	£9,679,020
Sunderland	£14,936,161	£1,641,730	£16,577,891
North East total	£113,354,938	£10,553,424	£123,908,361

Timeline

When	Activity
2 February 2022	Pre-launch guidance.
13 April 2022	Fund launch.
22 April 2022	Investment plan platform launch. Contacts for each lead local authority sign up to access the investment plan portal. Investment plan log-ins issued.
April – May 2022	Engagement sessions with local authorities and other local partners to support the investment plan process.
April – June/ July 2022	Lead local authorities (and UK government in Northern Ireland) work with stakeholders to develop local investment plans.
Summer 2022	Further guidance published including guidance on monitoring benefits and evaluation, assurance, subsidy control, branding and publicity. Application processes and templates for Northern Ireland will be published – these may be used by lead local authorities in England, Scotland and Wales where desired.
30 June 2022	Investment plan window opens.
1 August 2022	Investment plan window closes.
July – September 2022	Indicative investment plan assessment period for UK government.
October 2022 onwards	Anticipated date for first investment plans to be approved.
October 2022 onwards	Anticipated first payment to be made to lead local authorities.
March 2025	Three year funding period ends.

Discussion session: People and skills

The following pages provide background information and evidence about the discussions you will have at the regional engagement session on 19 May 2022.

Investment programme objectives

Boosting core skills and supporting adults to progress in work, by targeting adults with no or low level qualifications and skills in maths, and upskill the working population, yielding personal and societal economic impact, and by encouraging innovative approaches to reducing adult learning barriers.

Reducing levels of economic inactivity through investment in bespoke intensive life and employment support tailored to local need. Investment should facilitate the join-up of mainstream provision and local services within an area for participants, through the use of one-to-one keyworker support, improving employment outcomes for specific cohorts who face labour market barriers.

Expected cohorts include, but are not limited to people aged over 50, people with a disability and health condition, women, people from an ethnic minority, young people not in education, employment or training and people with multiple complex needs (homeless, care leavers, ex/offenders, people with substance abuse problems and victims of domestic violence).

Supporting people furthest from the labour market to overcome barriers to work by providing cohesive, locally tailored support, including access to basic skills.

Supporting local areas to fund gaps in local skills provision to support people to progress in work, and supplement local adult skills provision e.g. by providing additional volumes; delivering provision through wider range of routes or enabling more intensive/innovative provision, both qualification based and non-qualification based. This should be supplementary to provision available through national employment and skills programmes.

Understanding our economy



In 2020, the population in the North East area was estimated to be about 2,003,600. The working age population was about 62.5% of the total. The North East has a higher percentage of older workers compared to England, and a higher percentage of youngest workers, partly due to the presence of the four universities.



The North East was closing the employment and economic inactivity rate gaps with England excluding London, but these gaps have widened due to the impact of Covid. The employment rate varies little across the North East LEP but the economic inactivity rate is highest in Sunderland.



The population of the North East LEP area has grown 4% over 10 years, a slightly slower rate than in England excluding London (6.7%).



County Durham is the most populous authority in the North East LEP area, while Newcastle has the highest proportion of working age residents. 25% of Northumberland's population are aged 65+ as it attracts the most people in retirement.



Productivity growth in the North East LEP area has yet to fully close the gap compared to England excluding London. GVA per hour worked in the North East LEP area was £7.5 lower in the North East LEP area in 2019 than in England excluding London. Within the North East LEP area productivity is highest in Sunderland due to the highly productive automotive cluster.



Real GDP growth has been slow in the North East LEP area compared to nationally, especially since the 2008 recession. Taking into account inflation GDP per head in the North East LEP area was larger in 2006 than in 2019 (£24,022 vs £23,645). GDP per head is highest in Newcastle partially due to the inflow of commuters to the city.



The North East LEP has a low number of business per head reflecting the small size of the private sector in the region. The North East has more sole proprietors.



The North East LEP is connected by commuting flows across the region, and Travel to Work areas across many local authority boundaries. Commuting flows redistribute income across the North East, with more rural areas benefiting from jobs in urban centres.

Understanding our people and skills

Population



The North East has an ageing population, with the number of people aged 65 and over projected to grow by 133,000 by 2043. Between 2018 and 2028, it is predicted that the working-age population will also decrease by over 10,000. Compared to nationally, the region's population growth is much lower than nationally and varies across local authorities.



The North East has a higher percentage of older workers than England.



The North East LEP has a greater proportion of disabled residents than England excluding London. There are 32,000 more females with disabilities than males with disabilities.



Ethnic minorities account for 5.4% of the North East LEP's population and are disproportionately from other ethnic groups. Newcastle is the most ethnically diverse local authority in the North East LEP.

Skills



North East employers report a range of technical and soft skills gaps, with the largest gap compared to nationally being specialist skills or knowledge. North East employers report a need to upskill their existing workforce in light of these skill shortages



The North East has a lower qualifications profile than England excluding London, and recently progress made in closing the gap between North East and England excluding London had reversed. The latest North East employment rate for those education to degree level (NVQ4+) was more than twice that of people with no qualifications.



The number of further education and apprenticeships achievements has decreased in the last two years. 51,000 adult learners achieved an education or training course in the North East LEP area in 2018/19, while approximately 9,000 learners achieved an apprenticeship.



Approximately 40% of graduates from the four regional universities were still living in the North East after five years, a slightly higher proportion than were originally from the North East. North East students are more likely to attend a within region university than students across the whole of the UK.

Employment and employability



The North East has distinctive short term patterns compared nationally with falls in employment and unemployment, and rises in inactivity



Self-employment makes up a smaller proportion of North East employment. Female part-time employment has fallen sharply in 2021.



Women have seen disproportionate decreases in employment and self-employment. Male self-employment has risen.



The North East has a higher percentage of workers in non-permanent employment than England excluding London. In 2021, about 48,000 people in the North East LEP area were working in non-permanent employment, representing about 5.4% of all in employment which had increased for 4.7% a year earlier.



The North East has a smaller proportion of professional roles, with over 41% employed within managerial, professional, associate professional and technical occupation groups. This is lower than England excluding London (47%).



Over half of the North East employment is in health, manufacturing, education, retail and hospitality. In 2020, more than three in every twenty employees worked in health.



The North East experiences poor health outcomes compared to nationally and there is considerable variation between areas in the LEP. Pre-mature mortality rates have increased during COVID-19, but the North East was already seeing increasing mortality since 2011-13. The North East has lower than average life expectancy at birth than the England average for both genders.



North East
Evidence Hub

A full evidence base for the UKSPF has been developed and will be published on the North East Evidence Hub on Friday 20 May.

Visit evidencehub.northeastlep.co.uk for more details.

People and skills interventions

Supporting economically inactive people to overcome barriers to work by providing cohesive, locally tailored support including access to basic skills

E33: Employment support for economically inactive people: Intensive and wrap-around one-to-one support to move people closer towards mainstream provision and employment, supplemented by additional and/or specialist life and basic skills (digital, English, maths* and ESOL) support where there are local provision gaps.

Supporting people furthest from the labour market through access to basic skills

E34: Courses including basic skills (digital, English, maths (via Multiply) and ESOL), and life skills and career skills** provision for people who are unable to access training through the adult education budget or wrap around support detailed above. Supplemented by financial support for learners to enroll onto courses and complete qualifications. Beyond that, this intervention will also contribute to building community cohesion and facilitate greater shared civil pride, leading to better integration for those benefiting from ESOL support. **where not being met through Department for Work and Pensions provision.

E35: Activities such as enrichment and volunteering to improve opportunities and promote wellbeing.

E36: Intervention to increase levels of digital inclusion, with a focus on essential digital skills, communicating the benefits of getting (safely) online, and in-community support to provide users with the confidence and trust to stay online.

Skills to progress in work and to fund local skills needs

E37: 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.

E38: 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 is not being met through other provision.

E39: Green skills courses targeted around ensuring we have the skilled workforce to achieve the government's net zero and wider environmental ambitions.

E40: Retraining support for those in high carbon sectors.

E41: Funding to support local digital skills.

Questions for discussion during the session

Which areas highlighted in the regional evidence base, if addressed, would have the biggest impact?

What UKSPF interventions would have the biggest impact on addressing these opportunities and issues. Where is the case strongest for collaboration at a cross-lead authority or regional level?

What could we do differently, what has worked in the past and what hasn't worked? Based on your experience, are there any other issues or comments that you think should be considered?



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