

## **CLERKS REPORT –**

**7. CATTLE MARKET MAKERS – a). To receive an update on progress with the contract with Brady Construction Services Ltd. b). If received from Brady's in time, to consider an Advanced Payment Bond. c). Under Financial Regulation 18.2 to suspend the requirement to receive goods in advance of releasing payment. To approve the upfront payment of £220,000 plus a further £110,000 prior to the delivery of goods.**

**BACKGROUND** – Following the decision at the 29<sup>th</sup> March 2022 Town Council to approve the contract with Brady's Construction Services Ltd., our consultants Ward Williams Associates (WWA) have been liaising with Brady's Construction Services to agree the payments schedule and the length of the contract (in conjunction with their main sub-contractor ISO Spaces)

**Payments Schedule** Essentially, Brady have requested advance payment for the ISO Spaces element of the Works as follows;

- o 50% of the order value on receipt of order (equating to circa £220k)
- o 25% of the order value at mid-build (equating to circa £110k)
- o 25% of the order value on completion of the works

This has not been asked for previously.

### **Points To Consider:**

**Financial Regulations** – These usually require us to receive the goods in advance of payment unless there is an emergency or urgent situation. (\*More recently there have been occasions when there has been a degree of upfront payments in respect of the purchase of materials, such as the data cabling contract). Hence, this report recommends that under Financial Regulation 18.2, the Council suspend the requirement to receive goods in advance of receiving payment and to approve the upfront payment of £220,000 plus a further £110,000 prior to the delivery of goods.

**Bank Rolling** – To permit the payment of the initial sum of £220,000 the Town Council is seeking to call down the 90% upfront of the Cornwall Council matching amount (approximately £279,367.34). Cornwall Council will make the funding available into a general account. However, they will require sight of a signed contract before permitting the money to be drawn down.

**Risk – Advance Payment Bond** - Should the Town Council agree to the upfront payment there would be a high level of risk being that they would be funding 75% of the unit costs (£330k) ahead of delivery and ownership being transferred to ourselves.

In an effort to reduce the associated risk attached to the above, WWA are request an Advance Payment Bond from Brady which would provide a level of surety against the monies paid. We have asked for this information as soon as possible. WWA have indicated that it is likely to be from 8<sup>th</sup> June 2022.

**Contract Period – Programme** - WWA report that Brady's that Isospaces confirmed 30 week lead-in programme, but some uncertainty remains due to production requirements i.e. when the order from Brady comes in vs other projects they have already under order. Brady highlighted should the 30 week timescale remain, and assuming a start date of 13th June as an estimate, then we would be looking at a completion date of end of February.

**CLLD – Programme.** – The programme has indicated that it would be possible to extend the completion of works date from the end of December 2022 to the end of March 2023. This leaves approximately 4 weeks for slippage on the contract. However, no expenditure after the 31<sup>st</sup> March 2023 will be eligible. The financial completion could be extended from the end of March 2023 to the end of June 2023, to enable us to submit the final claim and have this processed, and complete other project closure actions. We have requested an extension to the staff contracts from 31<sup>st</sup> January to the 31<sup>st</sup> March 2023 to help manage the project to the completion.

**RECOMMENDATION:** THAT THE TOWN COUNCIL UNDER FINANCIAL REGULATION 18.2 SUSPEND THE REQUIREMENT TO RECEIVE GOODS IN ADVANCE OF RELEASING PAYMENT. TO APPROVE THE UPFRONT PAYMENT OF £220,000 PLUS A FURTHER £110,000 PRIOR TO THE DELIVERY OF GOODS.

**16. UK GOVERNMENT – SHARED PROSPERITY FUND (UKSEF) – UPDATE (SEE LINK BELOW)**– - To receive an update on the Shared Prosperity Fund including the Fund delivery via Cornwall Council and the need to work with partners to support the submission of eligible bids. To note the following local projects appear to fit the current eligibility e.g. Liskeard Business Park project, Active Travel transport related projects and support for creative businesses thought the Makers Project.

<https://www.gov.uk/government/publications/uk-shared-prosperity-fund-prospectus/uk-shared-prosperity-fund-prospectus#who-should-be-involved-in-the-fund>

**Background** – The UK Shared Prosperity Fund (UKSPF) is the post European Union funding. Cornwall Council which will function as the accountable body for the delivery of the funding in conjunction with the Isles of Scilly reports that: “A total budget allocation of £132 million has been made available to Cornwall and the Isles of Scilly (CloS) over the next 3 years (April 2022- March 2025) which is an average yearly allocation of £44 million. Of the £132 million, £2.5 million is ringfenced for local delivery of Multiply, an adult numeracy programme, with £741,427 available in 2022/23, £855,493 available in 2023/24 and £855,493 available in 2024/25. This leaves a residual budget of £129.5 million for SPF activity and the remaining SPF budget will ramp up over the three-year period with the yearly budget allocation for CloS as follows:

- o Year 1 (2022/23) £15,721,980
- o Year 2 (2023/24) £31,443,960

o Year 3 (2024/25) £82,383,176

**Cornwall Council – Accountable Body** - In order to draw down the £132 million SPF allocation, Cornwall Council will need to take on the responsibility of being accountable body for SPF and Multiply across Cornwall and the Isles of Scilly. An effective programme management office (PMO) function will need to be set up at speed to ensure delivery of SPF can commence from October 2022 onwards. As well as developing an investment plan for approval by the UK Government, and Cornwall Council will take on the responsibility for delivery of the fund. Cornwall Council will be responsible for programme management of the CloS budget allocation over the three financial years. This will include in house delivery (where appropriate) and running open call or commissioning processes, assessing and approving applications, putting in place contracts with projects, processing payments, day-to-day monitoring as well as reporting to government on spend and outputs and outcomes delivered.

**Local Investment Plan** - As the lead authority for CloS Cornwall Council is requirement to develop and submit a Local Investment Plan outlining how the available budget will be prioritised across the following three investment priority areas:

o **Communities and Place**

o **Local Business**

o **People and Skills**

Local Investment Plans can be submitted between 30th June and 1st August, but in order to ensure as much time as possible to deliver SPF within CloS, especially in year 1, it is recommended that the CloS Local Investment Plan is submitted as early as possible. Once the Local Investment Plan has been approved by Government, the CloS Year 1 budget allocation will be released to Cornwall Council for delivery of SPF. It is estimated that delivery will happen from October 2022 onwards. Spend in year 1 can however take place from 1st April 2022 onwards, but will be at risk to Local Authorities until their Local Investment Plan is signed off by Government.

**Priorities:**

Specifically, for the **Local Business** investment priority:

o SPF investment will aim at increasing productivity levels of our existing business base while simultaneously diversifying our economy in order to deliver the changes we need in our overall economic performance and addressing the “long tail of productivity” that persists in our area.

o SPF investment should, through targeted intervention and truly inclusive growth drive real change in overall performance levels whilst also increasing our ability to contribute to the growth of the green economy in the UK.

o SPF Investment will aim at lifting productivity, and in turn wages, by:

o Expanding the breadth and depth of our niche, high-performing sectors.

- o Improving the quality of jobs and business performance in our highly specialised, but low-productivity sectors.
- o Building capability and capacity in emerging strengths; growth sectors with above average productivity, as yet not highly specialised in CloS.
- o Promoting quality of opportunity and equality of outcome and efficiency across the wider economy in our 'foundational' sectors.

Specifically, for the **Communities and Places** investment priority:

- o SPF will invest in communities and places with the recognition that some places will need more support than others. We will use available data, including the Town Economic Vitality Index, as well as existing investments opportunities (e.g. Town fund deals and Levelling Up funding opportunities) as well as considering the needs of the rural and coastal areas of Cornwall and the Isles of Scilly to ensure that investment is directed to where it is needed the most.
- o Based on a clear understanding of the Communities and Places in Cornwall SPF investment will be used to prioritise:
  - o Enhancing culture and leisure: A diversity of activity in our communities and places offers increased creativity and innovation to regenerating the places we live in, work in and visit which in turn will increase the overall productivity of Cornwall.
  - o Changing customer experience of town centres and adapting the role of retail: Part of the economic challenge facing town centres will be to help develop, diversify and promote existing retail mix. A shift to focus on experiential satisfaction is essential to improve the town centre experience for customers with the culture sector playing a key role.
  - o Boosting business confidence and widening the customer base: a need and opportunity to widen the customer base, change the way customers can use towns and places and embrace growth.
  - o Developing digitally: The need to help our businesses, services and attractions more digitally accessible and desirable through the development of digital services.
  - o Creating a more accessible place: Travel is perceived as a physical barrier preventing local people making more and better use of the towns and communities. Our SPF priorities should align to enabling our places to be more accessible to the people that live, work and visit them.
  - o Enhancing the streetscape and built heritage: The physical appearance of the town or place is an important driver for economic and cultural activity.
  - o Skills: Upskill the workforce including A Level attainment in post 16 education to enable more local people to access skilled employment opportunities and thereby mitigating outward migration of young people.

Specifically, for the **People and Skills** investment priority:

o SPF will invest in People and Skills activity that contributes to the process of re-engineering our economy so that it efficiently confronts the triple-threat of the climate emergency, the ecological emergency and environmental adaptation. By accelerating Cornwall's ambitions to decarbonise our economy and restore nature we will help to seize the economic opportunities implicit within the recovery phase from Covid19, whilst unlocking a fair transition that realises our commitment to inclusive growth.

o SPF investment will seek to:

o Inspire – Developing the workforce of tomorrow Investment around high quality Careers Education, Information and Guidance which informs and inspires people about our unique future opportunities.

o Transform – A productive workforce Investment to ensure that skills provision meets the sector-specific requirements of employers for both foundation and new sectors

o Innovate – Accelerate the growth and diversification of the economy Investment in leadership and high-level skills needed to drive growth, innovation and productivity

o Thrive – opportunity for all Investment in a 'whole-person' approach to skills which enables people to retrain, progress into work or closer to the labour market.

**Conclusion** – several of the current projects and workstreams that the Town Council and our partners (including Cornwall Council) are developing or carrying out fit the priorities of the current round of UK Shared Prosperity Fund.

**RECOMMENDATION** – THAT THE TOWN COUNCIL CONTINUE TO WORK WITH PARTNERS (MOST NOTABLY CORNWALL COUNCIL) TO SUPPORT THE SUBMISSION OF ELIGIBLE PROJECTS TO THE UK SHARED PROSPERITY FUND INCLUDING: LISKEARD BUSINESS PARK PROJECT, ACTIVE TRAVEL TRANSPORT RELATED PROJECTS AND SUPPORT FOR CREATIVE BUSINESSES THROUGH THE MAKERS PROJECT.