

Report

Report to:	Community and Enterprise Resources Committee
Date of Meeting:	9 August 2022
Report by:	Executive Director (Community and Enterprise Resources)

Subject:	UK Shared Prosperity Fund
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ♦ advise the Committee of the launch of the UK Shared Prosperity Fund (UKSPF) and to outline a proposed approach for the Council input into the proposed Glasgow City Region Investment Plan

2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

- (1) that the publication of the UKSPF prospectus, including the associated financial allocations, be noted;
- (2) that the general approach to the development of the Glasgow City Regional Investment Plan as outlined in sections 7 and 8 of the report be approved;
- (3) that the priorities for South Lanarkshire as set out in Appendix 1 be approved; and
- (4) that further reports will be brought to this Committee on the detailed outcome of the Investment Plan and progress on delivery.

3. Background

3.1. The UK Shared Prosperity Fund (UKSPF) is the UK Government's main intended replacement for EU Structural Funds.

3.2. Although the concept of the UKSPF was first outlined in 2017, very little substantive information was made available until the "pre-launch guidance" was published on 2 February 2022. This was followed up by the publication of a full prospectus on 13 April 2022 by the UK Government.

3.3. The UKSPF forms part of the UK Governments' Levelling Up Strategy targeting funding at the areas most in need. The UKSPF overall aim is levelling up economic opportunity across the regions and building "Pride of Place" through economic actions.

4. UKSPF Budget

4.1. The UK Government the Spending Review of 27 October 2021 confirmed a 3-year UKSPF budget of £2.6 billion with an annual financial profile as indicated below:-

Year	2022/2023	2023/2024	2024/2025
Revenue	£0.4 billion	£0.6 billion	£1.3 billion
Capital	£0.0 billion	£0.1 billion	£0.2 billion
TOTAL	£0.4 billion	£0.7 billion	£1.5 billion

- 4.2. The figure of £1.5 billion per year (broadly the equivalent of EU Structural Fund receipts in the 2014 to 2020 period) is only reached in the final year. The UK Government has repeatedly committed to ensuring that the sums received in the devolved territories match those allocated under previous EU Structural Fund Programmes.
- 4.3. Within this overall budget a sum of £559 million across the UK has been earmarked to fund the “Multiply” adult numeracy initiative. To meet the UK Government’s priority of enhancing adult numeracy, each area will be required to invest a ring-fenced amount of the fund in local Multiply interventions. Of this £559 million, £129 million will be managed centrally by the UK Department for Education for a UK-wide digital platform for adult numeracy, as well as a programme of evaluation.
- 4.4. The UKSPF allocations by area that accompanied the publication of the prospectus resulted in Scotland being assigned £212 million of the available budget. At 8.5% of the UK total, the share accruing to Scotland is broadly equivalent to its share of EU Structural Funds for the 2014 to 2020 period.
- 4.5. The prospectus gave an allocation by individual local authority and by regional economic partnership area. The outcome for the Glasgow City Region was an allocation of £73.9 million and for South Lanarkshire £12.2 million. Further detail is given below.

South Lanarkshire

Year	2022/2023	2023/2024	2024/2025	Total
Main Programme	£1,227,089	£2,454,179	£6,429,949	£10,111,217
Multiply	£638,087	£736,254	£736,254	£2,110,595
TOTAL	£1,865,176	£3,190,433	£7,166,203	£12,221,812

- 4.6. The UKSPF guidance gives provision for up to 4% administration costs and sets a minimum to be used on capital of 10.4% in year one rising in following years to 17.9% but no maximum percentage.

5. UKSPF Investment Priorities

- 5.1. The UKSPF identifies 3 investment themes, namely:-

- ◆ Communities and Place
- ◆ Supporting Local Business
- ◆ People and Skills

These are similar to the priorities of the UK Community Renewal Fund (UKCRF) the application round for which took place between March and June 2021. This was a one-off fund and approved projects including one (elevator E3 hubs) submitted by the Council and have until the end of 2022 to complete activity and spend. One of the aims of UKCRF was to inform the development of the UKSPF.

5.2. The objectives of the Communities and Place Investment Priority are:-

- ◆ to strengthen social fabric and to foster a sense of local pride and belonging through investment in activities that enhance physical, cultural and social ties and access to amenities such as community infrastructure and local green space and community led projects
- ◆ to build resilient, healthy and safe neighbourhoods through investment in quality places in which people want to live work play and learn through targeted improvements to the built and natural environment together with innovative approaches to crime prevention

5.3. The objectives of the Supporting Local Businesses Investment Priority are:-

- ◆ to create jobs and boost community cohesion, through investments that build on existing industries and institutions and range from support for starting businesses to visible improvements to local retail, hospitality and leisure sector facilities
- ◆ to promote networking and collaboration, through interventions that bring together businesses and partners within and across sectors to share knowledge, expertise and resources and stimulate innovation and growth
- ◆ to increase private sector investment in growth enhancing activities, through targeted support for small and medium sized businesses to undertake new to firm innovation, adopt productivity enhancing energy efficient and low carbon technologies and techniques, and to start or grow their exports

5.4. The objectives of the People and Skills Investment Priority are:-

- ◆ to boost core skills and support 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 education barriers
- ◆ to reduce 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
- ◆ to support people furthest from the labour market to overcome barriers to work by providing cohesive, locally tailored support including access to basic skills
- ◆ to support local areas to fund gaps in local skills provision to support people to progress in work, and supplement local adult skills provision for example, 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

5.5. Beyond the earmarked allocation for Multiply there is flexibility regarding the funding allocations to these themes. The UKSPF guidance provides a menu of 51 investment options with linked outputs and outcomes for local authorities to choose priorities from.

6. Process and timescales

6.1. Following the publication of the prospectus, lead authorities are invited to submit Investment Plans to the UK Government. The timetable envisaged for this process is outlined below:-

DATE	ACTIVITY
13 April 2022	Fund Launch
April to May 2022	Engagement sessions with local authorities and other local partners to support the investment plan process.
April to June/July 2022	Lead local authorities 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.
1 August 2022	Initial deadline for submission of investment plans to the UK Government.
1 September 2022	Extended deadline to allow Scottish authorities to receive political approval.
July to 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
31 March 2025	3-year funding period ends

7. Approach in the Glasgow City Region

- 7.1. The pre-launch guidance encouraged, but did not mandate, the use of regional economic partnership (largely based on city/growth deals) as the spatial basis for preparing Investment Plans in Scotland.
- 7.2. Accordingly, the Glasgow City Region cabinet, at its meeting held on 15 February 2022 agreed:-
 - (a) in principle to pursue a regional approach to management of SPF and to authorise the Director of Regional Economic Growth to formally notify the UKG of this approach
 - (b) that the Investment Plan be developed in conjunction with all 8 Member Authorities, with all necessary approvals at both regional and local level prior to final submission in Summer 2022
- 7.3. Since then, a Glasgow City Region Head of Shared Prosperity Fund has been appointed and a working group of the UKSPF Officer leads in each local authority established and now meets on a regular basis.
- 7.4. It should also be noted that while the intention is to submit a single Investment Plan covering the City Region, much of the delivery and project management will remain at local authority level. There may be some limited interventions, linked to the priorities identified in the Regional Economic Strategy, that might be undertaken at a City Region level.

8. Developing the UKSPF in South Lanarkshire

- 8.1. The Council has flexibility in the interventions that can be supported in the authority area as part of the City Region Investment Plan. It is suggested that the Council

should aim to develop interventions of broadly equal scale under all three investment objectives set out in the prospectus, Place, Business and People.

- 8.2. Officers in Economic Development leading the development of the Investment Plan have undertaken awareness sessions and briefings across the Council and with partners including the Lanarkshire Economic Forum, South Lanarkshire Employability Partnership, South Lanarkshire Community Planning Partnership, South Lanarkshire Community Learning Development Partnership, Lanarkshire Local Action Group, and the third sector partners through VASLAN.
- 8.3. The Council, for many years, has managed operations in area of employability and business competitiveness with the support of EU Structural Funds. The UKSPF provides an opportunity to maintain this “offer” in both fields and to refine the proposed interventions to conform to the actions identified in the Council’s Draft Economic Strategy for 2022 to 2027.
- 8.4. The development of the Investment Plan is an ongoing exercise to meet the deadline for submitting the Glasgow City Region Investment Plan to the UK Government before the 1 September 2022. A full list of the Council's chosen investment priorities is included within Appendix 1.

9. Employee Implications

- 9.1. The UKSPF allows for 4% of the allocation to be used for the management and administration of the fund. In year one this will be used to fund existing staff with a review of the resourcing requirements undertaken as the programme delivery methods and audit and compliance requirements are fully assessed. It is anticipated this will be done within existing Council staffing resources.

10. Financial Implications

- 10.1. The UKSPF represents additional resources to deliver the Council’s economic strategy.

11. Climate Change, Sustainability and Environmental Implications

- 11.1. Across the 3 Investment Priorities there are interventions that could support the green agenda and progression to net zero these will form part of South Lanarkshire’s Investment Plan.

12. Other Implications

- 12.1. There will be a formal agreement between UK Government and Glasgow City Region upon approval of the Investment Plan.

13. Equality Impact Assessment and Consultation Arrangements

- 13.1. This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy and, therefore, no impact assessment is required.
- 13.2. All necessary and appropriate consultations are undertaken within the Council, with partner organisations and community groups.

David Booth
Executive Director (Community and Enterprise Resources)

20 July 2022

Link(s) to Council Values/Priorities/Outcomes

- ◆ Focused on people and their needs
- ◆ Ambitious, self-aware and improving
- ◆ Working with and respecting others
- ◆ We will work to put people first and reduce inequality
- ◆ We will work towards a sustainable future in sustainable places
- ◆ We will work to recover, progress and improve
- ◆ Good quality, suitable and sustainable places to live
- ◆ Caring, connected, sustainable communities

Previous References

- ◆ None

List of Background Papers

- ◆ None

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

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