
Report To:	Environment & Regeneration Committee	Date:	16 June 2022
Report By:	Interim Director, Environment & Regeneration	Report No:	E+R/22/06/01 SJ/JH
Contact Officer:	Jennifer Horn	Contact No:	01475 715573
Subject:	UK Government Shared Prosperity Fund: Inverclyde Investment Plan		

1.0 PURPOSE

1.1 The purpose of this report is to provide an update on the UK Shared Prosperity Fund including the allocation to Inverclyde, the role of Glasgow City Region and Inverclyde Council, and to seek general agreement on the themes identified to allow the investment plan to be submitted over the summer recess.

2.0 SUMMARY

2.1 The UK Government launched the UK Shared Prosperity Fund (UK SPF) in April 2022 and Inverclyde has been allocated £2,948,498 in core funding and £615,463 to the multiply programme, over a three year period.

2.2 The UKSPF will support the UK government's wider commitment to level up all parts of the UK by delivering on each of the levelling up objectives of :-

- Boost productivity, pay, jobs and living standards by growing the private sector, especially in those places where they are lagging
- Spread opportunities and improve public services, especially in those places where they are weakest
- Restore a sense of community, local pride and belonging, especially in those places where they have been lost
- Empower local leaders and communities, especially in those places lacking local agency.

2.3 As Inverclyde is part of the Glasgow City Region, the Glasgow City Region will be the lead strategic geography. Our allocation will be paid to us via the City Region.

2.4 Inverclyde Council will be the local lead authority and will prepare an investment plan which will allocate funding across the 3 themes set out by the UK Government:

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

2.5 The UK Government has set out the funding split across the next 3 financial years. All funding must be spent by March 2025.

2.6 This report sets notional allocations of funding across the 3 themes in the 3 financial years, these are not considered to be absolute due to the developing landscape of the funds and guidance updates and in the first year the mechanism for allocation is likely to be straight

allocation, however in future years there could a regional collaboration.

- 2.7 The Regeneration Service will work with stakeholders, internal and external to the Council, to create an Investment Plan, which draws from evidence of need within our strategic policy documents and creates proposals to address this need.
- 2.8 The investment plan will then be submitted through the Glasgow City Region to the UK Government by 1 August 2022.

3.0 RECOMMENDATIONS

- 3.1 It is recommended the Environment and Regeneration Committee
 - a) notes the UK SPF allocation;
 - b) notes the role of Glasgow City Region and;
 - c) agree that the Regeneration Service will lead the preparation of the Investment Plan.
 - d) notes that prior to submission to the UK Government, the Interim Director – Environment and Regeneration will seek member approval under Emergency Powers to allow the Regeneration Service to submit the Investment Plan by 1 August 2022; and
 - e) notes that further reports will be presented to Committee in due course.

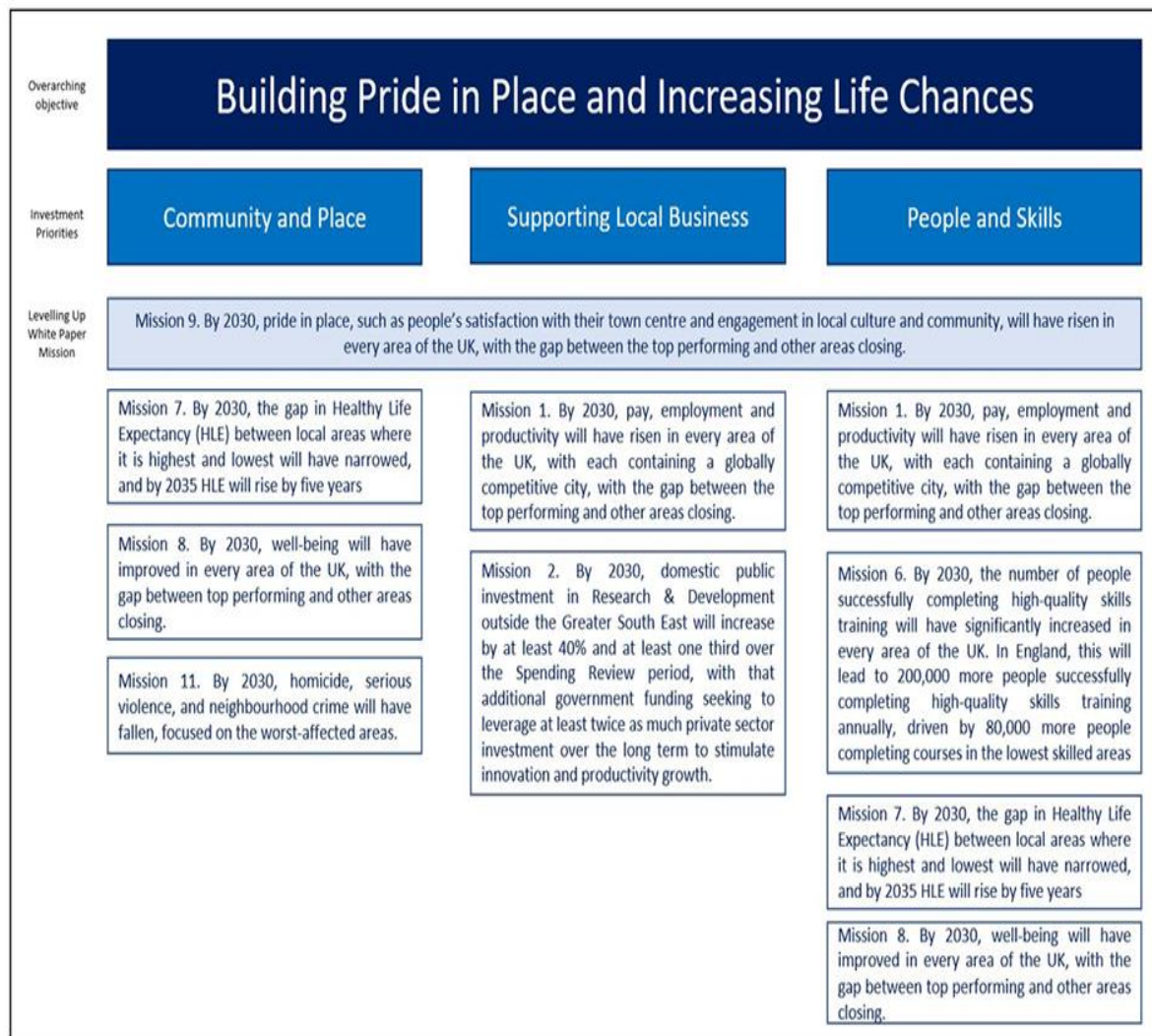
Stuart Jamieson
Interim Director, Environment & Regeneration

4.0 BACKGROUND

- 4.1 The UK Shared Prosperity Fund is a £2.6bn fund for local investment, with all areas of the UK receiving an allocation of funding. This fund is a central pillar to the UK Government's Levelling Up agenda and will replace European Structural Funds which will operate until December 2023. Inverclyde has benefitted from a range of European Structural Fund programmes which have focussed on people and place.
- 4.2 Post Brexit, the UK Government are replacing EU Structural Funds with the SPF. Structural Funds are a set of EU funding pots designed to support economic development and reduce inequality between and within countries across Europe. As a member state of the EU, the UK was eligible for financial support from the European Regional Development Fund (ERDF) and the European Social Fund (ESF). In the 2004-2013 and 2014-2020 programming periods Inverclyde Council received a total of £5.8m for the delivery of employability activity via ESF for business growth grants and Business Gateway services via ERDF.
- 4.3 It should be noted that Local Authorities received a proportion of EU funding available and other national agencies also received funding. Under the 2014 – 2020 programme around 27% of the total programme budget was allocated to Local Authorities, the remainder was utilised by the Scottish Government to fund national agencies.
- 4.4 The UK Government launched the full prospectus on the 13 April 2022 which included the allocation for each Lead Authority.
- 4.5 The UKSPF will support the UK government's wider commitment to level up all parts of the UK with delivery on each of the levelling up objectives:
- Boost productivity, pay, jobs and living standards by growing the private sector, especially in those places where they are lagging
 - Spread opportunities and improve public services, especially in those places where they are weakest
 - Restore a sense of community, local pride and belonging, especially in those places where they have been lost
 - Empower local leaders and communities, especially in those places lacking local agency.
- 4.6 The prospectus sets out overarching goal, key themes, investment plan requirements and key dates

5.0 UK COMMUNITY SHARED PROSEPERITY FUND

- 5.1 The primary goal of UKSPF is 'Building Pride in Place and Increasing Life Chances' and this will be achieved through investments over the themes: Community and Place, Supporting Local Business, and People and Skills.
- 5.2 Underneath the overarching aim there are three UKSPF investment priorities: communities and place; supporting local business; and people and skills. There are detail objectives associated with each of the priorities which are aligned to the relevant Levelling Up White Paper mission. This is detailed in the figure below:



- 5.3 All places across the UK have received a conditional allocation which requires to be spent by March 2025.
- 5.4 To access the allocation, each place must set out measurable outcomes that reflect local needs and opportunities. These should inform interventions they wish to delivery. Places can choose to invest across all three investment priorities of communities and place, local business, and people and skills and there is flexibility to invest across a range of activities that represent the right solution for Inverclyde.
- 5.5 The interventions will be set out in an investment plan submitted to the UK Government for approval. In the plans, places will select outputs and outcomes relevant to each UKSPF investment priority. This will allow lead local authorities, local partners, the UK Government, and the devolved administrations to monitor progress.
- 5.6 Investment Plans can be submitted to the UK Government from 30 June to the 1 August 2022. Given the emerging landscape and engagement of this fund, colleagues within the City Region have sought an extension beyond the August date to allow opportunity to better engage Members.
- 5.7 The fund is worth £2.6bn over the period to March 2025 Funding is confirmed for three financial years - £400m for 2022-23, £700m for 2023-24 and £1.5bn for 2024-25. This is made up of 'core' funding and a 'multiply' allocation – a specific budget for skills interventions. The 'core' funding will be split across the three year funding period using the split noted above. 'Multiply' funding will be allocated equally across the three years.

5.8 Inverclyde's Allocation is as following:

2022-2025	Core SPF	Multiply	Total
Inverclyde Allocation	£2,948,498	£615,463	£3,563,961
Glasgow City Region Allocation (Aggregation of 8 MA's)	£61,116,874	£12,757,406	£73,874,280

5.9 In Scotland, local government is being given responsibility for developing an investment plan for approval by the UK government, and for delivery of the Fund thereafter. Where the fund operates over a strategic geography, such as the Glasgow City Region, allocations will be aggregated at the strategic geography level.

5.10 THE ROLE OF GLASGOW CITY REGION

5.11 The Glasgow City Region presented a paper to Chief Executives Group to outline the quantum of the SPF for the GCR and the timescales for the development of an Investment Plan, potential options for the regional approach to SPF.

5.12 At the meeting Chief Executives agreed:

1. That in year 1 the GCR will have a Project Management Office (PMO) role similar to the current PMO. There is a view to move to PMO+, which would see GCR undertake the function as noted above and also manage regional activity that supports the delivery of the Regional Economic Strategy. This approach would require a portion of the funding allocation to be 'ring-fenced' and managed at the GCR level through the Regional Partnership/Cabinet. In this sense, GCR would be the 9th partner in the city region with the 9 individual allocations for local authorities and a regional allocation to develop the actions contained within the Regional Economic Partnership. This would allow the GCR to work to address regional priorities through local delivery initially whilst developing, scoping and building the business case for region-wide projects for future years.
2. That proposals will be developed which had match funding as a core principle, with options to be explored by the SPF project group
3. That the Regional Partnership act in an advisory capacity to the GCR Cabinet on the management and delivery of the SPF in the GCR ; and
4. That relevant officers attend a workshop with GCR and UK Government on the development of an Investment Plan – this was attended by the Regeneration Manager
5. GCR officers will engage with UKG officials on the management and retention of underspend within the GCR SPF programme; and
6. Requested that the GCR Head of SPF and Project Group develop an outline Investment Plan approach for consideration of the next Chief Executive meeting which will take place on 9 June 2022.

5.13 In addition to the above, at the SPF Project Group, the Head of SPF has written to the UK Government to request an extension of time for the finalised investment plan to be submitted. It is requested that a draft investment plan be submitted by the 1 August 2022. This would give Local Authorities the opportunity to agree investment plans at local committees after the summer recess, thereby giving extra time for their development. It is anticipated that regional projects will be developed in years 2 and 3 of the programme.

5.14 THE ROLE OF INVERCLYDE COUNCIL

5.15 Inverclyde Council will be the local lead for SPF and this will involve developing the investment plan for the area.

5.16 All the 8 GCR Member Authorities will lead the investment plans for their local area ensuring that it meets the local needs identified through our policies and strategies.

- 5.17 The Regeneration Service will lead the development of the investment plan.
- 5.18 This will involve engagement with our stakeholders which will include other Council services and local agencies such as CVS Inverclyde, Local Employability Partnership etc.
- 5.19 The Regeneration Manager is also the lead officer on the GCR SPF Project Group.

5.20 SPF INVESTMENT PRIORITIES AND INVERCLYDE ALLOCATIONS

5.21 The core SPF can be used across the 3 themes:

- Communities and Place:
 - Strengthening our social fabric and fostering 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.
 - Building resilient, healthy and safe neighbourhoods, through investment in quality places that people want to live, work, play and learn in, through targeted improvements to the build and natural environment innovative approaches to crime prevention.
- Supporting local business:
 - Creating jobs and boosting community cohesion, through investments that build on existing industries and institutions, and range from support for businesses to visible improvements to local retail, hospitality and leisure sector facilities.
 - 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.
 - Increasing 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 start or grow their exports.
- People and skills
 - Boosting 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 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 with an area for participants, through the use of one-to-one keyworker support, improving employment outcomes for specific cohorts who face labour market barriers.
 - 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.

5.22 As well as a core SPF allocation there is an allocation for Multiply. This is a programme to support adults across the UK by their functional numeracy skills through free personal tutoring, digital training and flexible courses. Multiply should complement and not duplicate existing provision.

5.23 Through Multiply the UK Government want to see local areas invest in meaningful provision that boosts people's ability to use math's in their daily life, at home and work – an enable adults to

achieve formal locations that can open doors for them. Further clarity on the delivery vehicle is required on this area.

5.24 The target learner are adults 19+ who have not previously attained a Level 2/SCQF Level 5. They can be either working toward maths Level 2/SCQF Level 5 or Functional Skills Qualification, need specific numeracy for their work or progression, or just want to brush up on the skills to get on in life and work.

5.25 Below are the allocations across financial years for core SPF and Multiply, with percentage of the fund that can be used for a management fee and the minimum capital spend

	2022-23	2023-24	2024-25	Total
Core SPF	£357,827	£715,655	£1,875,015	£2,948,498
Multiply	£186,070	£214,696	£214,696	£615,463
Total Fund	£543,897	£930,351	£2,089,711	£3,563,961
4% management share	£14,313.08	£28,626.20	£75,000.60	£117,939.92
Minimum Capital share of Core SPF	£37,214	£89,457	£335,628	£462,299

5.26 The UK Government Shared Prospectus states that the match funding is favourable but is not a requirement. This has been discussed through the GCR SPF Project Group and it was considered that member authorities should have discretion to determine the level of match funding, rather than being decided at GCR level. It should be noted, that even with this approach, match funding levels will still be aggregated at a programme level and reported to the UK Government.

5.27 It is proposed that the core SPF funding is broken down over the 3 themes and the following shows an indicative funding split:

	22-23	23-24	24-25	Total
Communities and Place	£89,457	£178,914	£562,505	£830,876
Supporting Local Business	£161,022	£286,262	£656,255	£1,103,539
People and Skills	£107,348	£250,479	£656,256	£1,014,083
Total	£357,827	£715,655	£1,875,016	£2,948,498

5.28 It should be stressed that the split above has been done at early scoping stage of SPF and before any engagement has been carried out therefore is likely to change.

5.29 With regards to the allocations, the largest share has been put towards 'supporting local business' and 'people and skills' as it is considered that that these themes are where the greatest need lies as evidenced through the Local Outcome Improvement Plan and Economic Development Strategy.

5.30 The funding is also split in this way to take cognisance of other funding available from other sources which have similar outcomes to the UK SPF e.g. Scottish Government's Place Based Funds and NOLB.

5.31 The 'Communities and Place' theme sees its share increase over the 3 years. This is to allow time to build towards delivering potential projects as it is acknowledged that this is a harder theme to deliver in year one and potentially year two.

5.32 It should be noted that the funding split is indicative and will be subject to change following engagement with stakeholders and work on the investment plan.

5.33 Considering the above funding split the following provides notional ideas of what funding may be spent on:

- **Communities and Place:**
 - Funding for the development and promotion of wider campaigns which encourage people to visit and explore the local area
 - Funding to support relevant feasibility studies
 - Community measures to reduce the cost of living, including through measures to improve energy efficiency, and combat fuel poverty and climate change.
 - Place based improvements for regeneration and town centre improvements, which could include better accessibility for disabled people, including capital spend and running costs.
- **Supporting Local Business:**
 - Funding for the development and promotion (both trade and consumer) of the visitor economy, such as local attractions, trails, tours and tourism products more generally
 - Investing in enterprise infrastructure and employment/innovation site development projects
 - Strengthening local entrepreneurial ecosystems and supporting local businesses at all stages of development to start, sustain, grow and innovate, including through local networks
 - Support for growing local social economy, including community businesses, cooperatives, and social enterprises
- **People and skills**
 - 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) where there are local provision gaps
 - Courses including basic skills (as stated above) and life skills and career skills provision for people who are not economically inactive and who are unable to access training or wrap around support detailed above. This could be supplemented by financial support for learners to enrol onto courses and complete qualifications
 - Activities such as enrichment and volunteering to improve opportunities and promote wellbeing
 - Green skills courses to ensure we have the skilled workforce to support the Just Transition to a net zero economy and climate resilience, with a particular focus on vulnerable or low-income groups who will be disproportionately affected by climate change. Retraining support for those in high carbon sectors, providing career guidance and supporting people to seek employment in other sectors.

5.34 Projects can be delivered through a number of mechanisms. Lead local authorities have flexibility over how they deliver the fund. We may wish to use a mix of competition for grant funding, procurement, commissioning or deliver some activity through in house teams.

NEXT STEPS

5.35 The Regeneration Service will continue to engage with GCR, in particular the Head of SPF and the GCR SPF project team to agree on the timelines, if match funding is required and delivery mechanism.

5.36 Engagement will commence with local stakeholders to ensure that investment plan reflects aspirations of local policies and strategies and reflects a range of delivery mechanisms to ensure that interventions can be delivered successfully.

5.37 The Regeneration Service will then prepare a local investment plan to dovetail with the investment plan at the regional level, led by GCR.

5.38 The Interim Director – Environment and Regeneration will seek member approval for emergency powers to allow the submission of the draft investment plan to UK Government. Following summer recess, the Regeneration Service will present the submitted plan to the first Environment and Regeneration Committee after the 1 August.

6.0 IMPLICATIONS

Finance

6.1 Financial Implications:

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report	Virement From	Other Comments
N/A		22/23 to 24/25	£3,563,961		The budget is broken down per financial year as per the report and there is a ringfenced amount of £615k for Multiply All funds must be spent by 2025

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (If Applicable)	Other Comments
N/A					

Legal

6.2 There are no direct legal implications arising from this report.

Human Resources

6.3 There are no direct human resource implications arising from this report.

6.4 Equalities

Equalities

(a) Has an Equality Impact Assessment been carried out?

	YES
X	NO – This report does not introduce a new policy, function or strategy or recommend a substantive change to an existing policy, function or strategy. Therefore, no Equality Impact Assessment is required

(b) Fairer Scotland Duty

If this report affects or proposes any major strategic decision:-

Has there been active consideration of how this report's recommendations reduce inequalities of outcome?

	YES – A written statement showing how this report's recommendations reduce inequalities of outcome caused by socio-economic disadvantage has been completed.
X	NO

(c) Data Protection

Has a Data Protection Impact Assessment been carried out?

	YES – This report involves data processing which may result in a high risk to the rights and freedoms of individuals.
X	NO

6.5 Repopulation

There are no direct repopulation implications arising from this report.

7.0 CONSULTATIONS

7.1 None.

8.0 Background Papers

8.1 None.