
To: Economy and Regeneration Board

On: 14 June 2022

Report by: Chief Executive

Heading: UK Shared Prosperity Fund

1. Summary

- 1.1 This report updates Board on the recent publication of the Shared Prosperity Fund (SPF) prospectus and budget allocation to Renfrewshire Council from the UK Government (UKG).
 - 1.2 To draw down funding all areas must develop an Investment Plan for the funding and UK Government have indicated a preference for a regional approach where possible. An in-principle agreement was reached at the Glasgow City Region cabinet to progress at the regional level.
 - 1.3 The report outlines the broad principles of the funding, the proposed approach for Renfrewshire's investment plan and the joint work with the other GCR local authorities to develop a Regional Investment Plan for the Glasgow City Region.
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2. Recommendations

- 2.1 It is recommended that the Board:
 - a) Note the direction from UKG to pursue a regional approach in the design and delivery of the SPF, and further note that this is also the preferred position of the Scottish Government;
 - b) Note that the SPF Regional Investment Plan will be developed as a Glasgow City Region plan in conjunction with all 8 Member Authorities with all necessary approvals at both regional and local level being in place prior to a draft Investment Plan submission in summer 2022.

- c) Note that the timelines set by the UK Government will very likely require the development and submission of detailed investment proposal over the course of the summer recess period.
 - d) Delegate authority to the Head of Economy and Development, in conjunction with the Convenor, to finalise a detailed set of SPF proposals at a Renfrewshire level which reflect the broad principles set out in the main body of this report and which would feed directly into the GCR submission.
 - e) Note that a follow up report will be provided to the September board cycle outlining the detailed proposals submitted to the UK government programme.
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3. Background

- 3.1 The Shared Prosperity Fund (SPF) is part of the UK Government's successor programmes for economic regeneration and development investment, following the decision by the UK to leave the European Union. Previously, as part of the EU, parts of the UK (including Renfrewshire) were eligible for economic development funding as part of continent-wide support programmes.
- 3.2 The SPF is a central pillar of the UK government's Levelling Up agenda. It provides £2.6 billion of new funding for local investment by March 2025, with all areas of the UK receiving an allocation from the Fund via a funding formula rather than a competition. It aims to help places right across the country deliver enhanced outcomes and recognises that even the most affluent parts of the UK contain pockets of deprivation and need support.
- 3.3 The SPF will support the UK Governments 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
- 3.4 The primary goal of the SPF is to build pride in place and increase life chances across the UK. This aligns with Levelling-Up White Paper missions, particularly: 'By 2030, pride in place, such as people's satisfaction with their town centre and engagement in local culture and community, will have risen in every area of the UK, with the gap between the top performing and other areas closing.'
- 3.5 Recognising the acute challenges town centres and communities have faced during the pandemic, the SPF will improve the places people live in, and support individuals into employment and businesses to grow. It will drive noticeable improvements that matter to local communities, foster local pride in place and increase life chances including health outcomes.

3.6 There are three SPF investment priorities:

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

In addition, a new programme “Multiply” has a specific budget within the UK SPF to support numeracy skills across all areas. This is the only Portfolio with a set budget and separate accountability, with monitoring through the Dept of Education.

4. Overview of fund investment priorities

4.1 The main objectives of the **Communities and Place** intervention are:

- 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 built and natural environment innovative approaches to crime prevention.

4.2 The main objectives of the **Supporting Local Business** intervention are:

- Creating jobs and boosting 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.
- Promoting 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.

4.3 The main objectives of the **People and Skills** intervention are:

- 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 impacts programme).
- Reducing levels of economic inactivity through investment in bespoke intensive life and employment support tailored to local need.

- 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

5. Funding Allocations

5.1 Renfrewshire Council have been awarded £6,290,987 for the first 3-year programme from 2022-25. Within this figure £1,086,395 is specifically allocated to the Multiply Programme. The programme is phased to increase financially over the 3 years. Going forward beyond the current funding period, Renfrewshire is expected to receive around £3.5M per year from 2025-26.

5.2 The SPF rules dictate the Core fund is split between revenue and capital expenditure with capital increasing from 10.4% in 2022 to a minimum of 18% in 2024-25.

5.3 4% of the budget can be used for project management, administration and compliance costs per the SPF guidance. This will require to also support the City Region administration and management costs.

5.4 A summary of the funding, and its requirements, are set out below:

CORE Budget	22/23	23/24	24/25	3-year allocation Core
Renfrewshire	£631,625	£1,263,250	£3,309,716	£5,204,591
4% management fee	£25,265	£50,530	£132,388	£208,183
Balance to allocate	£606,360	£1,212,720	£3,177,327	£4,996,407
Of which minimum capital spend required	10.4%	12.5%	17.9%	
	£65,689	£157,906	£592,439	£816,034

Multiply Programme	22/23	23/24	24/25	3-year allocation Multiply
Renfrewshire	£328,445	£378,975	£378,975	£1,086,395
4% Management Fee	£13,137.80	£15,159.00	£15,159.00	£43,455.80
Balance to be allocated to Multiply Programme	£315,307	£363,816	£363,816	£1,042,939

5.5 The Core Budget allocated to each financial year grows incrementally over the first 3 years with (approximately) 12% of the budget allocated in year 1, 24% allocated in year 2 and 64% allocated in year 3. At present the UK Government have not committed to funding beyond 2024/25, linked to the existing Comprehensive Spending Review period. It is however anticipated that the year 3 budgets will continue in future years on a recurring basis.

5.6 Each of the three investment themes set out by the SPF Prospectus are priority areas for action within the Council Plan, providing a strong strategic fit with the Council's strategic priorities for Renfrewshire.

It is therefore proposed to allocate a minimum of 30% of the available budget in each of the three years against each theme, leaving 10% to be allocated on a greatest needs basis.

- 5.7 In this context, initial proposals identify that the People and Skills theme should receive greater priority due to the loss of over £2M per year in EU Employment Support Fund (ESF) to Renfrewshire. The proposed budgets on which detailed proposals will be developed are outlined below (note - figures after the 4% management fee is allocated):

COMMUNITIES and PLACE

Proposed

31.5%

LA	22/23	23/24	24/25	3 year
Total	£ 191,003.40	£ 382,006.80	£ 1,000,858.12	£ 1,573,868.32
of which min capital	£ 65,689.00	£ 157,906.25	£ 592,439.16	£ 816,034.41

People and SKILLS

Proposed

37.50%

LA	22/23	23/24	24/25	3 year
TOTAL	£ 227,385.00	£ 454,770.00	£ 1,191,497.76	£ 1,873,652.76

Business and Enterprise

Proposed

31.00%

LA	22/23	23/24	24/25	3 year
TOTAL	£ 187,971.60	£ 375,943.20	£ 984,971.48	£ 1,548,886.28

TOTALS	£606,360.00	£1,212,720.00	£3,177,327.36	£4,996,407.36
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6. Investment Plans

- 6.1 In order to access SPF funding, lead local authorities are being asked to complete an investment plan, setting out how they intend to use and deliver the funding. SPF has been designed to empower local leaders and communities to deliver locally identified priorities and the investment plan process has been designed with this in mind.
- 6.2 Lead local authorities will be asked to develop their investment plan in conjunction with local stakeholders. Plans from across the 8 local authorities in the Glasgow City Region will then be combined to form a city region plan which will then need to be agreed by all local authority partners and by UK government to unlock the allocations.

7. Glasgow City Region Approach

- 7.1 It is proposed that the Glasgow City Region PMO at Glasgow City Council will act as the lead authority for the 8 local authorities who make up the Glasgow City Region (GCR).

- 7.2 On the 15th of February 2022, the GCR Cabinet were asked to consider the following:
- Note the direction from UKG to pursue a regional approach, and further note that this is also the preferred position of the Scottish Government;
 - Agree in principle to pursue a regional approach to management of SPF and to authorise the Director of Regional Economic Growth to formally notify UKG of this approach; and
 - Agree that the Investment Plan will be developed in conjunction with all 8 Member Authorities with all necessary approvals at both regional and local level being in place prior to final submission no later than 01 August 2022.
- 7.3 An SPF Project Group had been established with officer representation from each Member Authority (MA), the first meeting of which had taken place on 21st April 2022 and weekly meetings had been scheduled thereafter.
- 7.4 The GCR Cabinet also agreed that the development and delivery of the SPF should continue to be made at a local level, with oversight and strategic direction at the regional level provided by the GCR PMO. This approach will ensure that the combined GCR investment proposal, is designed from a localised perspective tailored to the needs of each member authority, whilst at the same time seeking to secure benefits from a regional planning, coordination and delivery approach.

8. Progressing an Investment Plan for Renfrewshire

- 8.1 The deadline set for the submission of a GCR Investment Plan for SPF is 1 August 2022. To meet this deadline in terms of Renfrewshire's inputs the Council will be required to submit a proposed Investment Plan to GCR ahead of this date. Between now and then there will be a need to engage with several key stakeholders and partners in Renfrewshire, including West College, UWS, the Employability Partnership and others in the design of the detailed programme.
- 8.2 Given the summer recess this Board may be the only opportunity for members to deal with the SPF as far as this the detailed Investment Plan is concerned. It should be noted that GCR have made a request to UKG to extend the deadline from 1st August to the end of September 2022. Subject to the outcome of this request, the Board is being asked to delegate authority to the Head of Economy and Development, in conjunction with the Convenor, to finalise the detailed SPF proposals at a Renfrewshire level which meet the Fund's objectives and submit this to GCR ahead of the stated UKG deadline. The detailed Plan will be in line with proposed interventions outlined in this report. If there is an opportunity to bring the Plan back to the August 2022 Board meeting (due to any delay in submission to UKG) then officers will do so. Similarly if any fundamental changes are proposed at the GCR level in terms of the submitted Investment Plan we will bring this back for a further Board decision.
- 8.3 The SPF themes, objectives and interventions are a strong fit with the Councils economic development and regeneration plans for the area.

Over the past few years, both through the Economic Strategy and the Economic Recovery Plan, the Council, with endorsements from the Leadership Board, has identified key priorities for the area such as greater levels of enterprise, the growth and sustainability of local businesses, the need to support those who are economically inactive to move closer to work, increasing footfall in town centres and greenhouse gas reductions. The SPF offers the opportunity to bolster actions in these areas, and others, over an initial three year period and the three themes are outlined below.

8.4 Place / Communities:

The SPF provides an opportunity to align its Community and Place objectives with the wider projects and ambitions of the Council. Considered alongside other regeneration funding opportunities such as the Levelling Up Fund, Place Based Investment Programme, Regeneration Capital Grant Fund and other Council capital allocations the SPF provides a useful opportunity to support feasibility work around future activity, thus maximising the total investment in delivery of capital projects. This will be reported further within the Investment Plan, but will broadly follow the regeneration priorities outlined in previous Board reports including:

- Active travel enhancements
- Support and improvement of community assets and infrastructure (including energy efficiency in community assets)
- Climate resilient town centres
- Feasibility studies and reports

The key outcomes anticipated include:

- Increased users of facilities / amenities
- Improved perception of facility/infrastructure project
- Increased use of cycleways or paths
- Increased footfall and visitor numbers

8.5 Business

Much of the eligible business support offer was previously funded through the ERDF (European programme) and this funding stops at the end of December 2022. The SPF provides an opportunity to continue to support local business through a range of grants, training, officer time, workshops and expert help. It also (for the first time) provides funding for start-up and enterprise which could support initiatives such as the “Start Up Street” developments.

It could also support:

- Net Zero ambitions for local business.
- Export support.
- Businesses adopting new or improved products or services

The key outcomes anticipated include:

- Number of new businesses created
- Increased business sustainability
- Increased number of businesses supported
- Increased amount of investment

8.6 People / Skills

Significant levels of employability support across Renfrewshire were previously funded through European ESF, providing a range of additional services and moving people into employment. Most ESF support will stop at the end of March 2023. The new SPF programme provides similar but more focused support on certain groups of people, for example there is a much greater emphasis on supporting more economically inactive people to move into work and more focus on basic and key skills.

Employability in Renfrewshire is led by the Renfrewshire Local Employability Partnership and representatives will be fully involved in developing the opportunities for SPF (People and Skills and Multiply) and this will be reflected in the finalised Renfrewshire Investment Plan.

The key outcomes from proposals will include:

- Increased number of people with basic skills (English, maths, digital and ESOL)
- Number of economically active individuals engaged in mainstream skills education, and training
- Number of people engaged in job-searching following support
- Number of people in employment, including self-employment, following support

Implications of the Report

1. **Financial** – No additional finance is sought. Funding of ££6,290,987 has been allocated to Renfrewshire by the UK SPF for the 2022-25 period.
2. **HR & Organisational Development** – Approximately 40 posts at Renfrewshire Council are currently financial supported through EU Structural Funds and this is a key consideration in proposals for SPF.
3. **Community/Council Planning** – Partnership working is essential to the success of the SPF. The Renfrewshire LEP will be significantly involved in the planning for Multiply and People and Skills. Similarly, the other priorities of Business and Community and Place will require support from partners.
4. **Legal** – None.
5. **Property/Assets** – None.
6. **Information Technology** – None.

7. Equality & Human Rights

- (a) The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report.

8. Health & Safety – None.

9. Procurement – None.

10. Risk – None.

11. Privacy Impact - None.

12. COSLA Policy Position – Not Applicable.

13. Climate Risk – Not Applicable.

List of Background Papers

None.

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