

**To: Economy and Regeneration Board**

**On: 23 August 2022**

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**Report by: Chief Executive**

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**Heading: UK Shared Prosperity Fund Update**

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## **1. Summary**

- 1.1 Following the paper to Board in June 2022, this report provides a further update on the development of detailed Shared Prosperity Fund (SPF) proposals, at a Renfrewshire level, which meet the Fund's objectives.
  - 1.2 The Renfrewshire proposals will be aggregated, with those of the other seven local authorities in the Glasgow City Region, to provide 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 that the SPF Regional Investment Plan will be developed as a Glasgow City Region plan in conjunction with all 8 Member Authorities and with all necessary approvals at both regional and local level being in place prior to final submission at the end of August 2022.
    - b) Approve the outline set of SPF funded proposals at Renfrewshire level as outlined in section 6 of the report and which meet the Fund's objectives and
    - c) Agree that the Invest in Renfrewshire budget continues to be used, where necessary, to cashflow the proposals to allow spend to take place prior to funding being released in year 3.
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### **3. Background**

- 3.1 The Shared Prosperity Fund (SPF) is the UK Government response to 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 SPF will provide £2.6 billion of 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.
- 3.3 There are three SPF investment priorities:
- Communities and Place;
  - Supporting Local Business;
  - People and Skills.
- 3.4 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.
- 3.5 Three years of funding have been announced and Renfrewshire Council have been awarded £6,290,987 for 2022-25. Within this figure £1,086,395 is specifically allocated to the Multiply Programme.
- 3.6 The programme is phased to increase financially over the 3 years with 12% of the Core budget in year 1, 24% in year 2 and the remainder in year 3.
- 3.7 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.

### **4. Funding Allocation for Glasgow City Region**

- 4.1 Renfrewshire will be part of a wider Glasgow City Region proposition to the UK SPF and the full allocation to the GCR is set out below:

Year	2022/23	2023/24	2024/25	Total
Revenue	£6,645,717	£12,979,919	£31,908,645	£51,534,281
Multiply	£3,856,889	£4,450,258	£4,450,258	£12,757,405
Capital	£771,378	£1,854,274	£6,956,940	£9,582,593
TOTAL	£11,273,984	£19,284,451	£43,315,843	£73,874,279

- 4.2 Each local authority will prepare their own local proposition which will be aggregated to a Regional Plan, identifying the synergies and priorities across the whole area. The city region plan will be finalised during August,

### **5. Funding Allocations for Renfrewshire**

- 5.1 It was previously reported that 4% of the SPF budget can be used for project management, administration and compliance costs per the SPF guidance.

5.2 The costs below reflect the figures available to Renfrewshire.

<b>CORE Budget</b>	<b>22/23</b>	<b>23/24</b>	<b>24/25</b>	<b>3 year allocation Core</b>
Renfrewshire	£631,625	£1,263,250	£3,309,716	£5,204,591
4% management fee	£25,265	£50,530	£132,389	£ 260,230
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

<b>Multiply Programme</b>	<b>22/23</b>	<b>23/24</b>	<b>24/25</b>	<b>3 year allocation Multiply</b>
Renfrewshire	£328,445	£378,975	£378,975	£1,086,395
5% 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

5.3 A Glasgow City Region Head of Shared Prosperity Fund has been appointed to develop the shared GCR Investment Plan and to support monitoring and reporting across the GCR. A working group of the UKSPF Officer leads in each local authority has been established and meets on a regular basis to take the Regional Investment Plan forward.

## **6. The Renfrewshire Proposal**

6.1 The fund has a menu of interventions within each principal investment area that local areas can select from. Each intervention then relates to associated outputs and outcomes that must be recorded.

6.2 For Renfrewshire, interventions have been developed across all three investment priority areas and builds on current plans / strategies and existing commitments.

6.3 A key priority was to review existing activity where continuity beyond European Structural fund end dates is an issue and identify what can be supported through UKSPF.

6.4 The Renfrewshire Core Budget for allocation in 2022-25 is £4,996,407 and Multiply budget is £1,042,939 with proposed use set out below:

<b>Renfrewshire Core Budget 2022-25</b>	<b>£4,996,407</b> (to allocate)	<b>£5,204,591</b> (core budget)
<b>Priority: Communities and Place</b>	<b>£1,558,949</b>	30% of core
S1: Place based investments, regen & town centre improvements	£206,316	
S2: Support/improve community assets & infrastructure projects	£550,000	
S4: Design & management of the built & landscaped environment	£150,000	
S5: Support sport, arts, cultural, heritage & creative activities	£150,000	
S6: Active travel enhancements & small scale transport projects	£150,000	
S8: Impactful volunteering and/or social action projects	£132,633	
S11: Relevant feasibility studies	£220,000	
<b>Priority : Business</b>	<b>£1,583,097</b>	30.4% of core
S20: Expert business advice & support programmes, local & regional	£1,478,097	
S22: Growing the local social economy.	£105,000	
<b>Priority : People and Skills</b>	<b>£1,854,361</b>	35.6% of core
S31: Employment support for economically inactive people	£184,361	
S32: Courses including basic skills for those not economically inactive	£350,000	
S35: Employability programmes & advice - No One Left Behind agenda etc	£1,080,000	
S39: Education & skills targeting the vulnerable leaving school	£240,000	
<b>Renfrewshire Multiply Budget 2022-25</b>	<b>£1,042,939</b> (to allocate)	<b>£1,086,395</b> (full budget)

<b>Renfrewshire Core Budget 2022-25</b>	<b>£4,996,407</b> (to allocate)	<b>£5,204,591</b> (core budget)
<b>Multiply</b>	<b>£1,042,939</b>	96% of Multiply budget
S48: Intensive& flexible courses targeted at those without Level 5 maths	£197,640	
S49: Courses designed to help people use numeracy to manage money	£90,864	
S51: Provision developed in partnership with community organisations	£754,435	
<b>Management and Admin of combined budget:</b>	<b>£314,549</b>	4% of core and Multiply budget
4% Renfrewshire Council	£251,639.48	
<b>Total</b>	<b>£6,290,987</b>	

6.5 It was previously reported that the deadline set for the submission of a GCR Investment Plan for SPF was 1 August 2022 and given the summer recess the Board agreed to delegate authority to the Head of Economy and Development, in conjunction with the Convenor to develop SPF proposals at a Renfrewshire level which meet the Fund's objectives and submit this to GCR ahead of the stated UKG deadline.

6.6 The figures above, alongside projected outcomes and outputs, were submitted to the GCR at the end of July. There does appear to be flexibility in approach, and it is anticipated that changes can be negotiated over the 3 years of the Programme.

6.7 The final GCR submission will now be submitted at the end of August to allow for the necessary approvals.

## 7. Funding Draw Down

7.1 Funding will be paid on 1<sup>st</sup> April 2023 (for the 2023-24 financial year) and 1<sup>st</sup> April 2024 (for the 2024-25 financial year). The 2023-23 allocation is expected to be released sometime in October or November 2022.

7.2 Previously, with the Councils EU funded projects, the Invest in Renfrewshire budget provided cashflow for the various ESF and ERDF activities as claims were paid retrospectively and often 3 years after expenditure occurred.

It is proposed that a similar arrangement would be made for the UK SPF activities, allowing (for example) projects to commence immediately and to allow year 3 activities to be brought forward (if required) with funding then being drawn down after some expenditure has been defrayed.

## **8. Consultation**

- 8.1 Consultation on the input to the Renfrewshire proposals has been carried out through the existing partnership networks. The Local Employability Partnership has played a key role in the People and Skills and Multiply themes and they will continue to oversee activity.
- 8.2 Part of the requirements of the submission includes consultation with MPs and MSPs and this will be co-ordinated at Glasgow City Region level.

## **9. Further Action**

- 9.1 The full GCR Investment Plan is currently being written to incorporate all eight Council plans and to provide a framework of actions across the city region. A copy of the final plan will be sent to board members and further updates on progress will be brought back to the board.

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## **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. It is requested that the current Invest in Renfrewshire budget continues to be used to cashflow project activities as claiming, in some cases, will be retrospective.
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.

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### **List of Background Papers**

None.

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