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**UK SHARED PROSPERITY FUND – ARGYLL AND BUTE INVESTMENT PLAN**

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**1.0 HEADLINES**

- 1.1 The purpose of this paper is to seek approval from elected members on the proposed process to be taken by Argyll and Bute Council for the development and preparation of the required Argyll and Bute UK Shared Prosperity Fund (UKSPF) Investment Plan, further to the publication of the UKSPF [full prospectus](#) on 13<sup>th</sup> April 2022 and notification of the council's allocation of just under £4.5m (see **Table 1**).
- 1.2 As the UKSPF is a successor to the previous EU structural funds, it is viewed as a central pillar of the UK Government's Levelling Up agenda. The overarching aim of the UKSPF is to build pride in place and increase life chances across the UK.
- 1.3 Core UKSPF monies are aligned to three key investment priorities: communities and place; supporting local business; and people and skills, where each priority has predefined interventions, outputs and outcomes for the devolved nations. In addition to core UKSPF monies, the allocation includes a focus on 'Multiply' funding to support the delivery of an area-based adult numeracy programme.
- 1.4 UKSPF allocations have been published for all local authorities for delivery over three financial years, specifically the final five months of 2022-23 and the next two financial years, 2023-24 and 2024-25, until the end of March 2025. In particular, it should be noted that all allocations are required to be spent in-year. Regional allocations have also been published, which includes that for the Highlands and Islands Regional Economic Partnership (H&I REP), excluding North Ayrshire Council (see **Table 1**).
- 1.5 UK Government officials have confirmed during a webinar session for local government officers on 27<sup>th</sup> April that taking a regional approach is not a required prerequisite to access the funding allocations. That said, subject to a clear rationale, there will be scope to amend investment plans if regional opportunities arise during this funding period; although the process to do this has not been identified. Separate discussions on opportunities for future regional initiatives that could be funded by the UKSPF are being taken forward by H&I REP with key input from the H&I REP Senior Officers' Group.
- 1.6 A key requirement for the UKSPF investment plan is to take account of the wider funding landscape, existing programmes, other new funding opportunities and complementary interventions from other national or local schemes. Local authorities are responsible for the development and preparation of UKSPF investment plans, in conjunction with local partners/stakeholders. The investment plan needs to be approved

by the local authority (Council Leader, CEO and Section 95 Officer), with endorsement of support from the local MP and MSPs, prior to its submission. The UK Government will provide the final approval to unlock the funding allocations.

- 1.7 There are four types of delivery model stipulated for the UKSPF allocation: in-house provision; procurement of service provision; grants to public or private organisations and commissioning third party organisations. Guidance on delivery will be sought from the Council's Procurement Team.
- 1.8 The timescale for submission of these investment plans is extremely tight; the submission window is from 30<sup>th</sup> June to 1<sup>st</sup> August 2022, subject to being in receipt of additional guidance, yet to be published, and the work required to complete investment plans prior to the Scottish/local government July recess period.
- 1.9 In response to an officer request to the UK Government on the 31<sup>st</sup> May 2022, seeking an extension to enable the required political approval, a response was received (further to officers chasing this up) from UK Government officials on 17<sup>th</sup> June 2022. An extension can be granted for submission of investment plans until 1<sup>st</sup> September 2022. Any extension will result in the investment plan being signed off later, the allocation arriving later which may put more pressure on the in-year delivery, however, officers plan to submit the plan directly following Policy and Resources Committee on 11<sup>th</sup> August to minimise any impact where possible.
- 1.10 Further to a partner/stakeholder consultation event on 10<sup>th</sup> June 2022, due to an extension being required to enable the necessary political approval, consultees were advised to submit proposals for the entire period, but with a particular focus on those that could practically and realistically deliver the UKSPF allocation, including that for Multiply, for the remaining part of 2022-23.

## **2.0 RECOMMENDATIONS**

2.1 Members are asked to:

- Agree UKSPF Investment Plan should be pursued and delegate final approval to the Policy and Resources Committee on 11<sup>th</sup> August 2022.
- Agree that senior officers seek the required endorsement from the local MP and MSPs to support the Argyll and Bute UKSPF Investment Plan.

## **3.0 DETAIL**

3.1 On 13<sup>th</sup> April 2022 the UK Government published the full prospectus of the UKSPF, a successor to the previous EU structural funds. The overarching aim of the UKSPF is to build pride in place and increase life chances across the UK. This encompasses four levelling up objectives and three investment priorities.

The levelling up objectives are:

- 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; and
- Empower local leaders and communities, especially in those places lacking local agency.

The Investment Priorities are:

- Communities and place;
- Supporting local business; and
- People and skills.

The interventions list can be found [here](#) and the objectives, outcomes and outputs can be found [here](#).

- 3.2 The UK Government has published individual council allocations of both core UKSPF funding and Multiply, as well as regional totals setting out how much is available across Regional Economic Partnership geographies, such as the H&I REP, as outlined in **Table 1** below.

<b>Table 1: UKSPF Allocations</b>			
<b>Area</b>	<b>Core UKSPF</b>	<b>Multiply*</b>	<b>Total</b>
H&I REP#	£19,967,429	£4,167,958	£24,135,387
<b>Argyll &amp; Bute</b>	<b>£3,719,068</b>	<b>£776,310</b>	<b>£4,495,379</b>
Na h-Eileanan Siar	£1,857,693	£387,771	£2,245,463
Highland	£7,814,362	£1,631,153	£9,445,515
Moray	£3,570,112	£745,217	£4,315,329
Orkney	£1,467,768	£306,379	£1,774,147
Shetland	£1,538,426	£321,128	£1,859,554
<i>#North Ayrshire</i>	<i>£5,129,854</i>	<i>£1,070,795</i>	<i>£6,200,649</i>

\* Multiply is an adult numeracy programme, which will support people with no or low-level maths skills get back into work. The scheme will offer free personal tutoring, digital training, and flexible courses to improve adults' confidence and numeracy skills. Full details on Multiply can be found [here](#)

# North Ayrshire is not included in the Highlands & Islands allocation.

- 3.3 Each lead local authority will receive its annual allocation in advance, complete with £20k of initial capacity funding. In 2022-23, funding will be paid once the local investment plan has been signed off. For 2023-24 and 2024-25 payment will be at the start of the financial year. A more detailed summary of the Argyll and Bute allocation is outlined in **Table 2**, complete with the proposed 4% administration fee and the percentages of the allocation by year with the largest allocation for core UKSPF in 2024-25. It is a concern that the allocation for Multiply is 30.2% for 2022-23 which does not take into account the shorter timescale for delivery.

<b>Table 2: Summary of Argyll and Bute Council Allocation (£)</b>				
<b>Core UKSPF</b>	<b>2022-23</b>	<b>2023-24 (</b>	<b>2024-25</b>	<b>Total allocation</b>
In-year allocations (%)	12.1%	24.3%	63.6%	
Argyll & Bute	£451,343	£902,686	£2,365,038	£3,719,067
4% admin fee	£18,054	£36,107	£94,602	£148,763

<b>Multiply</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>Total allocation</b>
In-year allocations (%)	30.2%	34.9%	34.9%	
Argyll & Bute	£234,698	£270,806	£270,806	£776,310
4% admin fee	£9,388	£10,832	£10,832	£31,052
<b>Total</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>Total allocation</b>
Argyll & Bute	£686,041	£1,173,492	£2,635,844	£4,495,377
4% admin fee	£27,442	£46,940	£105,434	£179,815

N.B. Figures subject to rounding

- 3.4 While this is a predominantly revenue fund, there is a minimum amount of capital that must be spent for each year. The minimum capital allocation for Argyll and Bute is outlined in **Table 3** below. It is up to the local authority to advise what has been deemed as capital funding.

<b>Table 3: Minimum Capital Funding</b>				
<b>Capital minimum</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>Total allocation</b>
In-year % allocations	10.4%	12.5%	17.9%	
Argyll & Bute	£71,348	£146,687	£471,816	£689,851

- 3.5 Match funding is not a prerequisite and will not form part of the investment plan assessment criteria. However, lead local authorities are strongly encouraged to consider match funding from the private, public and third sectors and leverage options when selecting communities and place and supporting local business interventions to fund in order to maximise the value for money and impact of the UKSPF.
- 3.6 The indicative investment plan assessment period for the UK Government is July to September 2022, with anticipated investment plan approvals and first payments to local authorities from October 2022. Further details on the UKSPF and the associated process to develop and prepare investment plans are outlined in the full prospectus.

## **4.0 CONCLUSION**

- 4.1 This paper seeks approval from elected members to approve the proposed process to be taken by Argyll and Bute Council for the development and preparation of the required Argyll and Bute UKSPF Investment Plan.
- 4.2 It is imperative that the local UKSPF investment plan for Argyll and Bute is developed and prepared in conjunction with local partners/stakeholders, with endorsement of support from our MP and MSPs and approved by the local authority. The investment plan should take into consideration the wider funding landscape, existing activities and programmes, other new funding opportunities and other complementary interventions from other national or local schemes. Partners/stakeholders are already engaged and have been submitting funding suggestions for consideration to prepare an initial draft investment plan.
- 4.3 Due to the tight timescales associated with the preparation of the investment plan, agreement and support is sought on the recommendations in this paper.

## IMPLICATIONS

- 5.1 Policy - This project aligns with the proposals set the UKSPF [full prospectus](#)
- 5.2 Financial - Argyll and Bute Council has been given an allocation of just under £4.5m from the UKSPF to be spent by the end of March 2025. This is accompanied by £20k of capacity funding to assist in the development and preparation of the investment plan and the ability to use up to 4% of the allocation per annum to fund administration support.
- 5.3 Legal - All appropriate legal implications will be taken into consideration.
- 5.4 HR - Given the revenue nature of this fund, staffing requirements can be built in under activity to deliver the predefined interventions, outputs and outcomes.
- 5.5 Fairer Scotland Duty - The Fairer Scotland Duty, Part 1 of the Equality Act 2010, came into force in April 2018. The duty places a legal responsibility on particular public bodies in Scotland, such as Argyll and Bute Council, to pay due regard to (actively consider) how they can reduce inequalities of outcome, caused by socio-economic disadvantage, when making strategic decisions and how this has been implemented.
  - 5.5.1 Equalities - All activities will comply with all Equal Opportunities/Fairer Scotland Duty policies and obligations.
  - 5.5.2 Socio-economic Duty - All project activities will comply with the council's socio-economic duty.
  - 5.5.3 Islands - Interventions under the UKSPF will be delivered across the Argyll and Bute area, including island communities.
- 5.6 Climate Change – There are a number of net zero and climate resilience interventions across all the UKSPF investment priorities.
- 5.7 Risk – If there is no agreement on the formal process for the development and preparation of the Argyll and Bute UKSPF Investment Plan in the associated tight timescale, with submission post the Policy and Resources Committee discussion, this could jeopardise the ability to submit a compliant investment plan to unlock the area's UKSPF allocation.
- 5.8 Customer Service – None.

**Kirsty Flanagan, Executive Director responsible for Economic Growth**  
20<sup>th</sup> June 2022

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