

ARGYLL AND BUTE UK SHARED PROSPERITY FUND INVESTMENT PLAN

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1.0 HEADLINES

- 1.1 The purpose of this paper is for members of the committee to approve the Argyll and Bute UK Shared Prosperity Fund (UKSPF) Investment Plan (see **Appendix A**), to deliver the council's allocation of just under £4.5m (see **Table 1**) to be delivered over 3 years.
- 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 The project / programme activities outlined in the Argyll and Bute UKSPF Investment Plan are all 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. In addition to core UKSPF monies, the investment plan includes a focus on ring-fenced 'Multiply' funding to support the delivery of an area-based adult numeracy programme.
- 1.4 The Argyll and Bute Council UKSPF allocations to support 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 are outlined in **Table 1**. In particular, it should be noted that all allocations are required to be spent in-year.
- 1.5 At present the UK Government is looking for a fairly light touch indicative investment plan. Subject to a clear rationale, there will be scope to amend investment plans if other local / regional opportunities arise during this funding period; although the process to do this has not been identified.
- 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 local the MP, prior to its submission. The UK Government will provide the final approval to unlock the funding allocations.

- 1.7 At the Argyll and Bute Council meeting on 30<sup>th</sup> June 2022, it was agreed that the Argyll and Bute UKSPF Investment Plan should be given final approval at the Policy and Resources Committee on 11<sup>th</sup> August 2022. Furthermore, members agreed that senior officers will seek the required endorsement from the local MP to support the Argyll and Bute UKSPF Investment Plan.
- 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, and the work required to complete investment plans during the Scottish Local Government July recess period.
- 1.9 Further to the political approval process agreed by the full council on 30<sup>th</sup> June, Argyll and Bute Council has been granted an extension by the UK Government until the 1<sup>st</sup> September 2022 to submit our investment plan. It is recognised that given that our investment plan may be signed off later, allocations may arrive later than planned and therefore may have an impact on our delivery timescales for 2022/23. On that basis, subject to addressing any comments/amendments made by the Policy and Resource Committee, it is hoped that the Argyll and Bute UKSPF Investment Plan will be submitted online as soon as possible after the 11<sup>th</sup> August 2022.
- 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.
- 1.11 The initial suggested proposals from partners/stakeholders and internal colleagues for inclusion in the investment plan was 220% over the allocation limit. In the first instance everyone who submitted a proposal was asked to confirm the minimum viable project cost, where costs could be scaled back and identify any interventions that could be dropped. As costs were still higher than the allocation, officers developed eligibility criteria with an associated scoring RAG (red, amber & green) scoring system (see **Appendix B**), along with further consultation discussions/e-mail correspondence with partners/stakeholders and internal colleagues, to populate a final plan to directly match the in-year allocations.

## 2.0 RECOMMENDATIONS

### 2.1 Members are asked to:

- Agree Argyll and Bute UKSPF Investment Plan appended to this report (**Appendix A**) for submission to the UK Government, subject to addressing any amendments/ comments from the committee members.
- Provide regular updates to the Policy and Resources Committee on the progress of the delivery of the Argyll and Bute UKSPF Investment Plan aligned to the predefined outputs and outcomes.

### 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. While this is a predominantly revenue fund, there is a minimum amount of capital that must be spent for each year. It is up to the local authority to advise what is deemed as capital funding.

3.3 A detailed summary of the Argyll and Bute allocation is outlined in **Table 1** overleaf, complete with the proposed 4% administration fee for overall fund delivery, minimum capital spend per year 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.

3.4 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 by the UK Government (October 2022 onwards). For 2023-24 and 2024-25 payment will be at the start of the financial year.

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.

<b>Table 1: Argyll and Bute UKSPF Allocation</b>				
	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>Total allocation</b>
<b>In-year allocations (%) Core UKSPF</b>	12.1%	24.3%	63.6%	
<b>Core UKSPF</b>	£451,343	£902,686	£2,365,038	£3,719,067
<b>In-year allocations (%) Multiply</b>	30.2%	34.9%	34.9%	
<b>*Multiply</b>	£234,698	£270,806	£270,806	£776,310
<b>Total</b>	<b>£686,041</b>	<b>£1,173,492</b>	<b>£2,365,844</b>	<b>£4,495,377</b>
<b>4% of total: admin fee - fund delivery</b>	£27,442	£46,940	£105,434	£179,815
<b>In-year allocations (%) capital</b>	10.4%	12.5%	17.9%	
<b>Capital: minimum spend of total Core UKSPF only, not Multiply</b>	£46,940	£112,836	£423,342	£583,117
<b>Available allocation (exc. admin)</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>Total allocation</b>
<b>Core UKSPF</b>	£433,289	£866,579	£2,270,436	£3,570,304
<b>Multiply</b>	£225,310	£259,974	£259,974	£745,258

\* 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](#).  
N.B. Figures subject to rounding.

- 3.6 As the initial proposals for inclusion in the Argyll and Bute UKSPF Investment Plan were 220% greater than the allocation, everyone who submitted a proposal was asked to confirm the minimum viable project cost, where costs could be scaled back and identify any interventions that could be dropped. As costs were still higher than the allocation further to this exercise, officers developed eligibility criteria and an associated RAG scoring system (see **Appendix B**). For instance, consideration was given to the wider policy and funding landscape, existing activities and programmes, other new funding opportunities and other complementary interventions from other national or local schemes. This was followed up by discussions / e-mail correspondence with all internal colleagues, partners and stakeholders to enable the preparation of the final plan for approval, where proposals directly match the in-year allocations, see **Appendix C**, UKSPF Expenditure Profile spreadsheet. The expenditure spreadsheet and the UKSPF Indicative Deliverables spreadsheet, summarised in **Tables D1** and **D2** in **Appendix D**, must be submitted, along with the Argyll and Bute Investment Plan (**Appendix A**) using the UK Government's online portal.
- 3.7 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 The purpose of this paper is for members of the committee to approve the Argyll and Bute UK Shared Prosperity Fund (UKSPF) Investment Plan, **Appendix A**.
- 4.2 The Argyll and Bute UKSPF Investment Plan has been developed and prepared in conjunction with internal council colleagues, local partners/stakeholders, with endorsement of support sought from our MP (to be confirmed verbally at the meeting on the 11<sup>th</sup> August).
- 4.3 Due to the tight timescales associated with the submission of the investment plan (even with the granted one month extension), agreement and support is sought on the recommendations in this paper.

## 5.0 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 for the overall delivery of the Argyll and Bute UKSPF Investment Plan.
- 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. A staff resource will also be required to administer, monitor and evaluate the overall delivery of the Argyll and Bute UKSPF Investment Plan.
- 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 Argyll and Bute UKSPF Investment Plan is not approved for submission in the associated tight timescale, 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 with responsibility for Economic Growth**

**Councillor Robin Currie: Policy Lead for Economy and Rural Growth**

11<sup>th</sup> August 2022

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**Appendixes:-**

Appendix A: Argyll and Bute UKSPF Investment Plan and a summary of projects and programmes

Appendix B: Project Scoring Assessment Framework

Appendix C: Expenditure Spreadsheet

Appendix D: Indicative Outputs and Impacts – as of 2<sup>nd</sup> August 2022