



**Glasgow City Council**

**City Administration Committee**

**Report by Councillor Susan Aitken, Leader of the Council and  
Convener for City and City Region Economy and Just  
Transition**

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**Item 7**

**22nd June 2022**

## **UK SHARED PROSPERITY FUND**

### **Purpose of Report:**

To advise the Committee of the launch of the UK Shared Prosperity Fund (UKSPF) and to outline a proposed approach for the Council input into the proposed Glasgow City Region Investment Plan.

### **Recommendations:**

It is recommended that the Committee:

- a) note the publication of the UKSPF prospectus including the associated financial allocations;
- b) agree the general approach to the development of the Glasgow City Region Investment Plan as outlined in sections 5 and 6 of the report; and
- c) agree that a further report be submitted to the Committee prior to the submission of the Investment Plan to the UK Government.

Ward No(s):

Citywide: ✓

Local member(s) advised: Yes ☐ No ☐ consulted: Yes ☐ No ☐

### **PLEASE NOTE THE FOLLOWING:**

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## 1 INTRODUCTION

- 1.1 The UK Shared Prosperity Fund (UKSPF) is the UK Government's main intended replacement for EU Structural Funds.
- 1.2 Although the concept of the UKSPF was first outlined in 2017, very little substantive information was made available until some "pre launch guidance" was published on 2<sup>nd</sup> February 2022. This was followed up by the publication of a full prospectus on 13<sup>th</sup> April 2022 by the UK Government.

## 2. UKSPF BUDGET

- 2.1 In the Spending Review of 27<sup>th</sup> October 2021 the UK Government confirmed a three year UKSPF budget of £2.6bn with an annual financial profile as indicated below:

Year	2022/23	2023/24	2024/25
Revenue	£0.4bn	£0.6bn	£1.3bn
Capital	£0.0bn	£0.1bn	£0.2bn
<b>TOTAL</b>	<b>£0.4bn</b>	<b>£0.7bn</b>	<b>£1.5bn</b>

- 2.2 The figure of £1.5bn per year (broadly the equivalent of EU Structural Fund receipts in the 2014-20 period) is only reached in the final year. To match fully past EU allocations a total of £10.5bn would be required over a seven year period. The UK Government has repeatedly committed to ensuring that the sums received in the devolved territories match those allocated under previous EU Structural Fund Programmes.
- 2.3 Within this overall budget a sum of £559m across the UK has been earmarked to fund the "Multiply" adult numeracy initiative. To meet the UK Government's priority of enhancing adult numeracy, each area will be required to invest a ring-fenced amount of the fund in local Multiply interventions. Of this £559m, £129m will be managed centrally by the UK Department for Education for a UK-wide digital platform for adult numeracy, as well as a programme of evaluation.
- 2.4 The UKSPF allocations by area that accompanied the publication of the prospectus resulted in Scotland being assigned £212m of the available budget. At 8.5% of the UK total, the share accruing to Scotland is broadly equivalent to its share of EU Structural Funds for the 2014-20 period.
- 2.5 The prospectus gave notional allocations both by individual local authority and by regional economic partnership area. The outcome for the Glasgow City Region was an allocation of £73.9m and for the city £27.2m. Further detail is given below.

### GLASGOW CITY REGION

Year	2022/23	2023/24	2024/25	Total
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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
<b>TOTAL</b>	<b>£11,273,984</b>	<b>£19,284,451</b>	<b>£43,315,843</b>	<b>£73,874,279</b>

## GLASGOW CITY

Year	2022/23	2023/24	2024/25	Total
Revenue	£2,447,384	£4,780,045	£11,750,827	£18,978,256
Multiply	£1,420,356	£1,638,873	£1,638,873	£4,698,102
Capital	£284,071	£682,864	£2,561,995	£3,528,930
<b>TOTAL</b>	<b>£4,151,811</b>	<b>£7,101,782</b>	<b>£15,951,695</b>	<b>£27,205,288</b>

### 3 UKSPF INVESTMENT PRIORITIES

3.1 The UKSPF identifies 3 investment themes, namely:

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

These are similar to the priorities of the UK Community Renewal Fund (UKCRF) the application round for which took place between March and June 2021. This was a one off fund and approved projects (including 2 submitted by the council) have until the end of 2022 to complete activity and spend. One of the aims of UKCRF was to inform the development of the UKSPF.

3,2 The objectives of the **Communities and Place Investment Priority** are:

- To strengthen social fabric and to foster 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; and
- To build resilient, healthy and safe neighbourhoods through investment in quality places in which people want to live work play and learn through targeted improvements to the built and natural environment together with innovative approaches to crime prevention.

3.3 The objectives of the **Supporting Local Businesses Investment Priority** are:

- To create jobs and boost 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;
- To 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; and

- To increase 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 to start or grow their exports.

### 3.4 The objectives of the **People and Skills Investment Priority** are:

- To boost 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 education barriers;
- To reduce 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 within an area for participants, through the use of one-to-one keyworker support, improving employment outcomes for specific cohorts who face labour market barriers;
- To support people furthest from the labour market to overcome barriers to work by providing cohesive, locally tailored support including access to basic skills; and
- To 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.

### 3.5 Beyond the earmarked allocation for Multiply there is flexibility regarding the allocations to these themes.

## 4. **PROCESS AND TIMETABLE**

### 4.1 Following the publication of the prospectus lead authorities are invited to submit Investment Plans to the UK Government. The timetable envisaged for this process is outlined below:

DATE	ACTIVITY
13 April 2022	Fund Launch
April-May 2022	Engagement sessions with local authorities and other local partners to support the investment plan process.
April-June/July 2022	Lead local authorities work with stakeholders to develop local investment plans.

Summer 2022	Further guidance published including guidance on monitoring benefits and evaluation, assurance, subsidy control, branding and publicity.  Application processes and templates for Northern Ireland will be published – these may be used by lead local authorities in England, Scotland and Wales where desired.
1 <sup>st</sup> August 2022	Deadline for submission of investment plans to the UK Government.
July-September 2022	Indicative investment plan assessment period for UK government.
October 2022 onwards	Anticipated date for first investment plans to be approved.
October 2022 onwards	Anticipated first payment to be made to lead local authorities
31 <sup>st</sup> March 2025	Three year funding period ends

- 4.2 It is worth noting that the prospectus stressed the importance of stakeholder engagement, especially with local MPs by lead authorities in the development of these investment plans.

## 5 APPROACH IN THE GLASGOW CITY REGION

- 5.1 The pre launch guidance encouraged, but did not mandate, the use of regional economic partnerships (largely based on city/growth deals) as the spatial basis for preparing Investment Plans in Scotland.
- 5.2 Accordingly, the Glasgow City Region Cabinet, at its meeting held on 15<sup>th</sup> February 2022 agreed:
- (a) in principle to pursue a regional approach to management of SPF and to authorise the Director of Regional Economic Growth to formally notify the UKG of this approach; and
  - (b) that the Investment Plan be developed in conjunction with all 8 Member Authorities, with all necessary approvals at both regional and local level prior to final submission in Summer 2022.
- 5.3 Since then a Glasgow City Region Head of Shared Prosperity Fund has been appointed and a working group of the UKSPF Lead Officers in each local authority established and now meets on a regular basis.
- 5.4 The Group has identified a number of early concerns relating to the process and timetable, namely:
- Meeting the 1<sup>st</sup> August 2022 deadline for submitting the investment plan would be very challenging given that the prospectus stipulates that these require sign off by the political leadership of the local authorities

concerned and July is a recess month. A request for an extension has been submitted; and

- The fund needs to be genuinely multi annual in its approach and not be constrained by the need to spend in year. That is to say that there needs to be flexibility in the pattern of expenditure over the entire duration of the fund.

5.5 It should also be noted that while the intention is to submit a single Investment Plan covering the City Region, much of the delivery and project management will remain at local authority level. There may be some limited interventions, linked to the priorities identified in the Regional Economic Strategy, that might be undertaken at a City Region level.

## **6 TAKING FORWARD THE UKSPF IN GLASGOW**

6.1 The Council will have considerable flexibility in terms of the interventions that can be supported in the city as part of the City Region Investment Plan. It is suggested that the Council should aim to develop interventions under all three investment priorities set out in the prospectus.

6.2 In recent years the Council has managed operations in the area of employability and business competitiveness with the support of EU Structural Funds. The UKSPF provides an opportunity to expand and improve the council “offer” in both fields and to refine the proposed interventions to support the actions identified in the draft Glasgow Economic Strategy for 2022-2030.

6.3 Much of the employability activity supported by EU Funds was commissioned by the Council from the Third Sector and it is anticipated that this approach will be continued with the UKSPF. Actions here would contribute to the Delivery Plan currently being developed by the Glasgow Local Employability Partnership.

6.4 In terms of support for local business, activities will require to add value to the core Business Gateway offer (taking into account the current review of Business Gateway).

6.5 A different approach may be required under the Communities and Place Investment priority. The experience of managing similar Scottish and UK Government Funds (including that used for the UKCRF) will inform this process.

6.6 Consultation on the emerging council input into the Investment Plan will primarily but not exclusively be carried out through the Glasgow Partnership for Economic Growth Hubs,

## **7 Policy and Resource Implications**

## Resource Implications:

<i>Financial:</i>	The UKSPF represents additional resource to deliver on the Council's economic strategy and
<i>Legal:</i>	There will be formal agreement between the UK Government and the Glasgow City Region upon approval of the Investment Plan
<i>Personnel:</i>	The input by the Council into the preparation of the Investment Plan will be carried out by existing staff.
<i>Procurement:</i>	Some interventions using UKSPF may be procured. In such cases compliance with the Public Contracts (Scotland) Regulations 2015 will be required. There are no procurement implications for the Council in terms of the preparation of the Investment Plan

## Equality and Socio-Economic Impacts:

<i>Does the proposal support the Council's Equality Outcomes 2021-25? Please specify.</i>	Yes, specifically: Tackling Poverty]; Reducing Health Inequality; and Empowering Communities
<i>What are the potential equality impacts as a result of this report?</i>	Positive
<i>Please highlight if the policy/proposal will help address socio-economic disadvantage.</i>	The fund has been developed as part of the UK Government's Levelling Up agenda. The Investment priorities link to a number of missions identified in the Levelling Up White Paper.

## Climate Impacts:

<i>Does the proposal support any Climate Plan actions? Please specify:</i>	There is scope to support climate change resilience and net zero interventions through UKSPF
<i>What are the potential climate impacts as a result of this proposal?</i>	Reduction in CO2 emissions through for example increased energy efficiency of Glasgow businesses.

*Will the proposal  
contribute to  
Glasgow's net zero  
carbon target?*

Yes

**Privacy and Data  
Protection Impacts:**

None at Investment Plan level

## **8 Recommendations**

8.1 It is recommended that the Committee:

- a) note the publication of the UKSPF prospectus including the associated financial allocations;
- b) agree the general approach to the council's approach to the development of the Glasgow City Region Investment Plan as outlined in sections 5 and 6 of the report; and
- c) agree that a further report be submitted to the committee prior to the submission of the Investment Plan to the UK Government.