



**Glasgow City Region - City Deal**

**GCR Cabinet**

**Report by the Director of Regional Economic Growth**

**Contact: Mike McNally, 0141 287 6014**

**Item 2**

**30th August 2022**

## **UK Shared Prosperity Fund Investment Plan**

### **Purpose of Report:**

This report updates GCR Cabinet on the development of the GCR Investment Plan for the UK Shared Prosperity Fund (UKSPF).

### **Recommendations:**

GCR Cabinet is asked to note the report and:

- Agree the GCR Investment Plan for the UK Shared Prosperity Fund is submitted to UK Government.

## INTRODUCTION

1. Following the request from Glasgow City Region (GCR), UK Government (UKG) approved an extension to the submission timescale of the GCR UK Shared Prosperity Fund (UKSPF) Investment Plan, to 1 September 2022. This report provides the details of the UKSPF Investment Plan for the GCR.

## GCR UKSPF INVESTMENT PLAN SUMMARY

2. More comprehensive detail is provided in the document in Appendix 1 a summary is provided below.
3. Table 1 provides a summary of the UKSPF budget allocation by year and by Member Authority (MA):

Member Authority	CORE UKSPF				MULTIPLY				Cumulative Total
	22/23	23/24	24/25	Total	22/23	23/24	24/25	Total	
E. Dunbartonshire	£354,914	£709,828	£1,859,749	£2,924,490	£184,555	£212,948	£212,948	£610,452	£3,534,942
E. Renfrewshire	£330,364	£660,729	£1,731,109	£2,722,202	£171,789	£198,219	£198,219	£568,227	£3,290,428
Glasgow City	£2,731,455	£5,462,909	£14,312,822	£22,507,186	£1,420,356	£1,638,873	£1,638,873	£4,698,102	£27,205,287
Inverclyde	£357,827	£715,655	£1,875,015	£2,948,498	£186,070	£214,696	£214,696	£615,463	£3,563,961
N. Lanarkshire	£1,392,675	£2,785,351	£7,297,619	£11,475,646	£724,191	£835,605	£835,605	£2,395,402	£13,871,047
Renfrewshire	£631,625	£1,263,250	£3,309,716	£5,204,591	£328,445	£378,975	£378,975	£1,086,395	£6,290,987
S. Lanarkshire	£1,227,089	£2,454,179	£6,429,949	£10,111,217	£638,087	£736,254	£736,254	£2,110,594	£12,221,811
W. Dunbartonshire	£391,146	£782,292	£2,049,606	£3,223,044	£203,396	£234,688	£234,688	£672,771	£3,895,816
<b>TOTAL</b>	<b>£7,417,095</b>	<b>£14,834,193</b>	<b>£38,865,585</b>	<b>£61,116,874</b>	<b>£3,856,889</b>	<b>£4,450,258</b>	<b>£4,450,258</b>	<b>£12,757,406</b>	<b>£73,874,280</b>

4. Following the planning undertaken by individual MAs, Table 2 provides the GCR UKSPF budget, split by thematic priority:

Thematic Priority	Proposed Expenditure	Percentage split across GCR
Communities & Place	£23,102,178	37.8%
Supporting Local Business	£14,729,167	24.1%
People and Skills	£23,285,529	38.1%
Core Total	£61,116,874	100%
MULTIPLY	£12,757,406	
Total	£73,874,280	

5. Table 3 illustrates a range of potential outputs and outcomes from the GCR UKSPF investment and these will be further refined over the duration of the programme:

Communities & Place	Output
Amount of rehabilitated land	38,000 m2
Amount of land made wheelchair accessible	3,500 m2
Number of new or improved cycleways	32,000 m2
Number of organisations receiving grants	350
Number of volunteering opportunities supported	1,500

<b>Supporting Local Business</b>	
Number of business receiving grants	3,500
Number of staff attending training sessions	600
Number of businesses receiving expert business advice	2,500
Number of social economy, co-operatives and social enterprises receiving support	160
<b>People &amp; Skills</b>	
Employment support for economically inactive people	10,500
Support for education and skills targeting vulnerable young people	5,500

### **GCR UKSPF INVESTMENT PLAN UPDATE**

6. Following the update to GCR Cabinet 16 June '22, MAs have been developing the content of the Investment Plan, using the framework of the Regional Economic Strategy.
7. MAs have sought Committee approval, or have delegated authority, for their contributions to the GCR UKSPF Investment Plan.
8. The attachment in Appendix 1 has been circulated to the Regional Partnership, together with all MPs and MSPs from across the Glasgow City Region. This is a stipulation of the UKG, within the UKSPF Prospectus.
9. The UKSPF Prospectus enables MAs to use up to 4% of their allocation for management and administration. All eight MAs have indicated they intend to utilise the 4% allocation.
10. In addition to the management and administration undertaken at the MA level, GCR will provide programme management, governance and evaluation support. While the UKG have provided additional guidance on evaluation, this will be further augmented again when the UKSPF Evaluation Strategy is published in the autumn of 2022.
11. There are a number of key benefits from the GCR approach to management of the overall programme;
  - Quarterly and six-monthly monitoring and reporting to UKG will be undertaken by GCR
  - The GCR Intelligence Hub will carry out programme level evaluation, rather than this having to be done by an individual MA
  - The change control process outlined by UKG provides additional flexibility for MAs given the programme nature of the GCR Investment Plan. Funding can be moved between investment priorities, if the change involves moving less than 30% of the total funding allocation over the three years or £5m

whichever is lower, without the approval of UKG. Also, if outputs are expected to drop from what had been set out in the original investment plan by less than 20%, again this does not need the approval of UKG.

12. The flexibility provided by the GCR UKSPF programme and the change control process will also enable the use of any underspend within the programme. An internal GCR 'change control process' will be developed. Should an MA identify an underspend, this budget can be reallocated across the programme to be used prior to 31 March 2025. A suggested process will be presented to a future meeting of the GCR CEOs.

## **FINANCE AGREEMENT**

13. The UKSPF grant will be transferred to GCR / MAs in three tranches. Year 1 (15%) on approval of the GCR Investment Plan (anticipated late 2022), with the two subsequent years transferring on 1 April 2023 (26%) and 1 April 2024 (59%). UKG have confirmed there is no requirement on GCR, as the Lead Authority, to retain this allocation and distribute on approval of MAs spend. As a result, GCR will forward UKSPF budget to MAs on receipt.

14. In relation to any UKSPF underspend, UKG have confirmed;  
*'In England, Scotland and Wales, we will consider withholding the next annual instalment until we have received credible plans setting out how the lead local authority will utilise underspends in the next year and/or appropriate milestones and spend have been achieved for the previous year.'*

15. UKG have also clarified MAs will also be able to deliver activity in year 2, over and above the available budget allocation for years 1 and 2. MAs should however be aware that any expenditure in excess of the cumulative year 1 & year 2 allocation will not be able to be drawn down until 1 April 2024. This approach can be agreed at an individual MA level.

## **ENGAGEMENT WITH OTHER CITY REGIONS**

16. UKG have confirmed the GCR is the only region in Scotland that will submit an initial Regional Investment Plan for UKSPF. As a result, GCR has engaged with the Lead Officers from both the Greater Manchester Combined Authority (GMCA) and the West Midlands Combined Authority (WMCA), to understand the approach these two comparable city regions are taking to the development and delivery of UKSPF.

17. The key points to note are;
  - Given the timescales for Investment Plan development, GMCA & WMCA have submitted limited detail within their plans
  - The Combined Authorities are acting as the Managing Authority and retain the UKSPF budget to allocate across the region
  - The Combined Authorities will directly commission activity across their region

18. GCR will continue to link with the English city regions as the UKSPF progresses from Investment Plan development to operational delivery. The English Combined Authorities have an informal UKSPF network to share experience, GCR have indicated they would wish to participate in this group.

### **NEXT STEPS & TIMESCALES**

19. With approval, the GCR Investment Plan will be submitted to UKG via their online portal, prior to 1 September 2022. Following submission, UKG will consider the GCR Investment Plan, with approval expected Autumn 2022.

### **RECOMMENDATION**

20. GCR Cabinet is asked to note the report and:

- Agree the final GCR Investment Plan for the UK Shared Prosperity Fund is submitted to UK Government.