

EAST RENFREWSHIRE COUNCILCABINET18 August 2022Report by Director of EnvironmentUK SHARED PROSPERITY FUND 2022-2025**PURPOSE OF REPORT**

1. This report updates the Cabinet on the recent publication of the Shared Prosperity Fund (SPF) prospectus and budget allocation to East Renfrewshire Council from the UK Government (UKG). The report also outlines a number of broad principles within the guidance which will guide officers in developing local proposals that will fit with the Regional Investment Plan for the Glasgow City Region.

RECOMMENDATIONS

2. It is recommended that the Cabinet:
- a) Note the desire from the UKG to pursue a regional approach in the design and delivery of the SPF, and further note that this is also the preferred position of the Scottish Government;
 - b) Agree that the SPF Regional Investment Plan be developed in conjunction with all 8 Member Authorities as recommended by the City Region Cabinet for submission by 1 September 2022;
 - c) Delegate to the Director of Environment to develop as a matter of urgency an outline high-level East Renfrewshire Council Investment Plan which will meet the Fund's strategic objectives and will form part of the GCR Investment Plan to be submitted by 1 September 2022; and
 - d) Note that a further report will be submitted to the Cabinet in due course including details of the Regional capital investment Plan and proposals for local expenditure.

BACKGROUND

3. The SPF is a central pillar of the UK government's Levelling Up agenda and a significant component of its support for places across the UK. It provides £2.6 billion of new funding for local investment by March 2025, with all areas of the UK receiving an allocation from the Fund through a funding formula rather than a competition. It will help places across the UK to deliver enhanced outcomes and recognises that even the most affluent parts of the UK contain pockets of deprivation and need support.

4. Post Brexit, the UK government are replacing European Union Structural Funds with the Shared Prosperity Fund.

5. Structural Funds are a number of EU funding pots designed to support economic development and reduce inequality between and within countries across Europe. As a

member state of the EU, the UK was eligible for financial support from the European Regional Development Fund (ERDF) and the European Social Fund (ESF). In the 2014-2020 programming period, East Renfrewshire Council received £1,253,904 for the delivery of employability activity through ESF and £266,030 for business growth grants and Business Gateway services through ERDF.

6. The SPF will support the UK government's wider commitment to level up all parts of the UK by delivering on each of the levelling up objectives which are to:

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

7. Underneath the overarching aim of building pride in place (and increasing life chances), there are three SPF investment priorities:

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

OVERVIEW OF FUND INVESTMENT PRIORITIES

8. The main objectives of the Communities and Place intervention are:

- Strengthening our social fabric and fostering 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.
- Building resilient, healthy and safe neighbourhoods, through investment in quality places that people want to live, work, play and learn in, through targeted improvements to the built and natural environment and innovative approaches to crime prevention.

9. The main objectives of the Supporting Local Business intervention are:

- Creating jobs and boosting 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.
- Promoting 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.
- Increasing 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 start or grow their exports.

10. The main objectives of the People and Skills intervention are:

- Boosting core skills and supporting adults to progress in work, by targeting adults with no or low level qualifications and skills in maths, and upskill the working population, therefore yielding personal and societal economic impacts.
- Reducing levels of economic inactivity through investment in bespoke intensive life and employment support tailored to local need.
- Supporting people furthest from the labour market to overcome barriers to work by providing cohesive, locally tailored support including access to basic skills.
- Supporting local areas to fund gaps in local skills provision to support people to progress in work, and supplement local adult skills provision

FUNDING ALLOCATIONS

11. East Renfrewshire Council have been awarded £2,722,202 for the 3 year programme from 2022-23-2045-25. The SPF rules dictate the fund is split between revenue and capital expenditure. 4% of the budget (£108,888) has been deducted for audit and compliance costs as per the SPF guidance.

	Revenue	Capital	2022-23 (revenue)	2022-23 (capital)
2022-23	89.60%	10.40%	£780,510	£90,595
2023-24	87.50%	12.50%	£762,217	£108,888
2024-25	82.10%	17.90%	£715,178	£155,927
			£2,257,905.00	£355,410.00
Total				£2,613,314.00

INVESTMENT PLANS

12. In order to access SPF funding, lead local authorities are being asked to complete an investment plan, setting out how they intend to use and deliver the funding. SPF has been designed to empower local leaders and communities to deliver locally-identified priorities and the investment plan process has been designed with this in mind.

13. Lead local authorities are being asked to develop their investment plan in conjunction with local stakeholders. Plans will then need to be agreed by both the lead local authority and by UK government to unlock the allocations.

GLASGOW CITY REGION APPROACH

14. On 15th February 2022, the Glasgow City Region Cabinet;

- Noted the direction from UKG to pursue a regional approach, and further note that this is also the preferred position of the Scottish Government;
- Agreed in principle to pursue a regional approach to management of SPF and to authorise the Director of Regional Economic Growth to formally notify UKG of this approach; and
- Agreed that the Investment Plan will be developed in conjunction with all 8 Glasgow City Region Member Authorities with all necessary approvals at both regional and local level being in place prior to final submission no later than 01 August 2022. (The final submission date was recently extended to 1 September 2022).

15. The Glasgow City Region Cabinet also agreed that the development and delivery of the SPF should continue to be made at a local level, with oversight and strategic direction at the regional level provided by the Glasgow City Region Project Management Office.

16. The Glasgow City Region Project Management Office will therefore act as the lead coordinating authority for the 8 local authorities who make up the Glasgow City Region.

17. An SPF Project Group which meets regularly had been established with officer representation from each Member Authority.

FINANCE AND EFFICIENCY

18. There are no financial implications arising directly from this report. Project development and implementation of SPF at a local level will be funded through existing resources.

19. The Council must comply with the objectives of the SPF, as set out in the UKG guidelines.

20. The UK government has recently confirmed that the allocated expenditure for 2022/23 can be carried forward into 2023/24.

CONSULTATION AND PARTNERSHIP WORKING

21. The Council's Economic Development team are currently undertaking a wide range of consultations with key internal and external stakeholders to help develop local projects for the interventions of Communities and Place, Supporting Local Business; and People and Skills. A local intervention plan will be developed in conjunction with local stakeholders which will form part of the GCR Regional Investment Plan.

IMPLICATIONS OF THE PROPOSALS

22. There are no equalities, IT or staffing implications associated with this report.

CONCLUSIONS

23. The SPF programme provides an excellent opportunity to deliver further investment to key areas of East Renfrewshire and has been a catalyst for community and stakeholder engagement which will help provide direction for future investment and collaborative working.

24. A further report will be submitted in due course to the Cabinet including details of the Regional capital investment Plan and proposals for local expenditure.

RECOMMENDATIONS

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Director of Environment

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