
UK GOVERNMENT SHARED PROSPERITY FUND

Report by Director, Resilient Communities

SCOTTISH BORDERS COUNCIL

23 June 2022

1 PURPOSE AND SUMMARY

- 1.1 This report seeks the agreement of the Council to the approach to the submission of the UK Shared Prosperity Fund (SPF) bid to the UK Government by 1 August 2022.**
- 1.2 The Shared Prosperity Fund (SPF) is a central pillar of the UK Government's Levelling Up policy agenda. A Prospectus for UKSPF was published on 13 April 2022 setting out its investment priorities which were communities and place, business support, people and skills, and Multiply which is about improving numeracy for employability purposes. [UK Shared Prosperity Fund: prospectus - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/108244/uk-shared-prosperity-fund-prospectus-13-april-2022.pdf)
- 1.3 Each local authority in Scotland has been given two separate allocations over the financial years 2022/23 – 2024/25 for their administrative areas to be used to meet SPF investment priorities and Multiply objectives respectively. The Scottish Borders funding allocation is £4,442,628 for SPF and £927,345 for Multiply. This funding is divided into around 85% revenue and 15% capital. To access the monies local authorities are required to submit an investment plan setting out measurable outcomes and interventions to meet their priorities to the UK Government between 30 June 2022 and 1 August 2022. It is anticipated that these will be agreed in October 2022. There is a need to work collaboratively on the investment plan with local partners and to receive support for this work by the local Members of Parliaments (MPs). There is also strong encouragement to develop investment plans using regional economic geographies.
- 1.4 It is proposed to submit a Scottish Borders investment plan by 1 August 2022. This plan would use the investment priorities of the South of Scotland Regional Economic Strategy (RES) and its Delivery Plan which is overseen by the South of Scotland Regional Economic Partnership (REP). It would also link into the opportunities provided by the Regional Prosperity Framework of the Edinburgh and South East Scotland City Region Deal Partnership and the work of the Borderlands Inclusive Growth Deal. The Multiply part of the investment plan would be developed from the employability work being carried out by Scottish Borders Council and its local partners through the Scottish Borders Local Employability Partnership. It is planned to gain input of the REP as part of the development of the investment plan. The investment plan will need to be put together during Scottish Borders Council's summer recess period and a proposal for

delegating the development and agreement of the local investment plan is set out in the report's recommendations.

2 RECOMMENDATION

2.1 It is recommended that the Council:

- a) Agrees to lead the development of a local investment plan for the Scottish Borders for accessing the UK Shared Prosperity Fund based on the priorities in the South of Scotland Regional Economic Strategy and use the governance structure of the South of Scotland Regional Economic Partnership to assist in this process.**
- b) Agrees to delegate authority to the Chief Executive, Director Resilient Communities and Director of Finance & Corporate Governance in consultation with the Council Leader, the Executive Member for Community and Business Development, the Convener and Leader of the Opposition the responsibility to oversee the development and agreement of the Scottish Borders UK Shared Prosperity Fund Investment Plan for submission to the UK Government by 1 August 2022.**

3 BACKGROUND

- 3.1 The UK Government published its Levelling Up White Paper in February 2022. This sets out its:
- Approach to bring greater prosperity to communities across the UK and tackle regional and local inequalities.
 - Policy programme to guide the Fund (LUF) that was established by the UK Government's approach to levelling up with a medium-term missions, many of which will be set in statute with a commitment to report annually on progress.
- 3.2 The UK Shared Prosperity Fund (UKSPF) is one of the main drivers of the UK Government's Levelling Up agenda. For the UK as whole, the UK Government has indicated it will commit over £2.6bn of UKSPF for local investment by March 2025 which will be allocated to local authorities.
- 3.3 The UK Government published a Prospectus on 13 April 2022. [UK Shared Prosperity Fund: prospectus - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/107422/uk-shared-prosperity-fund-prospectus) It indicates that the primary goal of the UKSPF is to build pride in place and increase life chances across the UK, with the following objectives:
- Boost productivity, pay, jobs and living standards, 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.
- 3.4 Following from this goal the UKSPF is to invest in domestic priorities and target funding where it is needed most, focusing on:
- Communities and place, targeted at enabling places to invest to restore their community spaces and relationships and create the foundations for economic development at the neighbourhood level.
 - Supporting local business, directed at enabling places to fund interventions that support local businesses to thrive, innovate and grow.
 - People and skills, focused at helping to reduce the barriers some people face to employment and supporting them to move towards employment and education.
 - Multiply, aimed at ensuring more adults achieve maths qualifications /participate in numeracy courses (up to, and including Level 2/ SCQF Level 5), improving labour market outcomes and increasing adult numeracy across the population.
- 3.5 Local authorities are being given responsibility to access these UKSPF monies by developing local or regional investment plans. There is strong encouragement for investment plans to be done regionally, based on regional economic strategic geographies, or in partnership with other local authorities. Comprehensive and balanced local partnerships are to be a core component of how the Fund is administered locally. These partnerships should involve diverse range of local and regional stakeholders, civil society organisations, and employer bodies responsible for identifying local skills plans, and businesses or business representative groups to achieve Fund outcomes in their areas. In circumstances where a place already has a group that could be used, then the group can be designated for this Fund's purposes, taking care to

ensure that the panel is fully representative and that its terms of reference meet the Fund's needs.

- 3.6 Local authorities are to receive £20,000 for the development of local investment or £40,000 if they are leading for a strategic regional plan. Those local authorities who lead on plans will also receive an estimated 4% of the area's UKSPF to manage, including assessing and approving applications, processing payments and day-to-day monitoring.
- 3.7 The local investment plans need to cover a period of three financial years 2022/23 – 2024/25. The finances for the general part of investment plans involve a mixture of revenue and capital funding based on a revenue provision of 90% in 2022/23 moving to 82% in 2024/25. The Multiply part is 100% revenue. Match funding is not required but encouraged.
- 3.8 The investment plans are relatively high level and need to provide information based on the outline draft template shown in one of the documents contained in this link:
[UK Shared Prosperity Fund: prospectus - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/107122/UK_Shared_Prospersity_Fund_prospectus.pdf)
 The information required covers:
- Local context: an opportunity for places to set out their local evidence of opportunities and challenges through the lens of the three investment priorities for UKSPF.
 - Selection of outcomes and interventions: where places will identify the outcomes they wish to target based on local context, and the interventions they wish to prioritise, under each investment priority, from the menu of options in the Prospectus. These should be clearly linked to local opportunities and challenges.
 - Delivery: this represents the most detailed stage of the investment plans and includes the approach to delivery and governance, expenditure and deliverables based on outcome and outcome indicators at priority and intervention levels, and resources to manage and work with the Fund.
- 3.9 Investment plans need to be submitted by local authorities for indicative assessment to the UK Government between 30 June 2022 and 1 August 2022. The UK Government is to review the plans between July and September 2022 and sign off plans with payments for 2022/23 in October 2022. The amounts for 2023/24 will be paid to local authorities on 1 April 2023 and for 2024/25 on 1 April 2024.
- 3.10 The Scottish Borders funding allocation for the three year period 2022/23 – 2024/25 is £4,442,628 for SPF and £927,345 for Multiply. The year on year breakdown of this funding is as follows:

Scottish Borders	UKSPF General Funding	UKSPF Multiply Funding
2022/23	£539,154	£280,360
2023/24	£1,078,308	£323,492
2024/25	£2,825,166	£323,492
Total	£4,424,628	£927,345

4 PROPOSED APPROACH TO THE PRODUCTION OF THE UKSPF LOCAL INVESTMENT PLAN

- 4.1 It is proposed that a singular Scottish Borders Council's UKSPF investment plan be developed within the umbrella of the South Scotland Regional Economic Strategy (SoSRES) and Delivery plan that was recently produced by the South of Scotland Regional Economic Partnership (REP). [South of Scotland Regional Economic Partnership - South of Scotland Regional Economic Partnership \(dumgal.gov.uk\)](https://www.dumgal.gov.uk) This is the approach also preferred by Dumfries and Galloway Council. It allows both Councils to link in with other regional geographies which in the case of the Scottish Borders is primarily the Edinburgh and South East Scotland Region.
- 4.2 The REP meets the requirements of the local partnership as set out in the UKSPF Prospectus. It comprises members of Scottish Borders Council, Dumfries and Galloway Council, and South of Scotland Enterprise, together with appointed members from businesses, communities, social enterprise, the third sector, registered social landlords, and representatives from colleges, universities and public bodies. Scottish Borders Council was involved in every stage of the development of the Strategy and Delivery Plan. Also its former Executive member for Economic Development chaired the REP during the crucial phase of the development and agreement of the Strategy, and also during the entire production of the Delivery Plan.
- 4.3 The SoSRES and 3 year Delivery Plan were developed and shaped by significant local engagement of businesses, communities and partners and regional and national stakeholders. The SoSRES was agreed by Scottish Borders Council at its meeting on 23 September 2021 and the Delivery Plan at its meeting on 25 November 2021.
- 4.4 The SoSRES provides a strong strategic underpinning for Scottish Borders Council's UKSPF investment plan because of the involvement and support of local and regional stakeholders and its recent development. It recognises the unique strengths of the South of Scotland (including the Scottish Borders) in relation to its natural capital, the quality of its communities, businesses and cultural identity, and looks to increase the working age population and attract visitors to the region. Inclusivity, sustainability, innovation and creativity, and making the most of everyone's potential are embedded into the Strategy.
- 4.5 The Strategy's six themes accord well with the UK Government's Levelling Up agenda and can be used as the basis for developing the Scottish Borders local investment plan. These themes are:
- Skilled and Ambitious People.
 - Innovative and Enterprising.
 - Rewarding and Fair Work.
 - Cultural and Creative Excellence.
 - Green and Sustainable Economy.
 - Thriving and Distinct Communities.
- 4.6 It is planned to gain the input and advice of the South of Scotland REP as part of the development of the investment plan. It is also proposed to include within the Scottish Borders UKSPF investment plan opportunities for the area to participate in Regional Prosperity Framework projects being developed by the Edinburgh and South East Scotland City Region Growth Deal Partnership. The investment plan might also make

reference and links to projects and programmes being developed as part of the Borderlands Inclusive Growth Deal

- 4.7 The Multiply part of the Scottish Borders UKSPF investment plan would be developed from the employability work being carried out by Scottish Borders Council and its local partners through the Scottish Borders Local Employability Partnership.
- 4.8 To meet the 1 August 2022 deadline for submitting the investment plan much of the work on the Plan will need to be carried out during Scottish Borders Council's summer recess in July 2022.
- 4.9 To ensure a Scottish Borders Council local investment plan is submitted on time it is proposed to delegate authority to Chief Executive, Director Resilient Communities and Director of Finance & Corporate Governance in consultation with the Council Leader, the Executive Member for Community and Business Development, the Convener and Leader of the Opposition the responsibility the responsibility to oversee the development and agreement of the Scottish Borders UK Shared Prosperity Fund investment plan.

5 IMPLICATIONS

5.1 Financial

The Scottish UKSPF investment plan will take account of existing Scottish Borders Council's capital and revenue spending commitments. Any match funding for projects will be provided within existing budget allocations

5.2 Risk and Mitigations

- a) There is an inflationary risk but these will factored into any projects included in the investment plan.
- b) There is major reputational risk for the Council in not submitting a UKSPF investment plan to the UK Government to meet the deadline of 1 August 2022.

5.3 Integrated Impact Assessment

Inclusive Growth and equality matters will be taken account of in the development of the Bids. Full equality impact assessments will be undertaken on the elements of the project within the investment plan if they successfully receive UKSPF funding.

5.4 Sustainable Development Goals (SDGs)

The UKSPF investment plan will take account of the sustainable development goals requirements. It will particularly focus on SDGs 8 (Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all), and 9 (Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation)

5.5 Climate Change

The UKSPF investment plan will be developed on the basis of a Just Transition to Net Zero and will take out of the checklist for projects. It is expected to have positive implications for reducing carbon emissions.

5.6 Rural Proofing

The UKSPF investment plan will take account of all areas in the Scottish Borders, including rural areas.

5.7 **Data Protection Impact Statement**

There are no personal data implications arising from the proposals contained in this report.

5.8 **Changes to Scheme of Administration or Scheme of Delegation**

There will be no changes required to either the Scheme of Administration or the Scheme of Delegation as a result of the proposals set out in this report.

6 CONSULTATION

- 6.1 The Director (Finance & Corporate Governance), the Monitoring Officer/Chief Legal Officer, the Chief Officer Audit and Risk, the Director (People Performance & Change), the Clerk to the Council and Corporate Communications have been consulted and comments received have been incorporated into the final report.
- 6.2 The Senior Leadership Team has been consulted and comments received have been incorporated into the final report.

Approved by

Jenni Craig
Director - Resilient Communities

Author(s)

Name	Designation and Contact Number
Douglas Scott	Senior Policy Advisor

Background Papers: None

Previous Minute Reference:

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Contact us at: Douglas Scott, Senior Policy Adviser dscott@scotborders.gov.uk tell: 01835 825155