
UK SHARED PROSPERITY FUND

Report by Director, Resilient Communities

SCOTTISH BORDERS COUNCIL

30 March 2023

1 PURPOSE AND SUMMARY

- 1.1 **The purpose of this report is to provide an update to Members on the UK Shared Prosperity Fund (UKSPF) for the Scottish Borders and to seek agreement from Members on the proposals for delivery of the 2022/23 funding allocation.**
- 1.2 The UK Shared Prosperity Fund (UKSPF) is part of the UK Government's Levelling Up policy agenda. A Prospectus for UKSPF was published in April 2022 setting out three investment priorities - covering Communities and Place, Business Support, and People & Skills, and a separate Multiply programme for 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/111111/UK_Shared_Pro Prosperity_Fund_prospectus_GOV.UK.pdf)
- 1.3 Each local authority in Scotland was provided with an allocation over the financial years 2022/23 – 2024/25 for their administrative areas to be used to meet UKSPF investment priorities and Multiply objectives. The Scottish Borders funding allocation was £4,442,628 for UKSPF and £927,344 for Multiply, and this funding is split approximately 85% revenue and 15% capital.
- 1.4 To access the funding allocation, local authorities were required to submit an investment plan setting out priorities and measurable outcomes to UK Government. The UKSPF plan for Scottish Borders Council was submitted in August 2022, and it was confirmed by UK Government officials on 5th December that the plan has been approved.
- 1.5 Due to the likelihood of underspends at year-end in the 2022/23 allocation, the UK Government has allowed flexibility to move unspent funding into the 2023/24 financial year, based on credible investment plans being submitted through routine end of year reporting.
- 1.6 To avoid any underspends being returned to the Department for Levelling Up, Housing and Communities (DLHUC), it is proposed that a delegation is given to the Director of Resilient Communities and the Acting Chief Financial Officer in consultation with an enhanced Economic Development Elected Members Reference Group to make investment decisions using the 2022/23 allocation. This group will take advice from two advisory groups, namely the Place Partnership and the Local Employability Partnership, to allocate the funding to appropriate projects and programmes in line with the approved investment plan.

2 RECOMMENDATIONS

2.1 It is recommended that Scottish Borders Council:

- a) Notes that the UK Government approved the Council's UK Shared Prosperity Fund investment plan as detailed at paragraph 3.7.**
- b) Agrees to delegate authority to the Director of Resilient Communities and the Acting Chief Financial Officer in consultation with the Economic Development Elected Members Reference Group, the Convener of the Council and the Leader of the Independent Group, to allocate Scottish Borders UK Government Shared Prosperity Funding in line with the approved investment strategy, taking account of the recommendations of two advisory groups as detailed at paragraphs 4.3 and 4.4.**
- c) Agrees that regular progress reports are presented to the Executive Committee.**

3 BACKGROUND

- 3.1 The UK Government published its Levelling Up White Paper in February 2022. This set out its approach to bring greater prosperity to communities across the UK and tackle regional and local inequalities.
- 3.2 The UK Shared Prosperity Fund (UKSPF) is one of the main drivers of the UK Government's Levelling Up policy agenda. For the UK as whole, the UK Government indicated it will commit over £2.6bn of UKSPF funding for local investment by March 2025, which will be allocated to local authorities to replace European Structural Funds.
- 3.3 The UK Government published its UKSPF 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/107112/ukspfprospectus.pdf). It indicated that the primary goal of the UKSPF was 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; and
 - Empower local leaders and communities, especially in those places lacking local agency.
- 3.4 The UK Government set out that UKSPF investment plans developed by Local Authorities should concentrate on the following priorities:
- Communities and Place, targeted at enabling places to invest and 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 in terms of accessing employment opportunities and supporting them into and within the jobs market; and
 - 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 The local investment plans needed to cover a period of three financial years 2022/23 – 2024/25. Funding for investment plans involves a mixture of revenue and capital funding based on an approximate 85%/15% split respectively over the three-year period. The additional Multiply programme is ring-fenced and 100% revenue.
- 3.6 The funding allocation for the Scottish Borders over the three-year period 2022/23 – 2024/25 is £4,442,628 for UKSPF and £927,344 for Multiply. The year on year breakdown of this funding is provided in Table 3.1. The indicative allocations for 2023/24 and 2024/25 will be reviewed on submission of reporting requirements detailing progress on spend and confirmed in annual Grant Determinations.

Table 3.1 – UKSPF Programme of Funding

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	£4,442,628	£927,344

3.7 The Scottish Borders Council investment plan was submitted to UK Government on 12 August 2022, and we received confirmation from UK Government of approval of the plan on 5 December 2022.

3.8 The investment plan has flexibility in the proposed delivery mechanisms for UKSPF, but it is expected there will be an element of competition for grant funding will need to be incorporated into the delivery of the plan. However, this can be complemented by use of in-house delivery and commissioning and procurement options as applicable. Where possible existing partnerships will be engaged to support and develop the delivery of the UKSPF, in line with UKSFP guidance.

4 PROPOSED DELIVERY OF SPF LOCAL INVESTMENT PLAN 2022/23

4.1 The proposed funding allocations for the four key elements of the Scottish Borders Council Investment Plan over the three year period investment period have been provided in Table 4.1 below:

Table 4.1 – Proposed UKSPF Allocations by Investment Priority

Key Elements of SPF Local Investment Plan	2022/23	2023/24	2024/25	Total
Communities and Place	£255,000	£446,746	£1,325,033	£2,026,779
Local Business	£224,154	£375,000	£710,133	£1,309,287
People and Skills	£60,000	£256,562	£790,000	£1,106,562
Multiply	£280,360	£323,492	£323,492	£927,344
Total	£819,514	£1,401,800	£3,148,658	£5,369,972

4.2 Officers have held regular meetings with UK Government officials to discuss UKSPF and the likelihood of limited spend in the current financial year. UK Government has confirmed flexibility is in place to submit an updated plan to UK Government, detailing how the award for 2022/23 will be delivered within the following two-year investment period. This

process will be managed through routine end of year reporting, and officers are liaising with UK Government officials to confirm exact timescales and detailed requirements.

- 4.3 To provide a transparent decision making process, it is proposed that the allocations for Communities and Place and Local Business investments will be considered by a new Place Partnership advisory panel, which will be chaired by the Director of Resilient Communities and include key strategic partners including South of Scotland Enterprise (SOSE), Live Borders, Borders College, Third Sector Interface (TSI), Chamber of Commerce and Regional Social Landlords. As well as making recommendations on UKSPF investments, the intention is that this group could also provide strategic direction and advice in relation to the Place Making agenda.
- 4.4 It is proposed that the allocations for the People and Skills and Multiply themes would be considered by the Local Employability Partnership (LEP), which is chaired by the Chief Officer for Economic Development. This consists of a number of key partners, including Skills Development Scotland, NHS Borders, Department of Work and Pensions and Developing the Young Workforce. It is proposed that the partnership would provide recommendations, advice and direction in relation to the proposed SPF allocations and also consider joint working where appropriate.
- 4.5 To ensure the 2022/23 investment allocation deadline is met and to provide Elected Members oversight of this process, it is proposed that the 2022/23 UKSPF investment decisions are delegated to the Director of Resilient Communities and the Acting Chief Financial Officer in consultation with those members that currently form the Economic Development Members Reference Group being Councillor Jardine, Councillor Scott Hamilton, Councillor Linehan, Councillor Robson, Councillor Thornton-Nicol and Councillor Mountford with the addition of the Convener and the Leader of the Independent Group to provide additional oversight and scrutiny.

5 IMPLICATIONS

5.1 Financial

- a) The funding allocation for the Scottish Borders is £4,442,628 for UKSPF and £927,344 for Multiply;
- b) The proposed funding allocations for the four key elements of the Scottish Borders Council Investment Plan over the three year period 2022/23 – 2024/25 are detailed at 4.1;
- c) The Scottish UKSPF investment plan is fully funded by the UK Government and includes a 4% allocation for administration costs. 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 be factored into any projects included in the investment plan.

- b) There is major reputational risk for the Council if we are not able to deliver on the agreed UKSPF Investment Plan, which could ultimately result in returning funding to UK Government.

5.3 **Integrated Impact Assessment**

Inclusive Growth and Equality matters have been fully considered in the development of the UKSPF Investment Plan, and equality impact assessments will be undertaken on the specific elements of the investment plan if applicable.

5.4 **Sustainable Development Goals (SDGs)**

The UKSPF investment plan takes account of the requirement for sustainable development goals. It has a particular focus on SDG 8 (Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all), and SDG 9 (Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation).

5.5 **Climate Change**

The UKSPF investment plan has been developed to support a Just Transition to Net Zero and it is expected to have positive implications for reducing carbon emissions.

5.6 **Rural Proofing**

The UKSPF investment plan will take account of the needs 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 resulting from the proposals set out in this report.

6 **CONSULTATION**

- 6.1 The Acting Chief Financial Officer, 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 the comments received have been incorporated into the final report.

Approved by

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Author(s)

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Background Papers: Scottish Borders Council – June 2022

Previous Minute Reference:

Note – You can get this document on tape, in Braille, large print and various computer formats by contacting the address below. Enter Contact can also give information on other language translations as well as providing additional copies.
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