

**ANGUS COUNCIL**

**POLICY AND RESOURCES COMMITTEE – 6 JUNE 2023**

**UK SHARED PROSPERITY FUND UPDATE**

**REPORT BY ALISON SMITH, DIRECTOR OF VIBRANT COMMUNITIES AND SUSTAINABLE GROWTH**

**ABSTRACT**

This report provides an update on the delivery of the UK Shared Prosperity Fund (UKSPF) and Investment Plan for Angus, revisions to the financial profile and sets out the approach to the allocation of funds and delegates signing and issue of sub-agreement to project partners to the Director of Vibrant Communities and Sustainable Growth following consultation with the Director of Legal and Democratic Services.

**1. RECOMMENDATIONS**

It is recommended that the Committee:

- (i) Notes the updated profile of spend, incorporating Year 1 underspend, against the priorities and interventions as set out in Section 5, subject to agreement from UK Government;
- (ii) Notes the approach to the allocation of funds set out in the Investment Plan (included at Appendix 1) and this paper;
- (iii) Delegate the signing and issue of sub-agreements to project partners to the Director of Vibrant Communities and Sustainable Growth following consultation with the Director of Legal and Democratic Services

**2. ALIGNMENT TO THE COUNCIL PLAN**

2.1 Delivery of projects and initiatives from this fund will contribute to the following priorities in the Angus Council Plan 2023-2028.

**Caring for the Economy**

- Continue to support and deliver elements of the Tay Cities Deal
- Support and deliver programmes that help people into work
- Support businesses to grow and invest in Angus through our employment land and commercial property
- Be more commercial in our approach to contracts and support growth of business locally whenever possible through a community wealth building approach

**Caring for our People**

- Support children, young people and adults to access appropriate opportunities which allow them to progress in their learning

## Caring for our Place

- Take action to mitigate against climate change by delivering our Transition to Net Zero Action Plan 2022 to 2030 and leading on the delivery of a Sustainable Energy Climate Action Plan (SECAP) for Angus to reduce area wide emissions.
- Reduce our energy use through a reduction in our property estate coupled with good management to reduce wasting energy
- Delivery efficient waste services and encourage more recycling and cleaner streets
- Engage with communities to support their ambitions to deliver on local aspirations (e.g. community asset transfer requests, community gardens, food hubs)
- Support the development of more active travel routes around Angus Council
- Maximise funding opportunities and grant to the Third Sector and communities to support their ambitions to deliver services
- Enhance and restore Angus Biodiversity, corporately and with a range of stakeholders

### 3. BACKGROUND

3.1 The UK Shared Prosperity Fund (UKSPF) is a central pillar of the UK Government's Levelling Up agenda, with all areas of the UK receiving an allocation of revenue or capital funding, via a funding formular rather than a competition. The UKSPF was launched on 13<sup>th</sup> April 2022 and funding allocations and the [prospectus](#) published. The funding allocations were conditional upon submission and sign-off of an Investment Plan which set out measurable outcomes to reflect local needs and opportunities. Due to the tight timescales and summer recess period, there was no opportunity to seek committee approval in advance of submission.

3.2 The conditional allocation for Angus over the three-year period was £4.91M, split between £4.07M Core funding and £0.84M for the ringfenced numeracy element of Multiply. The allocation split increases annually but spend must be within the relevant financial year as set out below:

#### Core Funding (£4.07M)

2022/23	2023/24	2024/25
£0.49M	£0.98M	£2.6M

#### Multiply (£0.84M)

2022/23	2023/24	2024/25
£0.26M	£0.29M	£0.29M

3.3 Part of the Multiply funding component has been provisionally reallocated to Core Funding (see paragraph 5.14 below) to give total Core Funding of £4.23m and Multiply funding of £0.59m.

3.4 Due to the tight timescales set, at the Policy and Resources meeting of 21 June 2022 committee agreed to delegate authority to the Director of Vibrant Communities and Sustainable Growth to prepare and submit the Investment Plan ([Report 151/22 refers](#)) by the required deadline of 1 August 2022 and noted that specific projects within the Investment Plan would be brought to a future meeting of the Policy and Resources Committee.

3.5 The Investment Plan is a high-level document which sets out the approach to allocations against the identified priorities, selection of relevant interventions and accompanying outcomes as well as proposed delivery, governance and administrative arrangements. It is accompanied by an expenditure profile and indicative deliverables spreadsheets.

3.6 The breadth of interventions, along with the flexibility between capital and revenue, provided significant scope to bring forward a large variety of projects. The approach from officers was therefore to create sufficient flexibility but also refine the options to help target project areas. Engagement was undertaken with Council services and partners to help shape the approach and selected interventions. Key principles applied included:

- Projects that provide economic benefit to Angus,
- Projects which are unlikely to receive funding through alternative sources
- Leverage support to projects where funding gaps can be addressed

- Support to existing initiatives and pipeline projects
- Larger projects that are more likely to deliver the required tangible benefits,

3.7 The UKSPF Prospectus indicated a target date of October 2022 for the sign-off of spending plans however this was delayed and an announcement not made until early December 2022. In many cases this sign-off required additional pre-payment conditions to be met and Angus Council's Investment Plan was subsequently confirmed on 13 January 2023.

#### **4. CURRENT POSITION**

4.1 Whilst the Prospectus had indicated that any spend for Year 1 could be backdated this would have resulted in significant spending at risk. Other local authorities had highlighted similar concerns. Given the short timescale between confirmation of the Investment Plan for Angus and end of the financial year, alongside the risk assessment of committing funds in advance, there has been little spend of the Year 1 allocation. This is not uncommon with other Scottish local authorities reporting little or no spend from Year 1. There are various governance requirements associated with procurement, subsidy control etc. which must also be in place prior to spend of funds. Following earlier notification from regional contacts at the Department for Levelling Up, Housing & Communities (DLUHC) formal correspondence was received from the UKSPF team in late February 2023 that 100% of underspends from Year 1 could be carried over to Year 2 provided the lead local authority can demonstrate they are in a position to utilise the underspend along with the Year 2 allocation. The detail had to be included within the end-of-year report which was submitted on the 2 May 2023,

4.2 Agreement to carry forward the underspend will be confirmed as soon as possible once end-of-year reports have been processed.

#### **5. PROPOSALS**

5.1 Details of the revised spending profile, taking account of the Year 1 carry over, across the relevant priorities are set out below. The Investment Plan reporting is focused on the interventions rather than the specific projects that contribute to the relevant outcomes and outputs; some detail is required to support the allocations and credibility of plans to deliver spend in Year 2.

5.2 Projects, in many cases, are likely to deliver against a range of different interventions which makes the overall management more difficult, particularly where annual revenue and capital splits must be specified, and there are knock on impacts from over/underspends in a particular area.

5.3 Reporting and evaluation is a fundamental element of UKSPF and therefore all partners working to deliver relevant projects must meet all these requirements.

5.4 UKSPF highlights the role of local partnerships as a core component of oversee of the fund and providing advice on strategic fit and deliverability. Given the existing strong partnership arrangements in Angus, these are suitably placed to undertake this role.

5.5 The default position for the allocation of funding is via competition. However in recognition of the resource commitment involved we had set out in the Investment Plan that any competitive elements of the fund be targeted. The approach recommended by officers proposes a combination of different approaches to the allocation of funds, such as those as set out below. An internal officer panel will oversee allocations and/or recommendations providing the governance and scrutiny.

- Targeted competitive funds, mostly within the Communities and Place priority. This would supplement other funding opportunities such as the Place Based Investment Programme and would be open to Council, partners and community projects in line with the relevant criteria.
- Direct allocation of funds to existing work areas to provide resource to expedite projects (such as Tay Cities Deal) and/or provide specialist expertise.
- Officers have been collating details of projects, ideas, initiatives from across the Council and consider the potential for allocations to meet funding gaps, match fund and/or support projects which will make a significant impact in communities.

## Core Funding Reprofile (Revised Total £4.23M)

Year 1 - 2022/23	Year 2 - 2023/24	Year 3 - 2024/25
Spend £7k Remaining Year 1 allocation of £744k reprofiled to Year 2	£1.67M	£2.56M

## COMMUNITIES AND PLACE PRIORITY (Revised Total £1.9M)

- 5.6 The Communities and Place priority covers a broad range of interventions to support climate change, community assets, open space and environment, culture, active travel, digital, cost of living and marketing activity. A review of current available funding streams would suggest that there are various opportunities for funding to support active travel, local climate change and resilience and cost of living which could be tapped into. Officers have therefore targeted interventions which could support existing activity or where funds are unlikely to be available from another source.
- 5.7 Details of the revised profile against the interventions is set out below:

	Intervention	23/24	24/25
S1	Place Based Investments, Regen & Town Centre Improvements	£ 336k	£ 640k
S3	Improvements to the natural environment, green & open space	£ 30k	£ 58k
S4	Design & Management of the Built & Landscaped Environment	£ 189k	£ 291k
S5	Support sport, arts, cultural, heritage and creative activities	£ 10k	£ 75k
S6	Active travel enhancements & small scale transports projects	£ 15k	£ 18k
S7	Campaigns to Encourage Visiting & Exploring the Local Area	£ 50k	£ 20k
S9	Investment in Capacity Building & Resilience for Local Groups	£ 20k	£ 10k
S11	Relevant Feasibility Studies	£ 85k	-
S12	Digital Infrastructure for Local Community Facilities	£ 18k	£ 18k
	Total	£0.75M	£1.13M

- 5.8 Committed regional projects within this priority area, totalling £68k, include a contribution towards a regional tourism coordinator, Tay adventures feasibility study, and resource to encourage the take up of rural broadband vouchers (R100 Scheme supported by Scottish Government).
- 5.9 Officers propose to add value to the current Place Based Investment Programme funding through the introduction of a competitive feasibility fund to support development work and/or business plans for projects looking to secure future capital investment.

## SUPPORTING LOCAL BUSINESS PRIORITY (Revised Total £1.4M)

- 5.10 Allocations are targeted to capitalise on and support bringing forward economic priorities, including further support for Tay Cities projects, clean growth initiatives, tourism and supporting small business.

Details of the revised profile against the interventions is set out below:

	Intervention	23/24	24/25
S14	Development & promotion of the visitor economy	£55k	£15k
S15	SME development grants & support	-	£250k
S17	Development & support of appropriate innovation infrastructure	-	£150k
S19	Strengthening local entrepreneurial ecosystems	£45k	£30k
S22	Growing the local social economy	£20k	£20k
S25	Developing existing or emerging local strengths - low carbon & climate	£50k	£80k
S26	Business support measures to drive employment growth	£49k	£166k

S27	Business support aligned with local, regional & Scottish policy	£35k	£35k
S30	Investment to protect from natural hazards, flooding & coastal erosion	£80k	£320k
Total		£0.34M	£1.06M

- 5.11 Committed regional projects, totalling £140k, within this area include additional support to business through the Business Gateway contract ([Report 120/23 refers](#)) to incorporate outreach advisor support, expert help and growth workshops.

#### **PEOPLE AND SKILLS PRIORITY (Revised Total £0.9M)**

- 5.12 This priority covers a number of aspects within the employability and skills area. There are already a number of targeted funding streams which support employability therefore the focus of officers has to been to work with the Local Employability Partnership to identify where the data and evidence is identifying areas of unmet need.
- 5.13 Research carried out with partners and across council services has identified implications arising from COVID that are causing challenges to young people and affecting their learning. This fund will support the delivery of wrap-around support as an early intervention. This will be delivered through 1:1 work to engage young people back into positive learning and support them to stay engaged and on a career-ready path. Success through the long term unemployed programme has highlighted the need to increase the number of placements and offer these to a wider age range. This will be another element delivered under this priority.

	<b>Intervention</b>	<b>23/24</b>	<b>24/25</b>
S31	Employment support for economically inactive people	£50k	£50k
S32	Courses including basic skills for those not economically inactive	£50k	£25k
S35	Employability programmes & advice - No One Left Behind agenda etc	£171k	£130k
S36	Local areas to fund local skills needs	£84k	£51k
S37	Green skills courses	£23k	-
S39	Education & skills targeting the vulnerable leaving school	£35k	£30k
S40	Support for community learning & development	£10k	-
S41	New partnership & project-based entrepreneurial learning	£70k	-
New	Support for early intervention, targeting young people (ages 12-15)	£82k	£82k
Total		£0.58M	£0.37M

#### **Multiply (Revised Total £0.59M)**

- 5.14 Multiply is a ringfenced revenue element of UKSPF for the delivery of bespoke adult numeracy programmes. The original allocation, across the three years of the programme, for Angus was £896k. On 31<sup>st</sup> March 2023 correspondence was received from DLUHC advising that in recognition of the challenges faced in mobilising Multiply activity in Year 1 that underspends from this year could be reallocated to the People and Skills activity in Year 2. The designated funding allocation for Year 2 and 3 to Multiply should however continue to be spend solely on Multiply interventions.

The profile for spend on Multiply interventions is set out below:

<b>Year 1 - 2022/23</b>	<b>Year 2 - 2023/24</b>	<b>Year 3 - 2024/25</b>
£0k	£296k	£296k
Year 1 allocation of £257k reprofiled to People and Skills priority		

Breakdown of interventions and spend profile:

	<b>Intervention</b>	<b>23/24</b>	<b>24/25</b>
S42	Courses designed to increase confidence with numbers	£36k	£36k
S43	Courses for parents wanting to increase numeracy skills	£36k	£36k
S45	Courses aimed at encouraging people to upskill to access jobs/careers	£95k	£95k
S46	Additional relevant maths modules in vocational courses	£38k	£38k
S47	Innovative programmes delivered with employers	£19k	£19k
S48	Intensive& flexible courses targeted at those without Level 5 maths	£38k	£38k
S49	Courses designed to help people use numeracy to manage money	£36k	£36k

5.15 Officers have been working over the past few months with Dundee and Angus College to develop a programme of support which will deliver on the identified Multiply interventions.

## **6. FINANCIAL IMPLICATIONS**

6.1 There are no direct financial implications for the Council as the funding will provide both capital and revenue support for delivery of projects. This funding has allowed Angus Council to make savings to staff costs, where this funding has replaced core-funded posts. There are however significant indirect resource implications to undertake the required administration, reporting and delivery of the funding as well as support the delivery of projects.

6.2 All lead local authorities can use up to 4% of the overall UKSPF allocation to support the overall coordination and administration of the fund. This funding element will be utilised to provide savings to staff costs as well as a secondment opportunity to oversee projects, budget and reporting. Monitoring and evaluation forms a key part of UKSPF and the indicative deliverables element within the Investment Plans sets out some of the outcomes and outputs measures which form part of the reporting.

6.3 As with other projects where the Council is providing grant funding or facilitating provision by other partners / third parties and where there is such a wide range of interventions of varying sizes there is a risk of actual expenditure not matching the funding profile. The Council does not have full control on delivery in these circumstances which can lead to slippage in spending timelines. This is the reality of undertaking work of this nature so there is likely to be a need for some flexibility from UK Government to manage the programme and finances during 2023/24 and 2024/25,

## **7. EQUALITY IMPACT ASSESSMENT**

An Equality Impact Assessment is not required as the report sets out a high level overview of the allocation of funding against interventions and does not provide sufficient detail on projects. Any assessment will therefore be undertaken in the context of individual projects.

## **8. CONSULTATION**

The Director of Finance and Director of Legal and Democratic Services were consulted in the preparation of this report.

**NOTE:** The background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) which were relied on to any material extent in preparing the above report are:

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