

EAST AYRSHIRE COUNCIL RESPONSE

SCOTTISH PARLIAMENT FINANCE AND PUBLIC ADMINISTRATION COMMITTEE CALL FOR VIEWS – LEVELLING UP FUND, SHARED PROSPERITY FUND AND COMMUNITY RENEWAL FUND

The Finance and Public Administration Committee will be meeting the Secretary of State for Levelling Up in early 2023 and are seeking input from local authorities in terms of their experiences of seeking funding under the Levelling Up Fund, Shared Prosperity Fund and Community Renewal Fund.

They are keen to learn from councils' experience and views on these funds, particularly in the following areas:

Levelling Up Funding:

- **The approach taken in relation to identifying areas of greater need or priority in round two.**

Following an assessment of potential local regeneration and transport projects against the Levelling Up Fund criteria, two applications were developed as follows:

- *Bellfield Interchange*. The most important traffic junction in East Ayrshire and a gateway to the rest of Ayrshire and South West Scotland, Bellfield has long standing significant challenges relating to pedestrian and vehicle safety, poor quality active travel networks and capacity constraints, all of which act as a barrier to the development of the East Ayrshire economy. The Bellfield Interchange forms part of Transport Scotland infrastructure.

These challenges have been assessed via a Transport Appraisal for the East Ayrshire Local Development Plan 2 (EALDP2) which confirmed that the Interchange cannot accommodate all of the growth proposed in EALDP2 without improvement.

Ayrshire Roads Alliance has developed options for improvements to the Bellfield Interchange to cater for increased traffic volumes and deliver safety improvements. The preferred option is to introduce signalling and to increase the road width to include a third lane by reducing the size of the hard verges and construct a separate pedestrian/cycle bridge adjacent to the junction to improve connectivity. A separate pedestrian/cycle bridge, as well as improving safety, will encourage active travel and have positive impacts for net zero aspirations and health and wellbeing. These options have been discussed with Transport Scotland through the EALDP2 process, and whilst Transport Scotland have not yet submitted their formal response to the EALDP2, they are keen to see funding in place to realise the required improvements. The lack of funding available to deliver the

improvements at present is a concern to Transport Scotland in respect of approval of the site allocations set out in Proposed EALDP2.

Now that solutions have been proposed in principle, a feasibility study will be undertaken which will include ground investigation works, a topographical survey and environmental impact/ecology surveys.

- *Cultural Kilmarnock.* This has been identified as an area to the east of the town centre that includes culturally significant listed buildings like the Palace Theatre, Grand Hall and Dick Institute. The vision for Cultural Kilmarnock is to create an enduring and vibrant area of cultural significance. The emerging design proposals aim to improve pedestrian connections between the cultural venues and town centre through the linking of green spaces and improvements to the public realm. Improvements to the landscaping, lighting, signage and wayfinding aim to enhance the setting, connection and offering of the cultural venues. The design proposals also include significant improvements to the accessibility and energy efficiency of the Palace Theatre and Grand Hall, improving its performance as a regional theatre and concert hall.

The project is being developed as a partnership between the Council and East Ayrshire Leisure Trust and will link into the Kilmarnock Town Centre Strategic Regeneration Framework. Key third sector and community organisations, including Celebrate Kilmarnock and Centrestage, will also be involved at various stages through concept to detailed design. Initial discussions are also taking place with the National Heritage Lottery Fund (NHLF) and Historic Environment Scotland (HES), with a view to securing additional funding support. If successful, the bids to NHLF and HES will allow the full scope of the project to be realised as well as the development of a creative and inclusive programme of activities for community participation and involvement.

- **How successful you have been in securing round two Levelling Up Funding and how the process for bidding for Levelling Up Funding in round two compares with round one (where relevant).**

East Ayrshire Council did not make any bids in round one for Levelling Up Funding for a number of reasons: because of the relatively short period of time for round one bids to be submitted to the UK Government; because of the requirement for round one bids to be 'shovel ready' in 2021/22; and due to the time needed to consider, plan and build an ambitious bid. For all of those reasons, the Council's Cabinet agreed that the Council should instead focus all of its efforts on developing bids for subsequent phases of the Fund.

On 19 January 2023, the Council received confirmation that our bid for 'Cultural Kilmarnock' had been successful. Our project team is now working to quickly mobilise the detailed implementation plan for this project.

Unfortunately, our bid for the Bellfield Interchange was unsuccessful, and we are currently awaiting further feedback from the UK Government which will inform next steps in relation to this project.

- **The extent to which any funding for successful bids in round one has been released, to what timescales (compared with any in your project bid) and how confident you remain that the project will be achieved within the agreed timescales.**

N/A. The Council did not make any bids to the Fund in round one.

- **The process for project evaluation, monitoring and subsequent reporting to the UK Government.**

As East Ayrshire Council did not take part in round 1, we are unable to comment on the subsequent arrangements in respect of project evaluation, monitoring and reporting.

- **What you consider should happen after the 2024-25 deadline for the current Levelling Up Fund.**

The aims and objectives of the Levelling Up Fund (economic regeneration, supporting local transport projects and cultural and heritage assets) will not have been met comprehensively by 2024/25. It is our view that support for these types of projects has to be continued over the long-term rather than being seen as a one-off support programme during challenging economic circumstances.

Indeed, the longer-term economic outlook remains challenging, especially for areas where deep-seated problems associated with economic restructuring persist. It is therefore imperative that funding of this nature continues if the wealth gap between affluent and poorer areas is to be closed.

The Council is concerned about the fragmented nature of funding opportunities across the Westminster and Scottish Governments, which have proliferated in the last two years (examples include the SPF, LUF, CRF, Place-Based Investment Programmes and RCGF). Whilst we will continue to take advantage of all external funding opportunities to maximise the services we can deliver for our communities, it would be beneficial for a more co-ordinated approach to be taken across the jurisdictions and reduce the officer and elected member time that is currently spent on co-ordinating and submitting funding applications.

UK Shared Prosperity Fund

- **The approach of using lead local authorities to secure funding, the appropriateness of the three key investment priorities the UKSPF will support and the timescale over which it currently operates (2022-25).**

In terms of timescales, whilst confirmation of the Council's allocation had been expected in October 2022, notification was not received until early December. With a substantial 2022/23 allocation included in the Plan and with funding only being released in January 2023 following modifications being made to the Plan as requested by the UK Government, there now remains only a three month window in which to utilise all of this funding. This places considerable pressure on officers in terms of mobilising resources and putting procurement processes in place.

Another significant challenge has been the establishment of transitional arrangements for employability projects which had previously been delivered via the ESF programme. The Employability Team delivering the ESF programme were on temporary contracts to coincide with the funding deadline and as the employability delivery was transferred between ESF and UKSPF, action had to be taken quickly to ensure the continuation of these programmes.

Additionally, as performance management of employability outputs has transferred from the national bodies such as SDS to the Lead Authority there will be a need to strengthen the dedicated resources to support and oversee the programme, its output for the UKSPF Investment Plan and this work is being considered as part of the delivery proposals.

- **The process of agreeing and submitting your investment plan and the extent to which any funding has been released.**

The Council agreed to submit its SPF Investment Plan to the UK Government by 31 August 2022. The Head of Economic Growth co-ordinated the production of the Council's Investment Plan in conjunction with a wide range of Council services and other delivery partners.

A process of internal and external engagement took place during Summer 2022, including meetings with key stakeholders at local and regional level, engagement with MPs and MSPs and discussions at key forums such as the Employability Project Board and the Regional Business Support Meetings with North Ayrshire Council, South Ayrshire Council and Scottish Enterprise. In addition to raising awareness of the fund and application process, these sessions provided partner and stakeholder input into the strategic priorities and interventions to be considered in East Ayrshire.

MPs and MSPs actively engaged in the processes surrounding the SPF, and the draft list of interventions was submitted to them, followed by a meeting with the Council's Head of Economic Growth on 23 August 2022. MPs and MSPs were supportive of the proposals.

Reflecting the shared aspiration to work closely at regional level, officers and elected members were in regular contact with their colleagues at North and South Ayrshire Councils during the production of our respective Investment Plans.

A number of meetings of the SLAED group (representing economic development officers from across Scotland) took place, and provided a useful forum to discuss the preparation of Investment Plans with each other and UK Government representatives.

Details of the East Ayrshire Investment Plan were considered by members of the Council's Corporate Management Team and the Plan was subsequently submitted to a meeting of the East Ayrshire Council Cabinet for approval on 24 August 2022, prior to submission to the UK Government. This provided elected members with an opportunity to scrutinise the contents of the Plan and raise any issues prior to submission. The Investment Plan was also shared with the Ayrshire Regional Economic Partnership and Ayrshire Joint Economic Committee for endorsement at their meetings in September 2022.

Funding was released to the Council in January 2023, and meetings have taken place to discuss action plans for the various projects, with an emphasis on prioritising 2022/23 spend. Given the delays from the UK Government's side and the very short window available in what remains of 2022/23, it is welcome that they have confirmed that councils will be able to carry over Year 1 spend into Year 2.

- **The appropriateness of and flexibility provided by the UKSPF Interventions, Objectives, Outcomes and Outputs relevant for Scotland.**

The Investment Plan is closely aligned to the Council and Community Planning Partnership's strategic direction. The projects proposed in the Investment Plan support the delivery of the three strategic priorities of our Community Plan. There is particularly close alignment between the three Investment Plan priorities and the Economy and Skills Delivery Plan. Elements of the proposals for Communities and Place align with our Safer Communities Delivery Plan, and People and Skills projects are closely linked to our Wellbeing Delivery Plan.

The Council understands that as programmes and projects proceed over the next three financial years, there will be an element of flexibility to deal with variations and exceptions to the agreed Investment Plans. These will be notified to the UK Government via the quarterly reporting processes that are being put in place. Given that many of our projects were either in their conceptual stage or being designed at the time that the Investment Plan was submitted, there will inevitably be changes and the Council is therefore likely to require flexibility.

- **The adequacy of the administrative expenditure provisions.**

The UK Government's guidance states that all lead authorities can use up to 4% of their UKSPF allocation to support the delivery of their chosen interventions and by exception, lead authorities will be able to use more than 4%.

Colleagues in Finance are currently establishing financial monitoring and reporting mechanisms which will profile each project over the next three financial years. This exercise will make provision for the administrative expenditure; however, at the time of writing, it is too early to comment on the adequacy of the 4% allocation for administration. The Council will, however, make its best efforts, to ensure that administrative processes are managed as efficiently as possible.

Further guidance from the UK Government in this area would be welcomed in terms of exactly how the administrative allocation should be managed.

Multiply

- **The approach to measuring progress through the Multiply success measures.**

The Council has put in place a range of performance outputs and outcomes for Multiply in our Investment Plan. There are 2 projects as follows:

- *Vibrant Communities Lifeskills and Inclusion – Money MOT.* The project aims to create and deliver a Money MOT programme, which will be endorsed by SQA. The course will incorporate money lifeskills and financial capabilities/literacies, with a specific focus on numeracy. The programme will target adults and families and will be levelled at SCQF level 3-5 allowing progression for service users. In addition, first step courses will be developed to allow adults and families to progress and transition on to the accredited Money MOT course. Courses will be targeted at those furthest from the labour market where poverty and financial literacies is a barrier.
- *Financial Inclusion Pathways.* The project aims to break down the barriers that can prevent individuals from taking up employment or gaining a better lifestyle; provide expert assistance around the benefit system and on saving money. Target groups include lone parent households, workless households and low income households. Activities covered would include debt assistance, budgeting for fuel poverty, Grant Applications, Scottish Welfare Fund Assistance and so on.

In terms of our approach to measuring progress, each of our Multiply projects have been aligned to the specific outputs and outcomes specified in the UK Government's Investment Plan guidelines. Outputs will typically focus on participation rates on courses and confidence building, whilst outcomes will focus on achievement of qualifications and improved adult numeracy rates.

The Local Employability Partnership, consisting of key partners and stakeholders from a range of national and regional organisations within the public and third sectors, will assume strategic oversight of the Multiply projects. The wider monitoring and progress of the Shared Prosperity Investment Plan, including Multiply, will be considered by the Council's Cabinet on an annual basis.

Dedicated staffing resources will be put in place to ensure that regular progress reports relating to Multiply measures can be provided in adherence with UK Government reporting guidelines.

- **The flexibility of the funding given it is to supplement existing adult numeracy provision.**

The Council's Multiply allocation is £1.054 million. The submitted Investment Plan confirmed the following spend profile over the three years of the programme:

2022/23 - £318,626

2023/24 - £367,645

2024/25 - £367,645

This scheduling of spend was based on the Investment Plan receiving sign-off from the UK Government in October 2022. In reality, the SPF programme has been beset by delays and as a result, the Investment Plan was not signed off until mid-January 2023. This has a considerable impact on our ability to incur spend during 2022/23 and the UK Government has confirmed that year 1 spending can be carried over into year 2. Our spending plans are currently being re-drawn in respect of Multiply programmes.

Furthermore, it is of concern that, unlike our core SPF allocation, the Multiply allocation follows a much more even spend profile, as highlighted above. It would have been more realistic to have followed a similar allocation profile to the other programmes, with significantly higher spend being incurred in years 2 and 3.

Community Renewal Fund

- **The outcomes from any pilots or programmes supported by Community Renewal Funding.**

Four projects (noted below) from the East Ayrshire Council area were awarded Community Renewal Funding totalling £1.298m.

- Support to Engage (STEP) – Auchinleck Community Development Initiative
- Community Re-use Hub – New Cumnock Development Trust
- All in East Ayrshire – ENABLE-led Consortium
- Leisure at the Heart of Every Community – East Ayrshire Leisure Trust

The funding period has now ended and the Council has submitted a return in accordance with the required final evaluation and assurance process. The following table provides a summary of outcomes delivered through each project. The table shows the target outcome at the start point for each project alongside the actual outcomes delivered shown in the final column.

Support to Engage Pro	Employment	People engaged in job searching following support	45	29
		People engaged in life skills support following interventions	45	93
		Economically inactive individuals engaging with benefits system following support	30	37
All in East Ayrshire	Employment	People in education/training following support	72	48
		People gaining a qualification following support	140	125
		People in employment, including self-employment, following support	60	55
A Re-use Hub for New	Skills	People engaged in life skills support following interventions	19	6
		People in education/training following support	2	6
		Businesses introducing new products to the market as a result of support	1	1
		Employment increase in supported businesses as a result of support	3	3
		Organisations engaged in knowledge transfer activity following support	5	5
		Estimated Carbon dioxide equivalent reductions as a result of support	1	4
		Innovation plans developed as a result of support	1	1
		Increase in footfall as a result of support	19	54
		Increase in visitor numbers as a result of support	50	300
Leisure at the Heart of	Places	People engaged in job searching following support	10	56
		People engaged in life skills support following interventions	200	782
		People gaining a qualification following support	10	26
		People in employment, including self-employment, following support	18	18
		Organisations engaged in knowledge transfer activity following support	2	10
		Increase in footfall as a result of support	10,000	15,067
		Increase in visitor numbers as a result of support	2,000	30,000
		Total surface area of green/ blue infrastructure added or improved as a result of support	20,000	24,175

- **The evaluation of any projects or programmes including any work with the What Works Centre for local economic growth.**

A condition of the CRF funding was that each project was required to commission independent evaluation. These evaluation reports were included with the Council's return as part of the final assurance process. A summary of each is provided below.

Support to Engage (STEP) – Auchinleck Community Development Initiative

STEP has developed and delivered a “bottom-up approach” to participant support in a new and different way, using less formal personal engagement processes, and where necessary, practiced a “whole household approach”.

STEP provided vital emotional support, practical advice and direct help with benefit welfare advice. As a result, STEP staff were seen as reliable, trusted, and effective people who worked seamlessly together as a team to support the individuals' support needs.

STEP supported direct engagement, and in some cases, re-engagement, with participation in external support networks and agencies such as East Ayrshire's Employability & Skills Pipeline. (Local Synergy – Consultancy Solutions)

Community Re-use Hub – New Cumnock Development Trust

The approach was to launch the Reuse Hub in two phases. Phase one involves starting in a rented space and learning what kind of re-use activities and overall approach works in New Cumnock. Alongside this, NCDT planned to develop the Trotters building, which, in phase two, will become the Re-use hub's permanent home.

The funding from CRF covers phase one and was intended as a pilot, with a focus on learning and adapting as it went. There are almost no other re-use activities in New Cumnock (i.e. tool libraries, men's shed or even charity shops) and most Re-use Hubs so far have been set up in urban areas. The funder was also keen for learning from the project to be captured so it could be shared with other organisations with similar aspirations.

The need for the Hub was based on previous business planning which identified high unemployment and the need for more commercial and cultural activity to revive the neglected main street. The Trust hoped that by using resources that are already within the local community (ie waste products) they could set up an innovative social enterprise which would fulfil these needs and raise environmental awareness.

Renovating derelict buildings is also a major part of the Trust's other work: they have purchased two large buildings and are in the early stages of bringing them back into use. Therefore, setting up a social enterprise to go into one of the buildings they are renovating fits well with their overall plans. The focus on bikes also connects to the Trust's work on health and wellbeing. (Sleeping Giants)

All in East Ayrshire – ENABLE-led Consortium

Overall, All In EA was premised on establishing a wide and innovative partnership of third sector agencies to help a range of people progress in the labour market. It was developed and required to deliver outcomes within tight timescales, with changes and delays in initially scheduled delivery dates. Subsequent extensions eased some of these pressures, but nevertheless the nature of the origins of the CRF as a funding source remained a key issue of context throughout the pilot period. Layered on this, were ongoing uncertainties and further unanticipated Covid-19 related challenges.

A number of strengths from the All in EA experience are apparent. These include: a good range of delivery options; very positive feedback from participants and employers; an approach consistent with and advancing strategic priorities; new mechanisms to reach out to people more disengaged from the labour market; a strong willingness amongst partners to work together; and perseverance in the face of unpredictable Covid-19 challenges. (Smart Consultancy)

Leisure at the Heart of Every Community – East Ayrshire Leisure Trust

The evaluation report included the following summary conclusions:

- Ongoing review and responding to community needs throughout the project resulted in the evolution of project delivery. However, these minor changes appear to have been appropriate in relation to project delivery and the achievement of its target outcomes.
- Across each of the four key thematic elements, a substantial programme of activity has been delivered, directly reaching over 15,000 people and with infrastructural activities that will benefit a wider range of people.
- The project has been successful in targeting young people specifically, other vulnerable communities and in focusing on more deprived areas, which have previously had more limited access to culture and leisure activities.
- The project's Community Renewal Fund targets in relation to each of people gaining employment, people gaining qualifications, people engaged in life skills and businesses introducing new products have been fully met.
- Targets in relation to greenspace improvements and footfall have also been exceeded
- Targets in relation to organisations involved in Knowledge Transfer and in relation to direct increases in visitor numbers have been met and will continue to form a part of ongoing evaluation and research associated with East Ayrshire Leisure's activities.
- The "Theory of Change" developed for the project suggests that the project activities and associated CRF outcomes should lead to wider benefits in relation to key themes of wellbeing, engagement, connectedness and capabilities. There is indicative evidence of impacts being achieved in these areas and this is being further explored with partners and project deliverers.
- There is likely to be continued demand in the areas covered for the range of activities and significant individual and community benefits in doing so. This has been considered in East Ayrshire Leisure's Organisational Review and has been integrated into core services where appropriate and achievable. (Stirling University)