SOUTH LANARKSHIRE COUNCIL

Response to Replacing EU Structural Funds in Scotland

Levelling Up Funding:

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

  The methodology for identifying category 1, 2 or 3 areas is in our opinion robust and broadly assesses and ranks the areas of need at a local authority level. South Lanarkshire is ranked within Category 1 in terms of need along with 12 other Scottish Local Authorities. However, given our experience of round one and two, the category and level of need identified appears to have little bearing on the investment decision with several category 2 and 3 areas given funding. This dilutes the impact of the Levelling Up Fund and the overall UK Governments strategy and agenda. The term "pockets of deprivation within wealthier areas" is the terminology now often used around both the UKLUF and UKSPF by the UK Government as a justification to invest funds in wealthier areas such as category 3 areas.

- **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)**.

  South Lanarkshire has submitted three UKLUF applications, one of these was a joint bid along with Scottish Borders and Dumfries and Galloway Council. It's very disappointing that all three bids have been unsuccessful. As the sixth largest local authority in Scotland with some of the highest areas of urban deprivation and rural need, not received funding has been extremely disappointing. We would highlight the range of bids submitted; the first sought to undertake land decontamination and remediation on one of the most highly polluted areas of post-industrial land in Europe. If this doesn't warrant Levelling Up and other Government intervention there is a question what does. Secondly, a joint bid with Dumfries and Galloway and Scottish Borders Council would have had a transformation impact on a large rural geography sparking tourism. This bid had significant community support and recognition of the economic benefits.

- **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.**

  South Lanarkshire was not successful in Round 1 as it was deemed the project was unable to commence in 2021/22. This however was an incorrect assessment as the project would have been able to incur expenditure in 2021/22 as the framework contracts where in place. It's noted that several UKLUF projects across the UK have had difficulty incurring spend as quickly as the guidance had stipulated.

Its also interesting to learn that authorities that were successful in Round 1 had their bids in Round 2 removed from the process. This occurred after bids had been developed and considerable resources used to develop projects.

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

  If this question is in regard to Round 1 successful applications, it's not applicable to South Lanarkshire.

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

  Targeting capital funding at economic growth and productivity within the country's most deprived areas will support communities in greatest need. This approach should continue. An element of competition between areas helps to ensure innovation and cost effective project development however the competitive environment where all local authorities are eligible and some can prepare numerous bids dependent on parliamentary constituencies has created a vast amount of development and consultancy work with minimal delivery. A more efficient bidding system could be developed targeting need and growth priorities.

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 (2022-2025).**

  In February 2022, the Glasgow City Region (GCR) Cabinet approved the development and submission of a regional Investment Plan to UK Government (UKG) for UK Shared Prosperity Fund (UKSPF). GCR is the only regional Investment Plan amongst Scottish local authorities.

  GCR structure is reasonably mature with the ongoing development and delivery of the £1.13bn City Deal programme over the past eight years. The GCR Cabinet believed a regional Investment Plan for UKSPF was the best way to help achieve the aspirations within the Regional Economic Strategy (RES).

  South Lanarkshire has worked with the seven other GCR authorities to prepare and submit the joint GCR Investment Plan. This Investment Plan includes and reflects each individual local authorities' priorities and projects but is drawn together and reflects the overall ambition of the City Region area.

  The three investment areas are Business, People and Skills and Communities and Place. The investment options reflect communities, and the local economies need and provide sufficient flexibility to be adapted to local priorities.

While the additional flexibility of the UKSPF priorities is welcomed, the limited programme timescale prohibits long-term planning and delivery. Previous EU funding programmes were seven years, providing sufficient time to deliver interventions of scale. It should also be noted, the annual budget allocation prevents authorities' flexibility to programme effectively.

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

  The timescale to develop the UKSPF Investment Plan including consultation with partners and securing local political approval was very short especially co-ordinating plans with eight local authorities.

  GCR Investment Plan was approved on 5th December and received year 1 funding at the end of December 2022. The delay in the final approval from the UK Government, which was nine months into the financial year, has provided uncertainties for projects and will impact the individual project start dates in the majority of local authorities.

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

  The flexibility within the Strategic Investments has been welcomed. The 51 Interventions within the UKSPF prospectus has provided sufficient flexibility and opportunity to develop bespoke interventions.

  However, the outcomes and outputs have provided challenges. As an example, there are numerous outcomes that specify a % increase measure like "perception of safety" of an area or space. This is firstly difficult to gather and quantify and secondly at a regional programme level unclear as to what the % is based from i.e. is the project the measure or the locality the measure? Further guidance on these areas is required as part of establishing the programme start.

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

  The UKSPF allows for 4% to be utilised on the overall management, compliance, and monitoring of the programme. Within South Lanarkshire, in years one and two this will not reflect the actual commitment of resources required to manage and monitor the establishment of the programme. Additional support from staff across the Council such as legal, procurement, compliance and finance will be required. In year three when the majority of the UKSPF funding is allocated, the 4% is expected to reflect the actual commitment more closely to management and monitoring. Overall the 4% is thought to be adequate however that will be dependent on the government's attitude to monitoring, reporting and Audit.

Multiply

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

  The three success measures for the Multiply programme are

  1. More adults achieving maths qualifications / participating in numeracy courses

  2. Improved labour market outcomes

  3. Increased adult numeracy across the population

  These are considered appropriate. It should be noted that with the final measure adult numeracy skills is seldom an isolated issue and is often linked to literacy, self confidence and other "wrap around" needs. Flexibility to add resources and offer complementary support not just targeted at numeracy would help provide more holistic support to those that require it.

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

  Within South Lanarkshire the programme will be delivered through four areas:

  - Education supporting parents of children in deprived areas,
  - Adult learning community-based support
  - Third sector community support through local organisations; and
  - Support to those within the college system.

  This flexibility should allow for intervention at different areas and allow some testing of where the largest impacts and benefits will be.

Community Renewal Fund

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

  South Lanarkshire was successful in one UKCRF bid which enhanced business support to targeted groups through the E3 Elevator programme. As a project for learning this programme has been useful. The programmes outputs and results haven't completely reflected the aspirations of the Council however that can largely be attributed to two factors which were the very constrained timescale for delivery and the large grant awarded. The project and issues it encountered will be considered within future UKSPF projects.

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

  Final evaluation for the UKCRF project is awaited.

More generally, in our opinion the UKLUF and UKSPF complement the Scottish Government objectives however we believe there are gaps and strategic overlaps. Firstly, South Lanarkshire has a considerable rural geography and rural community and the loss of rural specific funding within the UKSPF is disappointing. The Scottish Government has developed the CLLD programme however the funding through this is substantially less than the previous EU LEADER programme and as it is currently an annual fund, lacks the same strategic impact as LEADER.

Secondly, UKSPF and the Scottish Government's Regeneration Capital Grant Fund occupy similar investment space in terms of community regeneration infrastructure. This has the opportunity of complementing funding however with the RCGF programme being an annual challenge fund reduces the potential for strategic planning and impact.

Finally, the UKLUF programme can assist in stimulating aspirations and expectations but while so many of the bids have been unsuccessful this will generate dissatisfaction amongst communities in greatest need.