

**UPDATE: ARGYLL AND BUTE UK SHARED PROSPERITY FUND  
INVESTMENT PLAN INTERVENTIONS**

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**1.0 HEADLINES**

- 1.1 The purpose of this paper is to provide an update for members of the committee on the progress of the Argyll and Bute UK Shared Prosperity Fund (UKSPF) Investment Plan project / programme interventions that are being delivered across Argyll and Bute.
- 1.2 As the UKSPF is a successor to the previous EU structural funds. The overarching aim of this funding is to build pride in place and increase life chances across the UK.
- 1.3 As summarised in **Table A1, Appendix A** the project / programme activities outlined in the Argyll and Bute UKSPF Investment Plan are all aligned to three key investment priorities communities and place; supporting local business; and people and skills, where each priority has predefined interventions, outputs and outcomes. In addition to core UKSPF monies, the investment plan includes a focus on ring-fenced 'Multiply' funding to support the delivery of an area-based adult numeracy programme. The substantive element of this funding is being delivered by UHI Argyll further to a competitive procurement process.
- 1.4 The Argyll and Bute Council UKSPF allocations to support delivery over three financial years, specifically the final five months of 2022/23 and the next two financial years, 2023/24 and 2024/25, until the end of March 2025 are outlined in **Table 1**. At the outset it was advised that allocations should be spent in year. However, given that the 2022/23 allocation was not approved until December 2022, funding was carried over from 2022/23 into 2023/24 and likewise into the final year 2024/25.
- 1.5 As noted in **Table 1** the largest allocation of UKSPF budget is in the final financial year 2024/25 which is challenging. Through discussions at the Scottish Local Authorities Economic Development (SLAED) Executive and Funding Group meetings, a request was sought in writing to key ministers within the previous UK Government in April 2024 to extend the UKSPF delivery timescales by one-year, complete with capacity funding to cover staffing costs, to enable all projects to complete spend and deliver, given the significant delay to approving the year one allocation. The response noted that this would be considered in the autumn spending review. However, given the new UK Government, such a request will need to be resubmitted to address this continued uncertainty.

## 2.0 RECOMMENDATIONS

### 2.1 Members are asked to:

- Note the content of this report and progress made.
- Agree officers engage with the UK Government on the requirement for some clarity on future funding streams, such as the UK Shared Prosperity Fund, in light of the recent change of the UK Government.

## 3.0 DETAIL

3.1 On 13<sup>th</sup> April 2022 the UK Government published the [full prospectus](#) of the UKSPF, a successor to the previous EU structural funds. The overarching aim of the UKSPF is to build pride in place and increase life chances across the UK. This encompasses four levelling up objectives and three investment priorities.

The levelling up objectives are:

- Boost productivity, pay, jobs and living standards by growing the private sector, 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.

The Investment Priorities are:

- Communities and place;
- Supporting local business; and
- People and skills.

The interventions list for Scotland as a whole can be found [here](#) and the objectives, outcomes and outputs can be found [here](#).

3.2 Immediately following the General Election results of 4<sup>th</sup> July 2024, the new UK Government signalled a move away from the use of the term 'levelling up' in ministerial statements, with the phrase 'local government' replacing the term in departmental and ministerial titles. At present, it is unclear what this may mean for any successor to the UKSPF as there has not yet been formal policy announcements, although it is thought that the broad priorities above will remain important.

3.3 A summary of the Argyll and Bute allocation (which includes a 4% administration fee for overall fund delivery) and current spend is outlined in **Table 1** overleaf. The percentages of the allocation by year are given, showing the largest allocation for core UKSPF in 2024/25. It is a concern that the allocation for Multiply is 30.2% for 2022/23 did not take into account the shorter timescale for delivery. A delayed start to the programme in 2022/23 resulted in an underspend which has been carried forward into

the current year, with a knock-on effect for 2023/24. The UK Government has permitted re-allocation of funds across activities within core UKSPF spend in 2022/23 but not in later years.

3.4 **Table 1** below shows the spend to date. Six-monthly reporting to UK Government on spend for this current financial year is due in September, when an update forecast can be given. Re-allocation of spend across years and projects has allowed us to maximise delivery, and we will continue to work closely with delivery partners to do so where possible throughout the remainder of the project. However, it will remain challenging to deliver the entire allocation without an extension beyond of the end 2024/25 FY to allow projects to complete and spend.

<b>Table 1 - UK Shared Prosperity Fund Allocations and Spend 2022/23 – 2024/25</b>				
<b>Core</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>Total</b>
In-year allocations Core UKSPF	12%	24%	64%	100%
	£451,343	£902,686	£2,365,038	£3,719,067
Revised Forecast Spend (including previous year underspend)	-	£1,323,641	£2,620,394	-
Spend	£30,387	£1,068,285	-	£1,098,672
Balance	£420,955	£255,356	£2,620,394	£2,620,394
<b>Multiply*</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>Total</b>
In-year allocations Multiply	30%	35%	35%	100%
	£234,698	£270,806	£270,806	£776,310
Spend	£4,793.80	£218,497.75		
Underspend	£229,904.20	£52,308.25		

\* Multiply is an adult numeracy programme, which will support people with no or low-level maths skills get back into work. The scheme will offer free personal tutoring, digital training, and flexible courses to improve adults' confidence and numeracy skills. Full details on Multiply can be found [here](#). As noted in the text underspend in 2022/23 was carried over into core UKSPF activity in 2023/24 however, UK government have confirmed this is not allowable for future years.

N.B. Figures subject to rounding.

3.5 A summary of projects under each of the three priorities, and spend to date is given in **Table A1, Appendix A**. Significant activity has been delivered against the three investment priorities as depicted in **Table A1**. Selected highlights are as follows.

- Argyll and Bute Revenue and Benefits team, as part of their work under the Communities and Place priority, have reached 581 people, supporting 268 households to reduce the cost of living, including through measures to improve energy efficiency, and combat fuel poverty and climate change.
- The Council's Employability team offers UKSPF Training and Work Placements. Since May 2023, they have helped 45 participants undertake a wide range of training courses to provide valuable workforce skills. The UKSPF-Supported Work Placement programme proved very successful, with 13 participants since May 2023 continuing with their Work Placement host after the end of the placement.

- Within Supporting Local Businesses, delivery partners Argyll and Bute Business Gateway had delivered 43 grants by the end of March 2024 to enterprises in the local authority and assisted five entrepreneurs to be business ready. Some testimonials (approved to share by the business) from the Business Gateway support are outlined below:

Dace McLellan, Rolling Pizza - mid Argyll – UKSPF Business Start-up Grant recipient (originally posted on [LinkedIn](#))

Dace approached Business Gateway last year when the idea for the business first began. Dace converted an old horse box into a van with a wood-fired oven allowing her to cook fresh pizzas made to order from any location. With support and guidance from her local Business Gateway Adviser, Donald Melville, she accessed start-up funding through the UK Shared Prosperity Fund which helped with the initial set-up costs.

*Dace noted “Business Gateway was a huge support to me when setting up Rolling Pizza and has continued to be now we’re up and running. The online system has been great for encouraging people to pre-order and gives me an indication of potential earnings and I couldn’t have done that without Business Gateway. Being in a rural area can often make it more difficult to find business support, but Donald has been a fantastic help and I really appreciate his guidance.”*

- Delivery partners InspirAlba has supported the People and Skills priority by retraining 23 individuals in the local authority with 18 being supported to gain a qualification or complete a course.
- Third Sector Interface (TSI) has supported 52 volunteering opportunities.

#### **4.0 CONCLUSION**

- 4.1 The purpose of this paper is to provide an update for members of the committee on the progress of the Argyll and Bute UK Shared Prosperity Fund (UKSPF) Investment Plan project / programme interventions that are being delivered across Argyll and Bute.
- 4.2 As noted above, spend is progressing, but it is challenging that most of the spend is allocated into this financial year, 2024/25. This is exacerbated by knock-on effects from a late start to the UKSPF resulting in further activity and spend being rolled over into the final year of the programme. Clarity is required urgently whether the new UK Government will grant a one-year extension to allow all projects and programmes to complete delivery and spend, complete with additional capacity funding to support staffing costs.

## 5.0 IMPLICATIONS

- 5.1 Policy: this project / programme interventions aligns with the proposals set the UKSPF [full prospectus](#).
- 5.2 Financial: Argyll and Bute Council has been given an allocation of just under £4.5m from the UKSPF to be spent by the end of March 2025. This is accompanied by £20k of capacity funding to assist in the development and preparation of the investment plan and the ability to use up to 4% of the allocation per annum to fund administration support for the overall delivery of the Argyll and Bute UKSPF Investment Plan.
- 5.3 Legal: all appropriate legal implications will be taken into consideration.
- 5.4 HR: given the revenue nature of this fund, staffing requirements can be built in under activity to deliver the predefined interventions, outputs and outcomes. The UK and External Policy Team, Economic Growth, is supporting the requirement to administer, monitor and evaluate the overall delivery of the Argyll and Bute UKSPF Investment Plan.
- 5.5 Fairer Scotland Duty: the Fairer Scotland Duty, Part 1 of the Equality Act 2010, came into force in April 2018. The duty places a legal responsibility on particular public bodies in Scotland, such as Argyll and Bute Council, to pay due regard to (actively consider) how they can reduce inequalities of outcome caused by socio-economic disadvantage when making strategic decisions and how this has been implemented.
  - 5.5.1 Equalities: all activities will comply with all Equal Opportunities/Fairer Scotland Duty policies and obligations.
  - 5.5.2 Socio-economic Duty: all project / programme activities will comply with the council's socio-economic duty.
  - 5.5.3 Islands: interventions under the UKSPF will be delivered across the Argyll and Bute area, including island communities.
- 5.6 Climate Change: there are a number of net zero and climate resilience interventions across all the UKSPF investment priorities.
- 5.7 Risk: to ensure all projects and programmes can conclude with no money returned to the UK Government, clarity is required whether the new UK Government will grant a one-year extension to allow all projects and programmes to complete delivery and spend, complete with additional capacity funding to support staffing costs.
- 5.8 Customer Service: none.
- 5.9 The Rights of the Child (UNCRC): none.

**Kirsty Flanagan, Executive Director responsible for Economic Growth**

**Councillor Math Campbell-Sturgess: Policy Lead for Business Development**

1<sup>st</sup> August 2024

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**APPENDICES**

Appendix A: Summary of Argyll and Bute UKSPF Investment Plan Projects / Programmes

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<b>Table A1: Summary of Argyll and Bute UKSPF Investment Plan Projects /Programmes</b>			
<b>Communities and Place</b>			
<b>Predefined Intervention</b>	<b>Project</b>	<b>Allocation (exc. admin)</b>	<b>Spend to 31<sup>st</sup> March 2024</b>
S7: Funding for the development and promotion of wider campaigns which encourage people to visit and explore local areas.	Tourism Marketing Support	£155,000	£78,047
S8: Funding for impactful volunteering and/or social action projects to develop social and human capital in local places.	Community Planning Partnership Climate Change Working Group – community capacity building	£60,000	£11,294
S9: Investment in capacity building, resilience (including climate change resilience) and infrastructure support for local civil society and community groups.	Extension of Shaping Places for Wellbeing Support	£6,000	£224
	Vibrant and Living Spaces	£304,262	£0
S10: Community measures to reduce the cost of living, including through measures to improve energy efficiency, and combat fuel poverty and climate change.	Extension of Flexible Food Fund - grants, advice and skills support for people struggling with cost of living	£408,000	£225,865
S12: Investment and support for digital infrastructure for local community facilities.	Community Hubs	£81,750	£1,577
S13: Support for linking communities together and with employment opportunities with a focus on decarbonisation.	Pre-loved School Uniform Project	£140,000	£0
<b>Sub-total allocation for Communities and Place</b>		<b>£1,155,012</b>	<b>£317,008</b>

<b>Supporting Local Businesses</b>			
<b>Predefined Intervention</b>	<b>Project</b>	<b>Allocation (exc. admin)</b>	<b>Spend to 31<sup>st</sup> March 2024</b>
S14: Funding for the development and promotion (both trade and consumer) of the visitor economy, such as local attractions, trails, tours and tourism products more generally.	Tourism Sector Support – improved digital infrastructure for data monitoring, evaluation & visitor book ability	£45,000	£21,463
S15: SME development grants and support, aligned with local and regional sectoral priorities and growth potential. The support is proven to leverage high levels of private investment into technologies that drive growth, productivity, efficiency and resilience in manufacturing.	Scientific Robotics Academy	£299,900	£77,380
S16: Research and development grants supporting the development of innovative products and services, with a particular focus on low carbon goods and environmental services, and climate resilience.	Innovation Support Service providing expert advice and capability reviews to help SMEs create innovation plans	£100,000	£1,600
S22: Support for growing the local social economy, including community businesses, cooperatives and social enterprises.	Graduate Apprenticeship Opportunities in the Third Sector	£71,154	£35,003
S26: Business support measures to drive employment growth, particularly in areas of higher unemployment.	Graduate Placement Programme providing graduate placement grants covering staff, training and travel costs	£180,000	£33,154
S29: Support for new and existing businesses and start-ups aligned with local, regional and Scottish policy.	Business Development Package for local SMEs, providing enhanced start-up, recovery and growth support comprising grants, specialist advice and intensive support programmes	£454,099	£105,276
<b>Sub-total allocation for Supporting Local Businesses</b>		<b>£1,150,153</b>	<b>£273,876</b>



<b>People and Skills</b>			
<b>Predefined Intervention</b>	<b>Project</b>	<b>Allocation (exc. admin)</b>	<b>Spend to 31<sup>st</sup> March 2024</b>
S31: Employment support for economically inactive people: intensive support supplemented by additional and/or specialist life and basic skills (digital, English, maths (Multiply) and ESOL) support where there are local provision gaps.	Adult Literacy and Numeracy Programme	£165,559	£22,336
S33: Activities such as enrichment and volunteering to improve opportunities and promote wellbeing	Expansion of the Wider Achievement Programme for all secondary schools	£125,000	£5,204
	Pre-Employability Support Programme Work Placements	£402,489	£120,779
	Positive Destinations Programme, providing support for young people	£137,475	£123,175
S35: Support for employability programmes and advice including alignment with the No One Left Behind agenda, Fair Start Scotland and Scottish employability pipeline. This could include tailored support to address barriers to accessing education and training courses.	Pre-Employability Support Programme Training	£97,765	£19,430
	Supported Employment Experience in the Third Sector	£336,850	£166,162
<b>Sub-total allocation for People and Skills</b>		<b>£1,265,138</b>	<b>£457,086</b>
<b>Overall Allocation (exc. admin)</b>		<b>£3,570,303</b>	<b>£1,047,970</b>

The above projects/programmes have been implemented using a mixture of delivery models (again predefined by the UK Government) as follows:

- In-house provision;
- Procurement of service provision;
- Grants to public or private organisations; or
- Commissioning third party organisations.