
NORTH AYRSHIRE COUNCIL

30 May 2023

Cabinet

Title:	UK Shared Prosperity Fund – Communities and Place Fund
Purpose:	To update Cabinet on the UK Shared Prosperity Fund (SPF) and seek approval of the proposed approach to the Communities and Place Grant Fund.
Recommendation:	That Cabinet: a) Notes the update on the UK Shared Prosperity Fund; and b) Approves the proposed approach to the Communities & Place Grant fund provided at Appendix 1.

1. Executive Summary

- 1.1 The UK Shared Prosperity Fund is part of the UK Government's Levelling Up Agenda. This will provide £2.6bn of funding across the UK between April 2022 and March 2025. This replaces European Union funding that has historically supported employability and skills projects and local business activity in North Ayrshire. The overarching objective of the Fund is to build pride in place and increase life chances, underpinned by four levelling up objectives and three investment priorities.
- 1.2 North Ayrshire Council's Investment Plan for the £6.2m allocation was approved by Cabinet in August 2022 and subsequently by the UK Government in December 2022. This included the development of a competitive grant scheme and participatory budgeting programme for communities under the Communities and Place investment priority.
- 1.3 The proposed approach to the Communities and Place Fund has been developed in consultation with relevant stakeholders and community representatives. It seeks to leverage community capacity to meet local needs in line with the Shared Prosperity Fund objectives. This report provides an update on activity to date and seeks approval for the proposed approach to the Communities and Place Fund provided at Appendix 1.

2. Background

- 2.1 The UK Shared Prosperity Fund (SPF) is part of the UK Government's Levelling Up Agenda. The Fund is delivered centrally by the Department of Levelling Up, Housing and Communities (DLUHC) with awards made directly to local authorities. It is a replacement for the European Social Fund (ESF) and European Regional Development Fund (ERDF) funding. In North Ayrshire this has funded employability

and skills and business support services, alongside regeneration project delivery.

2.2 The overarching objective of the SPF is to build pride in place and increase life chances. The fund has three investment priorities in addition to an earmarked amount set aside to deliver adult numeracy activities entitled Multiply:

- Communities and Place;
- Supporting Local Business; and
- People and Skills.

2.3 The SPF allocation for North Ayrshire over the three-year programme is £6,200,649. This comprises a £5,129,864 core SPF allocation and a £1,070,795 Multiply Fund allocation. The annual allocations are detailed in the table below:

Allocation	2022/23 (£)	2023/24 (£)	2024/25 (£)	Total (£)
Core SPF	622,555	1,245,110	3,262,189	5,129,854
Multiply	323,729	373,533	373,533	1,070,795
Total Allocation (£)	946,284	1,618,643	3,635,722	6,200,649

2.4 Cabinet approved the North Ayrshire SPF Investment Plan, setting out how we intend to utilise and deploy the fund, in August 2022. This was subsequently agreed by the DLUHC in December 2022. A minimum amount of approximately 15% of the allocation must be allocated to capital expenditure and a total of 4% is available towards the administrative costs of running the programme.

2.5 The supporting Local Business and People and Skills priorities are being managed as follow-on programmes to the current EU supported Business Support, including Business Gateway, and Employability services offered by the Council. The Multiply adult numeracy service is being delivered in partnership with Community Housing Advocacy Project (CHAP) and Ayrshire College to support the development of adult numeracy across North Ayrshire.

2.6 The Communities and Place investment priority aims to enable places to invest to restore their community spaces and relationships and create the foundations for economic development at the neighbourhood level. Its objectives are to:

- Strengthen the social fabric and foster a sense of local pride and belonging, through investment in activities that enhance physical, cultural and social ties and access to amenities.
- Build resilient, healthy and safe neighbourhoods, through investment in quality places that people want to live, work, play and learn in, through targeted improvements to the built and natural environment and innovative approaches to crime prevention.

2.7 This investment priority received a £1.52m allocation, which equates to approximately 21% of the overall allocation. The capital and revenue breakdowns for this are detailed in the table below. This includes the administration and management costs for the overall SPF Programme over the three years:

Funding Period	Communities and Place allocation (£)	Capital (£)	Revenue (£)	Admin (£)
2022/23	221,995	98,414	96,033	27,548
2023/24	341,026	202,330	31,003	107,693
2024/25	961,794	650,794	200,076	110,924
Total (£)	1,524,815	951,538	327,737	245,540

- 2.8 The approach to the Communities and Place investment priority outlined in the Investment Plan aims to support the delivery of community projects through a competitive grant fund and participatory budgeting programme. It also aims to support smaller scale strategic Council projects that meet the aims and objectives of SPF through a capital and revenue allocation. The latter will support Council-led projects that meet the aims and objectives of SPF and contribute to the delivery of strategic goals. It is intended that this approach will be referred to as the Communities and Place Fund going forward.
- 2.9 Due to the delayed start to the overall SPF programme, UK Government has confirmed that Year 1 funds can be carried over into Year 2. The Cabinet approval provided delegated authority to the Executive Director (Place) to agree changes to the funding allocations in consultation with the Portfolio Lead as required. This is, however, subject to the approval of credible plans indicating how carry forward will be utilised. Credible plans for carry forward have been submitted as part of the 2022/23 UKSPF End Of Year Report, which was submitted on 2 May 2023. There will be no further carry forward permitted of Year 1 funding, which must be disbursed fully and promptly.
- 2.10 Appendix 1 outlines the proposed approach to the competitive grant fund, participatory budgeting and Council led projects programme under the investment priority. This includes the approach to redistribute the balance of Year 1 funding which has informed the credible plan submitted to UK Government. This has been informed by consultation with Elected Members, Connected Communities, community organisations and community stakeholders.
- 2.11 The approach aims to provide a flexible and inclusive source of funding for communities to meet local need and achieve local outcomes across a broad range of activities. This seeks to complement the range of external funding opportunities currently available and to support community-led projects. The proposed approach to engagement with Locality Partnerships, Elected Members and community organisations on the Fund is also detailed in Appendix 1.

3. Proposals

- 3.1 That Cabinet:
- a) Notes the update on the UK Shared Prosperity Fund; and
 - b) Approves the proposed approach to the Communities and Place Fund provided at Appendix 1.

4. Implications/Socio-economic Duty

Financial

- 4.1 The cost of delivering the Investment Plan and overall SPF Programme including the Programme Manager and Monitoring and Compliance roles will be funded by the SPF allocation. These are set out at Section 2.3 and 2.7 above.

Human Resources

- 4.2 The SPF Programme will be managed by the Programme Manager, with monitoring and compliance undertaken by the Claims and Compliance Officer. Both roles will be funded by the SPF allocation.

Legal

- 4.3 The approved Investment Plan was informed by advice from Legal Services and has informed the development of the Communities and Place Fund guidance and application documentation. The final documentation will be reviewed by Legal Services prior to launch to ensure compliance.

Equality/Socio-economic

- 4.4 The approved Investment Plan aims to deliver on social and economic outcomes and was subject to the following impact assessments: Equality and Children's Rights; Islands and Fairer Scotland Duty. The Communities and Place Grant Fund aims to provide a flexible and inclusive source of funding for communities to meet local need and achieve local outcomes across a broad range of activities. The application and assessment process ensures alignment with the Fairer Scotland Duty and Council priorities, to address socio-economic inequality and embed a Community Wealth Building approach.

Climate Change and Carbon

- 4.5 The approved Investment Plan aims to improve the North Ayrshire and Ayrshire economies in accordance with net zero ambitions. This links with the ambitions of the Environmental Sustainability and Climate Change Strategy (ESCCS) and the ambition for a fairer, greener and more inclusive economy as set out in the Council's Economic Recovery and Renewal Approach. A key aspiration of the Communities and Place theme is to deliver measures to support net zero and energy efficiency and enhance the natural environment. Several interventions specified by the Fund can deliver on these aims.

Key Priorities

- 4.6 The implementation of the SPF Investment Plan and Communities and Place Fund will contribute to achieving the Council Plan priority outcomes and will contribute to the ambitions for active and strong communities, and a sustainable, vibrant, welcoming and attractive environment.

Community Wealth Building

- 4.7 The approved Investment Plan was informed by the Community Wealth Building strategy with the SPF themes cross referenced with the five pillars and respective related Regeneration Delivery Plan, Economic Recovery and Renewal Plan and Island Plans. The Investment Plan approach was considered by the CWB Expert Panel and advice provided on embedding CWB into the proposals.
- 4.8 The approach proposed for the Communities and Place Fund ensures investment is targeted locally to add value to and enhance existing activities across the funding landscape. It empowers local communities to deliver on their own priorities and encourages added capacity through partnership working, creating a resilient and robust local delivery ecosystem.

5. Consultation

- 5.1 The approved Investment Plan was developed by a cross-service team of officers through a short life steering group with representation from Economic Policy, Business Support, Employability, Regeneration, Connected Communities, Health & Social Care Partnership, Procurement, Finance, Legal Services and HR.
- 5.2 The Communities and Place Fund proposal has been developed in consultation with Elected Members (at the Policy Advisory Panel), Connected Communities, community organisations and community stakeholder representatives as outlined in Appendix One. This has been further tested through consultation with The Ayrshire Community Trust and Arran Council for Voluntary Services.

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Background Papers

Cabinet Report, UK Shared Prosperity Fund, 23 August 2022
Policy Advisory Panel, UK Shared Prosperity Fund – Communities and Place, 18 April 2023

Appendix One

Communities and Place Fund

The UKSPF Communities and Place investment priority aims to enable places to invest in restoring their community spaces and relationships and create the foundations for economic development at the neighbourhood level. Its objectives are to:

- Strengthen the social fabric and foster a sense of local pride and belonging, through investment in activities that enhance physical, cultural and social ties and access to amenities.
- Build resilient, healthy and safe neighbourhoods, through investment in quality places that people want to live, work, play and learn in, through targeted improvements to the built and natural environment, and innovative approaches to crime prevention.

The investment priority requires Councils to be mindful of how interventions under this priority align with the existing funding streams received from the Scottish Government including the Place Based Investment Programme. The alignment with Scotland's National Strategy for Economic Transformation (NSET) also requires to be considered to ensure that they contribute to a fairer and more equal society, new market opportunities and productive businesses and regions.

Thirteen interventions are identified under the investment priority. The approved North Ayrshire Investment Plan supports delivery of projects across the range of interventions. A series of outcomes and outputs are identified under each intervention and require to be reported on annually:

S1	Place based investments for regeneration and town centre improvements
S2	Support and improvement of community assets and infrastructure projects
S3	Improvements to the natural environment and green and open space
S4	Design and management of the built and landscaped environment.
S5	Support for sport, arts, cultural, heritage and creative activities, projects and facilities and institutions.
S6	Funding for active travel enhancements and other small scale strategic transport projects.
S7	Funding for the development and promotion of wider campaigns which encourage people to visit and explore the local area.
S8	Funding for impactful volunteering and/or social action projects to develop social and human capital in local places.
S9	Investment in capacity building, resilience and infrastructure support for local civil society and community groups.
S10	Community measures to reduce the cost of living, including through measures to improve energy efficiency, and combat fuel poverty and climate change
S11	Funding to support relevant feasibility studies.
S12	Investment and support for digital infrastructure for local community facilities
S13	Support for linking communities together and with employment opportunities with a focus on decarbonisation.

The approved Investment Plan outlined that the Communities and Place investment priority would be comprised of a:

- Participatory Budgeting programme;
- Competitive grant scheme for communities; and

- Funding allocation for Council projects.

The initial breakdown of the allocation was as follows. This includes the administration and management costs for the overall SPF Programme over the three years:

Activity	Year 1	Year 2	Year 3	Total
Participatory Budgeting	0	31,003	31,003	62,006
Competitive Grants - revenue	0	0	100,000	100,000
Competitive Grants - capital	0	102,330	500,000	602,330
Council Projects - revenue	96,658	0	69,073	165,731
Council Projects - capital	98,414	100,000	150,794	349,208
Administration	26,923	107,693	110,924	245,540
Total				1,524,815

Due to the delayed start to the overall programme, UK Government has confirmed that Year 1 funds can be carried over into Year 2. Thereafter there will be no further carry forward permitted of Year 1 funding, which must be disbursed fully and promptly. The Cabinet approval provided delegated authority to the Executive Director (Place) to agree changes to the funding allocations in consultation with the Portfolio Lead as required. This is however subject to UK Government approval of credible plans indicating how carry forward will be utilised. The table below outlines the proposed approach to the reallocation of the funds. It should be noted that administration costs were slightly higher than anticipated but remain within the 4% limit.

Activity	Year 1	Year 2	Year 3	Total
Participatory Budgeting	0	31,003	31,003	62,006
Competitive Grants - revenue	0	58,000	100,000	158,000
Competitive Grants - capital	0	102,330	500,000	602,330
Council projects - revenue	Carry forward	38,033	69,073	107,106
Council projects - capital	Carry forward	198,414	150,794	349,208
Administration	27,548	107,693	110,924	246,165
Total				1,524,815

The following summarises the proposed approach to each of these allocations under the Communities and Place Fund.

Participatory Budgeting

In line with the Council's commitment to Participatory Budgeting (PB), 1% of the total SPF award, amounting to £62,006, has been allocated for PB across years 2 and 3 of the programme. Projects will require to be aligned to the Communities and Place the thirteen interventions and contribute to the delivery of the associated outcomes and outputs.

This element of the fund will be managed by Connected Communities in accordance with their ongoing community empowerment ambition to provide local ownership of the fund and give people a say on how the fund is spent in their localities. This will also be undertaken in accordance with good practice guidelines outlined in the Participatory Budgeting Toolkit produced by North, South and East Ayrshire and the Convention of Scottish Local

Authorities (COSLA) PB Team.

Competitive Grants

The approved Investment Plan identified that a significant proportion of the Communities and Place allocation would be utilised to develop a competitive grant scheme. This will offer capital and revenue grants to local community organisations in response to demand evidenced in part through community consultation during the development stage. All applications to this will be subject to the assessment and approval process outlined in this report.

The Investment Plan originally proposed that grants of between £10,000 and £100,000 be made available, with a smaller amount available in Year 2 and a larger pot available in Year 3. This was due to the increasing allocation of annual funding by UK Government, with most of the funding being made available in Year 3.

Given the smaller size of the grant fund available in Year 2, it has been agreed through engagement with third sector representatives and Connected Communities that this fund can best service local communities in grants up to a maximum of £25,000. This will be reviewed in advance of Year 3 when substantially increased funding is available. £58,000 of the fund for Council revenue projects from Year 1 has been reallocated to the Communities in year 2. Initial expressions of interest from communities have identified need for both capital and revenue support, and this will further ensure carry forward amounts from year 1 will be appropriately and efficiently disbursed.

Significant ongoing engagement with the third sector and communities will continue to characterise the management of this fund in the remaining years of the SPF programme. This will include identifying eligible activity, reviewing the assessment process, and overall programme evaluation. This will empower local communities and ensure the Fund delivers what is needed in the most appropriate way.

The Shared Prosperity Fund is intended to be flexible, agile, and responsive to local needs. It is therefore intended applications to the Communities and Place Fund are considered in the same spirit. Proposals have been informed by:

- Existing good practice.
- Participatory Budgeting principles.
- Initial expressions of interest from the community which shaped the Investment Plan.
- Engagement with Council Services and community stakeholder representatives including The Ayrshire Community Trust (TACT) and Arran Community & Voluntary Service (ACVS).
- Additional engagement with third sector organisations.

The process seeks to position the Fund appropriately within the wider funding landscape, avoiding duplication and adding value. It ensures projects are assessed against a range of factors, including the aims and objectives of SPF and local priorities identified in the Local Outcomes Improvement Plan, and the Local Island Plans.

Elected Member and Community engagement

UKSPF is expected to support appropriate activity across North Ayrshire. When the Community and Place Grant fund is launched, we will undertake North Ayrshire-wide

community engagement to ensure information is disseminated and communities are engaged. This will utilise existing links via Locality Partnerships alongside an online event and social media campaign.

This will include:

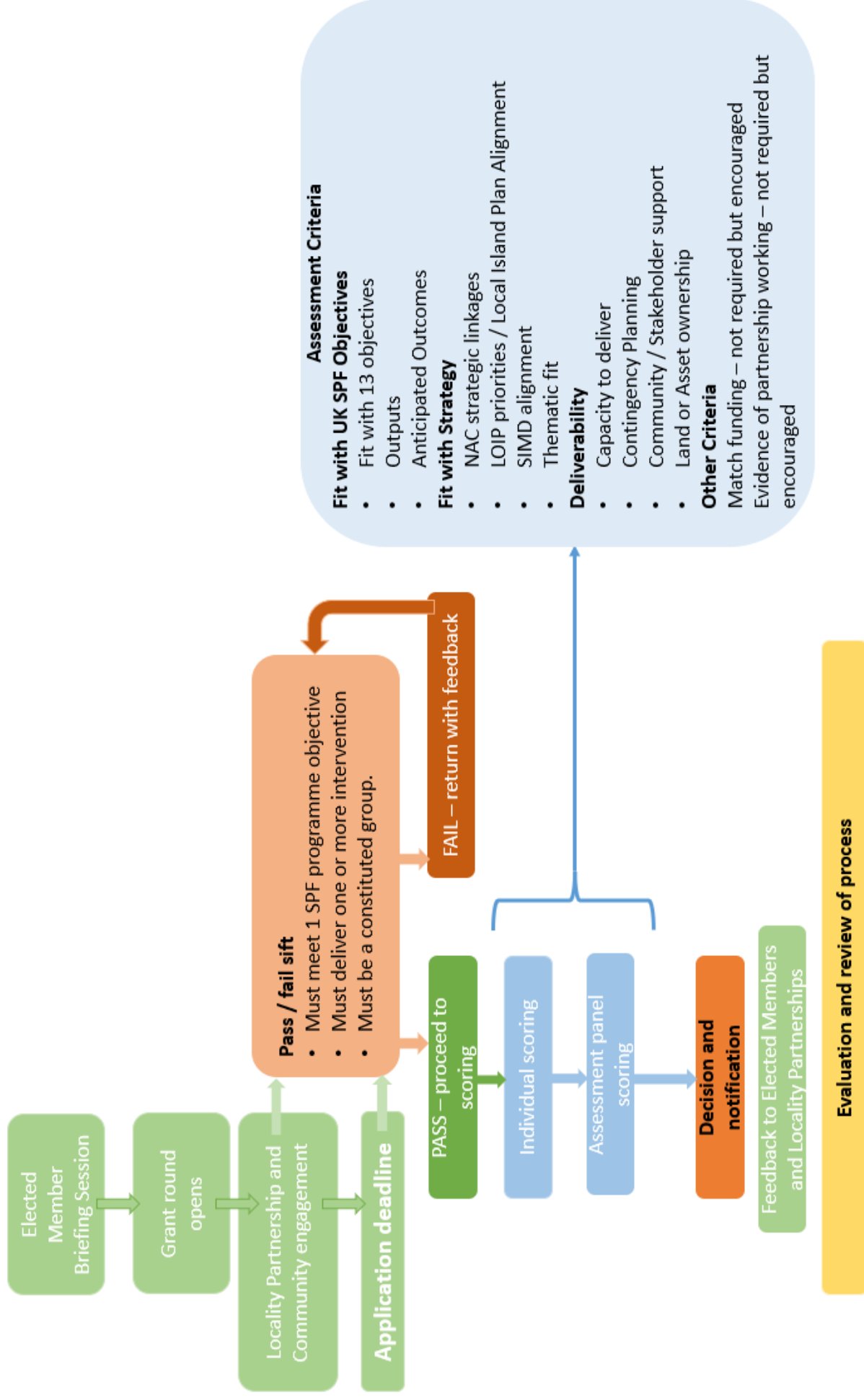
- An Elected Members briefing session in advance of the launch of the Fund to familiarise Members with the Fund and enable awareness raising within constituencies.
- Briefings to the Locality Partnerships outlining the approach to the Fund, assessment process and timescales to raise awareness and support applications.
- E-mail information to Elected Members, Locality Partnerships and Community Planning Partnership members to allow sharing of information through networks to raise awareness of the Fund and support applications.
- Awareness raising and funding surgery sessions in each locality. Elected Members will be engaged as part of this process to raise awareness and encourage participation within communities. These will be promoted widely with support from Connected Communities.
- Updates at key points to Elected Members and Locality Partnerships on the Fund and the outcome of round(s) of funding. This would include briefings in advance of future rounds as detailed above.

The events in each locality will be open to all and not restricted to communities and residents within that locality. This approach will ensure communities are fully informed as to the scope, aims and requirements of the fund, can ask questions and seek clarifications, and are equipped to submit complete and detailed applications. The combination of in-person and online events will ensure maximum opportunity for engagement with communities and equity of access to information regardless of location, digital skills or digital access.

Overview of application, assessment and approval process

The application, assessment and approval process aims to ensure equity, transparency and maximum complementarity in how the Fund is managed. It is also intended to be proportionate to the level of funding available.

The following flowchart provides an overview of the proposed process including engagement sessions:



Application, assessment and approval process

An initial sift of applications will assess on a pass/fail basis to ensure appropriateness of the projects and organisations. Projects that do not pass the initial sift cannot proceed to full assessment. For this reason, applications will be sifted on receipt meaning, where possible, applicants can address any issues and reapply within the funding round.

All applications proceeding to full assessment will be subject to the same assessment process. They will be required to demonstrate three areas of competence:

1. Intended outputs and outcomes in line with those identified for the SPF Communities and Place interventions. These are as follows:

Capital Interventions

- S1 Place based investments, regeneration and town centre improvements, which could include better accessibility for disabled people, including capital spend and running costs.
- S3 Improvements to the natural environment and green and open space which could include community gardens, watercourses and embankments, along with incorporating natural features into wider public spaces.
- S4 Design and management of the built and landscaped environment
- S11 Funding to support relevant feasibility studies.
- S12 Investment and support for digital infrastructure for local community facilities
- S13 Support for linking communities together and with employment opportunities with a focus on decarbonisation.

Revenue Interventions

- S1 Place based investments, regeneration and town centre improvements, which could include better accessibility for disabled people, including capital spend and running costs.
- S2 Support and improvement of community assets and infrastructure projects. This could include support for decarbonisation of facilities, energy efficiency audits, and installation of energy efficiency and renewable measures in community buildings (including capital spend and running costs).
- S5 Support for sport, arts, cultural, heritage and creative activities, projects and facilities and institutions
- S6 Funding for active travel enhancements and other small scale strategic transport projects.
- S7 Funding for the development and promotion of wider campaigns which encourage people to visit and explore the local area.
- S8 Funding for impactful volunteering and/or social action projects to develop social and human capital in local places.
- S9 Investment in capacity building, resilience (including climate change resilience) and infrastructure support for local civil society.
- S10 Community measures to reduce the cost of living, including through measures to improve energy efficiency, and combat fuel poverty and climate change.

2. Alignment with North Ayrshire Council and Community Planning Partnership strategy. It should be noted that whilst we expect to see alignment with locality priorities in applications, this does not inform the structure of the overall fund.

3. Project deliverability, including organisational capacity and contingency planning. This will assess considerations such as risk management, community and stakeholder support, land or asset ownership and further external approvals needed, for example Planning consent.

UK Government has not mandated any match funding requirement. This is, however, encouraged and appropriate projects which have secured match funding, or state an intention to do so, for example, by using SPF as leverage, will score more highly. Similarly, there is no mandatory requirement for partnership working to deliver, however, this again is encouraged where appropriate.

Final award decisions will be taken by an assessment panel. Individual membership is to be confirmed; however it is the intention that this panel includes representation from:

- North Ayrshire Council Regeneration and Connected Communities;
- The Ayrshire Community Trust;
- Arran Community and Voluntary Service;
- North Ayrshire Youth Forum; and
- North Ayrshire Community Planning Partnership.

A draft application and assessment process, scorecard and assessment matrix have been developed informed by this proposal and will be reviewed by Legal Services. Applications will be assessed by each member of the panel individually and an overall score agreed by consensus at a panel meeting. Unsuccessful projects will be given feedback on their application and can choose to reapply to the Fund in a later round.

Application and award timescale

Subject to Cabinet approval, the proposed timescales for applications to the Fund in 2023/24 are as follows:

Week Commencing	Activity
TBC June 2023	Elected Member briefing session
5 June 2023	General fund information published
12 June 2023	Detailed fund information and application guidance published
19 June 2023	Year 1 applications open
1 June - 6 July 2023	Locality Partnership and Community sessions
21 July 2023	Year 1 applications close
24 - 28 July 2023	Individual Panel scoring
2 August 2023	Assessment panel, decisions and feedback notified

The application and assessment process will be reviewed when the awards and feedback have been notified. It will be amended as required to ensure it meets the needs of communities and achieves the aims of the fund. An iterative approach to improvements will be taken. It is expected learning from the year 1 application process will inform subsequent rounds.

Council Projects

£349,208 capital and £107,106 revenue funding has been allocated to support smaller scale Council led projects that meet the aims and objectives of SPF and allow the Council to meet strategic goals. These projects will be aligned to the Regeneration Delivery Plan. Wherever possible match funding will be sought to support the delivery of these projects.