

UK Shared Prosperity Fund

Report by Michelle Strong, Chief Operating Officer

Report for Information

1 Recommendations

Council is recommended to:

- Approve the outcome of the funding panel's decisions as detailed in Appendix 1 for 17 organisations totalling £1,826,811 revenue and £174,276 capital expenditure over 3 years, including 3 Midlothian Council Projects
- Approve the disbursement of funds for Year 1 as per original applications
- Note that an additional round of funding/tender will be conducted in the new financial year and will include Economic Development
- Note the £20,000 for preparing the investment plan will be split proportionately between the Council and the Third Sector Initiative (TSI) (TSI £5,000)

2 Purpose of Report/Executive Summary

The Oversight Board agreed at its meeting on 21 September 2022 that part of its remit is to ensure governance for the funding recommendations to be presented for final approval.

This funding round addressed three of the four investment priorities; Communities and Place, People and Skills and Multiply.

The supporting local business investment priority will be taken forward on a different basis as per the approved investment plan.

The funding panel has considered and scored the applications and made recommendations.

Date Wednesday 11 January 2023

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3 Background/Main Body of Report

- 3.1** The UK Shared Prosperity Fund (UKSPF) is one strand of a suite of funding which succeeded the old EU structural funds. This money will invest in the following priorities set by the UK Government: Communities and Place, Support for Local Businesses and People and Skills. In addition, there is a pot of funding called Multiply which focuses on improving adult numeracy for those aged 19 plus.
- 3.2** Midlothian Council will receive £3,558,662 of funding over a 3 year period through the UKSPF to be distributed locally. We have submitted an Investment Plan to the UK Government outlining how the money will be spent and this has been approved.
- 3.3** Funding applications opened in September and closed on 7 October 2022. 21 applications were received.
- 3.4** Clear guidance was issued with the application forms detailing the information required under each section (*Appendix 2 and 3*). Offers of advice and support were made to anyone considering making an application.
- 3.5** A funding panel was set up with representatives from NHS Lothian, Skills Development Scotland, City Deal, Third Sector and a Volunteer Panel Member. CLLE chaired the funding panel and provided administrative support.
- 3.6** Panel members were asked to declare if they had a vested interest or potential conflict of interest in advance of the panels. Those who declared this were asked to leave whilst the application was scored.
- 3.7** All assessments followed clear scoring criteria (*Appendix 4*) and were scored out of 80. There was a clear cut off point in the scoring process and only those scoring more than 50 were considered for funding.
- 3.8** The Investment Plan was approved by UK Government on 6 December 2022. This is later than expected and will have an impact on project delivery and expenditure. 17 applicants recommended for funding.
- 3.9** All projects will require revisions to outputs, outcomes and expenditure to reflect the delay in start date.
- 3.10** Propose to distribute funds as quickly as possible to successful applicants to ensure some expenditure occurs in Year 1.
- 3.11** UK Government has confirmed that there is flexibility on carry forward of year 1 allocations of funding into Year 2. We will be required to submit a plan through routine end of year reporting setting out how we propose to utilise any underspend.
- 3.12** Carry forward of funding into Year 2 will alleviate the over allocation of year 2 funds (to be adjusted) in the People & Skills priority.

- 3.13** Funding cannot be moved from the allocation to deliver Multiply – this is ring fenced (£152,279 remaining).
- 3.14** UK Government approval required only if moving funding between investment priorities involves moving 30% of the total funding allocation over the three years. Realignment of funding below the 30% threshold can be approved by the section 95 officer.
- 3.15** Based on proposed funding allocations to date, there is no material change to be approved by UK Government.
- 3.16** City Deal identified core investment priorities in relation to Midlothian and 40% over all was applied to those priorities in the investment plan. However the applications were not received for these, so this will have to be reviewed with city deal PMO.

4 Report Implications (Resource, Digital and Risk)

4.1 Resource

The recommended awards are included in *Appendix 1* of this report.

Key points to note:

- 21 applications totalling £2,005,308 revenue and £240,276 capital were received
- 4 applications scored 55% or below and the recommendation is not to fund them as it would be difficult to justify if audited
- 17 applications have been recommended for funding totalling £1,826,811 revenue and £174,276 capital expenditure
- There were no requests for funding under intervention S13
- Over the three year period we have not yet allocated all of the available funding.
- There is £20,000 available for organisations who incurred costs in preparing the investment plan. As per the recommendation we propose to split this proportionally between Council and the TSI (£5,000).

4.2 Digital

There are no implications directly for Council digital service. However there is direct investment from shared prosperity in Midlothian as People and Skills and Multiply have specific interventions to address increasing digital skills in the community.

4.3 Risk

The programme is subject to internal audit that helps reduce the risks associated with managing the programme and a nominated audit officer is acting as a critical friend on the Oversight Board for shared prosperity. The processes associated with awarding funding includes robust risk assessment procedures to ensure compliance with Following the Public Pound guidance. The current risk assessment is

being updated as we move from strategic planning to operational implementation.

The funding from the Department of Levelling Up, Housing and Communities is ring fenced for the UKSPF programme. Year 2 and 3 funding is dependent on satisfactory reporting from the year before. All applicants have been made aware of this and they will be subject to ongoing reporting and monitoring to ensure milestones are achieved.

4.4 Ensuring Equalities (if required a separate IIA must be completed)

The integrated impact assessment concluded that the UKSPF programme will have a positive impact on equality groups across Midlothian. The scoring criteria specifically references the impact on protected characteristics groups and how the organisation will promote equalities. (Appendix 5)

4.5 Additional Report Implications (See Appendix A)

See Appendix A

Appendices

Appendix A – Additional Report Implications

Appendix B – Background information/Links

Appendix 1 - Recommended list of awards

Appendix 2 - UKSPF Guidance

Appendix 3 - Application Guidance

Appendix 4 - Scoring criteria

Appendix 5 – Integrated Impact Assessment

APPENDIX A – Report Implications

A.1 Key Priorities within the Single Midlothian Plan

Midlothian Council and its Community Planning Partners have made a commitment to treat the following areas as key priorities under the Single Midlothian Plan:-

- *Reducing the gap in economic circumstances*
- *Reducing the gap in learning outcomes*
- *Reducing the gap in health outcomes*
- *Reducing the impact of climate change*

Please explain under this section how the proposals contained in this report will contribute to the achievement of the key priorities.

The interventions under each of the 4 Investment Priorities are aligned to the four outcomes of the Community Planning Partnership and Single Midlothian Plan. The strategic investment plan was directly informed by the data from the Midlothian Profile and the views of the partners. Applications were assessed on how they met each of the selected interventions of the plan and the differences they would make.

A.2 Key Drivers for Change

Key drivers addressed in this report:

- Holistic Working
- Hub and Spoke
- Modern
- Sustainable
- Transformational
- Preventative
- Asset-based
- Continuous Improvement
- One size fits one
- None of the above

A.3 Key Delivery Streams

Key delivery streams addressed in this report:

- One Council Working with you, for you
- Preventative and Sustainable
- Efficient and Modern
- Innovative and Ambitious
- None of the above

A.4 Delivering Best Value

The UKSPF programme cannot be used to replace existing or statutory services. Funding can only be used as per the investment plan.

This programme of funding has a key role to play in developing communities, reducing inequalities, improving skills, specifically numeracy and supporting sustainable development. In addition it will help improve public services and grow the private sector. Scoring all applications against key criteria has ensured that Best Value was a key part of the assessment process. One of the questions assessed focused on whether the project was good value for money and demonstrated realistic costs.

A.5 Involving Communities and Other Stakeholders

The application forms and criteria were co-produced with the voluntary sector and designed based on feedback from previous and potential grant applicants about the process and information available. The Local Employability Partnership were a key forum to identify the priorities for the investment plan. They will be instrumental moving forward as they form the main component of the Shared Prosperity Local Partnership Group. The funding panel included representatives from NHS Lothian, Skills Development Scotland, City Deal, Third Sector and a Volunteer Panel Member. CLLE chaired the funding panel and provided administrative support. Both CLLE staff and MVA staff offered significant support to organisations making applications through drop-in surgeries and one to one consultations and offered to give feedback and advice on draft applications.

A.6 Impact on Performance and Outcomes

By supporting the voluntary sector, growing the private sector and improving public services, the UKSPF recommendations will have a positive impact on the performance and outcomes of the Council and the Community Planning Partnership and contribute towards meeting the four key priorities.

A.7 Adopting a Preventative Approach

The successful organisations will undertake preventative work by reducing inequalities, carbon emissions, social isolation and the impact of poverty, improving mental and physical health and wellbeing, developing communities and supporting people into learning and employment. Without this valuable contribution, many of these services could not be delivered in Midlothian.

A.8 Supporting Sustainable Development

There were no applications under Intervention S13. This will be addressed at a later date with a more targeted approach.

S13: Support for linking communities together and with employment opportunities with a focus on decarbonisation.

APPENDIX B

Background Papers/Resource Links (insert applicable papers/links)

Appendix 1 - Recommended list of awards

Appendix 2 - UKSPF Guidance

Appendix 3 - Application Guidance

Appendix 4 - Scoring criteria