



**Glasgow City Council**  
**City Administration Committee**

**Item 3**

18<sup>th</sup> August 2022

**Report by Susan Aitken, Leader of the Council and Convener  
for City and City Region Economy and Just Transition**

**Contact: Kevin Rush**

**Ext: 74613**

## **UK SHARED PROSPERITY FUND**

### **Purpose of Report:**

To advise Committee of progress on the preparation of the UK Shared Prosperity Fund (UKSPF) Investment Plan for the Glasgow City Region, and to agree the Glasgow component of the Plan along with the proposed governance arrangements.

### **Recommendations:**

It is recommended that Committee:

- a) note progress made with respect to the preparation of the Glasgow City Region UKSPF Investment Plan;
- b) endorse proposals for the Glasgow component of the Plan as set out in section 3;
- c) agree the approach to internal governance of UKSPF as set out in section 5;
- d) note that, as projects are developed, they will be taken to the appropriate Committee for approval: and
- e) instructs that progress reports on delivery of the fund be reported regularly to the appropriate Committees.

Ward No(s):

Citywide: ✓

Local member(s) advised: Yes  No  consulted: Yes  No

## **1 INTRODUCTION**

- 1.1 At its meeting held on 22<sup>nd</sup> June 2022, the Committee considered a report outlining the proposed approach in Glasgow to the UK Shared Prosperity Fund (UKSPF). The fund will run for the three financial years from 2022/23 to 2024/25.
- 1.2 The Committee noted that a single UKSPF Investment Plan covering the Glasgow City Region would be submitted and agreed the general direction of the Council's approach to the development of the Glasgow element of this Investment Plan. It also instructed that a further report be submitted to the Committee prior to the submission of the Investment Plan to the UK Government.

## **2. GLASGOW CITY REGION INVESTMENT PLAN**

- 2.1 Work has continued over the summer on the Glasgow City Region (GCR) Investment Plan. UKSPF officer leads in the 8 local authorities have met regularly to progress this task in collaboration with the GCR Head of UKSPF.
- 2.2 In addition, there has been regular dialogue between this group and the Scotland-based team that UK Government has set up to work on a range of UK wide levelling up funds, including UKSPF.
- 2.3 The previous report to Committee outlined concerns regarding the timetable for submission of the Investment Plan. As a result of representations made by the GCR, the UK Government has agreed a month extension (to the end of August) for the Plan to be submitted.
- 2.4 In addition some assurances have been received regarding the flexibility to carry forward what is anticipated to be underspend from the fund's allocation for 2022/23 into 2023/24. Similarly, there would appear to be scope to forward fund activities in 2023/24 from the 2024/25 allocation. This is critical to ensure a realistic flow of activities over the duration of the fund.
- 2.5 The Investment Plan will be submitted via an online UK Government portal and, rather than a single document, will consist of a series of templates and spreadsheets containing relatively high-level information. As such the plan is not required to identify specific projects or delivery agents.

### 3. GLASGOW CITY COUNCIL ALLOCATION AND APPROACH

3.1 As reported to the Committee in June, the overall UKSPF allocation to Glasgow is £27,205,287 with monies to be spent by 31<sup>st</sup> March 2025.

3.2 The UKSPF prospectus automatically authorises lead authorities to assign up to 4% of the allocation to meet administration costs at programme level.

3.3 The table below details the notional amounts available to Glasgow for project activity once the 4% allowance for administration and coordination costs are taken

Year	2022/23	2023/24	2024/25	Total
Revenue	£2,349,489	£4,561,529	£11,280,794	£18,191,812
Multiply	£1,363,542	£1,573,318	£1,573,318	£4,510,178
Capital	£272,708	£682,864	£2,459,515	£3,415,087
<b>TOTAL</b>	<b>£3,985,739</b>	<b>£6,817,711</b>	<b>£15,313,627</b>	<b>£26,117,077</b>

3.4 The capital element represents a “floor” i.e. lead authorities have the ability to increase but not decrease this allocation. In addition the budget for “Multiply” – an adult numeracy initiative - is ring fenced. Subject to these constraints lead authorities have flexibility as to the distribution of monies (capital and revenue) across the three “core” UKSPF investment priorities of Communities and Place, Supporting Local Business and People and Skills.

3.5 In line with the general approach endorsed by Committee in June, work has progressed in terms of identifying suitable activity streams that fit both the requirements of the UKSPF prospectus and the relevant council strategies and priorities. These are:

- Glasgow Regional Economic Strategy;
- The draft Glasgow Economic Strategy;
- The Glasgow Climate Plan and Adaptation Plan;
- The Glasgow Green Deal;
- The Digital Glasgow Strategy;
- The Glasgow Poverty Leadership Panel Strategy;
- The Glasgow Food Growing Strategy; and
- The Glasgow Community Learning and Development Strategy.

3.6 It should be stressed that, in line with the GCR approach, the Council contribution to the Investment Plan will neither identify individual projects nor external organisations that will receive UKSPF support.

3.7 The proposed allocations to the Investment Priorities are set out below:

<b>Investment Priority</b>	<b>Capital</b>	<b>Revenue</b>	<b>Total</b>	<b>% of SPF to Priority</b>
Communities and Place	£3.0m	£6.4m	£9.4m	36.0%
Supporting Local Business	£0.5m	£4.6m	£5.1m	19.6%
People and Skills	0	£7.1m	£7.1m	27.2%
Multiply	0	£4.5m	£4.5m	17.2%
<b>TOTAL</b>	<b>£3.5m</b>	<b>£22.6m</b>	<b>£26.1m</b>	

3.8 The **Communities and Place** theme is where the majority of the capital budget would be allocated. This would be through a fund, aimed primarily at community and third sector organisations, and would focus on improving the built and natural environment of the city, including enhancing the public realm, the provision of foot and cycleways and other neighbourhood improvements. The precise scope and management of the fund will be the subject of discussion between Economic Development and the Neighbourhoods, Regeneration and Sustainability Department.

3.9 In terms of the **Communities and Place** revenue budget it is anticipated that around £6m will be made available for a fund which would also be primarily aimed at community and third sector organisations for projects that will enhance the social and cultural quality of life in Glasgow. The fund will complement the support available through the Glasgow Communities Fund and reflect the council's experience with the UK Community Renewal Fund. The detailed design and operational principles of the fund will be developed by Economic Development and the Community Empowerment and Equalities Division.

3.10 Finally, activities aimed at taking forward the Glasgow Green Deal will be supported through this investment priority, covering:

- An arts and culture-led approach to mobilise Community Groups behind the Glasgow Green Deal
- Net Zero Communities – an innovation project aimed at overcoming the barriers to large scale housing and place-based retrofit; and
- Key Sector Climate pathways – Developing net zero and climate resilient pathways for the City's key sectors.

3.11 Under the ***Supporting Local Business theme***, around £0.5m of capital expenditure would be made available to complement investment taking place through the Glasgow Innovation Accelerator. The revenue budget activities planned will encompass:

- Direct support for the key sectors identified in the draft economic strategy;
- Expert help for Small and Medium Sized enterprises, building on the experience of the Council's successful European Regional Development Fund operation;
- A Digital Development Grant – building on the council's experience of the Scottish Government's Digital Boost programme; and
- A business start-up grant scheme, extending the current offer available in the city.

3.12 In addition two activity streams have been identified which would take forward a number of the recommendations of the Scottish Technology Ecosystem Report (also known as the Logan Report). This report was commissioned by the Scottish Government and was published in August 2020. The review's recommendations were primarily concerned with stimulating and accelerating the maturity of Scotland's "Technology Ecosystem". This is defined as system, in its widest sense, that supports and nurtures technology businesses in Scotland, from the early start-up phase through to fully scaled maturity. The specific areas to be covered in the UKSPF propositions are::

- Investment to strengthen and grow the 'market-square' for Glasgow's tech ecosystem including technology conference development and online tools to measure and promote the regional start up and scaleup ecosystem with data, insight and visibility; and
- Strengthening early stage technology businesses directly with grants for accommodation and meet-up support and through Glasgow's technology-scaler (which provides incubation and acceleration).

3.13 There will also be activity to support the development of a green economy in the city, with two pilot actions identified:

- Funding for a portfolio of innovation projects - to tackle most complex challenges with decarbonisation and climate resilience and/or develop new products and services; and
- A dedicated development capital facility for climate mitigation and adaptation infrastructure projects, as well as innovation support, and development of a multi-hazard climate alert warning system and green job guarantee.

- 3.14 Responsibility for the management of these activities would rest within Economic Development.
- 3.15 Similarly, Economic Development will lead on the management of activities under the **People and Skills** Investment Priority. These funds will support a range of employability actions aimed at those furthest away from the labour market which will be developed through the Glasgow Local Employability Partnership. The aim will be to provide an all age offer based on need with the objective of promoting participation and progression of the relevant target groups in the labour market. There will be a number of delivery agents, including Third Sector organisations, involved in delivery of this programme.
- 3.16 This approach will ensure alignment with funding the Council receives from the Scottish Government as part of the “No One Left Behind” agenda. It will also be informed by the experience the Council and its partners have acquired from delivering the European Social Fund (ESF) supported employability pipeline.
- 3.17 In addition, there will be a focus on the development of green skills activities, to support the Just Transition Working Group, under this Investment Priority.
- 3.18 Glasgow Life will assume the lead role in managing the Glasgow **Multiply** programme. It will take this forward through the Glasgow Community Learning and Development Strategic Partnership (GCLDSP). A blend of community and college based actions will be identified and delivered aiming to boost adult numeracy skills including the attainment of accredited qualifications. Delivery is expected to be through a number of organisations, including the city’s Further Education colleges and the Third Sector.
- 3.19 Finally, the Council is committed to the principles of Fair Work and asks that all organisations who receive funding and support through SPF commit to the criteria set out in [The Fair Work Framework](#), as proportionate to their organisation. As a minimum, the Council asks that any staff posts funded from SPF are paid the Real Living Wage, and that gender equal pay is in place for staff. Support will be provided to organisations to help them better understand the principles and assist in identifying and addressing the issues preventing the implementation of Fair Work.

#### **4. STAKEHOLDER ENGAGEMENT**

- 4.1 The UKSPF prospectus sets out a number of requirements in relation to stakeholder engagement. This includes engagement with relevant Members of Parliament (MPs). MPs across the city region will receive an information pack providing details of the proposals contained in the Investment Plan.

- 4.2 The GCR Regional Partnership received a briefing on the UKSPF at its meeting held on 9<sup>th</sup> June 2022.
- 4.3 Within Glasgow, there has been engagement with stakeholders through:
- Glasgow Partnership for Economic Growth (GPEG);
  - Glasgow Economic Recovery Group Executive (GERG);
  - Glasgow Local Employability Partnership; and
  - Glasgow Community Learning and Development Partnership.
- 4.4 A UKSPF web page has been developed and is available through the Council website, along with a dedicated mailbox to deal with enquiries from stakeholders.
- 4.5 As the programme is developed, further updates will be provided to elected members, as well as further engagement with community groups and through the Glasgow Partnership for Economic Growth structures.

## **5. GOVERNANCE**

- 5.1 On 19<sup>th</sup> July 2022, the UK Government published a series of guidance documents in relation to monitoring and reporting requirements of the fund.
- 5.2 The Council has an established process for monitoring current European-funded projects. The EU Governance Group is chaired by the Head of Economic Delivery, with representation from colleagues in Legal Services, Procurement, Corporate Finance and Internal Audit.
- 5.3 This is a trusted mechanism where advice and guidance can be sought by Project Leads who are accountable to the group. Project Leads submit bi-monthly updates for consideration by the Group with each Project Lead required to attend annually to update on project progress.
- 5.4 In order to ensure oversight of Glasgow's UKSPF activities and meet the compliance conditions set out by the UK Government, it is proposed that the remit of the current EU Governance Group be extended to include UKSPF.
- 5.5 Whilst there are no UKSPF projects to report on at this time, the development of appropriate governance structures, as well as the specific monitoring requirements for the fund, already form part of the group's agenda. It meets bi-monthly to ensure that mechanisms will be in place before projects go live.

## 6 NEXT STEPS

- 6.1 The final version of the GCR Investment Plan will be considered by the Glasgow City Region Cabinet at its meeting scheduled for 30<sup>th</sup> August 2022. Thereafter the Plan will be submitted to the UK Government.
- 6.2 The UK Government has committed to approve Investment Plans (of which around 250 from across the UK are expected) from October 2022 onwards. On approval the first tranche of funding will be released.
- 6.3 With the exception of Multiply, no substantive UKSPF spend in Glasgow is envisaged in 2022/23 so in practice the fund will be one that will be operational for 2 years. However, significant preparatory work is required over the remainder of 2022/23 to ensure that systems are set up, capacity secured, delivery methods identified, and project requirements specified.
- 6.4 As projects develop and delivery agents are identified approval will be sought from, or updates provided to, the relevant council committee prior to implementation commencing.
- 6.5 Performance and economic impact will also be reported on to the relevant scrutiny committee.

## 7 Policy and Resource Implications

### Resource Implications:

<i>Financial:</i>	The UKSPF represents additional resource to deliver on the Council's economic strategy and related policies
<i>Legal:</i>	There will be formal agreement between the UK Government and the Glasgow City Region upon approval of the Investment Plan
<i>Personnel:</i>	The input by the Council into the preparation of the Investment Plan will be carried out by existing staff. Individual UFSPF activity steams may require some recruitment
<i>Procurement:</i>	Some interventions using UKSPF may be procured. In such cases compliance with the Public Contracts (Scotland) Regulations 2015 will be required.

### Equality and Socio-Economic Impacts:



*Does the proposal support the Council's Equality Outcomes 2021-25? Please specify.*

Yes, specifically:  
Tackling Poverty];  
Reducing Health Inequality; and  
Empowering Communities

*What are the potential equality impacts as a result of this report?*

Positive

*Please highlight if the policy/proposal will help address socio-economic disadvantage.*

The fund has been developed as part of the UK Government's Levelling Up agenda. The Investment priorities link to a number of missions identified in the Levelling Up White Paper.

### **Climate Impacts:**

*Does the proposal support any Climate Plan actions? Please specify:*

Yes. The actions related to the green economy have been designed to support the implementation of the Glasgow Green Deal – a dedicated action in the climate plan. Many of these actions are enabling in nature – in that they will not directly deliver emissions reductions or improve resilience, but will develop the plans, projects and programmes that will, in partnership with the private sector and communities.

The programme will also contribute to a Just Transition, by targeting those businesses and communities most impacted by the energy and cost of living crisis, as well as by focusing on those businesses least able to adapt, and by supporting reskilling and upskilling for those furthest from the labour market

*What are the potential climate impacts as a result of this proposal?*

Reduction in CO2 emissions through for example increased energy efficiency of Glasgow businesses.

Increased resilience of SMEs and communities to flooding and heatwaves.

*Will the proposal contribute to Glasgow's net zero carbon target?*

Yes

**Privacy and Data  
Protection Impacts:**

None at Investment Plan level

**8 RECOMMENDATIONS**

8.1 It is recommended that Committee:

- a) note progress made with respect to the preparation of the Glasgow City Region UKSPF Investment Plan;
- b) endorse proposals for the Glasgow component of the Plan as set out in section 3;
- c) agree the approach to internal governance of UKSPF as set out in section 5;
- d) note that, as projects are developed, they will be taken to the appropriate Committee for approval: and
- e) instructs that progress reports on delivery of the fund be submitted periodically to the appropriate Committees.