

REPORT TO: East Lothian Council

MEETING DATE: 28 February 2023

BY: Executive Director for Place

SUBJECT: UK Shared Prosperity Fund (UKSPF) Investment Plan 2022 - 2025

1 PURPOSE

- 1.1 To provide an overview of the UK Shared Prosperity Fund (UKSPF) allocation process; provide a summary update of the status of supported projects in Year 1 (Core and Multiply); provide an update on the development of projects for the proposed regional contribution in years 2 and 3; and secure agreement of proposed projects and budget allocations in years 2 and 3 (Core and Multiply).

2 RECOMMENDATIONS

- 2.1 It is recommended that Council:
- a) Agree the approach that officers intend to take to iteratively develop our detailed UKSPF Investment Plan (Years 1-3), noting specifically that the initial submission (now approved by UK Government) was approved through Summer Recess arrangements for Year 1 only;
 - b) Agree provisional sums of £100K from our Year 2 allocation and £1,180K from our Year 3 allocation to pool regionally to progress priority regional activities that can be delivered in the short-term;
 - c) Note the summary of the UKSPF prospectus and the engagement process with the additional assurance provided from UK Government to work with the Council and its partners at local and regional levels in a practical and supportive way to ensure that Investment Plan outcomes are optimised for East Lothian citizens.

3 BACKGROUND

- 3.1 The UKSPF is a central pillar of the UK Government's Levelling Up agenda and a significant component of its support for places across the UK. It provides £2.6 billion of new funding for local investment by March 2025, with all areas of the UK receiving an allocation from the Fund via a funding formula rather than a competition.

- 3.2 UKSPF is the UK Government’s domestic replacement for the European Structural and Investment Programme (ESIF) which the UK continues to participate in until 2023. The ESIF programme was essential for local regeneration, employment and skills. East Lothian Council utilised ESIF for a Strategic Employability Pipeline Programme and ERDF for core business support activities.
- 3.3 The overarching objective of UKSPF is *Building Pride in Place and Increasing Life Chances*. There are three UKSPF investment priorities:
- Communities and Place
 - Supporting Local Business
 - People and Skills
- 3.4 Multiply will be delivered as part of the single UKSPF investment plan with ring-fenced funding allocated. Its key objective is to increase the levels of functional numeracy in the adult population through free tutoring, digital training and flexible courses. Provision funded through Multiply should provide additionality and not duplicate or replace existing provision.
- 3.5 All places across the UK will receive a conditional allocation from the UKSPF for each of Years 1-3 (Year 1 - 2022/23; Year 2 - 2023/24; Year 3 - 2024/25). To access the funding allocation, each place has been asked to set out measurable outcomes that reflect local needs and opportunities, which will inform the interventions that will be delivered.
- 3.6 East Lothian’s core UKSPF allocation over 3 years is £3,365,916, with an additional ring-fenced sum of £702,594 for Multiply, giving a total of £4,068,510. Funding will be available until the end of March 2025.
- 3.7 UKSPF core funding is a mix of revenue and capital funding which can be used to support a wide range of interventions to build pride in place and improve life chances. Below is a table which sets out the funding split between revenue and capital (excluding Multiply) and the level of available funding per annum.

	Year 1 2022-23	Year 2 2023-24	Year 3 2024-25	Total
Core Grant Allocation	£408,485	£816,970	£2,140,461	£3,365,916
Capital Allocation (Minimum)	£42,482 (10.4%)	£102,121 (12.5%)	£383,143 (17.9%)	£527,746
Revenue Allocation (Maximum)	£366,003 (89.6%)	£714,849 (87.5%)	£1,757,318 (82.1%)	£2,838,170

- 3.8 The profile of core funding being allocated means that the majority of Investment Plan interventions will be designed to be implemented during 2024-25. This will allow officers and partners the time necessary to engage and collaborate to design meaningful interventions that deliver intended outcomes and for Council to approve the Investment Plan as it is incrementally developed.

- 3.9 Whilst UK Government are unable to provide specific assurance that year 3 funding levels will be maintained beyond 2025 they have articulated that is the intention around the principle of levelling up across the United Kingdom to 2030..
- 3.10 The initial UKSPF Investment Plan and supporting documents were submitted to the UK Government - DLUHC prior to the August 2022 deadline using summer recess arrangements as per the recommendations contained within the approved UK Shared Prosperity Fund (UKSPF) report to Council on 28 June 2022. Clarification information was provided to the DLUHC upon request and the Investment Plan and supporting documents were accepted by the UK Government on 21st December 2022.
- 3.11 In line with the approved UK Shared Prosperity Fund (UKSPF) report to Council on 28 June 2022, the core & Multiply allocations for Year 1 were determined alongside provisional allocations for Years 2 & 3 to pool regionally to progress priority regional activities. At the request of DLUHC, notional allocations and outputs / outcomes were also identified for Years 2 & 3 for the core & Multiply interventions; however, these are to be fully reviewed, developed, amended and re-profiled, as appropriate, to meet the project direction / priorities identified within this report and for approval by Council.
- 3.12 The UK Government anticipated that the initial Investment Plans would be incrementally developed and amended, and identified a process to allow the future identification and approval of delivery initiatives, funding allocations and outputs/outcomes relevant to the local area for all years.
- 3.13 East Lothian Council will be the lead accountable body but it will require partnership involvement to ensure local expertise is engaged to identify and address need and opportunity. The Council is tasked with working with a diverse range of local and regional stakeholders, civil society organisations, and employer bodies responsible for identifying local skills plans, and businesses or business representative groups to achieve the Fund outcomes in their areas.
- 3.14 For the avoidance of doubt UK Government have been very clear that the replacement of LEADER Funding is not part of the UK Shared Prosperity Fund.

Investment Plan 2022-25

- 3.15 The Council has engaged with a variety of stakeholders and identified deliverable projects / initiatives and associated funding requirements.
- The following Investment Priority funding allocations have been identified:

Investment Priority	Year 1 (2022-23)	Year 2 (2023-24)	Year 3 (2024-25)	Total
Communities & Place	£133,661*	£207,146	£249,843	£590,650
Supporting Local Business	£90,000*	£207,146	£305,000	£602,146
People & Skills	£168,485*	£270,000	£320,000	£758,485
Regional	£0*	£100,000**	£1,180,000**	£1,280,000
Administration (Max 4%)	£16,339*	£32,678	£85,618	£134,635
Total (Core UK SPF)	£408,485	£816,970	£2,140,461	£3,365,916
Multiply	£212,412	£245,091	£245,091	£702,594
Total (with Multiply)	£620,897	£1,062,061	£2,385,552	£4,068,510

* Year 1 UKSPF core funding Investment Priority allocations have been agreed and delivery is currently underway.

** Provisional Regional allocations have been identified with, and are intended to be proportional to the commitment made by, other ESES partners.

- 3.16 The following **Communities & Place** projects have been identified with key stakeholders for delivery during April 2022 and March 2025:

Regeneration Project Development Fund

To assist in the initial stages of potential local regeneration projects (Consultation, Feasibility, Design Development etc.) with the aim of creating robust project proposals capable of attracting relevant funding from a variety of sources.

Regeneration Project Fund

To support the delivery of physical improvements within key locations, especially where multiple benefits in terms of education, training, wellbeing, and community involvement can be demonstrated.

Local Capacity Building / Community Wealth Fund

To be developed as an open fund, administered by a community based partner organisation, to support initiatives within local communities which look to focus on extending social and economic benefits to all, building key skills to end inequality, and delivering a just transition towards net zero and, where possible, generate sustainable growth.

- 3.17 The following **Supporting Local Business** projects have been identified with key stakeholders for delivery during all or part of the period April 2022 to March 2025:

Expert Help Consultancy

Appointment of consultants / consultancies to deliver targeted expert help to business based on local need, for example, via consultancy support for the transition to net zero and an associated small scale implementation grant.

Key Sector Support

To enable the development and growth of industry groups and projects and explore collaborative activities and actions across key sectors within the local economy. The focus will be on developing new or expanding existing projects (e.g. the East Lothian Gift Card / SOLE app) and assisting groups to become more sustainable and deliver their own collaborative products and campaigns to benefit the local economy.

Data Driven Innovation (DDI) – Smart Destination

Develop and expand our ability to collect and utilise data in support of the local economy and become a 'smart destination'. For example by building on the existing and proven pilot sensor technology and live data work undertaken with the University of Edinburgh at the coastal car parks to explore the potential to grow the current app and its uses and for further DDI projects with similar visitor management needs. This project will further our Visitor Management Strategy.

Visitor Management Capital Projects

To deliver prioritised capital projects linked to the adopted East Lothian Visitor Management Strategy including improvement of key visitor facilities. The allocation will provide minority match funding required for future RTIF application and project delivery.

- 3.18 The following **People & Skills** projects have been identified with key stakeholders for delivery during all or part of the period April 2022 to March 2025:

Staffing

To cover staff that were previously funded through other streams, namely ESF (which finished Dec 22) and Young Persons Guarantee (no longer funded separately by Scottish Government from April 2023). All staff are working on programmes that fit with People & Skills interventions and funding through UKSPF will allow us to continue key priority areas of work with young people and adults to support progression along the strategic skills pipeline and into work.

Small Grants Programme

To be awarded to organisations that can support / deliver local employability.

Employer Recruitment Incentives

In conjunction with the Small Grants programme above, we will offer ERIs to employers to recruit East Lothian residents.

- 3.19 The following **Multiply** projects have been identified with key stakeholders for delivery during all or part of the period April 2022 to March 2025:

Project Officers

ELC are recruiting staff to expand adult numeracy provision and create new projects in line with the Multiply priorities. This includes engaging with local communities and with local businesses to identify need and upskilling requirements in line with labour market intelligence

Parental Engagement Project

Run in conjunction with schools across the local authority area, this will provide support for parents to improve their confidence and skills to support their children's learning and for parents to progress onto other numeracy learning including accredited qualifications.

Small Grants Programme

To be awarded to organisations that can deliver Multiply interventions to specific target groups or deliver accredited qualifications (not currently delivered by East Lothian's Council's Adult Literacy & Numeracy service).

Numeracy Delivery

These projects will be wide ranging from early engagement in communities, budgeting, sector specific skills as well as SQA qualifications.

Staff Planning / Development

To cover programme development time for ELC staff in planning new projects for delivery.

Training / Upskilling Tutors

There is a national shortage of adult numeracy tutors so there will be a requirement to recruit, train and upskill to meet the expected increase in demand generated by the engagement work carried out in communities and with businesses.

- 3.20 Working with other places is strongly encouraged by the UK Government in the delivery of UKSPF interventions where it meets the needs of the community, and achieves value for money or better outcomes for local people or businesses.
- 3.21 Edinburgh and South East regional partners have collaborated successfully on the Edinburgh and South East Scotland City Region Deal as a mechanism for delivering transformational change and accelerating economic and inclusive growth in the City Region. Regional partners, working with UK and Scottish Governments, have developed a Regional Prosperity Framework which identifies key priorities where investment would make the best contribution to drive the region forward in a sustainable and inclusive manner.
- 3.22 East Lothian Council, in keeping with ESES regional partners, has provisionally identified £100k from our Year 2 core UKSPF allocation and £1,180k from our Year 3 core UKSPF allocation, to pool regionally to progress priority regional activities that can be delivered in the short-term to benefit our local communities.
- 3.23 Further development work is required to flesh out the deliverable projects therefore the regional allocations for Years 2 & 3 UKSPF core funding will remain provisional at this stage.

Should the regional projects not be deliverable then a review of the funding allocations will be carried out to assess the most appropriate redistribution of the funding to other UKSPF Investment Priorities to ensure the total UKSPF core funding is fully allocated.

- 3.24 A maximum allocation of 4% of UKSPF core funding can be utilised to support the central delivery of the fund by the Council. This allocation can support staff resource, capital expenditure, consultancy appointments, auditing etc. appropriate to the administration of the fund.
- 3.25 All projects will require to demonstrate impact, value for money, and deliverability within the timescales of UK SPF funding.
- 3.26 The initial project area proposals will be rationalised and/or augmented during continued consultation with key stakeholders. Unless otherwise stated, all projects listed below are located across East Lothian and are accessible to all communities, residents, businesses, social enterprises, community based organisations etc. as appropriate.

Year 1 Update

- 3.27 In terms of UK SPF allocations for Year 1 (2022/23), the total fund of £620,897 has now been allocated as follows:

Communities & Place	£133,661
Supporting Local Business	£90,000
People & Skills	£168,485
Multiply	£212,412
Administration (Max 4%)	£16,339
Total	£620,897

- 3.28 Two deliverable initiatives which will benefit our local communities have been identified in Year 1 for the **Communities & Place** Investment Priority:

- Regeneration Project Development Fund (£52,050)
Projects supported include the Engine Shed; Prestongrange Renewable Energy Study; Prestonpans Town Centre Shopfront Costed Condition Study; Tranent Town Centre Feasibility Study Update; and an open Community Project Development Grant fund.
- Regeneration Project Fund (£81,611)
Projects supported include Wallyford Learning Campus – STEAM Canopy; The Ridge SCIO Development Project – 86-88 High Street, Dunbar.

- 3.29 The **Supporting Local Business** Investment Priority for Year 1 will be allocated in three key areas:

- Expert Help Consultancy (Transition to Net Zero Carbon) (£40,000)
An invited tender process has been concluded and consultant appointment made. The programme for delivery with pilot businesses is being developed.
- Key Sector Support (£50,000)
The negotiations to provide support for both SOLE and the East Lothian Gift Card are progressing.

3.30 The **People and Skills** Investment Priority allocation for Year 1 will be combined with a portion of the Multiply allocation into a single deliverable initiative:

- Local Employability Grant Programme (£168,485)

The application process is now closed. Four bids have been successful and will be awarded funding in February/March 2023 to commence delivery from April 2023 to March 2024.

3.31 The **Multiply** allocation for Year 1 will be split into 3 main areas:

- Project Officers (£35,412)

Recruitment has been challenging and the Development Officer posts have not yet been filled. A revised Project Officer post has been developed and attracted over 20 applications. Appointments are imminent.

- Parental Engagement Project (£25,000)

Due to the challenges associated with recruitment this project has not yet been developed sufficiently. The allocation for Year 1 for Project Officers and the Parental Engagement Project will be carried over into Year 2 subject to the submission and acceptance of a “Credible Plan” to UK Government.

- Local Employability Grant Programme (£152,000)

An allocation has been identified to support this programme.

3.32 The Year 1 allocations require to be “spent and accounted for in line with local authority financial accounting standards” by 31 March 2023.

3.33 Due to the short development / delivery timescales in Year 1, the UK Government has agreed carrying over spend from year one into Year 2 if it will not be possible to spend it all in 2022/2023, provided there is a “credible plan” submitted setting out how funds will be utilised in the next year and meet appropriate milestones.

3.34 Further details on Year 1 Projects can be found in Appendix 2 – UKSPF Allocation Update (February 2023)

4 POLICY IMPLICATIONS

4.1 UKSPF will replace European funding that is being phased out in 2023 and has seen tapered reduction in recent years. The Council’s relevant policy position has not altered directly as a result of this and it envisaged from the policy work that is ongoing, both locally and regionally, that the Shared Prosperity Fund Prospectus aligns with the work that is ongoing to re-fresh the Council Plan, renew the Economic Development Strategy; and, on a regional basis, the Regional Prosperity Framework (RPF) Delivery Plan. Development work is currently “live” on all of these aspects.

5 INTEGRATED IMPACT ASSESSMENT

5.1 The subject of this report, at this stage, does affect the wellbeing of the community and have a significant impact on equality, the environment or economy. An Integrated Impact Assessment (IIA) will be undertaken in due

course once the fully developed Investment Plan is considered and approved.

6 RESOURCE IMPLICATIONS

- 6.1 Financial – The financial implications of the Fund from East Lothian Council’s perspective as the grant receiving body are set out within Sections 3.6 to 3.8 of the report. Additionally Sections 3.15 to 3.26 of the report detail the breakdown of funding for each Investment Priority (Including Multiply) and sets out provisionally the component of the Fund that could be delivered regionally on the presumption that interventions can be developed that are realistic, deliverable, provide maximum value for money and which would deliver for all stakeholders.

Substantial staff and partner time and effort has been invested in developing and co-ordinating this plan alongside year 1 delivery arrangements. Subject to the parameters as set out in 3.24, and to the level as detailed in the table in 3.15, the costs of administering the fund will be accounted for from the award.

- 6.2 Personnel – The UKSPF Investment Plan has been developed by Council Officers from a variety of teams, with further input from key stakeholders from communities and business.

Continued monitoring and reporting of the various delivery initiatives related to the Investment Priorities and stated outputs and outcomes will be required in line with the UK Government DLUHC guidance for the duration of the Fund.

- 6.3 Other – Not applicable

7 BACKGROUND PAPERS

- 7.1 UK Government Shared Prosperity Fund Prospectus can be found ([here](#))
- 7.2 Report to Council 16 November 2021 – Regional Prosperity Framework ([here](#))
- 7.3 Report to Council 28 June 2022 - UK Shared Prosperity Fund (UKSPF) ([here](#))

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DATE	13 th February 2023

Appendix 1 Intervention List for Scotland

Full menu of interventions for each of the UKSPF Investment Priority areas:

Communities and Places	
S1	Place based investments for 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, including those that increase communities' resilience to natural hazards, and 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).
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.
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 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.
Supporting Local Business	
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.
S15	SME development grants and support, aligned with local and regional sectoral priorities and growth potential. This could include, providing tailored expert advice, matched grants and leadership training to enable manufacturing SMEs to adopt industrial digital technology solutions including artificial intelligence; robotics and autonomous systems; additive manufacturing; industrial internet of things; virtual reality; data analytics. The support is proven to leverage high levels of private investment into technologies that drive growth, productivity, efficiency and resilience in manufacturing.
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. This could include Investment to support the diffusion of innovation knowledge and activities. Support the commercialisation of ideas, encouraging collaboration and accelerating the path to market so that more ideas translate into industrial and commercial practices.
S17	Funding for the development and support of appropriate innovation infrastructure at the local level.
S18	Investing in enterprise infrastructure and employment/innovation site development projects.
S19	Strengthening local entrepreneurial ecosystems and supporting businesses at all stages of their development to start, sustain, grow and innovate, including through local networks.
S20	Support for expert business advice and support programmes at the local and regional level, including support for decarbonisation, climate adaptation and circular economy advice. This could include funding for new and improvements to existing training hubs, business support offers, 'incubators', 'accelerators' and other forms of developmental environments for local enterprise (including social enterprise) which can support entrepreneurs and start-ups/high growth potential firms through the early stages of development and growth by offering a combination of services including: e.g. account management, advice, resources, training, mentorship, coaching and access to workspace.

S21	Grants to help places bid for and host international business events and conferences that support wider local growth sectors.
S22	Support for growing the local social economy, including community businesses, cooperatives and social enterprises.
S23	Funding to develop angel investor networks nationwide.
S24	Export Grants to support businesses to grow their overseas trading, supporting local employment and investment, having regard to Scotland's export plan ('Scotland: a trading nation').
S25	Developing existing or emerging local strengths in low carbon and climate adaptation technologies.
S26	Business support measures to drive employment growth, particularly in areas of higher unemployment.
S27	Funding to support relevant feasibility studies.
S28	Support for business resilience and Covid-19 recovery.
S29	Support for new and existing businesses and start-ups aligned with local, regional and Scottish policy.
S30	Investment in resilience infrastructure and nature based solutions that protect local businesses and community areas from natural hazards including flooding and coastal erosion.
People and Skills	
S31	Employment support for economically inactive people: Intensive and wrap-around one-to-one support to move people closer towards mainstream provision and employment, supplemented by additional and/or specialist life and basic skills (digital, English, maths* and ESOL) support where there are local provision gaps.
S32	Courses including basic skills (digital, English, maths (via Multiply) and ESOL), and life skills and career skills** provision for people who are not economically inactive and who are unable to access other training or wrap around support detailed above. This could be supplemented by financial support for learners to enrol onto courses and complete qualifications.
S33	Activities such as enrichment and volunteering to improve opportunities and promote wellbeing.
S34	Intervention to increase levels of digital inclusion, with a focus on essential digital skills, communicating the benefits of getting (safely) online, and in-community support to provide users with the confidence and trust to stay online.
S35	Support for employability programmes and advice places should have regards for the No One Left Behind agenda, the Young Person's Guarantee, Fair Start Scotland and Scottish employability pipeline. This could include tailored support to help people in employment, who are not supported by mainstream provision to address barriers to accessing education and training courses. This includes supporting the retention of groups who are likely to leave the labour market early.
S36	Support for local areas to fund local skills needs. This includes technical and vocational qualifications and courses up to level 2 and training for vocational licences relevant to local area needs and high-value qualifications where there is a need for additional skills capacity that is not being met through other provision.
S37	Green skills courses to ensure we have the skilled workforce to support the Just Transition to a net zero economy and climate resilience, with a particular focus on vulnerable or low-income groups who will be disproportionately affected by climate change. Retraining support for those in high carbon sectors, providing career guidance and supporting people to seek employment in other sectors.
S38	Funding to support local digital skills.
S39	Support for education and skills targeting vulnerable young people leaving school, places should have regard for the Young Person's Guarantee, modern apprenticeships and related policy.
S40	Support for community learning and development
S41	Funding to support new partnership and project-based entrepreneurial learning between business and education to develop a culture that celebrates entrepreneurship.
Multiply	
S42	Courses designed to increase confidence with numbers for those needing the first steps towards formal qualifications.

S43	Courses for parents wanting to increase their numeracy skills in order to help their children and help with their own progression.
S44	Courses aimed at prisoners, those recently released from prison or on temporary licence.
S45	Courses aimed at people who can't apply for certain jobs because of lack of numeracy skills and/or to encourage people to upskill in order to access a certain job/career.
S46	Additional relevant maths modules embedded into other vocational courses
S47	Innovative programmes delivered together with employers – including courses designed to cover specific numeracy skills required in the workplace.
S48	New intensive and flexible courses targeted at people without Level 5 maths in Scotland, leading to an equivalent qualification (for more information on equivalent qualifications, please see Qualifications can cross boundaries (sqa.org.uk)).
S49	Courses designed to help people use numeracy to manage their money.
S50	Courses aimed at those 19 or over that are leaving, or have just left, the care system
S51	Activities, courses or provision developed in partnership with community organisations and other partners aimed at engaging the hardest to reach learners – for example, those not in the labour market or other groups identified locally as in need

Appendix 2 UKSPF Allocation Update (February 2023)

INTRODUCTION

East Lothian Council submitted the Investment Plan and expenditure profiles for the UK Shared Prosperity Fund to the UK Government - Department for Levelling Up, Housing & Communities in August 2022.

Clarification information was provided upon request and the Investment Plan and supporting documents were accepted by the UK Government on 21st December 2022 with the funding draw down for Year 1 to be processed early in 2023.

For information the East Lothian allocation from UK SPF is as follows:

3.1	Core UK SPF	Multiply	Total
Year 1 (2022/23)	£408,485	£212,412	£620,897
Year 2 (2023/24)	£816,970	£245,091	£1,062,061
Year 3 (2024/25)	2,140,461	£245,091	£2,385,552
Total	£3,365,916	£702,594	£4,068,510

The ELC submission identified target investment interventions and funding allocations based on the themes of Communities & Place, Supporting Local Business, People & Skills, and Multiply. Due to the short timescale for development in advance of the submission deadline, and ELC full council being in recess during that period, formal allocations were only identified for deliverable projects / expenditure for Year 1 (2022/23).

Budget allocations for each theme for years 2 & 3 were included in the submission at the request of UK Government, however the allocations, other than those for Multiply, are notional and require to be re-assessed following engagement with key stakeholders and community partners to identify appropriate and deliverable projects.

Engagement, project identification and initial development with key stakeholders and community partners is ongoing with the aim to seek approval for UK SPF years 2 & 3 projects / allocations at the February 2023 full Council meeting.

There is ongoing dialogue regarding potential "Regional" project delivery in years 2 & 3 and the level of contribution from East Lothian UK SPF allocations that would be required to support such projects and the benefits that East Lothian would see from their delivery.

It should be noted that amendments to the original submitted/accepted Investment Plan and expenditure profiles are anticipated by the UK Government and a process has been outlined to assist local authorities seek approval for such amendments as projects are fully identified and developed for delivery.

In terms of UK SPF allocations for year 1 (2022/23), these were identified and incorporated as part of the submission under delegated recess arrangements. The total fund of £620,897 has been allocated as follows:

Communities & Place	£133,661
Supporting Local Business	£90,000
People & Skills	£168,485
Multiply	£212,412
Administration (Max 4%)	£16,339
Total	£620,897

The Year 1 allocations require to be “Spent and accounted for in line with local authority financial accounting standards” by 31st March 2023.

Due to the short development/delivery timescales in year 1 the UK Government has agreed the following:

“There is some flexibility on carrying over spend from year one into year two if it will not be possible to spend it all in 2022/2023. If this is the case, we will ask you to provide a credible plan setting out how you will utilise any underspends in the next year and meet appropriate milestones. Credible plans will be submitted by local authorities through routine end-of year reporting.”

The following summary is provided on the year 1 (2022/23) project development / delivery status for the UK SPF themes of Communities & Place, Supporting Local Business, People & Skills, and Multiply:

COMMUNITIES & PLACE

The **Communities & Place** allocation for year 1 is £133,661. Two deliverable initiatives which will benefit our local communities have been identified:

Regeneration Project Development Fund (£52,050) - This fund aims to support the initial stages of potential local regeneration projects (Consultation, Surveys, Feasibility Studies, Design Development, Organisational Capacity etc.) with the aim of helping create robust project proposals capable of attracting relevant funding from a variety of sources in the future.

Projects Supported: Engine Shed, Prestongrange Renewable Energy Installation Feasibility Study

Studies commissioned and reports awaited.

Prestonpans Town Centre Shopfront Costed Condition Study

Study commissioned and report awaited

Tranent Town Centre Feasibility Study Update

Study commissioned and report awaited

Community Project Development Grant Fund

Applications invited from 1st Feb 2023 with offers issued by 22nd Mar 2023.

Regeneration Project Fund (£81,611) – This fund is based around supporting individual capital / revenue project delivery in key locations across East Lothian, especially where multiple benefits in terms of education, training, wellbeing, and community involvement can be demonstrated, through awarding grant funding to appropriate partners.

Projects Supported: Wallyford Learning Campus – STEAM Canopy

Erection of a steel framed canopy to support outdoor learning at the new learning campus

The Ridge SCIO Development Project – 86-88 High Street, Dunbar

Support for pre-contract development costs associated with delivery of supported residential accommodation and enterprise hub.

SUPPORTING LOCAL BUSINESS

The **Supporting Local Business** allocation for year 1 of £90,000 will be allocated in three key areas:

Expert Help Consultancy (Transition to Net Zero Carbon) (**£40,000**) - As we transition to Net Zero Carbon it is vital that our business base are able to access reliable and relevant information and to understand the implications of climate change, what it means for their business and to plan and prepare deliverable actions. This pilot programme will add to our current provision and allow local businesses to access expert consultancy advice to build local knowledge and capacity.

An invited tender process to appoint a suitably experienced consultant has been concluded, submissions assessed, and appointment made. The successful consultant is developing the programme for delivery with the pilot businesses as well as some training for ELC Economic Development staff to upskill the knowledge base to provide future advice. A small allocation for implementation grants has also been identified

Key Sector Support and Funding (£50,000) – Additional support for key sectors within East Lothian, e.g. tourism, food and drink, heritage, and towns to promote East Lothian as a destination, increase collaboration between groups, secure additional funding, and for shop local investment and initiatives e.g. <http://www.SOLE.scot> and the East Lothian Gift Card.

The negotiations to provide support for both SOLE and the East Lothian Gift Card are progressing.

PEOPLE & SKILLS AND MULTIPLY

The **People and Skills** year 1 funding of £168,485 along with a portion of the **Multiply** allocation will be incorporated into a single initiative:

Local Employability Grant Programme - This Programme will be administered by East Lothian Council on behalf of the Local Employability Partnership (LEP) and support a variety of local employability projects. The LEP will oversee the

grant application process and be the decision making body as part of the co-commissioning process.

The application process is now closed and assessment of the applications has taken place. 4No. successful projects will be awarded funding in February/March 2023 for delivery between April 2023 and March 2024.

MULTIPLY

The **Multiply** allocation for Year 1 of £212,412 will be split into 3 main areas:

Project Officers (£35,412) - Recruitment of 1.5 FTE Project Officers to start developing Multiply Projects for delivery across East Lothian in the remainder of Year 1 and in Years 2 & 3.

Unfortunately recruitment has been challenging across East Lothian and the Development Officer posts have not yet been filled. A revised Project Officer post has been developed and attracted over 20 applications. Shortlisting of applicants has been achieved and interview dates confirmed.

Parental Engagement Project (£25,000) – EL Works and local schools will work in partnership to deliver short courses to parents to improve their confidence and skills in numeracy to support their own and their children’s learning.

Due to the challenges associated with recruitment this project has not yet been developed sufficiently. It is likely that the allocation for Year 1 for Development Officers and the Parental Engagement Project will be carried over into Year 2 subject to the submission and acceptance of a “Credible Plan” to UK Government.

Local Employability Grant Programme (£152,000) - As identified in the People & Skills summary above, a portion of the Multiply Year 1 budget has been allocated to the Local Employability Grant Programme where there will be a specific LOT targeted at the Multiply interventions.

The application process is now closed and assessment of the applications has taken place. 4No. successful projects will be awarded funding in February/March 2023 for delivery between April 2023 and March 2024.

Colin Gilmour – Senior Officer
(Regeneration)

10/02/23

