

Written Submission from Aberdeenshire Council of 14 November 2023

Good morning,

Thank you for your email to our Chief Executive on 9 November regarding your enquiry into the Levelling Up Fund, Community Renewal Fund and UK Shared Prosperity Fund. As requested, please find below responses to your questions based on Aberdeenshire Council's operational experience of these programmes:

Levelling Up Funds

- the approach to identifying areas of priority places in round two (including the effectiveness of the updates and changes to priority places from Round one) and the investment themes;
Aberdeenshire remained as the lowest 'Priority 3' priority area in Round 2 although was successful with the bid it submitted. The use of the same investment themes as for Round 1 provided predictability and stability which are important factors when developing long term strategic projects.
- the process for bidding for round two funding and awarding successful bids;
The application process was robust and resource intensive, although not necessarily disproportionate for £20m grants. The provision of capacity funding of £125k to Local Authorities helped to provide the necessary resources to work up bids of sufficient quality. Notification of award decisions came later in the year than anticipated (January 2023).
- the extent to which any funding for successful bids in rounds one and two have been released, to what timescales (compared with any in your project bid) and how confident you remain that the outcomes/projects will be delivered within the agreed funding and timescales;
Funding has been released in line with projected spend, minimising the need for capital borrowing. The aforementioned delay in the notification of award decisions has delayed the start of projects. This may have an impact on the deliverability of projects within agreed timescales. Aberdeenshire Council's project is currently expected to deliver agreed outcomes within the agreed funding package.
- monitoring arrangements in place for Levelling Up funds.
Monitoring to date has been routine (i.e. quarterly reports), with an additional First Line Of Defence review also undertaken. No significant issues with the process have been identified so far. Training and guidance on monitoring, including 'Deep Dive' processes has been provided by the UK Government.

UK Shared Prosperity Fund (grant determinations for revenue and capital for 2022-23 and 2023-24)

- the process for agreeing and submitting your investment plan;

Timescales for drafting, consulting on and obtaining corporate approval for investment plans were relatively constrained, particularly due to them coinciding with Local Government elections and recess periods. In addition, there was a need to introduce new and specific governance arrangements (e.g. the establishment of a Local Partnership Group and application evaluation panels). The process for approval of the investment plan by the UK Government was relatively straightforward. Approval was received in December 2022, limiting time for in-year delivery. However, this was mitigated through the ability to carry forward spend to 2023/24.

- the extent to which the funding you were allocated will deliver the outcomes identified in your investment plan within the agreed timeframe;
Aberdeenshire expect to meet or exceed the vast majority of outcomes identified in the investment plan by the end of the programme period. Increased flexibility to carry forward funds across financial years has been welcome.
- the appropriateness of and flexibility provided by the UKSPF Interventions, Objectives, Outcomes and Outputs relevant for Scotland; The interventions are broad and generally provide for a wide range of projects to be supported. These could potentially be rationalised to remove duplication and simplify the programmes. Similarly, the number of outcome and output indicators is quite high and could be reduced. The provision of detailed indicator definitions is helpful but is not always being understood by organisations applying for funding.
- the adequacy of the administrative expenditure provisions
The 4% allowance for administrative expenditure has proved to be sufficient to date, with work focussed on managing application rounds primarily. However, resources may need to be reassessed when the number of live projects increases. It is anticipated that a significant level of grant claims will need to be processed in a short period of time in parallel to monitoring and evaluation activity. The relatively short programme period may present challenges for recruitment and retention of dedicated staff.

There are also a number of other funds which the [UK Government identifies](#) as contributing towards its ambitions for Levelling Up such as Multiply, the Community Ownership Fund, and the multi-sport grassroots facilities programme. The Committee would welcome any comments from you on your experiences of using these funds for levelling up. If you are in an area that includes one of the seven towns awarded funding through the [‘Long Term Plan for Towns’](#) initiative, we would also welcome your views on this.

Aberdeenshire Council has received an allocation of Multiply funding as part of its UK Shared Prosperity Fund allocation. There have been relatively few applications for funding from delivery organisations to date. Demand would likely increase were there greater flexibility in the use of this funding (e.g. for literacy as well as numeracy). As this funding is ringfenced for numeracy and cannot be used to support activities where there is more demand for funding, consideration is being given to procuring activity.

The Council's involvement in the Community Ownership Fund has been limited given that organisations apply directly to the UK Government. The fund has been periodically promoted to community organisations however. Similarly, there has been limited direct involvement in the multi-sport grassroots facilities programme although some project applicants have used this as match funding for UK Shared Prosperity Fund applications.

Finally the Committee would welcome any comments on the policy coherence between the UK Government's approach to levelling up and Scottish Government's policies and priorities.

The overall objectives of the UK Government and Scottish Government appear similar in terms of providing support for community and local economic development. In some cases, funds will complement each other but in others they may compete. Local authorities are working to co-ordinate this at the local level as far as possible with the funds they are responsible for managing. However, there are a number of different organisations distributing funds which can lead to some complexity in the funding landscape.

Kind Regards

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