



Chief Executive

Kilncraigs, Greenside Street, Alloa, FK10 1EB
Telephone: 01259 450000

Contact: Nikki Bridle

Direct Tel: 01259 452002

Email:

Mr Kenneth Gibson MSP
Convener
Finance and Public Administration Committee

Our Ref:

By email - FPA.committee@parliament.scot

Your Ref:

Date: 30 January 2023

Dear Mr Gibson

LEVELLING UP AND COMMUNITY RENEWAL - RESPONSE

We refer to your letter of 7 December 2022, regarding our experience of the Levelling Up Fund and Community Renewal Fund. Our comments are below.

Levelling Up Funding:

The approach taken in relation to identifying areas of greater need or priority in round two

- Clackmannanshire Council do not agree with the prioritisation methodology that was used in both the Levelling up Fund and the Community Renewal Fund, which seemed to reward large urban and very rural Local Authorities and disadvantaged small Local Authorities like Clackmannanshire that are not substantially rural.
- The methodology used for prioritising Local Authorities for the Community Renewal Fund did not categorise Clackmannanshire as a priority area, and the methodology used for the Levelling Up Fund prioritised Clackmannanshire as category 2 area (where Priority 1 was an area most in need and 3 was the least in need).
- The chart below shows a comparison of Clackmannanshire with some prioritised areas and a simple analysis of each area's respective SIMD profile. This highlights that Clackmannanshire is at least as comparable with other prioritised Local Authorities but fell short of being prioritised due to metrics that did not take into account the high proportion of poverty in Local Authorities as small as Clackmannanshire.

Local Authority	No. of Datazones in lowest 5%	No. of Datazones in Local Authority	%age of Datazones in lowest 5%	Prioritisation Rank	
				CRF	LUF
Argyll and Bute	2	125	1.6%	Yes	2
Clackmannanshire	4	72	5.6%	No	2
East Ayrshire	10	163	6.1%	Yes	1
Falkirk	5	214	2.3%	Yes	1
North Ayrshire	12	186	6.5%	Yes	1
Scottish Borders	1	143	0.7%	Yes	1
Western Isles	0	36	0%	Yes	2

How successful you have been in securing round two Levelling Up Funding and how the process for bidding for Levelling Up Funding in round two compares with round one (where relevant)

- Clackmannanshire Council has not yet submitted a bid to the UK Government's Levelling Up Fund.

The extent to which any funding for successful bids in round one has been released, to what timescales (compared with any in your project bid) and how confident you remain that the project will be achieved within the agreed timescales

- Clackmannanshire Council has not yet submitted a bid to the UK Government's Levelling Up Fund but would comment that the timescales for successful projects to complete appear prohibitively challenging.

The process for project evaluation, monitoring and subsequent reporting to the UK Government

- Clackmannanshire Council has not yet submitted a bid to the UK Government's Levelling Up Fund and so cannot comment on the evaluation, monitoring and reporting processes. However, we would welcome an approach where the evaluation and monitoring of projects dovetails to other significant investment programmes such as the Growth Deals, in which each local authority is already involved and which requires significant and sustained resourcing.

What you consider should happen after the 2024-25 deadline for the current Levelling Up Fund

- Clackmannanshire Council would welcome a future round of the Levelling Up Fund or another alternative funding stream that invests in the capital infrastructure of the area with the following adjustments:
 - We would ask that there are changes to the prioritisation methodology that takes into account Clackmannanshire's unique characteristics.
 - We would prefer any awarded projects to have a more realistic timescale to complete in future rounds.
 - One of the challenges that Clackmannanshire Council has faced is securing external support to produce green book compliant applications. We would welcome a more flexible approach to applications that allowed for different business case models as appropriate for applications.
 - We would also like to see a more generous timescale between applications being opened and application deadline.
 - Smaller local authorities, like Clackmannanshire, do not have the large, shovel-ready business cases that the larger local authorities have. We feel that smaller local authorities are disadvantaged in approaching the Levelling Up process as a result. We appreciate that each local authority received £125k capacity building funding but capacity is constituted of many components including opportunities to build strategic partnerships and capacity within and size of local third sector and community groups. Support to develop capacity in the widest context for those smaller local authorities would be a welcome development of future challenge funds.

UK Shared Prosperity Fund

The approach of using lead local authorities to secure funding, the appropriateness of the three key investment priorities the UKSPF will support, and the timescale over which it currently operates (2022-2025)

- Clackmannanshire Council is comfortable with the approach of using Lead Local Authorities to secure and administer funding and also with the three investment priorities. These seem to cover the main areas of concern and largely replace EU funding, with the exception of LEADER, whose absence is detrimental to community development. Although we have had our UKSPF investment plan approved, we have not yet received any funding for this current financial year and, as a result, we

run a risk of an underspend in this financial year. This means that there will really only be two years to deliver, which includes the procurement of services that further eats into the delivery timescales. We also face significant challenges in delivering a consistent programme of services due to the asymmetric funding profile over the three years with limited funding in year 2 and double the Year 2 funding amount coming to us in year 3.

The process of agreeing and submitting your investment plan and the extent to which any funding has been released

- We submitted our investment plan in August 2022 and understood that we should have heard the outcome in October. Timescales have slipped and we were informed in mid - December 2022, that the plan had been approved but, as yet, no funding has been received.

The appropriateness of and flexibility provided by the UKSPF Interventions, Objectives, Outcomes and Outputs relevant for Scotland

- We are reasonably happy with the appropriateness and flexibility of the interventions. Some of the aspects are somewhat incoherent – for example, there is a section for economically inactive people but there is no definition of what constitutes an economically inactive person and there is further vagueness over how some of the measures are reported. There was flexibility to add in other relevant/local outcomes and outputs within the plan. It was difficult to predict outcomes and outputs for some projects (for example in Year 3 we intend opening up a challenge fund for capital projects for the communities and place theme, so are unable to anticipate what projects will come forward or what outputs and outcomes they may deliver). However, we have been assured by UK Government representatives that the plan is 'flexible' and that outcomes and outputs (as well as funding) can be altered over the period of the funding to reflect local priorities and needs.

The adequacy of the administrative expenditure provisions

- We are not entirely sure what is meant here. Our total funding falls short of what we would have expected in Year 2, but is more than expected in Year 3. In total, funding is adequate but the allocation across years is challenging. In line with this, the administration fee is less than adequate in Year 2, but reasonable in Year 3.

Multiply

The approach to measuring progress through the Multiply success measures

- We are outsourcing our Multiply provision, and will measure progress through ongoing contract management in line with UKSPF requirements. Until we start delivery, it is difficult to comment on this.

The flexibility of the funding given it is to supplement existing adult numeracy provision

- We are not aware of any issues in this area and intend using a degree of common sense around flexibility in delivery. We have limited existing adult numeracy provision, so Multiply is welcomed and will certainly not duplicate any existing provision.

Community Renewal Fund

The outcomes from any pilots or programmes supported by Community Renewal Funding

- We had one successful project supported by CRF in Clackmannanshire (out of 4 submitted). The project was delivered over the period January to December 2022 and we are in the process of compiling our final claim and evaluation. Early

indications and on-going project monitoring indicate that the project has succeeded in meeting all targets and spend.

The evaluation of any projects or programmes including any work with the What Works Centre for local economic growth

- An external evaluation is underway on our CRF (pre-employability) project, and findings will be used to inform future employability programmes (including replacement ESF funded programme).

I hope that you find the above comments helpful.

Yours sincerely

Nikki Bridle
Chief Executive