

**SCOTTISH PARLIAMENT FINANCE AND PUBLIC ADMINISTRATION  
COMMITTEE**

**REPLACEMENT FOR EU STRUCTURAL FUNDS IN SCOTLAND**

***Submission by South Ayrshire Council***

**INTRODUCTION**

South Ayrshire Council welcomes the opportunity to provide updated information to the Committee on its experience with the various UK Government Levelling Up funding streams.

**LEVELLING UP FUND**

South Ayrshire Council did not submit any bids at round 1 of the LUF. Requirements for mobilisation and procurement activity before the end of March 2022 was not achievable at a time of already significant pressures on resources.

South Ayrshire Council submitted 3 bids for round 2 of the LUF:

- *Levelling Up For Ayrshire: Commercial and Low Carbon Infrastructure* - A joint bid with North Ayrshire Council including a proposal for new flexible hangar space at Prestwick Airport (request of £15 M funding from the LUF for this aspect of the project)
- *Ayr - Prestwick Active Travel* – This transport project includes the provision of a link from Prestwick Station to Ayr and the construction of a bridge over the River Ayr and upgrading of the promenade. £5M was requested as a contribution from LUF at Round 2.
- *New Leisure Centre Project* – £20M was requested to support the Leisure Centre project development in Ayr.

Bids were submitted when the bid portal opened in July 2022 and outcomes notified to the Council on 19<sup>th</sup> January 2023. Confirmation was received that all bids had been unsuccessful. Consultants were deployed to develop the bids given Council resource pressures and challenging timescales and requirements for submission.

The UK Government has confirmed that officials will provide written feedback on applications to support future proposals as soon as possible, but due to the volume of bids, feedback will not be immediately available.

Early consideration is being given to South Ayrshire proposals for round 3. From a practical point of view, it would be helpful if there was greater flexibility to extend the period for project activity beyond March 2025. Allocating expenditure on major capital projects into such a restricted timeframe is difficult to achieve unless the project has been fully developed with some approvals and consents in place.

## **UK SHARED PROSPERITY FUND**

South Ayrshire Council welcomes the fact that allocations for UKSPF were made by formula rather than through a UK wide competitive bidding process. This gives a degree of certainty to the Council to develop investments that support identified local priorities and economic strategies.

The UK Government announced the approval of our UKSPF Investment Plans on 5<sup>th</sup> December 2022 with the transfer of the first tranche of grant taking place now.. Flexibility on spend profiles, particularly for year 1 (up to 31 March 2023) would be welcome. A genuinely multi annual year approach would enhance the quality of interventions but requires flexibility to carry forward resources from one year to the next – all within the context of a long-term framework.

## **MULTIPLY**

The flexibility given in the UKSPF prospectus to allocate, following stakeholder engagement, the UKSPF budget across the 3 investment themes according to Council priorities is helpful and much appreciated. In contrast, the allocation for Multiply which accounted for over 17% of total UKSPF resources, was ring fenced. Notwithstanding the importance of improving adult numeracy levels, it is doubtful whether South Ayrshire Council would have determined such allocation if it had been given discretion on this matter. The programme could have been more effective by aligning and combining both numeracy and literacy interventions. The Multiply financial allocations follow an even pattern. It will be challenging to spend one third of our Multiply allocation by March 2023 and it would be extremely helpful if consideration was given to a possible roll forward of any underspend into 2023/24.