

# Finance and Public Administration Committee

## Replacing EU Structural Funds in Scotland

### Written Submission from Clackmannanshire Council

Dear Mr Gibson

#### Community Renewal Fund and Levelling Up

With regard to your queries on our approaches to the Community Renewal Fund and the Levelling Up Fund, I can advise as follows. Earlier this year, we held a detailed process for attracting, assessing and submitting applications to the Community Renewal Fund prior to 4 bids being submitted in June, and I can advise that our planning on the Levelling Up fund is still at an early stage. The detail to your specific queries is set out below:

#### The approach taken to identifying areas of greater need or priority

We chose not to target, and therefore not to limit, an area or sector to benefit from the Community Renewal Fund. Being a small Local Authority with a population of c. 51,400, we believed that greatest benefit would be delivered by extending the opportunity to as wide a demographic as possible rather than pre-determine who might be able to access the funds.

It is important to note that Clackmannanshire is an area of significant deprivation with Clackmannanshire placed in the lowest performing quartile of Scottish Local Authorities in terms of a wide range of socio-economic indicators including child poverty, deprivation, employment and health outcomes. The County was classified as a Priority 2 area i.e. not in the top 100 category because of the strongly weighted use of a GVA indicator which is, in our view, not considered a reliable indicator for smaller geographies. It suggests that Clackmannanshire is performing almost at the level of Edinburgh in terms of productivity which is misleading and likely to be the result of the performance of one or two locally based companies.

The Alliance, our Community Planning Partnership, recognises the significant challenges faced in some of our geographic communities, for instance South East Alloa . Our plans, therefore, aim to implement key activities within Clackmannanshire's Transformation Zones; with the regeneration of Alloa's Town Centre and the Forthbank area south east of Alloa being a priority.

## The process of bidding for funding including the types of projects we sought funding for

### Community Renewal Fund

We met with key stakeholders at an early stage regarding the administration of the Community Renewal Fund– this meeting included our third sector interface and the University of Stirling. This group proposed the approach to administering the Community Renewal Fund. The approach agreed invited Expressions of Interest to the fund, pre-appraised these Expressions of Interest and supported potential applicants to submit high quality applications. Many of the Expressions of Interest shared common aims, therefore, we organised a workshop, hosted by the University of Stirling, to consolidate and integrate bids, where it made sense, with the input of applicants and ensured that the duplication and overlap between bids was minimised.

Following this workshop, two drop-in sessions were held where applicants could discuss the fund and their project ideas to see if there might be scope for additional applications or space within existing, expected applications.

This approach meant that the Council was able to ensure applications would be high quality, would fit in with wider aims for the area and that they would be of a scale to appeal to the UK Government.

An independent Board was established which included an external member who was the Chair of the Tackling Poverty Partnership in Clackmannanshire. This Board received each application and scored them according to the same criteria used by the UK Government. They approved the four bids that had been received and submitted them to the UK Government along with the required documentation describing the processes undertaken.

### Levelling Up Fund

We have not developed any bids to the Levelling Up Fund yet.

## How successful we have been in securing funding

We were informed on 3 November 2021 that one of the four bids to the Community Renewal Fund was successful. The project 'Addressing Multiple Barriers to Employment: A Pre-Employability Pilot' will receive funding of £575,250.

## The appropriateness of any timescales and criteria which determine when, how and what funding must be spent

With regard to the Community Renewal Fund, the timescales between expected project start and completion were always going to be a challenge for applicants but are now significantly challenged due to the delays in notifying the outcome of bids.

The funding aims and criteria for the Community Renewal Fund were sufficiently broad and allowed a wide variety of types of project to come forward.

The timescales for the Levelling Up Fund are multi year but they are still a challenge for small Local Authorities like Clackmannanshire Council. Previous EU programmes supported 7 year funding programmes and that is what is required for long term, transformational interventions.

We have highlighted our view of the methodology used for determining the priority of Local Authority as being challenging for smaller Local Authorities. Clackmannanshire was not classified as Priority Level 1 because of a higher GVA per hour. However, due to the small size of Clackmannanshire, this rate is misleading as it was inflated due to the results of a few local companies that employ very few people. The methodology had a further negative impact on Clackmannanshire due to the 20% weighting of population density, as Clackmannanshire, though small, is relatively densely populated.

## What has worked well and what needs to be improved in terms of future funding approaches; including the extent to which the new and emerging (multi government) landscape of economic development will enable effective use of public funds

There was a good level of communication between the UK Government, the Scottish Office and Local Authorities in the run up to the deadlines for the two funds. This level of communication is to be welcomed. The delays and lack of feedback on progress towards the outcomes of bids submitted, however, is having a significant impact on the potential benefits that could be realised locally and is something which needs improved upon.

The breadth of the criteria for the Community Renewal Fund reflects the breadth of opportunities for communities to enact positive changes in their communities and this should be continued into the UKSPF programme.

The tight timescales for project design and delivery are extremely challenging. It would be helpful if multi-year funding approvals are established for the future.

The prioritisation methodology should be revised per earlier comments. In Clackmannanshire, we have worked hard with partners to develop cohesive and integrated approaches to transformation and this is reflected in bids for these funds and others. It would be helpful if the UK and Scottish Governments could consider more cross portfolio funding programmes rather than individual spending department programmes.

## **The sustainability of funding for longer term operation of projects or capital investment delivered under these funds**

Delivering our Community Renewal projects in the short timescales initially anticipated (August 2021 to March 2022) was always going to be challenging. Successful projects now have November 2021 – June 2022 for projects to be delivered, subject to grant award documentation being agreed. It is difficult to comment on sustainability when these projects have such tight timescales to be delivered, evaluated and completed. Confirmation of funding for longer periods (multi annual) as previously stated would greatly help in this respect and allow for longer term planning incorporating sustainability.

The sustainability of capital funding is a challenge for all Local Authorities now that budgets are so constrained.

## **The evaluation and accountability mechanisms in place or proposed to assess the effectiveness of any funding provided**

The requirement of all Community Renewal Fund projects to undertake an evaluation was a useful condition of grant as these would have built a strong picture of what works and what does not that would have enabled better targeting of projects in the future.

However, specific guidance was expected regarding how applicants would evaluate their projects but was not provided and there remains a narrow window to deliver and evaluate what are fairly large scale programmes.

Yours sincerely

Nikki Bridle  
Chief Executive