

Finance and Public Administration Committee

Replacing EU Structural Funds in Scotland

Written Submission from Renfrewshire Council

Dear Mr Kenneth Gibson MSP

The Finance and Public Administration Committee: work into the replacement of EU Structural Funds in Scotland

Thank you for the recent correspondence to Renfrewshire Council relating to the work of the committee and the issue of replacing EU funds in Scotland. This is an issue of significant concern for our council as we have been a successful applicant to EU funds for many years and have benefited greatly from the funds received.

I attach below (pages 2-7) a response from the Council relating to our experience of:

- Applying to Community Renewal Funds
- Applying to the Levelling Up Funds
- Replacing EU funding

I hope that our comments are useful and if you require any additional information then please feel free to get in touch.

Yours sincerely

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Community Renewal Fund

Overview: The approach taken to CRF in Renfrewshire

Renfrewshire Council decided at the outset to conduct an open and transparent process to identify potential CRF bids across the area. The Council committed to fully involving key Local Employability Partner agencies (a sub group of the CPP Partnership). Considerable effort was invested in identifying the potential local strategic relevance of CRF support and ensuring an open bidding process. This included:

- The formal invitation to bid to the Community Renewal Fund on the Council Website;
- An initial CRF summary paper to aid applicants.
- A series of consultations and discussions with a range of local organisations across the public and third sectors, and with relevant employer intermediary organisations;
- Preparation and circulation of a Renfrewshire CRF Application Guidance Pack which included:
 - An overall summary of the CRF based on the UK Government Prospectus (including key appendices);
 - Local developmental, assessment and approval process and timelines;
 - An indication of the available ongoing support to applicants;
 - Reference and links to other relevant local strategies and plans;
 - An initial Renfrewshire CRF Expression of Interest form.
 - A summary of initial partner views on potential CRF application in Renfrewshire (and in the longer term the Shared Prosperity Fund).
- A stand-alone local context paper summarising key local strategies and plans, and how these potentially related to/linked with CRF investment opportunities. This included the; Renfrewshire Community Plan; Renfrewshire Council Plan; Renfrewshire Economic Strategy; No-one Left Behind in Renfrewshire; Renfrewshire Economic Recovery Plan.

Renfrewshire Council agreed to take a partnership approach to the assessment process for preparing and prioritising the CRF bid. This included identification of a partnership-based assessment panel, supported by clear guidance notes. This is detailed further below.

As a potential applicant for CRF funding the Council developed additional levels of scrutiny and transparency in terms of the bidding and assessment process. A panel of CPP partners was established to undertake the appraisal and assessment process with representatives from West College Scotland, University of the West of Scotland, Engage Renfrewshire, Skills Development Scotland and Renfrewshire Chamber of Commerce meeting to discuss and appraise applications. Additionally,

an Independent Advisor from Smart Consultancy (Scotland) Ltd was appointed to provide advice and information to bidders through the initial phases of preparing applications, and to independently chair and provide secretariat support to the bid assessment process.

The work of the panel was supported by the preparation of a comprehensive pack for assessment panel members 'Renfrewshire Community Renewal Fund: Respective roles, protocols and assessment processes'. This detailed: respective roles within the CRF processes; panel processes; and protocols to declare and manage potential conflicts of interest.

The panel was forwarded all bids CRF assessment criteria, and CRF anticipated outcomes prior to a virtual assessment meeting on 24th May. This session was chaired by the independent advisor, and involved short presentations and Q&A sessions on each proposal. Bids valued at around £1.58 million were discussed, with all but 1 bid being progressed to a full application, At the meeting there was also consideration of how bids may be integrated and fine-tuned to maximise impact.

Following this meeting, support was offered to lead partners to fine tune, amend and integrate proposals as appropriate. This led to preparation of the full Renfrewshire Council which was presented to the Council's Leadership Board prior to submission to the UK Government.

Renfrewshire Response to Specific Scottish Government Questions re CRF:

Q. The approach taken to identifying areas of greater need or priority;

Renfrewshire was not a priority area for CRF and so the applications concentrated on those areas where a significant degree of "LEVELLING UP" was required. For example Renfrewshire's employment figures are considerably higher than the priority areas and so no bids for employability support were included. The area underperforms though on start-up (mostly due to the higher than average employment levels) and this is a local priority and so a partnership application was submitted by the Council and West College Scotland. Similarly the Net Zero agenda has a long way to develop and was also considered a priority.

In short we looked at known local priorities and matched these against the funding priorities and developed a list of those areas with greatest potential.

The process of bidding for funding including the types of projects you sought funding for;

The process is outlined in the overview above. Three applications were submitted:

Start Up Renfrewshire – to advance the scale of start up businesses across the area.

Net Zero Renfrewshire – supporting business changes required to achieve net zero.

Green Spaces, Play Parks and Village Investment Funds - a community led regeneration programme for greenspace and parks.

How successful you have been in securing funding;

Renfrewshire did not secure any funding from CRF.

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

From the outset it was difficult to develop projects which would last for only 6 months and would require to start immediately after decisions were to be made. This meant, for example, little time to appoint staff or procure services. This curtailed the development of good applications.

In addition, as Renfrewshire was not a priority area then many potential applicants did not apply and instead (for example some of the national vol orgs) applications to priority Local Authority areas were made instead. Those areas then had a competitive process where only the best applications were selected to progress. Non priority areas were unlikely to have this competitive process and potentially applications were not as good quality due to a lack of competition.

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

Local decision making is a key objective for the Scottish Government and it would be ideal if UK SPF was also delivered in that way to ensure the greatest possible alignment and integration of approach at the local level. Local Partnerships got experience of grant programmes with the CRF and Scottish Government are continuing with this approach through the NOLB agenda and the new focus on Local Employability Partnerships making decisions at a local level.

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

Multi-annual funding (from both governments) would be ideal in order to plan new services and developments and to ensure that significant impacts can be made.

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

Each project had embedded its own monitoring and evaluation process into the proposals. These processes would have been enhanced by a Renfrewshire CRF programme overview prepared in the spring of 2022 which would have focussed on key learning, sustainability options, and the specific ways in which the CRF activities will inform longer term application of Shared Prosperity Fund investment in Renfrewshire.

Renfrewshire Response to Specific Scottish Government Questions re LUF:

Q. The approach taken to identifying areas of greater need or priority;

The project submitted to UK Government seeking LUF funding was one that had been identified as a priority within Renfrewshire Council previously. This project aligned significantly with SG and UKGov policies and built on previous significant investment.

While the project had previously been taken to an advanced stage of Business Case development, and approved by Elected Members a fresh review of the project was undertaken in partnership with key external stakeholders to ensure previous findings were still appropriate in the current setting.

Q. The process of bidding for funding including the types of projects you sought funding for;

The project submitted was within the Large Transport category. However the principle drivers of the project are to improve sustainable travel options (public transport, walking, cycling), to link local communities to employment, education and leisure facilities via sustainable travel options; to improve local environment and enable businesses to locate and grow.

The bidding process involved conversion of the Business case into the prescribed format required by UK Gov. This did not alter the outcomes of the Business Case but did require differing presentation.

Q. How successful you have been in securing funding;

RC were successful in receiving the funds required which amount to 90% of the project capital costs.

Q. The appropriateness of any timescales and criteria which determine when, how and on what funding must be spent;

As the project was previously at an advanced stage, it was possible to demonstrate that this can be delivered within the required timeframe of the funding.

Q. 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.

The strategic national policies are well set out and communicated. Projects should therefore be deliverable which align to these policies. The challenge thus far has related to the development of projects to an appropriate stage, including stakeholder and public consultation to enable them to be in a suitably developed state to apply for capital funding when calls such as LUF are made.

The recognition of the need for revenue funding to allow projects to be developed suitably will make the use of the larger capital fund budgets more effective and efficient.

Q. The sustainability of funding for the longer term operation of projects or capital investment delivered under these funds.

Multi-annual funding (from both governments) would be ideal in order to plan new services and developments and to ensure that significant impacts can be made.

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

The project for which LUF has been awarded is based on a number of outcomes demonstrated through the Business Case. The monitoring of the outcomes can be undertaken using existing practices, over the timescales described within the

Business case. Such a process has been undertaken within City Deal funding governance and a similar approach is envisaged with LUF.

Renfrewshire Council response on EU Funding

Whilst EU Structural funds were disbursed through the Scottish Government, the Community Renewal Fund and the Levelling Up fund are, in Scotland, being made available from the UK Government direct to local authorities. The Committee seeks your views on this approach including its impact on spending in devolved areas by the Scottish Government, its potential impact on fair funding across local authorities, and how effective this approach will be in supporting national outcomes such as those set out in National Performance Framework.

While we would welcome an increased role for local authorities to co-ordinate and support partnership bids to the future SPF there are also some concerns regarding the transition away from EU Structural Funds.

Renfrewshire Council currently receives around £1.2M per annum from ESF and ERDF for the delivery of employability and business development programmes and previously also received around £300k per annum for the EU LEADER programme for rural development. We have concerns both around the implementation timescales for the transition to the UK SPF and the focus of future support. Our current ESF and ERDF services are well used and we would like to see the opportunity for similar types of support in the future if possible.

It is clear that 2022 will be a year of transition for all EU recipients but there are also two sectors where we can see some additional difficulties:

1. A considerable amount of ESF goes to the **FE / HE sector** across Scotland to bolster the skills agenda.

The co-ordination of the skills agenda and the funding to individual colleges and universities sits with the Scottish Funding Council at a national level. The skills agenda is felt to be mostly a regional agenda based on travel to work patterns and skills planning is therefore largely undertaken in regional geographies but at national level.

In Renfrewshire we have both a university (UWS) and an FE/HE college (WCS). Both of these organisations have campuses in other areas meaning that it would be very difficult, and impractical, to attempt to co-ordinate future SPF bids across areas. In particular, UWS campuses are across other Regions in Scotland. We have concerns that a future SPF allocation to Renfrewshire would be spread very thin if both the College and University were expected to bid into that local funding pot. At the moment the Council, College and University are significant EU Structural Fund applicants and so we hope that this would be considered either in

terms of a local pot or by an indication that FE / HE would be applying through a national pot of funding.

2. Similarly there is an issue with the large national voluntary organisations that operate across multiple local authority areas. These organisations often have a city base but reach into regional areas and support people in nearby local authorities. A number of these national vol orgs are reliant on ESF funding and it is hoped that a solution can be found to support them effectively in the new SPF process to be established.