

Finance and Public Administration Committee

Replacing EU Structural Funds in Scotland

Written Submission from West Lothian Council

The approach taken to identifying areas of greater need or priority

The methodology for developing an index of 'Top 100' priority places for the UK Community Renewal Fund was based around a number of metrics relating to productivity, skills, unemployment, population density and household income. In technical terms, a number of the indicators used to determine the scoring were based on data gathered from a single year. This can often result in sampling anomalies which could have been addressed by using indicators based on multi-year (2 or 3 year) averages.

A process whereby priority is given to the Top 100 areas does not necessarily lead to funds be awarded to the highest priority individual projects. Whilst it may have led to a more resource intensive appraisal exercise for the Department for Levelling Up, Housing and Communities, a set of criteria that did not provide weighting to Top 100 areas may have provided a fairer outcome to addressing needs and priorities across all areas.

Of the 56 successful bids for Community Renewal Funds in Scotland, it is noted that 45 of the bids were from Top 100 priority areas.

The process of bidding for funding including the types of project you sought funding for

The process of bidding for both the UK Levelling Up and Community Renewal Funds provided an opportunity for the council to submit its own applications in line with the published guidance, and also to work in partnership with neighbouring councils and relevant community partners to develop applications.

The timescales for undertaking this process were tight with the two investment funds being launched on 3 March 2021 and the deadline for applications being 18 June 2021. This required a tight turnaround for the council and its partners to consider strategic bids to support local growth, target people in most need and support community investment and renewal.

The process set the following challenges for the council:

- It was resource intensive at a time when council resources were already focused on supporting the council's Covid-19 recovery and renewal plans;

- It provided a relatively short timescale to engage with partners and to put processes in place to invite and assess external applications against the published guidance;
- It provided a limited window for scrutiny and consideration of bid proposals in line with the council's governance frameworks;
- Difficulty in identifying Community Renewal projects that would be fully deliverable by March 2022 (since extended to June 2022)
- Whilst it was understood that the Community Renewal Fund was set up on a UK Wide competitive basis with no guarantees of applications being successful, the pre-determined priority given to the 'Top 100' areas led to concern around the outcome of applications the council wished to submit, as West Lothian is not one of the assessed Top 100 priority areas.

The bids that were submitted by West Lothian Council, in summary were:

- UK Community Renewal Fund – A revenue funding bid for investment support for work-based skills development, which aimed to provide upskilling to over 80 businesses' and a minimum of 280 people
- Levelling Up Fund - A joint bid with West Lothian College to establish a Skills and Innovation Hub in West Lothian which would be linked with the university sector to provide a university presence in West Lothian. An application for capital grant funding was submitted to provide state of the art training facilities to meet the needs of growth sectors in West Lothian. This application complemented our separate revenue Community Renewal Fund bid for employability, skills and business investment.
- Levelling Up Fund – All-ways slip road at junction 3 of the M9 and associated improvement works on Linlithgow High Street which were of strategic network improvement importance and would support traffic flow and air quality management.

The council considered the applications put forward as being capable of delivering the objectives of both funds. The Community Renewal applications met objectives of investment in skills, investment in local business, investment in communities and place, and supporting people into employment. Our applications to the Levelling Up fund supported transport, regeneration and town centre investment.

Our applications to both funds were based around long term strategic objectives of Community Wealth Building, local growth, and targeting people in most need and supporting community renewal.

How successful you have been in securing funding

West Lothian Council have been advised of the following outcomes:

Levelling Up Fund (Round 1) – West Lothian Skills Hub application

We were advised by the Department for Levelling Up, Housing and Communities on 28 October 2021 that our application had been unsuccessful.

Levelling Up Fund (Round 1) – West Lothian Transport application

We were advised by the Department for Levelling Up, Housing and Communities on 28 October 2021 that our application had been unsuccessful.

UK Community Renewal Fund – Investment Employability, Skills and Business £2.298m

We were advised by the Department for Levelling Up, Housing and Communities on 3 November 2021 that our application had been unsuccessful.

As at the time of writing, there has been no detailed feedback provided by the UK Government on our unsuccessful applications.

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

As indicated above, the timescales for submitting bids for both investment funds were challenging for councils and for their partners.

It is noted that the deadline for spending awards for the Community Renewal Fund has been extended to 30 June 2022, however the delay in announcing successful bids until 3 November 2021 is likely to provide challenges for some successful applicants.

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

Whilst the council welcomes investment to support growth and employability across those communities most in need of support, the most successful outcomes to levelling up or shared prosperity require resources to be allocated based on need rather than through a challenge fund competitive approach.

Crucially public funding for revenue projects achieve the best results when multi-year funding is available. This allows for a more cohesive and strategic approach to tackling inequality than short term initiatives that are partly determined around

timescales for completion. This has been evidenced through the approach previously taken to allocating ESF and ERDF funding on a multi-year basis.

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

As indicated in the previous response, investment in community renewal projects that aim to upskill communities and improve employability prospects typically have better outcomes when a multi-year approach is adopted to award funding. Similarly, with Levelling Up funding, whilst infrastructure investment is welcomed, a longer-term approach to investment in capital infrastructure gives local authorities the opportunity to develop a pipeline of projects of varying sizes over the long term, which support overall long-term objectives, including investment in transport, regeneration and cultural assets. In West Lothian, this approach would complement the council's ten-year capital investment programme, and the integrated approach the council takes to delivering corporate priorities in line with revenue and capital plans. This approach ensures capital investment at a local level is co-ordinated and makes the best use of resources available to maximise the use of our capital assets for our communities.

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

As the council has been unsuccessful with applications to each of the two funding streams, we are unaware of the mechanisms put in place to assess the effectiveness of successful awards.

Impact on spending in devolved areas by the Scottish Government, impact of fair funding across local authorities, and how effective this approach will be in supporting national outcomes

As outlined above, the council welcomes additional investment being made available to support communities most in need, and to improve infrastructure investment. There are concerns around the fairness of the Challenge Fund process for the Community Renewal Fund, both in terms of the emphasis given to the Top 100 areas and the short-term criteria set for delivering projects.

Looking forward towards the roll out of the Shared Prosperity Fund, it is important that there is shared vision across all levels of Government in the objectives that shared prosperity funding programmes set out to achieve. There is therefore benefit

to the UK and Scottish Government's liaising over these funds, to coordinate objectives and timing of any other funding streams.

As previously highlighted, an approach that focuses of multi-year funding awards will provide a more effective approach for delivering both local and national objectives across Scotland.