

# Finance and Public Administration Committee

## Replacing EU Structural Funds in Scotland

### Written Submission from East Ayrshire Council

Dear Sirs

With reference to correspondence issued by Mr K Gibson, MSP and Convener of the Finance and Public Administration Committee on 4 October 2021 specifically relating to the experiences of Scottish Local Authorities in accessing the funds available from the UK Government under the Community Renewal Fund (CRF) and the Levelling Up Fund (LuF), East Ayrshire Council is pleased to be able to contribute to this discussion. East Ayrshire has for many years benefitted from support for our resident and business communities through various EU Structural Fund Programmes and has always welcomed the opportunities and needs based approach of these resources.

The focus for the Council now is to ensure that our communities are not penalised by the conclusion of current EU funding regimes and we have the support from Governments that we need to continue to deliver our economic wellbeing ambitions. To this end we have applied for support from the Community Renewal Fund (CRF) and are also preparing Levelling Up Fund (LuF) bids. Taking the questions in Mr Gibson's letter in turn we are able to provide the following comments and observations.

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

East Ayrshire Council supports the approach of the Government to identifying areas of need and welcome the opportunity afforded to it to apply to these new funds on that basis. To progress CRF bids, the Council made a call to community, third sector and businesses seeking proposals aligned to the themes of the CRF. The Council held a webinar for interested groups and provided a dedicated part of the Council's webpage to CRF and to the information needed to align bids with the CRF Prospectus. The Council subsequently reviewed all of the bids received and put them through the UKG Assessment Process and we submitted bids totalling £3m.

LuF – The Head of the Ayrshire Roads Alliance is producing a transport bid which will focus on connectivity. Colleagues in East Ayrshire Leisure are working closely with council staff to develop a heritage bid linked to town centre and a further bid which will focus on town centre regeneration is also being prepared.

All East Ayrshire's bids fit within the criteria of the funding and have robust business cases which demonstrate both need and opportunity and align to the ambitions of these funding resources.

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

The Community Renewal Fund bids submitted by East Ayrshire Council focus on employability and skills development and while a rigorous internal process was followed, the timescales initially set down by the UK Government were challenging and a longer lead in time to allow for mature discussion and project development would have been welcome.

The process for the Levelling up Fund will require councils to follow HM Treasury Green Book for project planning and management which means that the process for large value bids will undoubtedly require significant input, resource and support. Some of this resource is not readily available at present.

## How successful you have been in securing funding?

East Ayrshire Council did not submit any Round 1 LuF bids however the Council submitted 7 local CRF bids and we have recently received the outcome of the second stage review which was undertaken by Ministry of Housing, Communities and Local Government. Of the 7 bids submitted which amounted to £2,921,482, the Council was successful with 4 bids amounting to £1,298,319 with a 44.44% funding success.

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

The timeline for both CRF and LuF (Round 1) were extremely tight and the technical requirements meant that there was a significant amount of learning involved especially for community organisations and businesses that bids to the CRF. The range of eligibility criteria seems suitable and is focussed on elements and areas that are relevant and require support.

## 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 interaction with UK Government colleagues has been helpful and being able to directly make them aware of local conditions / issues helped the process as did the weekly Teams meeting with UKG (specifically colleagues in the Ministry of Housing, Communities and Local Government and the Office of the Secretary of State for Scotland (OSSS)). The creation of a LuF team in the OSSS will make matters easier going forward.

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

The LuF capital bids are only for local government and East Ayrshire Council already has plans that we would like to progress should funding become available. Therefore the issue of the recurring revenue implications of the project would need to be considered by prior to submitting a bid for the capital works. In East Ayrshire's case we are content that should the funding become available for the capital element then we will identify a revenue source for the operational costs going forward.

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

The monitoring and evaluation process for CRF bids will rest with local government and therefore processes will be deployed in the successful CRF projects to ensure that the outcome noted in the application are achieved. We acknowledge the Government's commitment to providing a contribution towards the costs which will be incurred by monitoring and evaluating projects.

## Views on the UKSPF being made available from the UK Government direct to Local Authorities.

Discussion with the UK Government has been very limited in terms of the UKSPF and we hope that links being established in the processes relating to CRF and LuF will facilitate that wider debate about the SPF. At the time of writing contact details of the new UK Government Team have been shared with the Council. While we recognise that traditionally EU funding has been managed by devolved administrations the mechanics of this has not been without challenges, particularly in the current Structural Funds programme, and we hope therefore that the SPF represents a new approach. While there will be clearly be a need to take account of the devolved administrations' existing role, East Ayrshire Council hopes that SPF will be a less bureaucratic and more targeted fund which moves away from the notoriously process heavy EU funds.

To support this, we believe the UK Government needs to share more information and improve its approach to consultation with us all; establish transparent criteria for the allocation of funds based on an assessment of relative need; devise a programme that operates over a period of at least 5 years to allow recipients adequate time to plan for delivery; and clarify how it will ensure that spending under SPF complements rather than duplicates those programmes managed by devolved administrations.

I trust that you will find this response helpful but of course should you have any queries in this regard or wish to discuss any element in more detail please do not hesitate to contact me.

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