

## Finance and Public Administration Committee

### Replacing EU Structural Funds in Scotland

#### Summary of written submissions

#### Background

The Committee has started to scrutinise what funding will replace EU Structural Funds in Scotland. So far details have emerged about the Community Renewal Fund (CRF) (the one-year precursor to the UK Shared Prosperity Fund (UKSPF)), the Levelling Up Fund (LUF), and the Community Ownership Fund (COF), all managed by the UK government.

The Committee agreed to start its work on this matter by seeking views from Scottish Local Authorities and the Scottish Local Authorities' Economic Development (SLAED) Group on these funds. The Committee received 17 submissions over the period October to November 2021 from:

- 15 local authorities – Angus, Argyll & Bute, Comhairle nan Eilean Siar, East Ayrshire, East Lothian, Falkirk, Fife, Glasgow, Highland, North Lanarkshire, Renfrewshire, Shetland Islands, South Lanarkshire, Stirling, West Lothian

- COSLA
- SLAED.

In seeking written evidence, the Committee asked about experiences of the CRF and the LUF in the following areas:

- the approach taken to identifying areas of greater need or priority
- the process of bidding for funding including the types of projects you sought funding for
- how successful you have been in securing funding
- the appropriateness of any timescales and criteria which determine when, how and on what funding must be spent
- 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 sustainability of funding for the longer term operation of projects or capital investment delivered under these funds
- the evaluation and accountability mechanisms in place or proposed to assess the effectiveness of any funding provided.

The Committee also sought views on:

- funding being made available from the UK Government direct to local authorities 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
- any details regarding the approach to and operation of the UKSPF.  
The structure of this paper reflects the question areas around which the Committee sought evidence.

## Experiences of the CRF and the LUF

### 1: Approach taken to identifying areas of greater need or priority

All the submissions provided relatively detailed responses on this matter. There were three common themes across the submissions: spatial scale, indicators used, and competitive nature of the funds.

#### Spatial scale

There were **mixed views on the appropriateness of the spatial scale** across the responding local authorities. South Lanarkshire was of the view that local authority spatial areas were correct, as previously used NUTS 2 regions and areas such as city deal regions were too large to address concerns. Whereas Glasgow City and SLAED expressed a view that many local authorities operate at a scale beyond local authority boundaries, such as the Glasgow City Region, and delivering projects a local authority level was not suitable.

**Rural and island local authorities had the greatest concerns with the approach to spatial scales and the associated indicators.**

Highland Council were of the view that the approach taken to identify areas of priority doesn't account for the circumstances in the Highland area, such as rurality, population flows and decline, and connectivity infrastructure. The Highland area was not a priority area for the CRF and ranked the lowest level '3' for the LUF. Under EU funding, the Highlands & Islands was a Transition Region and therefore eligible for a higher level of funding. Given these circumstances, the Highland Council commissioned the Fraser of

Allander Institute to undertake an analysis of the Levelling Up Fund and Community Renewal Fund with a focus on the Highland Council Area. According to Highland Council, the report found that:

- the Levelling Up Fund methodology is not sufficiently transparent. The categorisations should not have been published in the first place without the methodology prepared/published.
- the Levelling Up Fund methodology does not capture the need for transport connectivity in rural areas in Scotland and Wales. The transport connectivity element was included for England and this resulted in significantly more English local authority areas with low population density (so, rural areas) defined as high priority. If used in Scotland this may have had positive impact on Highland categorisation
- it is likely that the COVID pandemic and associated lockdowns have had a disproportionate impact on particular areas of the country particularly those who have a high proportion of employment related to social spending and tourism. Regional data fails to reflect these disproportionate impacts.
- FAI's replication of indices indicates that Highland was close to being categorised as Priority 2 (rather than the current Priority 3) –and thus excludes the impact transport connectivity could have made.

Angus, Argyll and Bute, and the Shetland Islands also had similar concerns about how rural needs were reflected. Shetland Islands Council told the Committee:

*"[they are] extremely concerned about the approach taken to identifying priority areas. In particular, it is felt that **the metrics used by UK Government do not fully take into account the disadvantages faced by peripheral island areas, which can be mitigated by targeted investments**. Previously, EU Structural Funds recognised and accounted for the difficulties experienced by peripheral areas and the need for greater support in terms of investment in infrastructure and social fabric."*

Shetland Islands Council stated they would encourage the UK government to review the approach taken to ensure the specific issues facing peripheral and island areas are recognised within the framework.

Fife Council highlighted concerns about the spatial scale of the LUF leading to inconsistencies, especially the constituency level approach, where 'areas of need become hidden'.

## Indicators used

Reflecting the concerns of rural and island areas highlighted above, Comhairle nan Eilean Siar had **concerns about the lack of use of transport infrastructure indicators in the Scotland methodology**, differing to the England methodology, for the LUF.

*“As regards the LUF, the Western Isles is a Priority 2 area which is disappointing from a Western Isles and an islands’ socio-economic perspective which is so dependent on transport infrastructure and lifeline services, given the emphasis on improving transport infrastructure in the LUF. A key area of difference between England and Scotland is the category around the need for improved transport connectivity. England has a 25% weighting towards its overall rate, but this category does not appear in Scotland’s indicators which is probably the area in which islands and the wider Highlands and Islands could have gained most.”*

Some submissions, such as West Lothian, highlighted that many of the indicators used were single year indicators, rather than multi-year averages, and thus there **could be sampling anomalies**.

Stirling were concerned that **the methodology and indicators used did not capture the significant polarity of wealth in the area**, ‘amongst the greatest polarity in the UK’. They believe some very deprived areas in Scotland are not in the priority places for the CRF even though they have higher levels of deprivation than some of those that are on the list.

*“As an example Argyll & Bute and Dumfries & Galloway are on the list but these areas do not have higher levels of deprivation than Dundee and Clackmannanshire, which are not on the list.”*

SLAED highlighted concerns around the indicators used and spatial scale, describing the process as a ‘*handicapping system*’.

*“The metrics used by the UK Government were not fundamentally about the allocation of funds but **essentially to provide a handicapping system for classifying local authorities** in bidding for these funds under a UK wide challenge fund.”*

South Lanarkshire believed the indicators and metrics were appropriate, particularly noting productivity measured by GVA was given priority and weighted 30% in the UKCRF. They were of the view addressing productivity was the most important single factor in economic growth.

## Competitive application process with no certainty

Many of the submissions highlighted that **significant resources were required to prepare and submit applications with no certainty of allocation** and ‘*pressurising already limited resources*’.

SLAED believed the competitive nature of the funds was ‘**enormously wasteful of scarce public sector resources**’.

*“This approach does not provide ex ante assurance that the majority of funds will be allocated to the highest priority areas. This is enormously wasteful of scarce public sector resources since most of the bids under this approach will be unsuccessful. The delay in announcing the UK Community Renewal Fund awards may reflect capacity limitations within the UK Government to manage an exercise of this magnitude.”*

South Lanarkshire stated that ‘*deep concern remains around the competitive nature of the funds and uncertainty on the final awards*’ and similar to SLAED highlighted the considerable resources required with no certainty.

North Lanarkshire, a top priority place for both the LUF and the CRF, also highlighted the uncertainty associated with the competitive nature of these funds and the ‘UK Government’s desire to ensure a balanced distribution of funding across the UK’. They believe ‘***there is no assurances that funds will be allocated to the highest priority areas*** (and this appears to be reflected in the awards made particularly for the LUF)’.

## 2: Process of bidding for funding including the types of projects you sought funding for

There were common themes across all the submissions about the process of bidding, these were:

- short timescales
- resources intensive
- insufficient lead-in time
- applications rushed
- delayed announcements.

In particular, many **submissions emphasised the resource intensive nature of the bidding process, when resources were already constrained due to COVID-19 and with no assurance of success.**

In terms of the CRF process, a number of submissions noted (e.g. North Lanarkshire, Falkirk, Shetland Islands, Highland) the lead authority had to develop a system (at pace) for inviting and assessing applications – whilst this was supported by information from the UK government it still took considerable time for officers to deliver, in addition to their existing workload. As the fund followed a UK wide open and competitive process, local authorities could not provide feedback to project applicants (e.g. community groups and voluntary organisations) during the shortlisting process to help them strengthen their bids before they were submitted to the UK government for funding consideration. It was felt that this may have enhanced a projects chances of success.

Falkirk Council noted that while **the themes for the CRF were not contentious, given the existing employability offer in Scotland (e.g. No One Left Behind, etc) it was difficult for projects focussing on employability alone to convince on the issue of additionality**. SLAED also made a similar point about employability and additionality.

Some submissions (East Ayrshire, Shetland Islands, Falkirk, East Lothian, North Lanarkshire) highlighted that **the LUF required HM Treasury Green Book planning and management, which required significant input, resources, and support**. East Lothian suggested that the UK Government should adopt the two-stage process used for City Region Deal funding *‘where enough information is given about a project to make a decision over whether to support and then a full business case is prepared for selected projects only. This will reduce the level of wasted resources’*.

In terms of the LUF, Fife Council's submission noted that the significant resources required to be able to develop a bid in such a short timeframe, particularly given the scale of applications invited, led to **many authorities being unable to meet the expectations and deferring submission of bids to future rounds**, as demonstrated in the below table.

### 3: Success in securing funding

Table 1 below illustrates the information received across the submissions about success in securing funding. The level of information contained in the submissions varied and this is reflected in the level of detail in Table 1.

**Table 1: Summary bid success from written submissions**

LA	LUF	CRF
Angus	1 bid which was unsuccessful.	Did not apply due to the financial threshold required for bids. At a time they were already trying to spend numerous Scottish Government funding streams targeting skills and employability, meaning ‘capacity to bid for new funds was too stretched’.
Argyll & Bute	Plan to pursue in future.	The majority of the projects submitted were feasibility studies, with a view to doing preparatory work for the LUF bid. 8 of 11 bids successful, resulting in circa £2m success of the £2.45m bid.
Comhairle nan Eilean Siar	Deferred the LUF bids to the second round of funding.	Submitted 9 bids totalling £2.93m. Two bids were successful totalling £166k.

East Ayrshire	Preparing future bids	Submitted 7 bids totally £2.92m - successful with 4 bids amounting to £1,298,319 with a 44.44% funding success.
East Lothian	Will prepare future bid	A pilot community-based project already under development to create a digital platform for the area's town centres and the project has received significant funding for an expansion and roll-out to towns across the local authority area.
Falkirk	Awarded £20,000,000 to support the Westfield Roundabout (Transport infrastructure improvement project).	Five bids were submitted totalling £2,866,401 and 2 bids were successful with a funding success rate of 40% at £2,866,401.
Fife	Did not make a submission to the first round of the Levelling Up Fund.	The submission included 14 projects and requested a total funding of £2,339,729. Confirmation has been received that 3 projects have been selected for funding.
Glasgow	One bid submitted (Pollok Stables and Sawmill) and it was successful.	2 of the 6 bids it had submitted were approved
Highland	Submitted three bids – 1 successful	Submitted 7 bids – only 1 successful.
North Lanarkshire	Unsuccessful in securing LUF monies despite being identified as a 'priority 1' area	Successful in securing funding for 5 out of 7 projects. This has resulted in almost £2.5m of funding from a requested £2.9m (86%)
Renfrewshire	1 bid which was successful	3 bids submitted and none successful
Shetland Island	Unsuccessful bid	Unsuccessful bids.
South Lanarkshire	Unsuccessful on an ambitious EV charging infrastructure bid, 'mistakenly assessed, and rejected on not meeting a technical	Awarded a grant for the single largest project in Scotland at £874k.

	gateway criterion of spend in 2020/21'	
Stirling	No bid made	As not listed as a priority area Stirling did not make any bids this time around due to competing resource pressures
West Lothian	2 bids which were unsuccessful	Submitted 1 bid – not successful

SLAED’s submission provided the following summary of Scottish bidding success for the CRF.

- In the CRF 28 of the 32 local authorities submitted at least one application to the fund
- All 13 local authorities designated as “priority places” submitted at least one application
- In total 176 eligible bids were submitted by Scottish local authorities (about one sixth of the total number across the UK). Of these bids 56 (about one third) were successful –the associated grant award was about £18.4m (9% of the UK total)
- Bids originating from priority places in Scotland had a much higher “success” rate (41%) than those from non priority places (16%)
- No local authority was successful in all its bids – 6 councils were unsuccessful in all their bids and 22 local authorities received approval for at least one of their bids.
- The allocation of the fund by UK nation fairly closely mirrors that of the 2014-20 EU Structural Funds programmes.  
Stirling’s submission highlighted that they did not bid CRF or LUF funding but noted a community led project in Callander was successful in securing funding from the Community Ownership Fund.  
Other viewpoints from the submissions about bid success included:
- Shetland were of the view that **applicants learning the outcome of their funding bids via a public announcement on a Government website ‘is fairly unsatisfactory’** and communication to applicants should have preceded a public announcement.
- Falkirk and Highland noted the **lack of an appeals process** and at the time of submission the **lack of written feedback**.
- South Lanarkshire noted frustration about the CRF guidance, while indicating projects of different size may be funded, **CRF specifically requested projects of scale and more than £500k but awards have focused on smaller projects in direct contradiction to the published guidance.**

#### 4: Appropriateness of any timescales and criteria which determine when, how and on what funding must be spent

Many of the submissions reiterated the points, highlighted already in this paper, about the short timescale and the resource intensive nature of the bidding process.



Again, in particular the CRF was identified in terms of the engagement and required for both local authorities and local groups. South Lanarkshire highlighted that the process required launching a local bidding process, supporting local applicants, and developing a robust assessment process for local applications and seeking local political approvals for key stages was challenging. South Lanarkshire believed that this process from inception to conclusion conducted within 3 months '*was deliverable but only just*'. Some submissions (e.g. South Lanarkshire, North Lanarkshire, Shetland, Falkirk, Fife) were **concerned about the '*unrealistic*' delivery and spend timelines for successful bids.**

**The requirement for activities associated with approved CRF projects, including evaluation, to be completed by 30 June 2022 was noted as a challenge.** It was acknowledged that the UK government had extended the completion date from 31 March 2022. However, as North Lanarkshire's submission highlights this was to take account of the late announcement of funds, which were due in late July and weren't announced until early November.

LUF projects, including large physical regeneration and transport projects of circa £20m, have been given until 2024/25 to spend all monies. This will be challenging given the size, scale, complexity and pace associated with projects of this nature. Fife note that **the requirement for LUF projects to be completed by March 2024 becomes more challenging for submissions in later rounds given the scale of capital projects to be delivered.**

*"As many capital projects across the UK are facing additional delays with the availability of materials, leading to increased costs, it is hoped that some flexibility can be built into the timescales as projects are delivered and so reduce the pressure on capacity for delivery locally and regionally in the market, and potential implications for costs, delay and sequencing investment."*

North Lanarkshire noted concerns that the **delivery timescales for the LUF may have meant that this funding could have been used as potential replacement funding or directed to areas not in greatest need of support.**

*"The timescales required, particularly for town centre project with more challenging problems (such as complex ownership mosaics, development restrictions etc.) cannot be resolved quickly and it appears that successful Local Authority bids largely had ownership of land/buildings or 'over-ready projects' with potential funding already in place. As such, to some extent, the delivery timescales may have meant that this funding could have been used as potential replacement funding or directed to areas not in greatest need of support."*

## 5: What has worked well and what needs to be improved in terms of future funding approaches

Many of submissions provided a lot of detail on areas for improvement, much of the issues have already been highlighted in this summary paper. The following bullet points capture the key areas for improvement noted across the submissions.

- **National competition process:** whilst a competitive model might be more flexible, it was thought the model is based on the perceived merit of an individual project rather than on general needs of areas, potentially leading to less developed areas losing out on funding. Competitive models are also extremely resource intensive for the applicant, which can be disadvantageous for smaller authorities. Submissions would like to see a move to ring-fenced funding at a sub-national level or a more needs-based system.
- **Timescales for bidding and delivery:** more realistic to reflect the type of levelling-up change trying to be achieved and allow local authorities to plan and prioritise projects which would drive change.
- **Longer-term commitments:** there needs to be a long term, multi annual approach of 5 to 7-year funding cycles. This allows for a more cohesive and strategic approach to tackling inequality than short term initiatives that are partly determined around timescales for completion. Submissions stated this has been evidenced through the approach previously taken to allocating ESF and ERDF funding on a multi-year basis.
- **Communication:** some applicants were disappointed to find out they had been unsuccessful through the public announcement and not in advance and would encourage more frequent and improved communication with applicants. There was also feedback about a lack of response to confirm if information had been accepted.
- **Collaboration across all levels of government:** need for a shared vision and commitment by all levels of government and local partnership decision making – with capacity building support. Projects should seek to gather information on fit with local, regional and national strategies to ensure that overlap is minimised, and authorities have the opportunity to explain the complementarity that exists between programmes and so ensure alignment with local and regional priorities.

Submissions from the Highlands and Islands area noted that national programmes should always have a territorial dimension, reflecting disparities between and within regions and stated that the most ‘*successful EU Structural Programmes in the Highlands and Islands were the most devolved*’.

*“Local authorities have largely been on the periphery of the current EU Structural Funds 2014-2020/22 programmes. That funding mechanism has not been successful and should not be replicated. National programmes should always have a territorial dimension, reflecting disparities between and within regions. As the precursor to these new UK Government Funds, it is worth noting that the*

*most successful EU Structural Programmes in the Highlands and Islands were the most devolved, e.g., the Objective 1 programme 1994-1999 and the HISTP Programme 2000-2006. The H&Is Convergence programme saw the emergence of Strategic Delivery Bodies and CPP mechanisms which had their difficulties in terms of delivery, while the current EU Structural Funds programmes 2014-2020 are heavily centralised at Scottish Government level, based on a Lead Partner model, consisting mostly of government departments, national or regional agencies. These programmes have been beset with decommitments, suspensions of funding, disproportionate audit regimes and underspends.”*

**In terms of what worked well in the process, examples were more limited.** Those provided included:

- support from the Ministry of Housing, Communities and Local Government (MHCLG) through weekly surgeries and continued development of FAQs worked particularly very well and built up a positive relationship between officers which has continued beyond the deadlines for the two funds.
- £125k revenue support per lead authority was welcomed, but it did not meet the cost associated with developing large scale capital bids within limited timescales and was limiting for multi-constituency authority areas.
- the creation of a LUF team in the Office of the Secretary of State for Scotland (OSSS) will make matters easier going forward.

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

Not all of the submissions provided a response on this matter. However, there was a clear theme from those submissions that did provide a view point.

It was thought **to ensure sustainability a multi annual approach was required**, some submissions noted the approach should be similar to the previous EU Structural Fund programmes. Such an approach would allow a degree of forward planning, project development, partnership working, maximisation of collective resources, and the sourcing of sufficient match funding.

There was a consensus that the **UKSPF should be able to blend capital and revenue awards**. South Lanarkshire provided LEADER as an example of a funding model that lessons could be drawn.

*“LEADER had no set “balance” of capital to revenue and local experts and projects could plan the best model. While this fund was exclusive to rural areas it would work well in delivering change in deprived urban areas. Fundamental though is resource to run the programme and LEADER allowed up to 25% to*

*engage with communities and develop capacity, this support help ensure sustainability of the investments.”*

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

Many of the submissions highlighted that **evaluation and accountability are covered in Section 9 of the UKCRF prospectus**. However, it was thought given the planned timescale for the rollout of the UK Shared Prosperity Fund, it was **difficult to see how the evaluation activity cited in the UKCRF prospectus could meaningfully have an input on the design of the UK Shared Prosperity Fund**.

None of the submissions referenced evaluation and accountability mechanisms in the context of the LUF.

East Ayrshire highlighted that 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 outcomes noted in the applications are achieved. East Ayrshire acknowledged the UK government’s commitment to providing a contribution towards the costs that will be incurred by monitoring and evaluating projects.

## Funding being made available from the UK Government direct to local authorities including its impact on spending in devolved areas by the Scottish Government – views on approach

Very few of the submissions provided a view on the UK government approach to provide replacement funding for EU Structural Funds direct to local authorities. East Lothian told the Committee there was **scope to create links between the funding of projects and the overall priorities that the Scottish Government has identified through the National Performance Framework and forthcoming National Planning Framework 4**, *‘which may be helpful in terms of the overall future allocation of funding’*.

West Lothian’s submission highlighted the **need for a shared vision**.

*“...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.”*

Renfrewshire highlighted concerns both around the implementation timescales for the transition to the UKSPF and the focus of future support. In particular, they noted that their current ESF and ERDF services were well used and they would like to see the opportunity for similar types of support in the future and **noted concerns around continuing FE/HE provision.**

*“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.”*

## Details regarding the approach to and operation of the UKSPF

Finally, respondents were asked, with the UKSPF due to begin in April 2022, about any details they could provide on liaison they have had with the UK government regarding its approach to and operation of the UKSPF.

Argyll and Bute Council told the Committee there has been officer participation in discussions with the Scotland Office and the Department of Levelling Up, Housing and Communities (DLUHC) meetings, including a recent Roundtable discussion focusing on rural issues, chaired by DLUHC and Defra.

The majority of the other submissions didn't provided details on engagement or liaison but instead respondents expressed a view on their preferred approach to and operation of the UKSPF.

East Ayrshire Council stated that traditionally EU funding managed by devolved administrations has not been without challenges and they hope that the UKSPF represents a new approach. East Ayrshire Council **would like to see a less bureaucratic and more targeted fund** 'which moves away from the notoriously

*process heavy EU funds’ and acknowledged ‘there will be clearly be a need to take account of the devolved administrations’ existing role’.*

Much of the submission from COSLA focused on the UKSPF and **the need for partnership working in developing the UKSPF approach.**

*“Considering the increasingly complicated delivery landscape as a result of EU returned powers including the power to provide financial assistance being declared a reserved power by the UK Internal Market Act 2020, **it is essential that the content of such a White Paper as well as the work of the new DLUHC Edinburgh team works hand in hand with existing arrangements and organisations in Scotland such as COSLA and others.**”*

*“The UKSPF is at the centre of a debate around a potentially historical refashioning of how sustainable economic development policies work across Scotland and the rest of the UK. There **will be difficult decisions to be made by both Governments, and COSLA will seek to work in partnership with both to ensure the best outcomes for our communities.**”*

COSLA also highlighted the **need to clarify the role of UKSPF is in rural areas** and commented:

*“It is worth insisting that the £1.5bn commitment is a net loss if rural development activities previously channelled through the EAFRD funding is also to be delivered by UKSPF.”*

In terms of the UKSPF, SLAED told the Committee they are **concerned about potential duplication of the ‘people’ dimension of the UKSPF with the existing employability offer in Scotland** stating - *“this would be wasteful of resources, cause confusion in the ‘market place’ and lead to poorer outcomes”*.

Other views on the approach to the UKSPF, reflect those expressed elsewhere in this summary paper; such as the following extracts from submissions:

- an understanding that **delivery will take time** is fundamental. Significant change will not be delivered by revenue funding alone and not in a condensed 6 –7 months duration
- needs to be a **blend of capital and revenue funding over multiyear timescales** with local authority coordination on timescales and local priorities
- a competitive funding process will not secure a fair and proportionate allocation of UKSPF, instead there **needs to be a regional or local ring-fenced funding element**
- clarify how the UK government will **ensure that spending under UKSPF complements rather than duplicates those programmes managed by devolved administrations**

- the UK government needs to **share more information and improve its approach** to consultation with partners
- different areas of the UK have different problems, and a UK-wide approach to bidding lacks a strategic focus and the ability to level up focusing on local issues. There is **concern that areas in need across remote rural and island communities, with low population densities will not receive parity of support** from the UKSPF compared with densely populated areas where the scale of need is incomparable, but the impact is not.

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