

# UK Shared Prosperity Fund

Investment Plan  
2022-2025



Funded by  
UK Government

**LEVELLING  
UP**



North Ayrshire Council  
Comhairle Siorrachd Àir a Tuath



# Executive Summary

The UK Shared Prosperity Fund (SPF) is part of the UK Government's Levelling Up agenda. £2.6bn funding is available across the UK between April 2022 and March 2025, with the commitment to 'level up' all parts of the UK, reducing regional disparities. The Fund is delivered centrally by the Department of Levelling Up, Housing and Communities (DLUCH) with awards made directly to local authorities.

The overarching objective of SPF is to build pride in place and increase life chances. The fund has three investment priorities in addition to an earmarked amount set aside to deliver adult numeracy activities entitled Multiply.



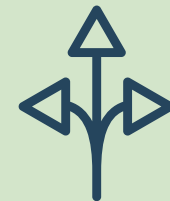
**COMMUNITY  
& PLACE**



**SUPPORTING  
LOCAL BUSINESS**



**PEOPLE  
& SKILLS**



**MULTIPLY**

# SPF replaces European Social Fund (ESF) and European Regional Development Fund (ERDF) funding which in North Ayrshire has funded employability and business support services.

The SPF allocation for North Ayrshire over the three-year programme is £6,200,649 which comprises £5,129,864 core SPF and £1,070,795 Multiply Fund. In order to access this funding, a detailed investment plan is required for submission to UK Government by 1st September 2022 with delivery of activity commencing following approval.

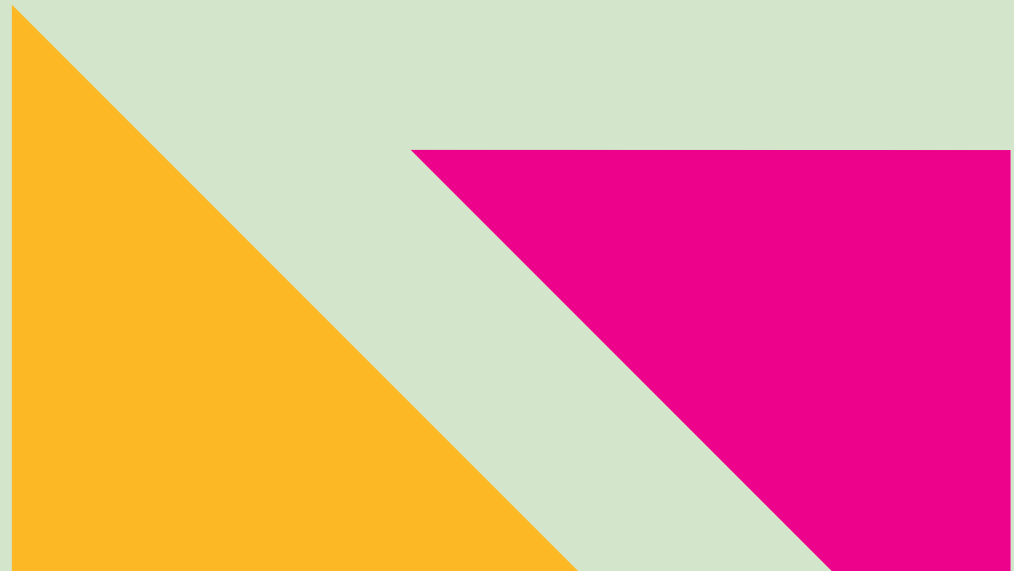
The process to develop the funding bid for submission to UK Government has included research and consultation stages. A review of national, regional and local literature highlights a number of challenges and opportunities facing North Ayrshire towards which SPF funds could be aligned. These include low levels of skills attainment, low productivity/GVA, higher levels of poor physical and mental health and higher economic inactivity, levels of unemployment and deprivation. There is a commitment to shape the economy in North Ayrshire around wellbeing and inclusion, using Community Wealth Building as a means to deliver a just transition, through the North Ayrshire Community Wealth Building Strategy.


The stretches of coastline and two islands present opportunities for various facets of the blue economy and tourism and the proximity to the Glasgow City Region presents a particular opportunity for the visitor economy. The islands face particular challenges around infrastructure, rurality and housing availability. There are significant pockets of derelict land with many as a result of deindustrialisation. The Council's Vacant and Derelict Land Strategy aims to bring these pockets of land back into productive use including for housing and commercial development but also for food growing and community use. This fits well with the Council's CWB ambitions.

There is the opportunity to add value to the SPF investment by linking into other investment programmes underway at a local and regional level. These include the £251.5m Ayrshire Growth Deal, the new regional Community Led Local Development programme and a number of local authority led grant schemes. A new Regional Economic Strategy is being developed by consultants CLES, for publication later in 2023. It is intended to use the strategy to guide future investment in the region including SPF investment.

In terms of consultation, key stakeholders were involved in the development of the SPF bid. In May 2022, the Council established a short life steering group, with a dual purpose of guiding the development of the proposed delivery method in addition to identifying current internal strategic projects that represent a good fit with the Fund's objectives.

The steering group developed an overall approach to delivery of the Fund which will sustain existing levels of support and outcomes for employability and business support services, with parity between SPF and EU fund levels. Following deductions of 4% to cover the costs of administering the Fund, the balance of core SPF funding will be allocated under the Community & Place priority. The SPF prospectus states that the investment plan should be produced in partnership with other local and regional stakeholders.





To maximise the opportunities to engage and secure support for proposals, officers attended the following meetings to present on SPF proposals and invite feedback:

- ▶ Local Employability Partnership;
- ▶ Regional Skills Group;
- ▶ Ayrshire Regional Economic Partnership Board;
- ▶ Regional Strategy Steering Group;


In addition, officers engaged directly with the Third Sector Interface for North Ayrshire, The Ayrshire Community Trust (TACT) in order to raise awareness of the fund amongst third sector organisations in North Ayrshire. This was followed by an awareness raising drop-in session held in Irvine for third sector organisations currently delivering employability services on behalf of the Council or looking to be considered for service delivery in future.

In order to determine demand for a competitive grant scheme option to deliver the Community and Place priority, an expression of interest form was developed for community organisations. The results highlight a clear demand for an element of SPF to be delivered on a

competitive grant basis and this is reflected in the approach taken. Approximately 21% of the overall funding allocation has been allocated to the Community & Place priority and related outcomes.

Proposals will aim to meet demand coming from community organisations across North Ayrshire along with allowing a number of smaller scale strategic Council-led projects to proceed. The approach will be as follows:

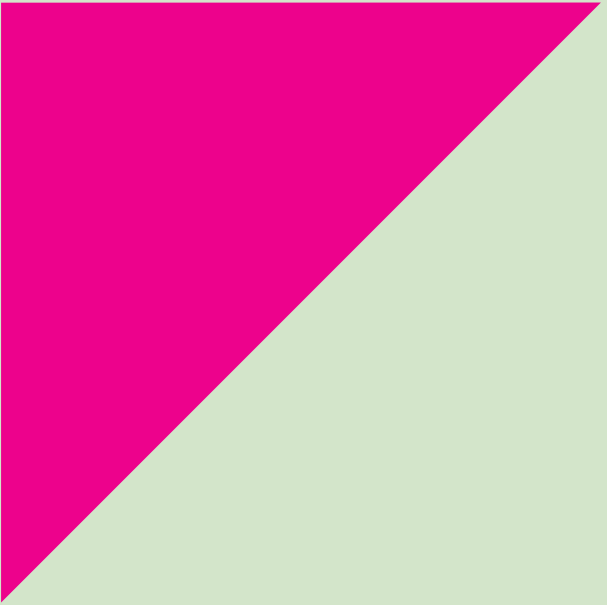
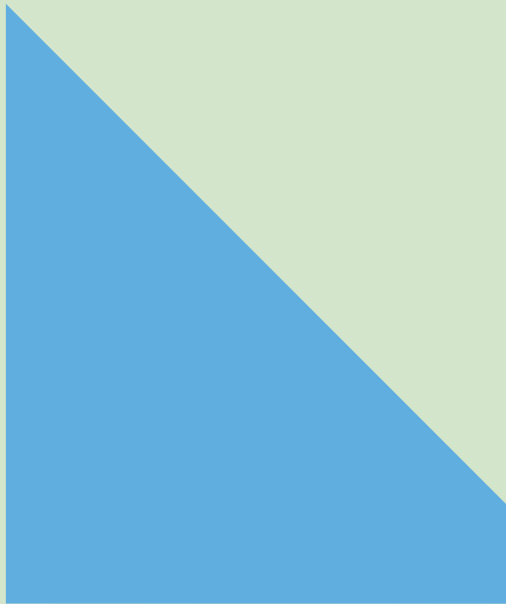
- ▶ 1% of the total fund will be allocated to participatory budgeting, following the Council's commitment towards this;
- ▶ A proportion of capital and revenue funding will be ringfenced to support smaller scale internal projects that meet the aims and objectives of SPF and allow the Council to meet strategic goals;
- ▶ A significant proportion of the Community & Place budget will be allocated to a competitive grant scheme. This will offer capital and revenue grants to local community organisations and it is intended that grants of between £10,000 and £100,000 will be made available.



In terms of operation and governance, the Fund will be staffed by two dedicated posts funded directly through the 4% administration allowance. These will be a Programme Manager and Compliance Officer. Thematic groups will be set up to manage each funding priority and the short life steering group will be repurposed as an SPF Governance Group which will meet on a monthly basis. There will also be a significant level of corporate support to the programme through Corporate Finance, Procurement, Legal Services and HR.

Funding is allocated on an annual basis, paid up front to the Council, with in-year spend required. Current guidance advises that there will be no opportunity to carry forward funds between years. Funding ramps up from an initial allocation of £946,284 in Year 1 rising to £3,635,722 in Year 3.

An expenditure profile has been prepared in conjunction with Corporate Finance that meets the requirements of the Fund.





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# 1.0 Introduction

## 1.1 UK Shared Prosperity Fund

The UK Shared Prosperity Fund (SPF) is part of the UK Government's Levelling Up agenda. £2.6bn funding is available across the UK between April 2022 and March 2025, with the commitment to 'level up' all parts of the UK, reducing regional disparities. The Fund is delivered centrally by the Department of Levelling Up, Housing and Communities (DLUCH) with awards made directly to local authorities.

The overarching objective of SPF is to build pride in place and increase life chances. There are four levelling up objectives underpinning this:

- ▶ Boost productivity, pay, jobs and living standards by growing the private sector, especially in those places where they are lagging;
- ▶ Spread the opportunities and improve public services, especially in those places where they are weakest;
- ▶ Restore a sense of community, pride and belonging, especially in those places where they have been lost; and
- ▶ Empower local leaders and communities, especially in those places lacking local agency.

The fund has three investment priorities:

- ▶ Community & Place
- ▶ Supporting Local Business
- ▶ People & Skills

In addition, there is an earmarked amount set aside to deliver the Multiply programme, an adult numeracy strand of SPF.

SPF replaces ESF and ERDF funding and in North Ayrshire this has funded employability and business support services. The SPF allocation for North Ayrshire over the three-year programme is £6,200,649 which comprises £5,129,864 core SPF and £1,070,795 Multiply Fund. In order to access this funding, a detailed investment plan is required for submission to UK Government by 1st September 2022 with delivery of activity commencing following approval.

## 1.2 Structure of Business Plan

This Business Plan has been compiled by North Ayrshire Council to support the Investment Plan and to guide the delivery process of SPF. The document is structured as follows:

- ▶ Section 2 provides a national, regional and local policy context and draws conclusions on the need for SPF investment and emerging opportunities;
- ▶ Section 3 focuses on need and demand, providing statistical evidence, historical evidence from the Council's ERDF and ESF funded activity and the results of stakeholder and community engagement that have highlighted demand for SPF and shaped the delivery approach;
- ▶ Section 4 highlights the investment proposals and sets out how North Ayrshire Council intends to deliver SPF from 2022-2025, in direct response to the evidenced need and demand;
- ▶ Section 5 sets out the project management process, including the process involved in the development of the investment plan and the proposed governance arrangements for delivery of the Fund;
- ▶ Section 6 presents a risk assessment;
- ▶ Section 7 details the financial proposals for the SPF programme and this is supported by a full financial breakdown shown in Appendix E;
- ▶ Section 8 lists the proposed interventions, outputs and outcomes from the SPF prospectus to be delivered by the SPF programme;
- ▶ Finally, Section 9 to the Business Plan considers the approach to be taken in potential future rounds of SPF, considering the emerging regional approach to economic development with East and South Ayrshire.

## 2.0 Policy Context

### 2.1 Literature Review Highlights

The Centre for Local Economic Strategies (CLES) has been engaged by the three Ayrshire local authorities to assist in the production of a new Regional Economic Strategy for Ayrshire (see Section 2.2.4 for more information). The Regional Economic Strategy will facilitate the deployment of investment through the Ayrshire Growth Deal and Shared Prosperity Fund to where it can have the most impact using Community Wealth Building principles. As part of the development of the strategy, CLES has reviewed a number of documents which cover North Ayrshire from a national, regional and local perspective. These are listed in Appendix A to this Business Plan and include the National Strategy for Economic Transformation at a national level, various regional strategies around the Growth Deal, food and drink, tourism, Community Wealth Building and skills, and a number of local Council strategic plans. A review of the key themes emerging from this literature review is presented in the following sections.

### 2.2.1 Community Wealth Building

North Ayrshire made a commitment to be Scotland's first community wealth building council in 2019 prior to the Covid-19 Pandemic. This commitment was made in recognition of persistent challenges faced by North Ayrshire around deprivation and a desire to build a more resilient and inclusive local economy. Through that commitment, North Ayrshire pledged to work across all services and with wider local and regional partners to implement community wealth building. Subsequently, a Pan-Ayrshire Community Wealth Building Commission was established in 2020 which included East and South Ayrshire. North Ayrshire Council backed up its commitment to community wealth building by recruiting dedicated staff, creating a £3M project from Ayrshire Growth Deal funding and measuring and publishing annual progress towards key performance indicators.

The literature review shows a commitment to shape the economy in North Ayrshire around wellbeing and inclusion, using community wealth building as a means to deliver a just transition. North Ayrshire is embedding community wealth building in its corporate approach and encouraging anchor institutions to adopt similar approaches. Community wealth building is also stated as a core component of the Ayrshire Growth Deal and will be the central tenet of the Ayrshire Regional Economic Strategy.

North Ayrshire's adoption of community wealth building was closely followed by the Scottish Government which funded five pilots around Scotland in 2020 and 2021 . On the back of these pilots, the Scottish Government appointed the world's first Minister for Community Wealth and has pledged to present a Community Wealth Building Bill in this parliament. Experts who have been closely involved in the development of community wealth building in North Ayrshire are involved in the drafting and consulting of the Bill. North Ayrshire is widely acknowledged as being at the vanguard of community wealth building in Scotland and regularly shares knowledge and case studies with other areas around the UK.

### **2.2.2 Geography**

North Ayrshire has a mixed geography with towns and smaller settlements sitting to the west of the Glasgow City Region. The literature review has shown that North Ayrshire shares a regional identity with South and East Ayrshire and that the region is committed to making Ayrshire a desirable place for people of all ages to live full and thriving lives. There is an intention to support this through the development of brand "Ayrshire" including signature events that will draw visitors from across and beyond the region.

North Ayrshire has stretches of coastline, including the islands of Arran and Cumbrae, that present opportunities for various facets of the blue economy such as fishing, offshore wind and tourism. The proximity of North Ayrshire to the significant population in the Glasgow City Region presents a particular opportunity in the visitor economy with the coast, islands and marine environment serving as a unique selling point. There is a commitment to invest in marine and coast infrastructure around the Clyde coast.

### 2.2.3 Islands

North Ayrshire encompasses the islands of Arran and Cumbre which have unique challenges and opportunities. Like most island economies, their infrastructure and rurality can be a limitation and are highly dependent on their often-unreliable ferry service. Other key challenges (which the pandemic has tested the limits of) include the availability of affordable housing, a reliance on and the impact of tourism, labour shortages and demographic changes. Both islands have their own Local Island Plan, and there is a new officer post to test new ways of working across stakeholders whilst delivering objectives of the National Islands Plan and principles of community wealth building.

### 2.2.4 Regional Working

It is evident from the literature review and also the Regional Economic Strategy stakeholder consultation that there is a commitment to regional working where appropriate. This includes working with South and East Ayrshire in a one Ayrshire approach but also with Dumfries and Galloway as part of a South West Scotland cluster. Furthermore, Arran and Cumbrae are included in the Highlands and Islands grouping and benefit from consideration paid to their particular features. The willingness of North Ayrshire Council to work

with partners beyond their administrative local authority boundaries is important not only for public sector partners but also helps to take account of the perspectives of businesses, communities and residents who do not necessarily relate to or operate within such boundaries.

The literature review supported by the stakeholder engagement shows an intention to ensure that all residents, particularly those from more deprived areas and challenging circumstances, can benefit from the investment opportunities created by Ayrshire Growth Deal investment and future funding such as the Shared Prosperity Fund. Community wealth building is seen as a vital tool in ensuring that investment into the region sticks in place and creates fairer and more inclusive outcomes.

North Ayrshire Council has been working with its colleagues in South and East Ayrshire to identify where regional working could deliver broader benefits including knowledge sharing, avoiding duplication and developing a consistent approach for anchor organisations that are already operating across administrative boundaries such as the NHS, the Police, Fire and Rescue. Certain pan-Ayrshire strategies already exist, of which some have strong thematic overlap with the six Regional Economic Strategy workstreams of Aerospace, Clean Growth,

Food & Drink, Visitor Economy, Digital and Skills. These include the Ayrshire and Arran Tourism Strategy and the recently adopted Ayrshire Regional Skills Investment Plan.

Funding streams such as the Ayrshire Growth Deal and the Shared Prosperity Fund will be critical for ensuring that the ambitions set out in the workstreams and accompanying strategies translate into positive outcomes for households, communities and businesses across the region.

## 2.2.5 Challenges and Opportunities

The literature review shows that the Council and other anchors in North Ayrshire are under no illusion when it comes to the scale of socio-economic challenges. The following challenges are particularly persistent when compared to regional and national statistics and are likely to have worsened during the Covid-19 pandemic:

- ▶ Low levels of skills attainment;
- ▶ Low productivity/GVA;
- ▶ Higher levels of poor physical and mental health;
- ▶ Higher economic inactivity, levels of unemployment and deprivation.

Despite these challenges, the region has distinctive strengths that it could build on and opportunities it could exploit to improve performance and realise its full potential. The visitor economy, the blue economy, construction, manufacturing, food and drink sectors and health and social care are particularly important sectors to North Ayrshire's current and future economic potential. The literature review shows a desire to weave innovation including digital connectivity and skills throughout all sectors. The need for improved hard infrastructure is also evidenced and particularly important for rural areas.

At present, the public sector plays a large, and arguably oversized, role in the area's economy and is a significant employer. This presents an opportunity to use the collective heft of the anchor institutions to deliver an inclusive economy through the full deployment of the five principles of community wealth building - spending, workforce, finance, land and property and inclusive ownership. The Ayrshire Regional Skills Investment Plan highlights the importance of the foundational economy, a section of the economy (in particular health and social care) which is a major source of employment in Ayrshire.

Like many areas of the UK, there is a significant shortage of staff in health and social care and, unless addressed promptly, risks further compounding the poor health and wellbeing statistics in the area.

North Ayrshire, alongside its regional partners, has identified key themes to drive their economic recovery from Covid-19 and work towards a just transition. Raising the level of skills attainment is critical to this, not just amongst young people but all groups. The recently adopted Ayrshire Regional Skills Investment Plan places an emphasis on developing hard and soft skills for all sectors and the need for transferrable skills.

There is also a common theme around raising the aspiration of children and young people through greater awareness of the variety of jobs and opportunities in the area. North Ayrshire was the first Child Centred Council in Scotland and has a specific strategy for Youth Partnership and Citizenship. This means that young people are involved in policy discussions at biannual Joint Cabinet meetings, in the six Locality Partnerships and, through Youth Forums held in each of the six localities in North Ayrshire. The views of young people in Ayrshire will be considered when drafting the Regional Economic Strategy.

The North Ayrshire Local Employability Partnership is working across the public and third sector to support individuals and groups who may be far from the labour market with skills development and provide wrap-around support to enable them to enter and stay in the workforce. The partnership is particularly focussed on addressing the poor mental health levels in North Ayrshire and it is highly possible this will emerge as one priority for the Regional Economic Strategy. The literature review shows that there are national and regional programmes in place to support young people such as the Young Person's Guarantee. Some stakeholders have mentioned the importance of also supporting individuals who are in their late 20s and 30s who may slip through the cracks and fall into economic inactivity or underemployment.

### **2.2.6 Private Sector Engagement**

There is an entrepreneurial culture within the region, given the significant proportion of micro and small businesses that support the regional and local economies. This suggests that local businesses are a key draw of the area, although this is not to discount the national significance the region has for some sectors, including the food and drink sector in North Ayrshire and housing 30% of Scotland's aeronautics sector in neighbouring South Ayrshire. These sectors are key selling points for the region. In particular, they create employment opportunities for



people across the region who travel for work within and beyond the region's borders. Demonstrating how these sectors can create good jobs across the region will be a key component of the Regional Economic Strategy .

The optimistic survival rate of businesses in the area over the past five years suggests that the region is a positive destination for local, and larger enterprises to locate, and highlights the importance in coordinating business support activities across the region. The private sector businesses consulted with in the development of the Regional Economic Strategy have voiced the need to increase pace of action with the public sector and the risk of a cluttered policy landscape, but are committed to playing a role in helping the region's economy to thrive. Similarly, the social enterprise sector is keen to deliver community wealth and participate in delivering on public sector contracts but has asked for more support in understanding how they can do this.

There is progress to be made around capacity building and ensuring that this sector continues to play its important role. One mechanism for doing this is ensuring that social enterprises and other third sector partners receive fair funding arrangements when delivering on public sector contracts. Another key ask is ensuring that third

sector organisations are compensated when providing their knowledge and community insight in the co-design of programmes for example.

## **2.2.7 Vacant and Derelict Land**

Like many areas in Scotland there are significant pockets of vacant and derelict land in the area, many as a result of deindustrialisation. The decline of the high street was already a concern that has been accelerated by the Covid-19 Pandemic.

There are now many vacant commercial properties in the town centres across Ayrshire which could be repurposed including for community use. North Ayrshire has the second highest level of vacant and derelict land in Scotland with approximately 1,203 hectares of land over 212 sites . 25% of these sites are owned by North Ayrshire Council or other public bodies.

There is a link between areas of high deprivation and proximity to vacant and derelict land. As such, bringing these sites back into productive use is of critical importance.

The diverse nature of the issue means that a one-size fits all approach including funding pots will not be successful. Large public funding is vital for land remediation and kick-starting large projects, as the risk profile is often too great for private and community investment.

North Ayrshire Council has a Vacant and Derelict Land Strategy to bring these pockets of vacant and derelict land back into productive use including for housing and commercial development, but also for food growing and community energy. The site adjacent to the Circuit at Quarry Road, Irvine shows an intention to create a mixed-use site that will promote health and wellbeing.

Another example of a future mixed-use site is the Ardrossan North Shore which will be redeveloped following remediation after having been vacant for 30-40 years. Initial funding from the Vacant and Derelict Land Fund has been used to investigate the site and design a plan. The future site will include sports pitches for school and community use, housing comprised of both private and social, a coastal path, an International Marine Science and Environment (IMSE) facility, as well as commercial, public spaces and tourism facilities.

The Repurposing Property Grant Fund was launched in early 2022 by North Ayrshire Council to support landowners and community groups to bring vacant land and properties back to use. The fund is part of the Community Wealth Building Strategy and Regeneration Delivery Plan. Stage 1 of the Fund has an allocation of £200,000 and has been earmarked for feasibility studies. It is clear that greater funding from both public and private investment will be needed to translate these plans into meaningful action.

## 2.2.8 Clean Growth

The National Energy and Demonstrator programme and offshore floating wind production facility at Hunterston is referenced in the literature as being critical in leading research, development and manufacturing, providing Scotland and the UK with the capability to lead the UK and Scottish decarbonisation agenda. Beyond Hunterston, there is emerging attention being paid to the importance of environmental sustainability and biodiversity protection in various sectors including the strategies for food and drink, the visitor economy and the Ayrshire Indicative Regional Spatial Strategy, which set out of a plan to develop a low carbon resilient region. Affordable, modern and well-designed homes are part of this strategy and tie into wider national priorities around the decarbonisation of

housing stock and the reduction of fuel poverty. North Ayrshire's Community Wealth Building strategy states that community wealth building is a key tool to enabling the council to achieve its ambitious net zero carbon target by 2030. The anchor institutions in the region are also actively engaged in sharing knowledge and working collectively to improve sustainability and meet net zero targets including land and asset use and shortening supply chains. This includes NHS Ayrshire and Arran whose lead for energy, environment and sustainability will be interviewed as part of the stakeholder engagement for the Regional Economic Strategy.

### **2.2.9 Metrics**

Finally, the literature review shows a change in emphasis towards using wellbeing measures to assess the impact of interventions. The adoption of wellbeing measures has come from the recognition that particular geographies and groups were not participating or receiving the benefits of the economy. There is also a commitment to look at the economy, environment, health and social outcomes in the round rather than as separate spheres. The shift away from traditional measures like GDP growth and GVA can be seen in the Inclusive Economy Dashboard and also the Community Wealth Building Annual Report. It is also intended

that the Regional Economic Strategy will use similar measures which should give a more accurate assessment of whether community wealth building is delivering a fairer and more inclusive economy for Ayrshire.

## **2.2 Added Value**

### **2.2.1 Introduction**

Unlike previous EU funding programmes, there is no requirement to match SPF with other funding. However, there are opportunities to add significant value by matching SPF with existing funds and to complement the work of other local and regional programmes and initiatives. These are presented below.

### **2.2.2 Ayrshire Growth Deal**

The Ayrshire Growth Deal is a partnership by the UK Government, Scottish Government and the three Ayrshire local authorities. It is one of many Regional and City Growth Deals operating across Scotland. The investment programme totals £251.5m, comprising £103m from UK and Scottish Governments respectively and £45.5m from the three local authorities.

According to the Ayrshire Growth Deal website , the Deal 'presents a once-in-a-generation opportunity to transform the economic prospects of the area', allowing the partnership to realise the area's potential in the areas of aerospace and space, energy, marine, manufacturing and tourism industries.

The investment directed through the Growth Deal is expected to lever in private investment of circa £300m and to create approximately 7,000 new jobs. The Deal is expected to be transformational for the local economy, benefiting communities across North Ayrshire. North Ayrshire Council leads on a number of capital projects for the Growth Deal in addition to managing the programme's three regional revenue projects focused on Community Wealth Building, fair employment and regional skills investment. As the Growth Deal progresses, there will be opportunities to align SPF through all three investment priorities. Emerging skills gaps will be supported through the People & Skills work.

Local businesses looking to capitalise on procurement opportunities through Growth Deal projects will receive support through the Supporting Local Business priority to ensure that they are enabled to compete. And finally, some of the initial Council-led projects highlighted under the Community & Place priority focus on building the

Community Wealth Building momentum in the region through the Council's CWB Strategy and the Growth Deal CWB Programme.

North Ayrshire Council has consulted with staff at the Growth Deal PMO in the preparation of the SPF Investment Plan and will continue this dialogue to ensure that the investments are complementary and can add value.

### **2.2.3 Community Led Local Development (CLLD)**

The new Ayrshire Community Led Local Development (CLLD) programme replaces the previous EU LEADER programme. This will offer funding to rural parts of the Ayrshire region, including the islands, as a direct grant from the Scottish Government to the Local Action Group (LAG). The programme will be run as a competitive grant scheme. The amount available for the financial year to March 2023 has yet to be confirmed, but is likely to be approximately £530,000, the majority of this available for project delivery in eligible rural areas across Ayrshire.

The investment vision is about to be submitted to the Scottish Government for consideration with approval due in August 2023 and the key themes will be encompassed within:

- ▶ Community Wealth Building;
- ▶ Reducing Inequalities
- ▶ Just Transition to Net Zero
- ▶ Addressing Wider Climate Change
- ▶ Sustainable Tourism

Indications from the Scottish Government are that the funding programme will continue beyond 2022-23. There are clear opportunities for community organisations and other groups based in rural areas to enhance projects through matching funding from SPF with CLLD and SPF officers will maintain a dialogue with the LAG and CLLD officers to ensure a joined-up approach is available for applicants.

### **2.2.4 Regional Economic Partnership(s)**

The Scottish Government is prioritising the formation of Regional Economic Partnerships to support the delivery of the National Strategy for Economic Transformation . North Ayrshire is part of two emerging Regional Economic Partnerships (REPs), the Ayrshire REP and the Highlands and

Islands REP. The Ayrshire REP covers the three Ayrshire local authorities and is in the process of developing a new Regional Economic Strategy with Community Wealth Building at its heart. As noted earlier in Section 2.1, consultants CLES have been appointed to assist in the creation of this strategy and the emerging findings have been built into the development of the SPF Investment Plan. It is intended that the Regional Economic Strategy will inform future regional investment programmes, including future rounds of SPF.

Reflecting the island communities of Arran and Cumbrae, North Ayrshire Council is also a member of the Highlands & Islands REP. This REP considers the challenges unique to island and rural communities and participates in forums such as the Convention of the Highlands & Islands and the Islands Strategic Group. There are opportunities for the Community & Place investment priority to support the actions of the Council's two Island Plans and discussions are underway at the REP for potential joint working through SPF on innovation under the Supporting Local Business priority.

### **2.2.5 Community Wealth Building**

Community Wealth Building (CWB) represents a transformational approach to economic development which aims to deliver benefits to local communities through a partnership of Anchor Institutions using the economic levers available to them. North Ayrshire Council is the first local authority in Scotland to become a Community Wealth Building Council. In 2020, the Council published its CWB Strategy (2020-2025), setting out proposals under the five CWB pillars of procurement, employment, land and assets, financial power and plural ownership.

The CWB Strategy has led to significant investment in North Ayrshire, with the development of a CWB Commission which operates across the region, a CWB Expert Panel and a regional Lead Officers Working Group which engages a number of Anchor Institutions in delivering CWB across Ayrshire. The new Regional Economic Strategy is being developed with CWB principles embedded throughout and one of the key Ayrshire Growth Deal revenue projects is a CWB programme of support to Ayrshire businesses on procurement, employment and plural ownership.

North Ayrshire Council has endeavoured to embed CWB principles into the development of the SPF Investment Plan wherever possible to reflect its importance in the development of the Ayrshire economy. This included taking the approach to the CWB Expert Panel which is made up of a number of local, national and international experts. The advice received helped to shape the proposals under the Community & Place investment priority, including assigning an allocation to participatory budgeting and setting up a competitive grant scheme for community organisations to directly benefit from the funding. More detail is presented in Section 4.0 to this Business Plan.

In addition, services delivered under the Supporting Local Business and People & Skills investment priorities will be grounded within the CWB pillars. Business support will support local enterprises to bid for local contracts, encourage them to adopt fair employment practices and to consider opportunities for plural ownership. Employability services will focus on promoting fair employment practices to local employers and will work with the Fair Work Ayrshire element of the CWB Growth Deal project to achieve this.

## 3.0

# Evidence of Need and Demand

### 3.1 Introduction

In preparation of the SPF investment plan, North Ayrshire Council has undertaken a significant level of research to determine need and demand for the funding, which has in turn helped to shape the proposed delivery method.

This relates to the guidance in the SPF Prospectus which advises that SPF funding can be allocated flexibly in order to best meet local need and demand, as follows:

- ▶ Grant award to public or private organisations;
- ▶ Commissioning third party organisations;
- ▶ Procurement of service provision;
- ▶ In-house provision.

The research undertaken has included—:

- ▶ Assessment of the socio-economic context which highlights the disparities faced by the local population that could be impacted by SPF investment. This is organised under each investment priority;

- ▶ Review of employability and business support activity that has been funded by ESF and ERDF programmes to determine future requirements and continuity of service;
- ▶ Engagement across Council services through establishment of a cross-council short life steering group to guide the development of the delivery method and identify current internal strategic priorities that represent a good fit with the Fund's objectives;
- ▶ Engagement with external stakeholders to ensure that the opportunities afforded by this investment are set within the regional context for recovery and renewal;
- ▶ Consultation with community organisations and third sector service providers in order to establish demand for a competitive grant scheme under the Community and Place priority.

The remainder of Section 3.0 to this Business Plan outlines the evidence gathered.

## 3.2

# Socio-Economic Context: Challenges

### 3.2.1 Overview and Headline Statistics

Local vacant and derelict land poses both a challenge, but also an opportunity to redevelop our communities. North Ayrshire has roughly 9 hectares of total vacant and derelict land per 1000 people, the Scottish average rate is over three times smaller at 2 hectares per 1000 people (2021 data). North Ayrshire faces notable demographic challenges; this is particularly true regarding its working age population, which has been steadily declining over the past decade. The latest data shows a 7.4% fall in its level between 2010 and 2020, with the working age population as a percentage of the total population currently (latest estimate; 2020) at 60.4% (the Scottish rate is 63.9%).

Deprivation continues to be a key challenge locally, with the Scottish Index of Multiple Deprivation (SIMD) showing that 27% of North Ayrshire's data zones rank among the 15% of the most deprived data zones in Scotland. Under further examination,

the SIMD highlights particularly acute challenges regarding the income, employment, and health domains.

Regarding North Ayrshire's labour market context, North Ayrshire has the lowest employment rate in Scotland (64.9%), the joint 2nd highest unemployment rate (4.9%) in Scotland, and its economic inactivity rate (30.2%) is the highest in Scotland and is now the 11th highest in Great Britain (out of roughly 360 local authority areas with available data) - data for Jan 2021-Dec 2021.

North Ayrshire's claimant count rate is 1.5%pts above the Scottish rate, while its jobs density is roughly 34% below the Scottish rate; potentially highlighting that a lack of opportunity locally is a key driver behind the current labour market conditions, further strengthening our case for investment.

In 2020, the manufacturing sector accounted for 24% of North Ayrshire's GVA, the 2nd most important sector (real estate activities) only accounts for 13% of total 2020 GVA. An analysis of



the 2019 data showed that in the manufacturing sector, the GVA per employment in North Ayrshire was roughly 23% higher than the Scottish level, and roughly 48% higher than Great Britain's level.

### 3.2.2 Community & Place

North Ayrshire is the fifth most deprived Council area in Scotland in the Scottish Index of Multiple Deprivation (SIMD). Of the 186 data zones 52 are in the 15% most deprived, an increase of 1 since the index was last published in 2016. SIMD combines seven different "domains" of deprivation; Employment, Income, Health, Education, Access to Services, Crime, Housing. Irvine and the Three Towns of Stevenston, Saltcoats and Ardrossan face the highest levels of deprivation with the Garnock Valley and Kilwinning following close behind.

In terms of economic resilience, North Ayrshire's economic baseline is weak and despite some sectoral strengths and takes longer to recover from economic shocks than other areas. The Fraser of Allander Institute (2018) previously identified this in their economic commentary. GVA per head in Edinburgh was nearly 2.5 times higher than in North Ayrshire and in the past 20 years this gap has

widened. GVA per head in Edinburgh has nearly doubled, with growth in North Ayrshire around half that rate. In recent analysis conducted by the Scottish Government and highlighted by the Advisory Group on Economic Recovery (AGER), North Ayrshire ranked as the least resilient local authority in Scotland.

North Ayrshire was the first Community Wealth Building (CWB) Council in Scotland. Our CWB Strategy seeks to develop resilient, inclusive local economies, with more local employment and a larger and more diverse business base. The Land and Assets pillar of this recognises that the underutilisation of land and assets represents missed opportunities for towns and communities to achieve their full potential.

North Ayrshire contains a significant legacy of vacant and derelict land due to the closure of former industries within the area. The Scottish Vacant and Derelict Land Survey (SVDLS) provides a national data source for vacant and derelict land. In 2019, there were 10,962 hectares of vacant and derelict land in Scotland. North Ayrshire contains the fourth highest level of vacant and derelict land in Scotland with 1,187 ha of land, 12% of the Scottish total, across 210 sites.

Vacant land is defined by the survey as, “Vacant land within a settlement that has been previously developed, without physical constraint, and which the planning authority has indicated is available for redevelopment”. Derelict land is defined as land “damaged by development, so that it is incapable of development for beneficial use without some remedial works”. Both are sometimes referred to as ‘brownfield’ sites.

The Buildings at Risk Register highlights properties of architectural or historic merit throughout the country that are considered to be at risk or under threat. It was established in 1990 and is maintained by Historic Environment Scotland. These are usually listed buildings, or an unlisted building within a conservation area, that meet one or several of the following criteria: vacant with no identified new use; suffering from neglect and/or poor maintenance; suffering from structural problems; fire damaged; unsecured and open to the elements; and threatened with demolition.

The SVDLS and Buildings at Risk Register identify over 250 sites, mostly in private ownership which require redevelopment. These are subject to a legacy of issues including undermining, contamination, deterioration or major industrial closures. Whilst there are several reasons for a lack of redevelopment including economic, locational or

physical constraints, a lack of financial viability remains a common theme. Engagement on the Regeneration Delivery Plan also identified that several of these sites have a substantial negative impact on our communities and represent local priorities for action.

The North Ayrshire People’s Panel undertakes a survey of 2,000 local residents every two years to establish views on the areas in which they live. The Community Planning Partnership then uses this information to decide what action to take on the issues that local residents identify as needing to be improved. This considers a series of topics relevant to this investment priority including the perceptions of neighbourhoods and outdoor spaces and participation and volunteering in the local community.

The 2020 action plan included actions in relation to: neighbourhoods and outdoor spaces; community safety; fire safety; health and well-being; mental health inequalities; and digital connectivity.

### **3.2.3 Supporting Local Business**

The impact of Covid and Brexit has led to significant challenges for the local business base in North Ayrshire. Immediate financial distress, changes to operating practices and additional regulations have

left many businesses with inadequate financial power or knowledge to adapt to the changing landscape. This shift is identified with a twin focus of Digital and Green adoption on new ways of working, development of new processes to reflect new markets, upgrading systems to reflect new regulations, and inability to diversify.

As noted previously North Ayrshire has a fragile economy rooted in traditional manufacturing. The Business Support Service's engagement with business has identified 70% of businesses have no or limited digital capabilities with only 35% of businesses having any sort of digital plan in place. In terms of Green adoption 80% of businesses have no understanding of or are developing an understanding of the Green agenda with only 10% implementing sustainability projects. It is a major concern that North Ayrshire may fall behind and be unable to realise the opportunities that Digital and Green will provide. As such, Council support over the last 12 months has looked to drive these agendas with over 400 interventions on Digital and 200 for Green. This support is accelerating the adoption of new technology and process and it is considered to be imperative that this level of support continues.

### 3.2.4 People & Skills

North Ayrshire labour market data (Jan 21 - Dec21) sets out many of the challenges facing North Ayrshire - which can be summarized as high rates of unemployment, economically inactive residents compounded by low skill levels across the population:

- ▶ North Ayrshire has the lowest employment rate in Scotland - 64.9%
- ▶ North Ayrshire has the joint 2nd highest unemployment rate in Scotland
- ▶ There are 23700 economically inactive people in North Ayrshire compared to 56,600 economically active. The economically inactive rate of 30.2% is the highest in Scotland and the 11th highest in Great Britain
- ▶ There are 9,300 workless households in North Ayrshire
- ▶ Youth claimant rate (18-24) remains high at 6.2% the 2nd highest in Scotland
- ▶ Disability employment - 77% compared to Scottish rate of 83%
- ▶ In work poverty continues to rise with low-income families struggling with rising cost of living
- ▶ In common with the rest of Scotland and UK employers are struggling to recruit - even for semi/low skilled vacancies

### 3.2.5 Multiply

North Ayrshire has one of the lowest qualification rates in Scotland. In addition, a study of more than 3,000 adults in Scotland found more than a third said past experiences have made them doubt their mathematics ability, and 36 per cent feel they always seem to get things wrong.

Of those who do lack number-confidence, 43 per cent would like to improve their numeracy, but don't know where to start. A lack of confidence surrounding numeracy has held them back, according to One Poll figures.

The Multiply Programme is an opportunity to begin to address these issues. This includes working with employers to upskill staff who struggle with numeracy.

## 3.3 Socio-Economic Context: Opportunities

### 3.3.1 Community and Place

The Council has a strong and positive track record for Participatory Budgeting (PB) and is moving towards using the approach for mainstream budgets. This is an inclusive way for local communities to decide how they wish to spend public funds. The PB process gives people the opportunity to identify and discuss what matters to them in their communities and to vote on their priorities. The six Locality Partnerships focus on a partnership approach to tackling local issues and inequalities.

Established under the Community Empowerment Act (Scotland) 2015 each of these is working with Community Planning Partners and communities to address local priorities, supported by local grant-making PB and a £5.6m Community Investment Fund.

In North Ayrshire the processes are agreed with local stakeholder groups, organisations send in their project ideas and the public then vote online or in person. Community and Youth work grants are awarded through PB and several thematic PB events have taken place including community food projects and mental health projects.

North Ayrshire Council is the only local authority to meet the Scottish Government's target of spending 1% of its mainstream budget with direct public influence. Mainstream Participatory budgeting can play a central role in collectively defining services, post pandemic, which meet the changed (and changing) needs of communities. The Council is keen to progress with the development of PB across its streams of funding and support combining community and spatial planning in its locality and placemaking approach. It is therefore proposed that 1% of the Community and Place Investment priority allocation be allocated to a PB approach.

Funding was secured from the UK Government's Community Renewal Fund for the development and delivery of two key projects, the Green Islands Programme and the Place Frameworks pilot project. This Fund aimed to support people and communities most in need across the UK, creating opportunities to trial new approaches and innovative ideas at the local level.

The final reports for both projects are currently being prepared. These have been developed through extensive community and stakeholder engagement and consultation. It is therefore proposed that a proportion of the allocation under this theme be allocated to delivering the recommendations of these projects, which will deliver on locally identified priorities under this theme. No specific projects or funding values have been identified at this stage.

### **3.3.2 Supporting Local Business**

North Ayrshire Council has spent considerable time in the last year engaging with business and identifying weaknesses and strengths in relation to Digital and Green. This has been integrated into our delivery of Community Wealth Building and has allowed for over 1,000 businesses to be assessed in terms of ability and needs. Working with partners including National Agencies, Universities, and local providers we have developed both a green and digital route map for businesses dependant on their capabilities.

This route map allows for targeted interventions based on current capabilities based around the following principles:

- ▶ Raising Awareness / Establishing Interest
- ▶ Baseline Audits, Reviewing Audit Recommendations, Further Research
- ▶ Digital / Green Improvement: Activity/Projects
- ▶ Strategy and Culture

Support will include 1-2-Many awareness raising, specialist consultancy, financial support for implementation of projects, peer learning, Partner support and skills training. We are confident we have the baseline structure, partner engagement and willing base to help accelerate digital and green adoption. This will increase productivity and help create jobs.

### 3.3.3 People and Skills

Although labour market data sets out a bleak picture for NA, there are exciting initiatives under way which set out to address these issues. This is underpinned by the Community wealth building approach to local economic development. In addition, the Ayrshire Growth deal and an Ayrshire regional economic strategy sets out to address the structural issues holding back the Ayrshire economy.

By aligning and working collaboratively with these initiatives, as well as Scottish Government's No One Left Behind, Young Person Guarantee funding, UKSPF will focus on the following:

- ▶ Focus on inactive clients and how to effectively engage and support them
- ▶ Targeting specific neighbourhoods and geographies
- ▶ Key priority groups including young people, parents, long term unemployed people, people with disabilities and long-term health conditions, people with convictions and veterans
- ▶ Aligning with NOLB, YPG and Child poverty strategies to provide a comprehensive employability and skills service and adding value to UKSPF
- ▶ Holistic key worker approach to service delivery
- ▶ Collaborate across UKSPF interventions. For example, close working relationship with the Business theme to support local businesses fill vacancies; promote people and skills as a local strength to support inward investment
- ▶ Focus on green economy and emerging opportunities in this sector
- ▶ Embed Multiply into wider people and skills employability provision

North Ayrshire has a well-established and mature employability and skills service established through European Social Funding and other Funding streams. This existing service is delivered by a mix of third sector providers and North Ayrshire Council staff. We will continue to provide this delivery as part of the UKSPF programme, with on-going monitoring of outcomes to review effectiveness, and therefore can mobilise service delivery quickly.

### 3.3.4 Multiply

North Ayrshire Council's Strategic Community Learning and Development Plan was published, after extensive community engagement, in September 2021. Covering a three-year period, the plan prioritised working with partners and organisations in localities to ensure a learner-centred approach to adult literacy, numeracy and core skills support. There are a number of opportunities that can be addressed via the Multiply programme in North Ayrshire as follows:

- ▶ Opportunity to address long standing and underlying poor numeracy issues in local labour market;
- ▶ Opportunity to work with Ayrshire College and local business community to embed literacy in courses/business support;

- ▶ Create a network of community-based numeracy provision – including peer mentor delivery
- ▶ Create numeracy pathways from basic skills up to SCQF level 5 college provision;
- ▶ Integrate development of numeracy skills into existing partnership activity – e.g., community College courses, money advice services, community services. Multiply will be embedded into Employability courses and services;
- ▶ Adds value to existing literacy and numeracy work delivered in North Ayrshire.

## 3.4 Current Employability and Business Support Activity

### 3.4.1 Employability

North Ayrshire Council is recognised as a sector leader in Scotland and the UK in defining and implementing an inclusive economy. Critical to that success has been the availability of EU funding to support the delivery of those services over an extensive period of time. EU funding ends in December 2022, being replaced directly by SPF.

ESF funding totalling approximately £5.5m has supported the Council to deliver extensive Poverty and Social Inclusion and Employability Pipeline programmes over the last seven years. This funding is flexible and could be allocated across the seven-year period according to service delivery requirements. The majority of the ESF funding was expended over a five-year period. This provides support for people of all ages to progress into employment or improve their current employment. The current employability service is funded by ESF (European Social Funds) with match funding from a range of sources of funding including, core, YPG (Young Persons Guarantee), NOLB (No One Left Behind) and PESF (Parental Employment Support Fund).

This portfolio of funding supports people, who have multiple barriers to employment, to access a holistic employability service delivered within the Employability Pipeline framework. Participants are supported to achieve qualifications, progress to training/further education and secure sustainable and fair employment.

The employability pipeline is delivered through a hybrid approach of procurement and in house delivery. This provides a flexible and responsive services to meet current and emerging demands as well as providing a bespoke, tailored, flexible and

responsive service to jobseekers and employers. The procured programmes provide funding and support to third sector delivery bodies as follows:

- ▶ CEiS Ayrshire - Employability Pipeline: End to End Provision;
- ▶ TACT - Positive Steps;
- ▶ The Lennox partnership - We Work for Families;
- ▶ WEA - New Scots (Syrian) Programme.

North Ayrshire currently has the second highest rate of unemployment in Scotland and a high quality, holistic and effective employability service is essential. CEiS as the current main contractor supports over 1,000 people each year with at least 50% securing jobs; without this support for individuals and employers, it is predicted that unemployment rates would see a substantial rise. Support for people with disabilities is a priority and the Equal Programme team provide this support to an extremely elevated level achieving positive outcomes.

Parents remain a priority and We Work for Families is considered locally and national as a model of good practice and the links with the health and social care partnership through the health visitors should not be underestimated.



North Ayrshire Council's approach in developing the SPF Investment Plan is to sustain this service linked to outcomes, to secure a smooth transition for beneficiaries from EU funds to SPF as a matter of priority.

### 3.4.2 Business Support

ERDF funding of approximately £300,000 per annum has supported the Council's delivery of support to local businesses, through advice, consultancy support and grant funding. The ERDF programme in 2016 was aligned to EU's Smart Specialisation agenda, there is an important sector dimension to this programme in those sectors where Scotland has a competitive advantage, such as:

- ▶ Energy - particularly Renewables
- ▶ Food & Drink
- ▶ Technology & Engineering
- ▶ Life Sciences

This sector-based approach did not take into account place-based needs or align with local challenges. The programme was not extended to the islands leaving Arran / Cumbrae to be supported by NAC funds.

Given the unique challenges of the pandemic a case was made for Ayrshire to remove restrictions to allow for greater flexibility in response to recovery. Current demand is through Digital adoption, supporting growth resulting from pandemic impacts, developing innovative ways of working and green adoption.

It is proposed that SPF funds will directly replace the ERDF support for businesses through the Council. Following a review of existing support, it is proposed that SPF is utilised to support the development of the local economy and move away from reactive pandemic support. This will have a more aligned focus towards North Ayrshire local priorities and help businesses take advantage of emerging technologies. This is a shift from sectors and smart specialisation to give a thematic focus on:

- ▶ Growth;
- ▶ Productivity improvements;
- ▶ Digital adaption;
- ▶ Green technology improvements.

It is proposed that funding should be in the form of specialist consultancy and grant provision with a weighting of 75% to grant funding, in line with current need and demand assessment which is informed by the Council's business support management information system.

### 3.5 Cross-Council Engagement

In May 2022, the Council established a cross service short life steering group, with a dual purpose of guiding the development of the proposed delivery method in addition to identifying current internal strategic projects that represent a good fit with the Fund's objectives. The steering group drew representation from the following departments:

- ▶ Economic Policy;
- ▶ Business Support;
- ▶ Employability;
- ▶ Regeneration;
- ▶ Connected Communities;
- ▶ Health & Social Care Partnership;
- ▶ Procurement;
- ▶ Finance;
- ▶ Legal Services;
- ▶ HR.

Through weekly meetings, the steering group established an overall approach to delivery of the Fund. More detail is provided in Section 4.0 to this Business Plan. In summary, the approach involves maintaining existing levels of support for employability and business support services, with parity between SPF and EU fund levels. Following a deduction of 4% to cover the costs of administering the Fund, the remainder of the core SPF funding will be allocated towards activity under the Community and Place priority. This will involve in-house delivery of priority projects identified as part of the research process, a 1% allocation of the total fund split across Years 2 and 3 to participatory budgeting, following the Council's commitment to allocate budgets in this way, commissioning of third party organisations to delivery key pieces of research on behalf of the Council that link directly to SPF outcomes and outputs, and finally through a competitive grant scheme for community organisations.

### 3.6 Stakeholder Engagement

The SPF prospectus states that the investment plan should be produced in partnership with other local and regional stakeholders. To maximise the opportunities to engage and secure support for proposals, officers attended the following meetings to present on SPF proposals and invite feedback:

- ▶ Local Employability Partnership;
- ▶ Regional Skills Group;
- ▶ Ayrshire Regional Economic Partnership Board;
- ▶ Regional Strategy Steering Group;

In addition, officers engaged directly with the Third Sector Interface for North Ayrshire, The Ayrshire Community Trust (TACT) in order to raise awareness of the fund amongst third sector organisations in North Ayrshire. This was followed by an awareness raising drop-in session held in Irvine for third sector organisations currently delivering employability services on behalf of the Council or looking to be considered for service delivery in future. A questionnaire was issued to these organisations to capture this data. The results will be taken into account when developing the services to be delivered under the People & Skills investment priority.

The SPF prospectus also states that a local partnership group should be assembled to develop the proposals and should continue to meet throughout the duration of the programme. Existing structures should be repurposed if possible. It was decided at a regional level with partners in East and South Ayrshire Councils that the existing Ayrshire Economic Joint Committee (AEJC) should serve this purpose with respective regional and local

engagement feeding into this process. A paper was presented to the AEJC in June 2022 seeking endorsement for the proposed delivery approach. This received approval and the final investment plan will be considered by the AEJC following consideration by North Ayrshire Council's Cabinet in August 2022.

### **3.7 Community Engagement**

In order to determine demand for a competitive grant scheme option to deliver the Community and Place priority, the Council's Economic Development & Regeneration and Connected Communities services, together with TACT, developed an expression of interest form for community organisations. This was publicised through Connected Communities' Locality Officers and by TACT contacting all members on their database. In addition, a drop-in session was arranged for third sector providers in Irvine.

The expression of interest form asked community organisations to indicate project proposals they had planned which could be completed within the timescales and which could meet SPF Community and Place priorities, and for which they would wish to submit an application to a competitive grant scheme.

A total of 14 responses were received from organisations across North Ayrshire, with indicative amounts totalling £1.4m, identifying a potential range of projects across the investment priority. This highlights clear demand for an element of SPF to be delivered on a competitive grant basis and this is reflected in the approach outlined in Section 4.5.3 to this Business Plan. No formal commitment has been made to fund any activities or projects at this stage- the purpose was to establish the latent demand for support under this theme and to inform the development of the investment plan. A summary of the results is shown in Appendix B to this Business Plan.

### **3.8 Expert Advice**

As noted under Section 2.2.5, North Ayrshire Council is a national leader in progressing Community Wealth Building (CWB) as an economic development model. The development of the SPF Investment Plan has aimed to embed CWB principles throughout. This has included taking the investment approach to the Council's CWB Expert Panel which is made up of a number of local, national and international experts, including from the Democracy Collaborative in North America which pioneered CWB.

The advice received helped to shape the proposals under the Community & Place investment priority in particular, and more widely, to ensure that communities could benefit as widely as possible from the programme. This has included assigning 1% of the total programme budget to participatory budgeting which will be delivered by Connected Communities.

It also led to engagement with community groups and third sector service providers, with opportunities being created for procurement of service delivery and the establishment of a competitive grant scheme for communities to bid directly, allowing them to fulfil local needs through funding and developing their own local projects. More detail on the investment proposals is presented in Section 4.0 to this Business Plan.

# 4.0

## Investment Plan Proposals

### 4.1 Introduction

Following on from the extensive process of engagement within and across Council services, with stakeholders and with communities, an investment programme has been designed to meet the evidenced need and demand, reflecting on North Ayrshire's challenges and opportunities under the three SPF priorities.

The programme aims to enable a smooth transition between current EU funded services to ensure no gap in provision to beneficiaries and to safeguard jobs. Within the funding constraints, such as in year allocations and ringfenced amounts for Multiply and capital expenditure, a programme of activity under the Community & Place priority has been designed to accommodate Council priorities and meet the demands emerging from local community organisations and third sector service providers.

The delivery approach in summary is as follows:

- ▶ **People & Skills:** the majority of the SPF budget has been allocated to this priority to sustain levels of service provision and outcomes currently delivered by ESF funding. Ongoing monitoring of outcomes and their effectiveness will inform future investment;
- ▶ **Supporting Local Business:** an earmarked amount of the budget has been allocated to this priority to ensure continuity of support to local enterprises, following on from the current ERDF funded support;

- ▶ **Multiply:** the ringfenced amount highlighted in the North Ayrshire allocation from UK Government has been allocated to the delivery of a Multiply programme by the Council and in partnership with other service providers;
- ▶ **Administration costs:** 4% of the total budget has been allocated towards two staff posts to enable management, delivery and compliance of the programme;
- ▶ **Community & Place:** the 21% of the funding has been allocated to this priority, with an approach that includes in house delivery of services, funding current Council priorities, operating a competitive grant scheme for community organisations and earmarking 1% of the overall fund towards participatory budgeting.

More detail on the approach for the three SPF priorities and Multiply is presented below.

## 4.2 People & Skills

The approach under the People & Skills priority is, as introduced above, to retain continuity with existing ESF-funded service provision. This includes the following projects:

- ▶ Equal supported employment: supporting people with disabilities;
- ▶ Key worker support: intensive key worker support for inactive participants;
- ▶ Criminal justice mentors: targeted support for participants in the justice system;
- ▶ New Scots Programme: support to refugees coming to North Ayrshire, including from Syria, Ukraine and Afghanistan;
- ▶ We Work for Families: targeted key worked support for parents and their children, addressing the wider child poverty agenda;
- ▶ Positive Steps Programme: life skills support to inactive participants linking into volunteering opportunities;
- ▶ Ambition Agreement Programme: supporting disengaged youngsters to make positive progressions into employment, training or education.
- ▶ Enhanced service provision for former members of the Armed Forces

These programmes will be aligned and integrated with Scottish Government funding which will add significant value to the SPF funding stream. NB, the financial management of the provision will ensure that there is no double funding.

## 4.3 Supporting Local Business

The approach under the Supporting Local Business priority is, as introduced in Section 4.1, that SPF funds will directly replace the ERDF support for businesses through the Council. Following a review of existing support, it is planned that SPF is utilised to support the development of the local economy and move away from reactive pandemic support. This will have a more aligned focus towards North Ayrshire Council local priorities and help businesses take advantage of emerging technologies. This is a shift from sectors and smart specialisation to give a thematic focus on:

- ▶ Growth;
- ▶ Productivity improvements;
- ▶ Digital adaption;
- ▶ Green technology improvements.

Demand indicates that funding should be in the form of specialist consultancy and grant provision with a weighting of 75% to grant funding, in line with current need.

## 4.4 Multiply

Provision delivered under the Multiply programme will see the creation of a team that sits with the Council's Community Learning and Development Team and a third sector organisation. This team will:

- ▶ Use a social practice learner centred approach to supporting numeracy by providing 1 to 1 and group work support;
- ▶ Develop and deliver innovative numeracy based first steps and next step support and programmes that encompasses numbers and how we use them, fun with numbers, help with homework, cost of living, understanding financial terminology used in your everyday lives, money life skills and financial capabilities/literacies;
- ▶ Collaborate to enable, encourage, and enhance participation in Numeracy and Financial Literacies provision provided and be responsive to the needs of learners and effective in our use of resources to meet those needs;
- ▶ Work in partnership with Ayrshire College to credit rate bespoke programme to deliver to adults/families/New Scots within NAC and develop pathways to college;

- ▶ Work with employers to support numeracy programmes in the workplace;
- ▶ Create, source and deliver numeracy Training for staff and partners.

## 4.5 Community & Place

The Community and Place priority provides new and additional funding each year with 21% of the overall allocation going to support this priority and related outcomes. Proposals will aim to meet demand from community organisations across North Ayrshire along with allowing a number of smaller scale strategic Council projects to proceed. The approach will be as follows:

### 4.5.1 Participatory Budgeting

Following the Council's commitment to participatory budgeting, the project will allocate 1% of the total SPF award, amounting to £62,006. This will be delivered by Connected Communities over years 2 and 3 of the programme in localities across North Ayrshire;

### 4.5.2 North Ayrshire Council-led Projects

A proportion of the capital and revenue funding available will be ringfenced to support smaller scale internal projects that meet the aims and objectives of SPF and allow the Council to meet strategic

### **4.5.2 North Ayrshire Council-led Projects**

A proportion of the capital and revenue funding available will be ringfenced to support smaller scale internal projects that meet the aims and objectives of SPF and allow the Council to meet strategic goals. All Council services have been asked to submit project ideas for consideration to help guide the development of the investment plan. This has identified community priorities for delivery of future phases of projects currently funded by the Community Renewal Fund (CRF), the Green Islands Programme and Place Framework Pilot project. An assessment has also been undertaken of potential priorities under existing strategies which could allow for the achievement of objectives, including the Community Wealth Building Strategy, Regeneration Delivery Plan and Island Plans. In addition, other Council services have identified potential priorities for delivery through SPF-funded projects.

### **4.5.3 Competitive Grant Scheme for Communities**

A significant proportion of the Community & Place budget will be allocated to a competitive grant scheme. This will offer capital and revenue grants to local community organisations in response to demand evidenced through community consultation during the development stage. It is intended that grants of between £10,000 and £100,000 will be made available with a smaller amount available in Year 2 and a larger pot available in Year 3. This is due to the ramping up of the allocation of annual funding by UK Government with the majority of funding being made available in Year 3.



## 5.0

# Project Management

### 5.1 Introduction

Project management covers two areas: the development process leading up to submission of the investment plan and the proposed delivery arrangements thereafter. Both are presented in the following sections.

### 5.2 Development of the Investment Plan: Endorsement and Approval Process

Section 3.0 to this Business Plan noted the extensive engagement process undertaken within the Council, with external stakeholders and with communities, in order to shape the delivery method. There is no need to repeat this information, however it is important to note the endorsement process, as required by the SPF Prospectus. Endorsement and approval of the investment plan is required at a number of levels within North Ayrshire.

The plan must be approved by the Chief Executive Officer and Finance Section 95 Officer. Both officers have been fully involved in agreeing the development process and, at the time of writing, will be asked for formal approval following consideration by the Council's Cabinet on 23rd August. Cabinet approval is required and will be sought on this date. If given, this will award approval from the Leader of the Council which is also an investment plan requirement.

A local partnership group is required to be established to develop and approve the proposals. As noted in Section 3.6 to this Business Plan, the Ayrshire Economic Joint Committee (AEJC) was selected to fulfil this role, and the Committee has approved the proposed delivery approach. Following the Council's Cabinet meeting on 23rd August, AEJC will consider the investment plan along with those from East and South Ayrshire Councils, for approval and endorsement.

Finally, there is a requirement for endorsement by MPs. The Prospectus suggests that MPs should be invited to sit on the partnership group. To date North Ayrshire Council has not invited MPs to join the AEJC. SPF will form part of the overall business that this governance body leads and is already well represented democratically by nine local Council Elected Members and representation of key stakeholders.

It is instead proposed that that constituency MPs and MSPs will be briefed as part of regular discussions held with each and the Council and/or specific briefing sessions as required. This process already exists for Ayrshire Growth Deal projects and is well supported by local MPs and MSPs. The Council will seek support for this approach with local MPs and MSPs in August 2022. (To be updated prior to submission)

### 5.3 Delivery and Governance

Figure 1 shown overleaf sets out the delivery and governance structure for the SPF programme. A Programme Manager will be appointed to oversee the delivery of SPF within North Ayrshire Council. This post will be supported by a Compliance Officer and by an identified lead officer from four thematic groups to be created as follows:

- ▶ Community and Place: led by the Regeneration Team;
- ▶ People and Skills: led by the Employability Team;
- ▶ Supporting Local Business: led by the Business Support Team;
- ▶ Multiply: led by the Connected Communities Team.

The thematic group leads will take responsibility for delivery of their SPF priority. On the People & Skills and Supporting Local Business priorities, the leads will be supported by their internal officers.

On Community & Place, the Programme Manager will take responsibility for the delivery of this priority, and on Multiply, this will be delivered by a dedicated officer post. There will also be a significant level of corporate support to the programme through Corporate Finance, Procurement, Legal Services and HR.

The short life steering group will be repurposed as an SPF Governance Group which will meet on a monthly basis and the four thematic groups will feed into this via the lead officer for each.

## Governance Structure: Shared Prosperity Fund

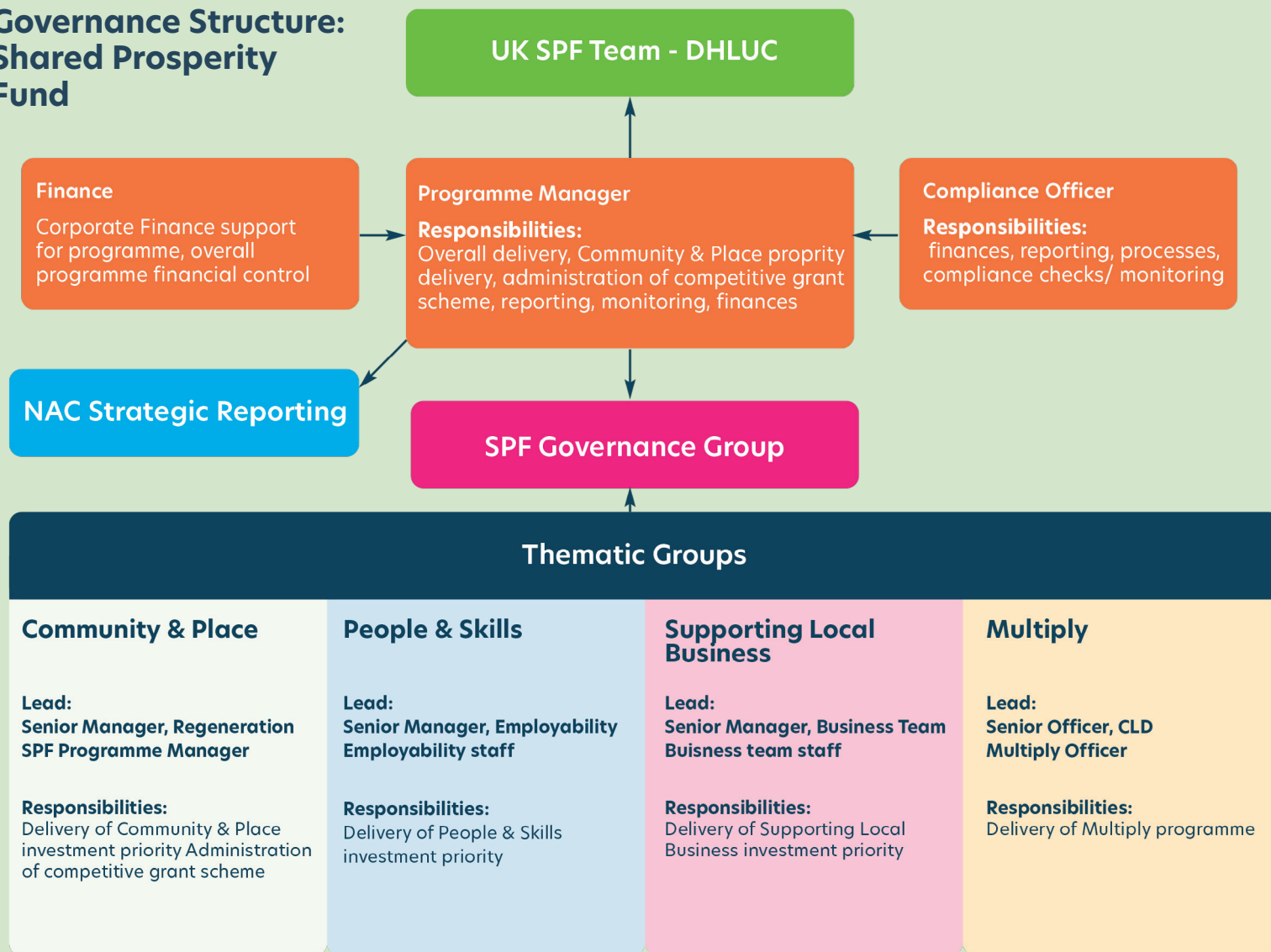


Figure 1: SPF Delivery and Governance Structure

## 5.4 Staffing

Two dedicated posts will be funded directly through the 4% administration allowance within the SPF budget and recruited either from internal existing resources or via external recruitment. These posts will be:

- ▶ Programme Manager
- ▶ Compliance Officer

The Programme Manager will sit within the Council's Regeneration Team and will administer the competitive grant scheme in addition to having oversight of the projects delivered in-house under the Community & Place priority. In addition, the Programme Manager will co-ordinate the programme as a whole, working with lead officers for each of the other project strands to ensure that delivery is as per the approved investment plan.

The Manager will take responsibility for reporting on progress to the Governance Group and will compile monthly reports, maintain an oversight on finances and compliance. They will offer support to the four thematic groups and will aim to work collaboratively across the Council to ensure maximum benefits are delivered as a result of the programme.

The Programme Manager will be the Council's lead contact with the UK Government and will co-ordinate reporting to the AEJC. The Compliance Officer will support the Programme Manager to monitor programme delivery and finance. Proposals for the overall management and compliance arrangements will be finalised once technical guidance has been fully assessed, including the terms and conditions of the Fund which it is anticipated will be issued with the approval from UK Government.

Arrangements for monitoring each priority programme of activity, collating and submitting progress reports and claims will be put in place. The Council has extensive experience and skills to fulfil existing government grant compliance programme requirements and SPF compliance requirements will be considered within that context in terms of resourcing with the expectation that a dedicated post will be allocated to deliver for SPF. This will allow a smooth transition of service delivery and management.

## 5.5 Administering of Competitive Grant Scheme

The Programme Manager will take responsibility for administering the competitive grant scheme to be delivered under the Community & Place priority. More detailed proposals will be developed on this prior to UKG approval of the investment plan, including creating application, claims and monitoring paperwork and establishing methods of assessment. The process adopted will be in line with current competitive grant schemes administered by the Council, for example the Communities Project Fund.

## 5.6 Subsidy Control

In the preparation of the Investment Plan, the Council has undertaken a subsidy control assessment to determine if support offered under all investment priorities represents a subsidy. The Community & Place assessment is included below by way of example. The assessment has considered the four key characteristics of subsidy as follows:

### Q1.

Is the support provided by a 'public authority' and does the support constitute a financial (or in kind) contribution such as a grant, loan or guarantee?

The support is provided by a public authority, the UK Government, and constitutes a financial contribution by way of a grant under the Shared Prosperity Fund.

### Q2.

Does the support measure confer an economic advantage on one or more economic actors?

The support does not confer an economic advantage on one or more economic actors as all projects delivered under this investment priority would be tendered on a competitive basis. Where grant support is provided to a third party, a competitive tender process would also be required to be undertaken and evidenced for the funded project. This funding would therefore not make a contribution to an enterprise or confer an economic advantage that is not available on market terms.

### **Q3.**

Is the support measure specific insofar as it benefits, as a matter of law or fact, certain economic actors over others in relation to the production of certain goods or services?

All projects delivered under this investment priority would be tendered on a competitive basis. Where grant support is provided to a third party, a competitive tender process would also be required to be evidenced for the funded project. This funding would therefore not confer an economic advantage that is not available on market terms and in particular would not provide specific benefit to certain economic actors over others in relation to the production of certain goods or services.

### **Q4.**

Does the support measure have the potential to cause a distortion in or harm to competition, trade or investment?

The projects delivered under this investment priority would be of a local nature and would not harm competition, trade or investment. All contractors appointed carry out the works will be appointed following a competitive tender process or utilising existing Framework Agreements in accordance with procurement rules and the Council's Standing Orders Relating to Contracts. Where grant support is provided to a third party, a competitive tender process would also be required to be undertaken and evidenced for the project.

As the proposals under this investment theme do not meet all four key characteristics, the Council therefore does not believe this represents a subsidy.

## 5.7 Capacity and Capability

In terms of capacity and capability, North Ayrshire Council has significant experience in delivering funding and managing growth funds. Current ERDF and ESF activity is due to end in December 2022 and the approach with the SPF programme is service continuity and focus on delivering ambitious and strategic outcomes to maximise economic and social inclusion for excluded and disadvantaged individuals, thereby ensuring that the current capacity is utilised to its full potential. Each department responsible for delivering the different priorities has significant experience, capacity and capability to deliver the programme, as evidenced in the following sections:

### 5.7.1 Community & Place

The Council has extensive experience of procuring and delivering a wide range of infrastructure and capital projects including the delivery of new Schools; implementation of Townscape Heritage Initiatives and Conservation Area Regeneration Schemes; Public Realm projects; and large-scale roads and engineering projects. Recent examples include: Lochshore Park Visitor and Community Hub (£4.2m); Quarry Road sports facility and business hub (£6m); the Portal leisure facility in Irvine (£18m); and Irvine public realm improvement works (£2.8m).

A number of these projects have been delivered within challenging timescales in a series of Phases, and, in challenging circumstances such as during the pandemic. The Council also has extensive experience of delivering revenue projects including the successful Community Renewal Fund projects. The experience from these projects which is transferable to this project includes: effective budget management; efficient procurement and management of consultants; and project management.

The Council also has extensive experience of developing and managing grant schemes and Participatory Budgeting activities. This includes schemes where support is provided to third parties via external funding such as the management of Conservation Area Regeneration Scheme and Townscape Heritage Initiatives.

The Council has extensive experience of managing funding from external funding sources and to deliver competitive grant funding opportunities for communities and partners.

Officers within the Council's Regeneration team are fully engaged in the delivery of existing projects and programmes.



To ensure that priority is given to SPF, it is therefore proposed to appoint a dedicated Programme Manager as part of this team who would lead the programme management and oversee the projects being delivered under the Community & Place priority. This would be in addition to the Compliance Officer post as set out above, with both posts being funded from the 4% allocation for Admin. This role would be managed within the existing team structure to ensure that it benefitted from the broader team's experience and input.

### **5.7.2 Supporting Local Business**

Currently North Ayrshire Council is the lead organisation for Ayrshire ERDF funds and for Business Gateway delivery. Business Advisers in response to the Council's Community Wealth Building approach work within localities and closely with their respective business community. In response to the recent drive on Digital and Green, all advisers have had extensive training on these areas to allow for a greater understanding of options and opportunities. This has led to each adviser having a green and digital toolkit. Some of the training / support provided comes from partners including Microsoft, Strathclyde Uni, UWS, Resource Efficient Scotland, SMAS, Scottish Enterprise etc.

### **5.7.3 People & Skills**

North Ayrshire Council has an established service to deliver on the People & Skills priority. This capability is illustrated by delivery of ESF and ERDF programmes, Scottish Government programmes such as Young Persons Guarantee, No One Left Behind and Parental Employability Support Funding. The team also acted as gateway for the KICKSTART (UKDWP) Programme worth over £3m and creating/identifying 300 vacancies with local employers.

The service is overseen by the Local Employability Partnership which provides overall direction and governance for employability service. The LEP is made up of the following partners: North Ayrshire Council (Chair), Health and Social Care Partnership, Skills Development Scotland, DWP, Ayrshire College, Third Sector Interface and Chamber of Commerce.

### **5.7.4 Multiply**

The Council's Community Learning and Development service has a long-standing provision in the community to support numeracy and literacy needs in adults, including delivery programmes, training and staffing. The service will build on the infrastructure and collaboration already in existence to deliver the Multiply programme in North Ayrshire.

## 5.8 Impact Assessments

The Investment Plan has been subject to the following impact assessments as part of the overall Equality and Children's Rights Impact Assessment which has been carried out with guidance from the Council's Equalities Officer:

- ▶ Equality and Children's Rights Impact Assessment;
- ▶ Islands Impact Assessment;
- ▶ Fairer Scotland Duty assessment.

The assessments have been completed and published on the Council's website.



## 6.0 Risk Assessment

North Ayrshire Council has identified a number of key risks that could potentially affect delivery, however actions have been identified to mitigate these risks.

**Table 1: SPF Risk Assessment**

Description	Risk	Mitigation
Service mobilisation including contracts	Low	SPF will not be delivering brand new interventions (apart from the Multiply programme) and therefore staff, systems and processes, in addition to delivery partners, to deliver the services outlined. Delivery should be available from the point of approval of the investment plan. Although Multiply is a new fund, a delivery plan has been developed with Community Learning and Development, the third sector, community groups and Ayrshire College. This will see Multiply delivered from January 2023.
Staffing	Low	Across the authority and delivery partnership, there are experienced staff in post to deliver the investment plan as outlined. Additional staff required will be recruited on formal approval of the investment plan, however it is intended to transfer existing staff from EU funded programmes into these new posts which will make for a more seamless transition.
Lack of expertise	Low	SPF will in large replace EU investment currently awarded to the Council. For this reason, staff and delivery partners are already very experienced in delivering the type of activity supported by SPF and in the associated management and compliance of such funding.

**Table 1: SPF Risk Assessment Continued**

Description	Risk	Mitigation
Community engagement	Low	As outlined in 3.7 to this Business Plan, a significant engagement process was undertaken with local community organisations via Connected Communities and TACT. Once the investment plan has been submitted, further engagement will commence to include creating a web page specific to SPF, information sessions in person and online and the creation of a formal application process which will be widely publicised.
Financial management	Low	North Ayrshire Council has extensive experience in delivering similar programmes of this nature including ESF, ERDF, Kickstart and Ayrshire Growth Deal. The Council's corporate finance team will oversee all financial transactions and will adopt the same methods used to manage EU funds which are subject to scrutiny by internal and external audit.
Funding compliance/ reporting	Low	North Ayrshire Council has extensive experience of delivering similar funding programmes in a compliant manner, both in terms of financial compliance and delivery of outputs and outcomes. An experienced compliance team is already in place for employability, business support and regeneration projects.
Timescales	Medium	The timescales, in particular for year one spend, are tight. Ability to spend funds within year will be impacted upon by the investment plan approval process. If there are delays to the approval then this will result in slippage in terms of mobilisation and spend which could increase the risk of experienced staff leaving if contracts cannot be renewed post December 2022. North Ayrshire Council has already raised the issue of in year spend as a challenge to delivery.



## 7.0

# Financial Proposals

The investment plan is accompanied by detailed expenditure profiles which allocate funds against

### 7.1 Allocation from UK Government

Table 2 below shows the total core SPF and Multiply awards, broken down into annual figures. It is important to note that the UK Government advises that there will be no opportunity to carry forward funds between years and therefore allocations must be spent in year.

**Table 2: SPF Allocation from UK**

Allocation	2022/23 £	2023/24 £	2024/25 £	Total £
Core SPF	622,555	1,245,110	3,262,189	5,129,854
Multiply	323,729	373,533	373,533	1,070,795
<b>Total Allocation</b>	<b>946,284</b>	<b>1,618,643</b>	<b>3,635,722</b>	<b>6,200,649</b>

Table 3 below highlights particular ringfenced amounts with a minimum amount required to be spend on capital projects and a maximum allowed for administration purposes.

**Table 3: Ringfenced SPF Funding: Capital and Admin**

Allocation	2022/23 £	2023/24 £	2024/25 £	Total £
Capital Percentage	10.4%	12.5%	17.9%	Not Applicable
Minimum capital	98,414	202,330	650,794	951,538
Admin Percentage	4%	4%	4%	Not Applicable
Admin Fee	37,851	64,746	145,429	248,026

## 7.2 Expenditure Profile: North Ayrshire

Following the proposals set out in Section 4.0 to this Business Plan, the Table 4 below highlights the proposed expenditure profile for the North Ayrshire SPF programme.

**Table 4: North Ayrshire Proposed SPF**

Theme	2022/23 £	2023/24 £	2024/25 £	Total £
People & Skills	325,560	604,084	2,000,395	2,930,039
Supporting Local Business	75,000	300,000	300,000	675,000
Community & Place	195,072	233,333	850,870	1,279,275
(of which capital)	(98,414)	(202,330)	(650,794)	(951,538)
Multiply	323,729	373,533	373,533	1,070,795
Admin Fee	26,923	107,693	110,924	245,540
<b>Total</b>	<b>946,284</b>	<b>1,618,643</b>	<b>3,635,722</b>	<b>6,200,649</b>

Assumptions used for these figures are as follows:

- ▶ Admin fee: staff posts will commence in Q4 of Year 1;
- ▶ The People & Skills allocation will rely on significantly more match funding in Year 2 and less in Year 3- this is required because of the annual allocations of SPF which ramp up from Years 1 to 3, creating a shortfall in Year 2. Section 7.3 to this Business Plan provides more detail on this.

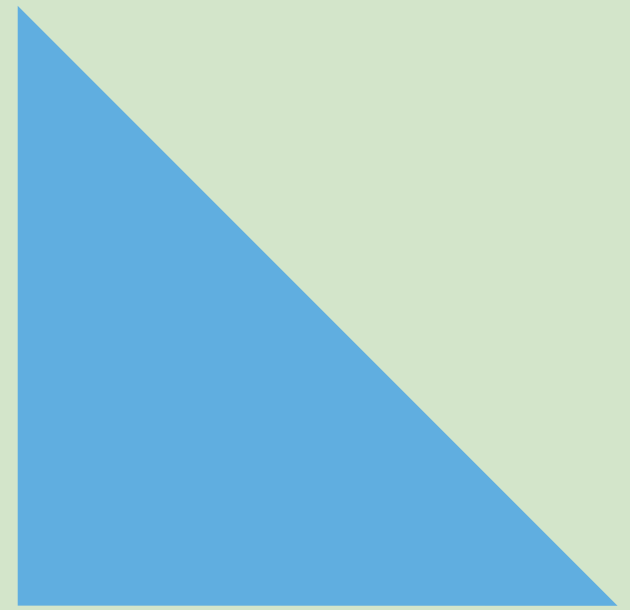
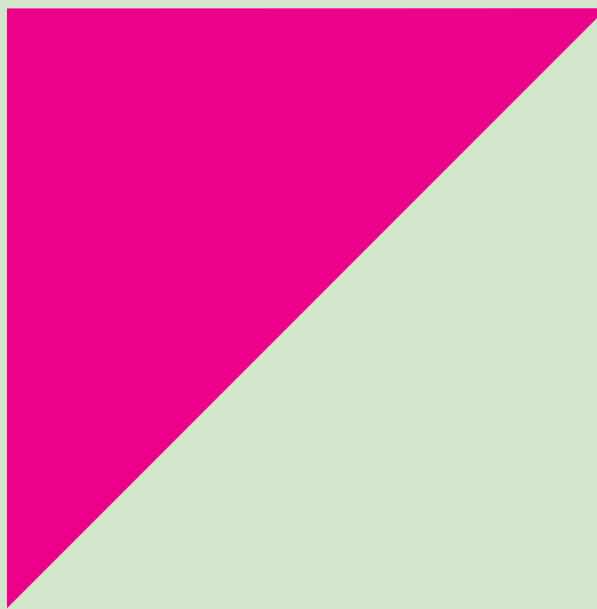
It should be noted that in future rounds of SPF, if the annual allocation was to reflect the Year 3 figure, the requirement for People & Skills funding would be approximately £1.3m as shown in Table 5 below.

Once restricted funds are subtracted, this would leave approximately £1.5m for the Community & Place priority, to be split between Council projects and a competitive grant scheme.



### 7.3 Match Funding

Match funding is not a requirement for SPF, however North Ayrshire Council intends to use match from a variety of sources including core funds, under the Supporting Local Business and People & Skills investment priorities to add value and maximise the impact of the available funding. It is anticipated that SPF under these investment priorities will leverage a significant amount of additional investment by way of match funding.





## 8.0 Interventions, Outputs and Outcomes

The Investment Plan is accompanied by a detailed indicative deliverables spreadsheet which details the outputs and outcomes proposed under the interventions for each SPF investment priority. A link to this spreadsheet is embedded into Appendix D.

It is exceptionally difficult at this stage to accurately predict the outputs and outcomes to be delivered, particularly under the Community & Place priority, because individual projects have not yet been selected for SPF support and the priority will feature a PB approach and competitive grant scheme.

It is anticipated that a degree of flexibility will be adopted by the UK Government in terms of outputs and outcomes submitted at application stage vs actual achievements during delivery stage. Indeed, the guidance states 'the outputs and outcomes you enter in Tables A-H (see Appendix F) are indicative at this stage and will be refined throughout the course of the UKSPF programme'.

The following tables (Tables 7, 8, 9 and 10) present the interventions under which SPF will be delivered in North Ayrshire, with more detail presented in Appendix E.

# 8.1 Interventions

## 8.1.1 Community & Place Interventions

- S1: Place based investments for regeneration and town centre improvements, which could include better accessibility for disabled people, including capital spend and running costs.
- S2: Support and improvement of community assets and infrastructure projects, including those that increase communities' resilience to natural hazards, and support for decarbonisation of facilities, energy efficiency audits, and installation of energy efficiency and renewable measures in community buildings (including capital spend and running costs).
- S3: Improvements to the natural environment and green and open space which could include community gardens, watercourses and embankments, along with incorporating natural features into wider public spaces.
- S4: Design and management of the built and landscaped environment.
- S5: Support for sport, arts, cultural, heritage and creative activities, projects and facilities and institutions.
- S6: Funding for active travel enhancements and other small scale strategic transport projects.
- S7: Funding for the development and promotion of wider campaigns which encourage people to visit and explore the local area.
- S8: Funding for impactful volunteering and/or social action projects to develop social and human capital in local places.
- S9: Investment in capacity building, resilience (including climate change resilience) and infrastructure support for local civil society and community groups.
- S10: Community measures to reduce the cost of living, including through measures to improve energy efficiency, and combat fuel poverty and climate change.
- S11: Funding to support relevant feasibility studies.
- S12: Investment and support for digital infrastructure for local community facilities.
- S13: Support for linking communities together and with employment opportunities with a focus on decarbonisation.

## 8.1.2 Supporting Local Business Interventions

S29: Support for new and existing businesses and start-ups aligned with local, regional and Scottish policy

## 8.1.3 Supporting Local Business Interventions

- S31: Employment support for economically inactive people: Intensive and wrap-around one-to-one support to move people closer towards mainstream provision and employment, supplemented by additional and/or specialist life and basic skills (digital, English, maths\* and ESOL) support where there are local provision gaps.
- S32: Courses including basic skills (digital, English, maths (via Multiply) and ESOL), and life skills and career skills\*\* provision for people who are not economically inactive and who are unable to access other training or wrap around support detailed above. This could be supplemented by financial support for learners to enroll onto courses and complete qualifications
- S33: Activities such as enrichment and volunteering to improve opportunities and promote wellbeing.
- S34: Intervention to increase levels of digital inclusion, with a focus on essential digital skills, communicating the benefits of getting (safely) online, and incommunity support to provide users with the confidence and trust to stay online
- S35: Support for employability programmes and advice places should have regards for the No One Left Behind agenda, the Young Person's Guarantee, Fair Start Scotland and Scottish employability pipeline. This could include tailored support to help people in employment, who are not supported by mainstream provision to address barriers to accessing education and training courses. This includes supporting the retention of groups who are likely to leave the labour market early.
- S36: Support for local areas to fund local skills needs. This includes technical and vocational qualifications and courses up to level 2 and training for vocational licences relevant to local area needs and high-value qualifications where there is a need for additional skills capacity that is not being met through other provision.
- S37: Green skills courses to ensure we have the skilled workforce to support the Just Transition to a net zero economy and climate resilience, with a particular focus on vulnerable or low-income groups who will be disproportionately affected by climate change. Retraining support for those in high carbon sectors, providing career guidance and supporting people to seek employment in other sectors.
- S38: Funding to support local digital skills.
- S39: Support for education and skills targeting vulnerable young people leaving school, places should have regard for the Young Person's Guarantee, modern apprenticeships and related policy.
- S40: Support for community learning and development
- S41: Funding to support new partnership and project-based entrepreneurial learning between business and education to develop a culture that celebrates entrepreneurship.

## 8.1.4 Multiply

- S42: Courses designed to increase confidence with numbers for those needing the first steps towards formal qualifications.
- S43: Courses for parents wanting to increase their numeracy skills in order to help their children, and help with their own progression.
- S44: Courses aimed at prisoners, those recently released from prison or on temporary licence.
- S45: Courses aimed at people who can't apply for certain jobs because of lack of numeracy skills and/or to encourage people to upskill in order to access a certain job/career.
- S46: Additional relevant maths modules embedded into other vocational courses.
- S47: Innovative programmes delivered together with employers- including courses designed to cover specific numeracy skills required in the workplace.
- S48: New intensive and flexible courses targeted at people without Level 5 maths in Scotland, leading to an equivalent qualification.
- S49: Courses designed to help people use numeracy to manage their money.
- S50: Courses aimed at those 19 or over that are leaving, or have just left, the care system.
- S51: Activities, courses or provision developed in partnership with community organisations and other partners aimed at engaging the hardest to reach learners- for example, those not in the labour market or other groups identified locally as in need.

## 8.2 Outputs

The outputs for all priorities are organised under the strategic interventions. For ease of presentation, these are presented in the embedded Excel file in Appendix D to this Business Plan.

## 8.3 Outcomes

In line with the outputs, the outcomes for all priorities are also organised under the strategic interventions. These are contained within the same embedded Excel file in Appendix D to this Business Plan.

## 9.0 Future SPF Programmes

This Business Plan sets out plans for the 2022-2025 SPF programme. The UK Government has intimated that this will be the first programme and that there will be future SPF rounds, with annual investment levels similar to the amount allocated to Year 3 of the current programme. Because of the in-year allocations, this restricts available funding in Year 2.

The proposed expenditure profile highlights the gap in funding available for the People & Skills priority in Year 2 which will be balanced across Years 2 and 3 with match funding. In future rounds of SPF, it is anticipated that a full allocation of funding from the first year of the programme would allow for approximately 50% of the programme funding to be made available through the Community & Place priority.

The SPF Prospectus for the current programme encouraged local authorities to take a regional approach to SPF planning and delivery. Under the governance and guidance of the Ayrshire Economic Joint Committee, and whilst each authority has developed individual Investment Plans, it is the intention of all three authorities to work together to develop shared aspirations for future rounds of SPF. This will be informed by the emerging Ayrshire Regional Economic Strategy and it is intended that future proposals will align with these strategic recommendations for the region.

## Appendix 1 - Governance Structure Shared Prosperity Fund text alternative

1. The UK Government Department for Levelling Up, Housing and Communities (DLUHC) is the overseeing body for the UK Shared Prosperity Fund. There is a UK Shared Prosperity Fund team within DLUHC that manages the fund nationally.
2. North Ayrshire Council's Programme Manager is the Council's lead contact with UK Government. The Programme Manager sits within the Council's Regeneration Team. The Programme Manager coordinates the programme as a whole, working with lead officers for each of the other project themes to ensure that delivery is as per the approved investment plan.  
  
The Programme Manager will also administer the competitive grant scheme in addition to having oversight of the projects delivered in-house under the Community & Place priority.  
  
The Programme Manager maintains an oversight on finances and compliance. They offer support to the four thematic groups and will work collaboratively across the Council to ensure maximum benefits are delivered as a result of the programme. The Programme Manager has responsibility for reporting on progress to the SPF Governance group.
3. The Compliance Officer will support the Programme Manager to monitor programme delivery and finance.

4. The Programme Manager reports to NAC Finance regularly and works with the Finance team to ensure effective administration.
5. The Programme Manager has responsibility for NAC Strategic reporting to relevant bodies and officers.
6. The SPF governance group meets monthly and is comprised of the theme leads and other relevant individuals.
7. Thematic leads
  - People and Skills  
Lead: Senior manager, Employability  
Employability staff  
Responsibilities: Delivery of People and Skills investment priority
  - Community and Place  
Lead: Senior Manager, Regeneration  
UKSPF Programme Manager  
Responsibilities: Delivery of Community and Place investment priority; administration of competitive grant scheme
  - Supporting local business  
Lead: Senior Manager, Business team  
Business team Staff  
Responsibilities: Delivery of Supporting Local Business investment priority.
  - Multiply  
Lead: Senior officer Community Learning and Development  
Multiply Officer  
Responsibilities: Delivery of Multiply Programme





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