

## About SCVO

The Scottish Council for Voluntary Organisations (SCVO) is the national membership organisation for the voluntary sector. We champion the sector, provide services, and debate big issues. Along with our community of 2,000+ members, we believe that charities, social enterprises, and voluntary groups make Scotland a better place.

## Introduction

The following is SCVO's representation to the UK Government's Spending Review and outlines SCVO's views in relation to the UK Shared Prosperity Fund (UKSPF) in particular, how the fund will be administered and what it should prioritise. SCVO is disappointed that there have been no formal avenues for consultation on the UKSPF with the UK Government failing to outline its priorities and ambitions for a successor to European Structural Funds.

Given the wide variety of voluntary organisations which rely on this work to deliver outstanding support to people and communities throughout Scotland and the UK, it is important that the fund carefully considers the view of its stakeholders in order to ensure future success. Whilst the opportunity to share our views on the UKSPF is welcomed as part of the government's spending review, we recommend that formal stakeholder consultation is undertaken in order to properly and sufficiently inform the development of the UKSPF.

## Administration

SCVO believe that administration of the proposed UKSPF which is due to replace European Structural Funds, should continue to be delivered at a devolved level. The main aim of the fund should be to address and reduce economic and social disparities within and between places and people in Scotland. It should promote place-based economic development and cohesion, helping communities across Scotland to improve key economic, social and wellbeing performance indicators.

SCVO believe that it is crucial that the management of Scotland's allocation of UKSPF is devolved to the Scottish Government. This allows for specific regional priorities to be addressed at a more localised level by people who have a comprehensive understanding of the challenges local communities face and the solutions required to overcome these challenges. Re-centralisation of the fund post-Brexit would be a backward step. The UK Government's role in the fund should be limited to outlining a high-level framework, in similar vein of the EU's cohesion policy, which acts as a guide for devolved administration funding allocation decisions.

## Priorities

The UKSPF should aim to support the Scottish Government's aims as set out in the Programme for Government and complement the actions published in the Scottish Government's Economic Recovery Implementation Plan as well as retaining alignment with Scotland's National Performance Network.

## Evaluation

Funding for the UKSPF should be devolved to Scotland and allocated based on regional need or on a place-based analysis of need. GDP, GVA or SIMD should not be the sole statistical measurement used to allocate funding. It is important that the replacement fund moves beyond the economic measures outlined above, and uses an evaluation framework which captures wellbeing, therefore aligning with the Scottish Government's ambition to create a wellbeing economy in response to the coronavirus pandemic.

Economic indicators, whilst a statistically reliable measure, only capture material wellbeing. They do not account for social and environmental costs, reflect social inequalities or regional disparities. The UKSPF offers the opportunity to embed wellbeing indicators alongside more traditional economic measurements.

### **Duration**

Furthermore, SCVO believe that the UKSPF should retain the same attributes with regards to funding duration. Maintaining the longer-term funding programme period of seven years, ensures that there is no short-term 'politicking' regarding funding decisions between political parties in the run up to elections. It is important that funding support is allocated on a long-term basis to enable sustainable change to be planned, programmed, achieved and evaluated. This will also allow for opportunities to review and refresh priorities and delivery through the duration of the funding support.

The seven-year duration of the previous structural fund programmes should be retained for the UKSPF as it provides sufficient time for stakeholders to plan, deliver and evaluate projects and is less likely to be subject to modification should there be a change in government.

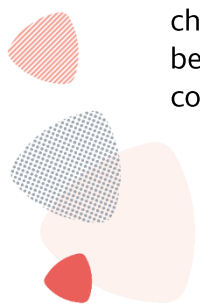
### **Alignment**

SCVO acknowledge the commendable elements within the UK Government's Industrial Strategy such as the ambitions to reduce inequalities between communities and places by promoting a sustainable and inclusive economy. However, the Industrial Strategy's solutions to these problems commonly manifest themselves through the prioritisation of productivity measures. Funding community services which support areas suffering from spatial inequality is equally as important as improving productivity.

The Industrial Strategy, in its current form, has too narrow a focus on blunt productivity measures. It outlines five measures for a 'transformed economy' that include ideas, people, infrastructure, business environment and places and outlines a number of commitments around these measures, none of which directly relation to the role of the voluntary sector, which SCVO serves, in tackling inequalities. Therefore, SCVO are of the opinion that UKSPF allocations should not be based on the priorities of the Industrial Strategy and that priorities should be set by the devolved administrations.

### **Recovery**

The coronavirus pandemic has delivered a huge shock to the UK's economy, completely changing how people and organisations live, work and interact with each other. There will be long-lasting challenges not only to the economy but to personal wellbeing and community resilience which SCVO believes any successor fund should seek to mitigate.



The areas worst hit by the pandemic may not necessarily be the same as those areas traditionally considered to be disadvantaged. Data is still emerging, but we need to build objectives and processes into the fund that allow coronavirus related challenges to be addressed. Considerable work has been done to identify these impacts and we must ensure that this funding helps Scotland fulfil its responsibilities to support those people and communities most affected.