

Written evidence submitted by the University of the West of Scotland (SPF0022)

Scotland and the Shared Prosperity Fund

Executive Summary

The implications of UKSPF in Scotland are potentially profound. However, there is a real need to evaluate the impact of and decades of experience with EU structural funds and build on the key lessons to ensure UKSPF implementation is based on:

- Inclusive and meaningful partnership with all partners involved from the planning stage,
- HEIs playing a key role in the delivery due to their significant socio-economic footprint and portfolios of national as well as international collaborations;
- Stratified flexibility and substantially reduced administration.

1. Introduction

University of the West of Scotland (UWS) is classified as one of the new Universities that has been granted a University status in 1992 (i.e. Paisley College of Technology was granted the title University of Paisley). Following the merger of the University of Paisley with Bell College (Hamilton), in November 2007, the Privy Council approved the name University of the West of Scotland for the merged institution. More information about the University is available at:

<https://www.uws.ac.uk/about-uws/>.

We are submitting evidence to reinforce the need for the UK Shared Prosperity Fund (UKSPF) to replace the EU structural funds.

2. What are the implications of the financial assistance powers in the Internal Market Bill and the announcements made by the UK Government in the 2020 Spending Review for the delivery of the Shared Prosperity Fund in Scotland?

Higher Education Institutions (HEI) as well as Further Education Institutions have been major partners in delivering upskilling within and across places in Scotland. HEI's geographical distribution and diversity have enabled them to effectively address the local skills needs. For example, the growth of uptake on the Graduate Apprenticeship (GA) programme from 278 in 2017/18 to 1,160 in 2019/20 academic year is telling and requires further support to ensure its sustainability¹. Skills Development Scotland (SDS) has invested £20.6m in training, including GA and the Foundation Apprenticeship programme and this has been supported by a £8.6m grant from the European Social Fund (ESF)². In times of pandemic and in the next few difficult years, it is of critical importance to focus on levelling up of prosperity across Scotland. Many other measures will be needed but the apprenticeship programmes will be at the heart of the recovery in places which suffered economic decline even before the pandemic.

GA is an example of the skills benefits delivered through the EU structural funds and there are many other examples. Partnership approach involving local stakeholders is essential. Past research on EU structural funds shows that lack of vertical as well as horizontal cooperation leads to funds absorption problems, reducing the effectiveness of structural funds³. The implementation of the UKSPF should thus build on lessons learnt from the ecosystem that has matured through more than

¹ <https://www.skillsdevelopmentscotland.co.uk/media/47123/sds-graduate-apprenticeship-progress-report-2019-20.pdf>

² <https://blogs.gov.scot/european-structural-and-investment-funds/2020/02/26/case-study-jordan-skills-development-scotland-european-social-fund/>

³ Kálmán, J. (2002). Possible structural funds absorption problems. *Regionalisation for Development and Accession to the European Union: A Comparative Perspective* Ed. G Marcou (The Open Society Institute, Budapest) pp, 29-63.

four decades of experience with the structural funds. Key lessons include: (1) Inclusive and meaningful partnership with all partners involved at the planning stage, (2) HEIs in particular need to be far more involved in the delivery of UKSPF due to their significant socio-economic footprint and portfolios of international collaborations; (3) Substantially reduced administration, which proves to be a significant barrier for all partners.

In an increasingly virtualised economic reality, simplified and robust digital administration increases efficiency. The focus on place represents the foundation for the effectiveness of UKSPF, the inclusive and long-term partnerships significantly reduce the above-mentioned funds absorption problem and collaboration that transcends national borders is key to ensure it is globally competitive.

Taking all of the above in the account, the implications of UKSPF in Scotland and the role HEIs can play in its implementation are therefore transformational. UWS has significant presence across the West of Scotland and our partnership with regional stakeholders is highly collaborative (*e.g.* chairing of Lanarkshire Economic Forum, chairing of Clean Growth and Digital Workstreams within Ayrshire Economic Partnerships, membership in the Renfrewshire Economic Leadership Panel). These regional economic partnerships are inherently place-based and enable an oversight of socio-economic needs, actions and projects.

Complementarity of UKSPF to the existing place-based mechanisms (*e.g.* Growth Deals, Strength in Places Fund) will deliver a stratified complex of support mechanisms that will offer appropriate responses to the needs and aspirations as they arise within a place – no matter how it is defined and constructed – in rapidly changing economic conditions. There is a real opportunity to engage UKSPF through economic partnerships at different levels (geographical or thematic) to achieve flexibility needed when socio-economic circumstances rapidly change. Support mechanisms often prevent funding absorption due to their inflexibility and while it sometimes appears there are many available mechanisms, change of socio-economic conditions may render them ineffective or even impractical.

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