

REPORT TO:		Cabinet	
DATE:		26 March 2025	
PORTFOLIO:		Noordad Aziz – Deputy Leader of the Council (Transformation, Education and Skills)	
REPORT AUTHOR:		Steve Riley – Executive Director (Environment)	
TITLE OF REPORT:		UK Shared Prosperity Fund 25-26	
EXEMPT REPORT (Local Government Act 1972, Schedule 12A)	No	Not applicable	
KEY DECISION:	No	If yes, date of publication:	

1. **Purpose of Report**

- 1.1 This report sets out recommendations for the use of the Authority’s final allocation of the UK Shared Prosperity fund 2025-26. The report asks for delegated authority to submit a proposal to the Lancashire Combined County Authority based on this recommendation.

2. **Recommendations**

- 2.1 That Cabinet support the proposal in this report, which is to continue with the broad recommendation of the Accrington Town Centre Partnership for Authority’s initial 2023-25 UKSPF allocation and delegate authority to the Executive Director (Environment), following consultation with the various Portfolio Holders to prepare and submit the required investment/spending plan to the Lancashire Combined County Authority (LCCA) that reflects this recommendation.

3. **Reasons for Recommendations and Background**

- 3.1 The UK Shared Prosperity Fund was launched by the previous government on 13 April 2022 which was intended to reduce inequalities between communities as part of the Government’s wider “levelling up” agenda.
- 3.2 The Shared Prosperity Fund allocation 2023-25 was allocated to lead local authorities across the UK using a formula rather than by inviting competitive bids. In two tier areas, the district councils were classed as the lead authority rather than the County Council. The formula for the allocation reflects the amounts that areas received from the EU structural funds, with some needs-based adjustments.

- 3.3 In a report to Cabinet in June 2022, Cabinet supported the Accrington Town Centre Partnership recommendation to allocate the Authorities £2.9m funding across the following two spending Themes: (1) Business Support Growth & New Business and (2) Regeneration
- 3.4 On Wednesday 30th October, following the Budget, MHCLG announced the Government would be *“continuing the UK Shared Prosperity Fund at a reduced level for a further year, providing £900 million; this transitional arrangement will allow local authorities to invest in local growth, in advance of wider funding reforms.”* All areas of the UK will receive a ‘final’ allocation of UKSPF to commence in April 2025 and enable local authorities to make the necessary arrangements in bringing any existing UKSPF agreements to a finish by 31 March 2026. Further guidance and investment/spending plan forms are to be provided by MHCLG sometime in April.
- 3.5 The UKSPF investment prioritises the new government’s five Missions, these being:
1. Kickstart Economic Growth
 2. Make Britain a Clean Energy Superpower
 3. Take Back our Streets
 4. Break Down Barriers to Opportunity
 5. Build an NHS for the future
- 3.6 On Friday 13th December, MHCLG informed all Lancashire authorities that as they were now part of a devolution deal area, the lead local authority and accountable body position would change accordingly to Lancashire County Combined Authority (LCCA). A total of £21,748,007, (£3,301,752 capital and £18,446,256 revenue) was assigned across the combined authority.
- 3.7 The matters relating to the management and administration of the Lancashire SPF programme were discussed at the Shadow LCCA meeting on the 21st January 2025 and it was subsequently agreed that:
- a) Blackpool Council, through its Programme Monitoring Office (PMO), will lead on the coordination of the administration of the Programme on behalf of the LCCA.
 - b) allocations to the 14 Lancashire Local Authorities would be based on the allocations determined by MHCLG to generate the overall £21,748,007 LCCA allocation.
 - c) a 1% programme management top slice to all authority revenue allocations would be applied (i.e £184,000) to provide essential additional human resourcing (2 posts, ideally seconded) including programme delivery, procurement, legal, finance and administrative support. This spend would be rigorously reviewed and any underspend provided back to authorities accordingly.
- 3.8 Hyndburn’s proposed allocation from the LCCA for the financial year 2025/26 is £1,382,611 and split £177,797 capital and £1,204,814 revenue.

- 3.9 To access its allocation, Hyndburn will need to submit an investment/spending plan to the LCCA. For the 2025/26 funding, the government have mapped the existing 2023/25 interventions into Mission-led themes across three priority areas, these being:
1. Communities and Place
 2. Support for Local Business
 3. People and Skills.

3.9 Given the pressing deadline involved in spending the ‘final year’ allocation by 31 March 2026, it is recommended the Council’s Investment/Spending Plan for 2025/26 continues in board terms with the initial 2023/25 funding themes, these being set out below. Once the various investment forms and guidance have been received from LCCA, there may be slight adjustment necessary to ensure compliance and unlock the funding as quickly as possible.

- High Streets and Town Centres Improvements - £625,000
- Develop/Promote the Visitor Economy - £197,211
- Town Centre Greening - £250,000
- Advice and Support to Business - £255,400
- Administration - £85,000

4. Alternative Options considered and Reasons for Rejection

4.1 It is possible the Council could choose alternative options. This is not recommended given the pressing deadlines to spend the funding by 31 March 2026 and the proposals continue along the same broad recommendations of the Board and given this is the final tranche of UKSPF funding it allows existing supported interventions to conclude over a final 12 months.

5. Consultations

5.1 The Council consulted with a range of key stakeholders in 2022 who expressed their views through the Accrington Town Centre Partnership Board and the final year UKSPF allocation continues along the same broad themes.

6. Implications

<p>Financial implications (including any future financial commitments for the Council)</p>	<p>The programme of works is externally funded and costs for fund administration within the Council will be included in the spending plan.</p> <p>a) The Blackpool PMO team will liaise with all Lancashire authorities throughout the year as an advisory and support mechanism.</p> <p>b) On a quarterly basis, they will request a “quarterly return” from each authority, outlining spend to date, forecast spend and outcomes delivered (in line with</p>
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	<p>individual SLA's).</p> <p>c) These returns will need to be signed off by the respective authority's Section 151 officer to provide additional assurance.</p> <p>d) Such quarterly returns will ensure knowledge of any underperformance and allow any remedial action to be considered at an early stage and so avoiding potential LCCA programme level clawback</p> <p>e) MHCLG Returns are required on a 6 monthly (approx. October 2025 and end March 2026). The PMO team will compile the data from the respective authorities and combine into the single programme level return.</p> <p>f) This will be passed to the Blackpool Council Finance team for review and on to the Section 151 officer.</p> <p>g) The Blackpool Section 151 officer will in turn pass through to the Section 73 officer for the Combined County Authority who will be required to "sign off" the claim on the MHCLG DELTA system.</p>
<p>Legal and human rights implications</p>	<p>a) The LCCA Section 73 officer will sign the MHCLG MoU for the programme</p> <p>b) The LCCA will pull together an SLA with Blackpool with regards to its co-ordination responsibilities and 1% top slice.</p> <p>c) Blackpool Council's legal team will take responsibility for the creation of 14 SLA's between the LCCA and local authorities, which outlines their individual assurance responsibilities in delivery of their respective SPF allocations. This will have the above mentioned MoU attached and will include detail outlining responsibilities around branding, procurement, subsidy control, equalities and Section 151 sign off of quarterly returns.</p> <p>d) Each local authority will be responsible for developing SLA's and / GFA's with their respective SPF project delivery organisations (Council, private sector or community organisations).</p>
<p>Assessment of risk</p>	<p>There is a risk that the funding will not be spent by the funding deadlines.</p>

	<p>This has been mitigated by continuing along the same broad themes as the initial funding and will enable existing supported interventions to conclude over a final 12 months.</p>
<p>Equality and diversity implications <i>A Customer First Analysis should be completed in relation to policy decisions and should be attached as an appendix to the report.</i></p>	<p>A Customer First Analysis was included with the original UKSPF Cabinet Report in June 2022 and is attached again with this report.</p>

7. **Local Government (Access to Information) Act 1985:**
List of Background Papers

- 7.1 UK Shared Prosperity Fund to Cabinet – 22 June 2022
<https://democracy.hyndburnbc.gov.uk/ieListDocuments.aspx?CId=133&MId=2694&Ver=4>

8. **Freedom of Information**

- 8.1 The report does not contain exempt information under the Local Government Act 1972, Schedule 12A and all information can be disclosed under the Freedom of Information Act 2000.