

BROMSGROVE DISTRICT COUNCIL

Cabinet
2025

26 March

UK Shared Prosperity Fund 2025/26

Relevant Portfolio Holder	Councillor Sue Baxter Cabinet Member for Economic Development and Regeneration
Portfolio Holder Consulted	Yes
Relevant Assistant Director	
Report Author	Job Title: UK Shared Prosperity Fund Manager Contact email: Georgina.harris@bromsgroveandredditch.gov.uk Contact Tel: 01527 534082
Wards Affected	No specific ward relevance
Ward Councillor(s) consulted	No
Relevant Council Priority	Economic Development, Environment
Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	

1. RECOMMENDATIONS

The Cabinet RESOLVE that:-

- 1) The Investment Plan (Appendix 1) is approved; and**
- 2) Authority to vary the Investment Plan, in order to maximise the use of the grant, be delegated to the Assistant Director Regeneration & Property following consultation with the Portfolio Holder for Economic Development and Regeneration.**

2. BACKGROUND

- 2.1 The UK Shared Prosperity Fund (UKSPF) was established in 2022 to replace the EU Structural Funds that the UK no longer has access to.
- 2.2 The initial UKSPF allocation was for the 3-year period from 1 April 2022 to 31 March 2025. Bromsgrove District Council received the following funding over the 3-year period:

Year	Capital	Revenue	Total
2022/23	£50,000	£290,499	£340,499
2023/24	£237,490	£443,508	£680,998
2024/25	£548,610	£1,235,605	£1,784,215

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- 2.3 The UKSPF focussed on the 3 investment priorities of Communities & Place, Supporting Local Business, and People & Skills. These investment priorities were sub-divided into more than 50 interventions which described the intentions of the investment priorities. The available funding increased significantly in 2024/25 due to funding from the European Social Fund for activity relating to People & Skills ending in March 2024. To access the funding, the Council was required to submit an investment plan to government in August 2022.
- 2.4 In the investment plan, the Communities & Place investment priority was allocated £1,127,962 which has been used to fund grants for improvements to community facilities; improvements in public realm in the town and local centres; improvements to parks; and community safety measures. Funding was also made available to the voluntary and community sector to deliver sporting and cultural events, to support volunteering and to deliver advice and support to households vulnerable to fuel poverty.
- 2.5 The Supporting Local Business investment priority was allocated £859,371 which has been used to fund a suite of programmes designed to help businesses to start-up, grow and innovate in a sustainable way.
- 2.6 The People & Skills investment priority was allocated £706,151 which has been used to provide employability support to young people and economically inactive people. It has also been used to provide grants to businesses to upskill their workforce.

3. OPERATIONAL ISSUES

- 3.1 In the October 2024 budget the Chancellor announced an extension to UKSPF. The budget confirmed that UKSPF will be continued at a reduced rate for a further year, a transitional arrangement allowing local authorities to invest in growth, in advance of wider funding reforms.
- 3.2 On 13 December 2024, the Government published the UKSPF allocations for 2025/26. Bromsgrove District Council will receive the following funding:

Capital	Revenue	Total
£169,469	£748,409	£917,878

This represents a 49% reduction in the allocation from the previous year.

- 3.3 Under the grant conditions, capital funding must be spent on capital expenditure; however, revenue funding can be spent on either revenue or capital.

- 3.4 The Government has also published a technical note updating the UKSPF prospectus. The fund is still structured around the 3 investment priorities of Communities & Place, Supporting Local Business and People & Skills and can support the same range of activities as in previous years. However, the list of interventions has been replaced with 5 themes and 12 sub-themes that reflect the Government's missions.
- 3.5 The sub-themes, and how they relate to the investment priorities, are as detailed below:

Investment Priority	Sub-theme
Communities & Place	Improve health & wellbeing
	Reduce crime & the fear of crime
	Bringing communities together, tackling homelessness
	Development of the visitor economy
	High streets and town centre improvements
Supporting Local Business	Advice & support to business
	Enterprise culture and start up support
	Business sites and premises
People & Skills	Supporting people to progress towards and into employment
	Support for young people who are or at risk of being NEET
	Essential skills (including numeracy, literacy, ESOL and digital)
	Employment related skills

- 3.6 As the existing investment plan covers the period up to 31 March 2025 it is necessary to prepare a new investment plan for the financial year 2025/26.
- 3.7 The Investment Plan (Appendix 1) is primarily based on delivering priorities in the Council Plan that align with the UKSPF priorities.
- 3.8 As part of the process of preparing the new plan, the Cabinet Advisory Group has been consulted on the extension of the UKSPF and their feedback sought to shape the investment plan. Members on the group

support allocating the largest proportion of funding to the Communities & Place investment priority and the smallest proportion to People & Skills.

- 3.9 Cabinet Advisory Group recommended that the investment plan should prioritise the sub-themes “Bringing communities together, tackling homelessness”, “Advice & support to business”, “Enterprise culture & start up support”, “Supporting people to progress towards and into employment” and “Support for young people who are or at risk of being NEET”.
- 3.10 When preparing the investment plan, the performance of the current UKSPF funded programmes and the lessons learned from their delivery, has been taken into account. Consideration has been given to which activities are reliant on UKSPF funding and which are funded primarily through other sources. The findings from the recent Community Survey on budget priorities have also contributed to shaping the investment plan.
- 3.11 The Bromsgrove Partnership, in its role as Local Partnership Group for the UKSPF, has been consulted on the strategic fit and deliverability of the investment plan. A sub-group of the Bromsgrove Partnership met on 12 March 2025 to review the investment plan. The group were broadly supportive of the overarching strategy and felt that there was good support for projects that they know have worked well. The following recommendations were made.
- 3.12 Funding for the subtheme “bringing communities together, tackling homelessness” should include some revenue funding to provide grants for activities that brought people together. The partnership recommends that 40-50% of the allocation be used for revenue activity. This funding should be made available to all areas where people come together not just village halls and parks.
- 3.13 Capital funding for high streets & town centre improvements should not include the town centre as this location has received significant funding from other sources.
- 3.14 In terms of deliverability, where possible UKSPF should fund projects that are available countywide to avoid the “postcode lottery” of support being available in a nearby district but not in Bromsgrove.
- 3.15 Where there are a number of organisations delivering support across a common theme, eg skills, the organisation should be encouraged to join up their services to avoid duplication and competition.

- 3.16 In the investment plan, following the deduction of 4% for management and administration, the net allocation is distributed among the three investment priorities as follows:

Investment Priority	% of Allocation	Amount
Communities & Place	45%	£396,523
Supporting Local Business	30%	£264,349
People & Skills	25%	£220,291

- 3.17 The Investment Plan allocates 100% of the UKSPF funds to be received in 2025/26 to projects. However, experience delivering the UKSPF programme to date suggests that there is a risk that some projects may not fully utilise their allocated funds, potentially resulting in an underspend at the end of the programme. Any monies not spent by 31 March 2026 will have to be returned to Government.

- 3.18 In order to maximise the use of the grant, authority is sought to vary the investment plan to allow any underspend towards the end of the programme to be allocated to alternative projects.

4. FINANCIAL IMPLICATIONS

- 4.1 The UK Shared Prosperity Fund allocation for 2025/26 has been included in the Medium-Term Financial Plan.
- 4.2 The grant conditions allow 4% of the allocation to be used for management and administration of the fund.

5. LEGAL IMPLICATIONS

- 5.1 Delivery of the investment plan will require the Council to enter into contracts or other agreements with external organisations. The awarding of contracts or other agreements will be subject to the Council's procurement rules and subject to appropriate due diligence.
- 5.2 The Council will be required to enter into a Memorandum of Understanding with the Ministry for Housing, Communities and Local Government to deliver the interventions included in the plan. Appropriate legal advice will be sought prior to entering any legal agreement.

6. OTHER - IMPLICATIONS

Relevant Council Priority

- 6.1 The investment plan supports delivery of the Council's priorities of economic development and environment.

Climate Change Implications

- 6.2 The investment plan includes interventions that will improve green spaces, reduce energy use by residents and may support businesses to develop carbon reducing technologies and grow sustainably.

Equalities and Diversity Implications

- 6.3 Equality and diversity implications will be considered throughout the delivery of the plan.

7. RISK MANAGEMENT

- 7.1 The current investment plan expires on 31 March 2025. The Council is required to report to Government how it will spend its UKSPF allocation for 2025/26 by 1 May 2025. Failure to develop an investment plan for 2025/26 may delay receipt of the funding.

- 7.2 The Council will continue to implement appropriate programme and project management arrangements for the UKSPF allocation for Redditch in order to manage risks relating to the funding programme and to any projects for which it is directly responsible.

- 7.3 Any UKSPF monies that have not been spent by 31 March 2026 will have to be returned to government. Delivery of projects and the costs associated will be monitored throughout the programme to ensure maximum use of the grant. Any underspend that is identified will be allocated to alternative projects that will deliver the priorities in the Investment Plan.

- 7.4 Delivery of the UKSPF investment plan will be included on the corporate risk register.

8. APPENDICES and BACKGROUND PAPERS

Appendix 1 UK Shared Prosperity Fund Investment Plan 2025/26

UK Shared Prosperity Fund Prospectus

[UK Shared Prosperity Fund: prospectus - GOV.UK](#)

UK Shared Prosperity Fund 2025/26 Technical Note

[UK Shared Prosperity Fund 2025-26: Technical note - GOV.UK](#)

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9. REPORT SIGN OFF

Department	Name and Job Title	Date
Portfolio Holder	Councillor Sue Baxter Cabinet Member for Economic Development & Regeneration	27/2/25
Lead Director / Assistant Director	Rachel Egan Assistant Director Regeneration & Property	5/2/25
Financial Services	Debra Goodall Assistant Director Finance & Customer Service	12/2/25
Legal Services	Nicola Cummings Principal Solicitor	24/2/25
Policy Team (if equalities implications apply)	n/a	
Climate Change Team (if climate change implications apply)	n/a	