

CORPORATE LEADERSHIP TEAM'S
REPORT TO

18th March 2025

Report Title: UK Shared Prosperity Fund 2025/26

Submitted by: Deputy Chief Executive

Portfolios: One Council, People and Partnerships, and Finance, Town Centres and Growth

Ward(s) affected: All

<u>Purpose of the Report</u>	<u>Key Decision</u>	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
<p>To provide Cabinet with an overview of the successful delivery of the Shared Prosperity Fund (SPF) which runs until the end of March, to demonstrate the positive impact that the interventions have had and outline the proposed programme for 2025/26 as endorsed by the Newcastle SPF Board.</p>			
<p><u>Recommendation</u></p> <p>That Cabinet:</p> <ul style="list-style-type: none">• Notes the delivery of the SPF programme and that the Deputy Chief Executive in conjunction with the Deputy Leader of the Council and Portfolio Holder - Finance, Town Centres and Growth is authorised to approve any under spend within the funding available.• Accepts any funding allocated as part of the UK Shared Prosperity Fund 2025/26 as the accountable body.• Continues to support the Newcastle SPF Board and supports the delivery of interventions in line with the national SPF programme and investment plan.• Authorises the Deputy Chief Executive in conjunction with the Deputy Leader of the Council and Portfolio Holder - Finance, Town Centres and Growth to:<ol style="list-style-type: none">1. Enter into any Grant Funding Agreements with the Government as required for the programme2. Delivers with any amendments as necessary, the projects as required to meet the interventions;3. To award contracts or Funding Agreements to deliver the range of projects to meet the interventions required• Receive further updates on the availability of future SPF or future investment programmes as announced by Government.			

Reasons

The Council is the accountable body for the SPF programme and as such it is appropriate that the Cabinet reviews the progress of the current programme which ends on 31st March 2025 and endorses the programme for 2025/26 in line with the SPF Board recommendations.

1. Background

- 1.1** In April 2022 the Government launched the SPF programme for which Newcastle was allocated £4,836,174 to be spend by 31st March 2025. This funding included both revenue and capital elements and the payment of the year 3 funding was subject to successful implementation in the earlier period. Newcastle has been able to meet these financial requirements and met all the intervention requirements set out in the regular monitoring.
- 1.2** An effective Newcastle SPF Board has enabled the programme to deliver local priorities set out in the Investment Plan, to provide overview of delivery and decisions on changes and investment in new initiatives. Thus ensuring the grant funding available can deliver the maximum benefits.
- 1.3** The Appendix to this report outlines the progress and financial spend of the projects in the current SPF programme and those recommended for 2025/26 as considered and agreed by the Newcastle SPF Board.

2. Issues

2.1 2025/26 UKSPF Transition Year

- 2.1.1** On 13th December 2024 the UK government confirmed that Newcastle under Lyme will receive an additional year of SPF funding of £1,582,136 in 2025/26. £292,112 of this allocation must be used as capital.
- 2.1.2** The aim of this additional SPF ‘transition’ year is to provide a smooth transition from the existing SPF programme to a new, yet to be confirmed, future funding framework.
- 2.1.3** In the 2025/26 transition year Newcastle will continue to have some flexibility to invest across a range of activities that represent the right solutions for our area under the same three Investment Priorities. The number of SPF intervention types allowable within those priority areas have been refreshed and simplified in line with government’s missions. In scope for 2025/26 are interventions to: develop the visitor economy; improve high streets and town centres; provide advice and support to business, enterprise culture and start-ups; support for business sites and premises; supporting people to progress towards and into sustained employment; providing support for young people who are at risk of becoming NEET; and providing for essential skills and employment related skills.

2.1.4 As with previous years the transition year SPF allocation can be used for supporting interventions via grants to public or private organisations; commissioning third party organisations; procurement of service provision; or in-house provision. Also, as with previous years, no match funding is required to unlock an area's allocation.

2.2 2025/26 Board Intervention Selection

2.2.1 Given lessons learnt managing the programme to date, it is critical in this transition year that interventions to be supported are agreed as quickly as possible to enable contracts to be extended or put in place and spend to commence immediately in the new financial year with confidence that all projects supported will be delivered in a single financial year.

2.2.2 To ensure broad alignment with the priorities set in the existing approved SPF Investment Plan, the Newcastle SPF Board recommended split of the allocation is set out below.

Investment Priority	Allocation for UKSPF £
Management and Administration	63,286
Communities and Place	137,643
Supporting Local Business	596,974
People and Skills	267,000
Total	1,064,903

2.2.3 The details of the individual projects are outlined in the Appendix to this report and shows the information presented to the Newcastle SPF Board.

In summary the **Interventions** are delivered through several projects. In the Communities and Place investment priority it follows two interlinked goals: supporting place, tourism and heritage; and supporting voluntary and community groups. Interventions along the Supporting Local Businesses investment priority have been primarily related to investment into growth and recruitment as well as building and improving technology and innovation with support for entrepreneurship activities and business startups. Finally, the People and Skills investment priority has focused on reducing the skills gap in the area and supporting people to move towards the labour market.

Across all the interventions delivered in Newcastle, a prominent activity is regular learning and development through bi-annual intervention forums which brings together all UKSPF interventions to discuss and reflect on developments, helping each other learn and adapt their offering.

Interventions within the **Communities and Place** investment priority are focussed on: Highlighting culture, heritage and arts. Creating capacity within local businesses and the Voluntary and Community and Social Enterprise

sector (VCSE) for delivery, specifically support for the homeless community and volunteer uptake.

Creating a suite of activities which build both civic pride and positivity about the borough, increasing the perception of NUL and encouraging visitors. Marketing of events and festivals on social media and other platforms. Refurbishment of community and neighbourhood buildings. Improvements to local green spaces enhances the aesthetic to the borough in the rural regions, including parks, upgrading the infrastructure for improvements in environment and sustainability.

Some specific examples of these activities include:

Honey Box – supports local musicians through free workshops and panel discussions led by industry professionals. It also offers training in sound engineering, lighting, and other technical roles through live-streamed performances and workshops.

The Community Connector programme – support individuals facing social isolation, mental health issues, or difficulties accessing services. It links residents with local resources, community groups, and support services, aiming to improve well-being and enhance social inclusion.

Homeless Hub – focuses on providing essential services and support to individuals facing homelessness. The hub offers a centralised location where individuals can access shelter, healthcare, and job training services, aiming to reintegrate them into society and reduce homelessness.

The **Supporting Local Businesses** priority is focused on bespoke support for the businesses in the visitor economy, digital and marketplace sectors within Newcastle under Lyme, The support provides:

Entrepreneurial support such as providing workshops and coaching, especially for sole traders. Providing support to match local skills to employment opportunities. Sustainability projects.

Examples of these interventions include:

The Enterprise Support Coaching: Provides tailored business coaching to local entrepreneurs and small businesses, helping them develop skills, access funding, and grow sustainably.

Flourish: Led by Keele University, this project supports small businesses, community groups, and nonprofits by connecting them with students and graduates who offer expertise in areas like sustainability, digital innovation, and business growth.

Moving Ahead: Focuses on fostering innovation by supporting businesses ready to engage in research and development. It encourages collaboration through an Innovation Network, driving local economic growth.

Technical Innovation Upskilling Support: This project helps businesses and individuals gain advanced technical skills, particularly in areas like digital innovation, to enhance competitiveness and employment opportunities.

Growth Hub: A resource hub providing support to local businesses, offering guidance on growth strategies, funding, and collaboration opportunities, aligning with the UKSPF's goal of fostering local economic development.

The **People and Skills** interventions aim to support people to move towards employment, especially those that are economically inactive. The package of interventions also covers employment experience and training to address local

skills gaps. Interventions also include skills and training aimed at reducing worklessness, and improving digital skills in the population, and developing green skills.

Newcastle College Technical Innovation - Through consultation with employers, design and deliver a series of short, non-qualification technical training programmes focussed on innovation and new & emerging technologies. Priority sectors will focus on advanced manufacturing, technical construction and digital. Programmes will be focussed at notionally higher levels to drive productivity and innovation.

Staffordshire County Council Growth Hub- Providing training on Marketing, social media and accountancy including support grant advice for Businesses.

3 Recommendation

3.1 That Cabinet:

Notes the delivery of the SPF programme and that the Deputy Chief Executive in conjunction with the Deputy Leader of the Council and Portfolio Holder - Finance, Town Centres and Growth is authorised to approve any under spend within the funding available .

3.2 Accepts any funding allocated as part of the UK Shared Prosperity Fund 2025/26 as the accountable body.

3.3 Continues to support the Newcastle SPF Board and supports the delivery of interventions in line with the national SPF programme and investment plan.

3.4 Authorises the Deputy Chief Executive in conjunction with the Deputy Leader of the Council and Portfolio Holder - Finance, Town Centres and Growth to:

- Enter into any Grant Funding Agreements with the Government as required for the programme
- Delivers with any amendments as necessary, the projects as required to meet the interventions;
- To award contracts or Funding Agreements to deliver the range of projects to meet the interventions required

3.5 Receive further updates on the availability of future SPF or future investment programmes as announced by Government.

4 Reasons

4.1 The delivery of the SPF programme to date has been very successful and has enabled a wide range of projects to be completed helping a diverse range of residents and businesses. The allocations for 2025/26 were considered by the Newcastle SPF Board on 19th February, they reviewed the previously delivered projects and those proposed going forward. As the Accountable Body it is appropriate to support the Board and their recommendations.

4.2 If Cabinet did not wish to support the Board then the Council would have to call another Board meeting stating the reasons and what aspects needed to be considered further.

4.3 Authorisation to the Deputy Chief Executive in consultation with the portfolio holder enables the Council and Board to deliver an efficient and effective programme.

5 Options Considered

5.1 Dividing the transition year allocation between the three in-scope Investment Priorities in different proportions to those in the approved Investment Plan has been considered but given that the Investment Plan was developed with input from the Newcastle SPF board this is considered unwise without further extensive stakeholder engagement which would take time and delay spend.

5.2 Not agreeing any interventions to be supported at this stage has been considered but many of the interventions identified for receipt of funds at this stage need certainty whether they can continue into the next financial year. Contracts need to be extended to allow this to happen, and any delay could result in loss of continuity with ongoing initiatives, with likely reputational risk to the Council.

5.3 Not seeking delegated authority has been considered but experience gained in managing the first three years of UKSPF has highlighted that effective officer delegation is vital to effective management of this kind of fund. Without this delegation, there is a significantly increased risk of underspend and funds having to be passed back to UK government with reduced outputs and outcomes for residents and business in Newcastle under Lyme.

5.4 The option of launching an external call out for projects for all or remaining funding has been considered as occurred for the original three-year fund. This process took several months and involved the appointment of external specialist resource, development of proformas, launch of call out, period for project formulation and submission and assessment of submissions, together with further delegated decisions. Given that the newly confirmed funding is only available for a single year, to embark on a similar route would significantly reduce the period for delivery and significantly increase the risk of underspend.

6 Legal and Statutory Implications

6.1 Legal Services will continue to support in terms of addressing any issues arising out of management the Newcastle SPF programme and more particularly reviewing the terms and conditions of any funding allocated to third parties. It should be noted that when the Council allocates UKSPF funding to third parties, it will act as the “accountable body” in relation to any given project. In addition to reporting and monitoring responsibilities, a detailed assessment will need to be made about whether any intended activity constitutes a subsidy to potential recipients of the funding, and any specific measures that will be taken to make sure the subsidy is permitted in accordance with Government guidance on subsidy control.

7 Equality Impact Assessment

- 7.1 The UKSPF Programme does not have an Equality Impact Assessment (EIA). Some interventions already will have or will need individual EIAs, which will be picked up as funds are awarded to individual projects.

8 Financial and Resource Implications

- 8.1 The 2025/26 allocation has been confirmed by MHCLG as £1,582,136 with a maximum £292,112 to be utilised as capital. The allocations have been calculated centrally using set formula.
- 8.2 Up to 4% of the allocation can be used to cover the management and administration of the fund. This will allow the Authority to recover the costs incurred to manage and administer what can be a complex and time-consuming fund.
- 8.3 As this is a one-year transition allocation, all spend needs to be completed in the 2025/26 financial year. Therefore, it is imperative that the projects are identified and mobilised in advance to allow spend to commence on 1 April 2025. As this point, we do not envisage being able to carry forward unspent funding into 2026/27 and beyond. This is consistent with the 2022/25 programme where any underspend by March 2025 would need to be returned to government.
- 8.4 The management of the fund necessitates a level of agility and flexibility to make swift decisions and reallocate underspends in a timely manner so as to maximise the benefit to Newcastle under Lyme and its residents. Further allocations to successful projects would be determined by the Service Director - Commercial Delivery.
- 8.5 There is no requirement for match funding.
- 8.6 It has not yet been confirmed how the funding will be drawn down. An updated Memorandum of Understanding, and grant determination letter, including a payment schedule is due to be received at the start of the 2025/26 financial year.

9 Major Risks & Mitigation

- 9.1 A detailed risk register exists for the current SPF Programme. This will be maintained into the transition year of the fund and will be reviewed regularly as a key aspect of governance controls.
- 9.2 Risk of non-delivery and underspend will be heavily weighted in selecting interventions. Requested delegations are essential to enable swift decision making and mitigate risk of underspend.

10 UN Sustainable Development Goals (UNSDG)



10.1 There are opportunities to help tackle the climate change emergency through a range of interventions recommended and this will be considered a key priority informing how interventions are designed and delivered.

11 One Council

11.1 Please confirm that consideration has been given to the following programmes of work:

One Commercial Council

SPF funding has been used to support the commercialisation of our services at the museum and J2. By supporting the development of new services in these facilities it enables more residents to benefit and enjoy our Borough.

One Digital Council

SPF funding has not been used to directly support this programme.

One Green Council

The SPF programme has supported a range of green projects including improvements to parks and planting of trees to support our Corporate objectives and sustainability goals.

12 Key Decision Information

12.1 This is a key decision as it affects more than 2 wards and the allocation of funding.

13 Earlier Cabinet/Committee Resolutions

13.1 Cabinet 18 October 2022 UK Shared Prosperity Fund Contract Award [Agenda for Cabinet on Tuesday, 18th October, 2022, 2.00 pm – Newcastle-under-Lyme Borough Council](#)

14 List of Appendices

14.1 Appendix – SPF Board 19th February 2025.

15 Background Papers

15.1 None