



Thursday, 27 February 2025

Report of Councillor Ashley Baxter
Leader of the Council and Cabinet
Member for Finance, HR and Economic
Development

UK Shared Prosperity Fund Allocation 2025/26

Report Author

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Purpose of Report

The UK Shared Prosperity Fund (UKSPF) has been a significant opportunity to secure substantial investment for the District. The UKSPF has been extended for a single year and it has been indicated by the Greater Lincolnshire Mayoral Combined County Authority (MCCA) that funds will be passported to the Council to manage in 2025/26. The purpose of this report is to agree the principles behind the submission to the MCCA to secure the funding and to seek a delegation for the Chief Executive, in consultation with the Leader of the Council, to finalise the submission.

Recommendations

Council is recommended to:

- 1. Approve the proposed interventions to form the basis of the South Kesteven UKSPF Investment Plan submission to the Greater Lincolnshire Mayoral Combined County Authority.**
- 2. Delegate authority to the Chief Executive, in consultation with the Leader of the Council, to finalise and submit the final Investment Plan to the Greater Lincolnshire Mayoral Combined County Authority.**

Decision Information

Does the report contain any exempt or confidential information not for publication?	No
What are the relevant corporate priorities?	Connecting communities Sustainable South Kesteven Enabling economic opportunities Housing Effective council
Which wards are impacted?	(All Wards);

1. Implications

Taking into consideration implications relating to finance and procurement, legal and governance, risk and mitigation, health and safety, diversity and inclusion, safeguarding, staffing, community safety, mental health and wellbeing and the impact on the Council's declaration of a climate change emergency, the following implications have been identified:

Finance and Procurement

- 1.1 Funding will be awarded and agreed within the set parameters of the UKSPF scheme. The funding is a single year allocation, and the Council is not required to prepare a new Investment plan but rather review the previous plan and ensure that proposed allocations align with the priorities of the MCCA.

Completed by: David Scott, Assistant Director for Finance (Deputy s151)

Legal and Governance

- 1.2 There are no significant legal or governance implications arising from this report.

Completed by: Graham Watts, Monitoring Officer

2. Background to the Report

- 2.1 The Council's vision is for the District to be “*A thriving District to live in, work and visit*”. The Corporate Plan (2024-2027) is the golden thread that connects the work at all levels of the organisation to our overarching vision, priorities and ambitions.
- 2.2 The UKSPF was a central pillar of the previous Government's Levelling Up agenda to build pride in place and increase life chances by 2030. Underneath the overarching aim, three investment priorities were identified:

- Communities and Place
- Supporting Local Business
- People and Skills

2.3. The Council has previously received an allocation of £3,898,592 funding for local investment between 2022 and 2025. To secure this original funding allocation, the Council was required to submit an Investment Plan to Government (see **Background Paper A**).

2.4. The Government announced on in December 2024 that there would be an additional or “transition” year of UK Shared Prosperity (UKSPF) funding for 2025-26. The funding has been awarded to all lead authorities which, unlike in previous years, will now be the Greater Lincolnshire Mayoral Combined County Authority (MCCA) not South Kesteven District Council (SKDC).

2.5. It has been confirmed that the allocation will be split as 25% capital and 75% revenue. Additionally, as with the previous allocation, a proportion of the fund can be deducted for management and administration costs.

2.6. The Leaders of Lincolnshire, North Lincolnshire and North East Lincolnshire Councils have written to the Council to confirm that the decision of allocation of UKSPF funding will be considered by the MCCA as part of the inaugural meeting on 6th March 2025 (**see Letter in Appendix A**). All Councils across Lincolnshire have been asked to start reviewing their Investment Plans ahead of this decision in March.

2.7. It has also been confirmed that whilst the MCCA is supportive of the one-year single pot allocation being passported to the existing delivery authorities based on the same funding share as the 2022 allocation. This would allow each area the opportunity to priorities local need, extend successful projects or identify new ones. Based on these principles, the amount that would be allocated to SKDC is £1.2 million.

2.8. The MCCA has been clear that where a local authority is not able to fully distribute funds within its district the funds will be lost to Greater Lincolnshire. The MCCA has clarified that there should be review of the fund in September 2025 after which any underspend will be pooled across Greater Lincolnshire. It is therefore imperative, that all funding allocation to SKDC is committed by end September 2025.

2.9. It has been indicated by the MCCA that should there be any future funding, whether through UKSPF or similar, this will be managed and distributed by the MCCA. To assist in this transition, we are encouraged to align our priorities with those of the MCCA and consider allocating this transitional funding to projects that meet these priorities. The priorities of the MCCA are:

- Infrastructure which supports the movement of people, goods and ideas
- Modern transport services that connect people to learning, business opportunity, jobs and services
- Investing in high quality homes and communities
- Raising awareness, inspiration, and access to support our residents to train and upskill for the job they want
- Growing skills capacity for the future
- Investing to achieve net zero, to drive productivity and to grow jobs
- Investing to take advantage of our unique natural environment in a responsible way, whilst protecting our communities from climate change impact
- Driving innovation, enterprise and adoption of new technologies
- Increasing employment opportunities through recruitment pathways and work-based training into higher skilled employment
- Creating a “whole system” approach to getting more people into better paid work.

2.10. These priorities broadly align with the Council’s own priorities in the Corporate Plan and with the three overarching investment priorities for the UKSPF.

2.11. Government has set out three priorities for UKSPF spending that are designed to support the UK government’s ambition plan for change focused on five national missions. Under each of the UKSPF priorities there are a number of themes.

Communities and Place priority

There are two themes within this priority: Healthy, Safe and Inclusive Communities and Thriving Places. The scope of these themes is to improve health and wellbeing, reducing crime and the fear of crime, bringing communities together and tackling homelessness.

Supporting Local Business

The scope of this theme includes providing advice and support to business, enterprise culture and startup support as well as business sites and premises.

People and Skills

Employability and skills are the two themes under this priority. The ambition includes supporting people, including those who are economically inactive to progress towards sustained employment.

2.12. Over the original three-year allocation, it has been challenging to manage the allocation across multiple interventions with the majority of the fund being available in year three. With a single year allocation and the strict timetable imposed by the MCCA, it is imperative that the funding allocations are not complicated. The previous funding allocations have been split across the three priorities in the following way:

- Communities and Place – **64%**

- Supporting Local Business – **28%**
- People and Skills – **3%**
- Administration – **4%**

2.13. It is recommended that the allocation for 2025-26 be split in the following way:

- Communities and Place – **60%**
- Supporting Local Business – **30%**
- People and Skills – **6.25%**
- Administration – **3.75%**

2.14. The indicative allocation to South Kesteven is £1.2 million therefore to ensure a meaningful allocation for People and Skills, it is recommended that the proportion for this intervention is increased by 6.25%.

2.15. Given the speed at which any funding will need to be allocated, it is also recommended that priority should be given to the following projects:

Communities and Place

- Decarbonisation/Solar installation projects – up to **£200,000**
- Creation of a Parish Fund e.g. to facilitate improvements to community facilities/play parks – capped at £10,000 per grant (total **£200,000**)

People and Skills

- Working with education providers to extend the existing support programmes aimed at tackling the barriers to work – up to **£65,000**
- Skills Summit aimed at supporting school/college leavers understand job and career opportunities including apprenticeships within the District– up to **£10,000**.

2.16. Furthermore, some applicants from the current funding round unable to meet the spending deadlines could be invited to make further applications if the funding is agreed.

3. Key Considerations

- 3.1. The funding is a single year allocation, and the Council is not required to prepare a new Investment plan but rather review the previous plan and ensure that proposed allocations align with the priorities of the MCCA.
- 3.2. The MCCA has overall responsibility for allocating funds across Greater Lincolnshire and has indicated that there will be a review of spending in September 2025 after which unallocated funds will be pooled. It is therefore imperative that there are no delays in the decision making and management of the fund with all funds to be allocated before the September deadline.

3.3. The Council is waiting for further information from the MCCA about the final format of the investment proposals that are required to be completed before the inaugural meeting in March. Therefore, it is recommended that the Council agrees to the broad split between the three UKSPF priorities as set out in paragraph 2.13 with priority to the projects set out in paragraph 2.14. It is recommended that the final plan to be submitted to the MCCA, is finalised and agreed by the Chief Executive in consultation with the Leader of the Council.

4. Other Options Considered

4.1 If the Council does not decide how it wishes to allocate the funding it would be lost to the District. The do-nothing option has therefore been discounted.

5. Reasons for the Recommendations

5.1. There is an extremely tight window to agree the investment plan priorities and submit these to the MCCA. Additionally, there is a short period during which the Council needs to allocate the funding otherwise it will be pooled with any other shortfall across the wider MCCA area. This would represent an opportunity lost to the residents of South Kesteven District because there is no certainty that any pooled funding would be spent within the district.

5.2. It is therefore recommended that the Chief Executive is delegated authority to finalise the investment plan submission to the MCCA in consultation with the Leader of the Council.

6. Background Papers

6.1. 25 July 2022 Report to agree the Council's original UKSPF Investment Plan; <https://moderngov.southkesteven.gov.uk/documents/s35256/Report.pdf>

6.2. South Kesteven District Council Investment Plan 2022-2025
<https://moderngov.southkesteven.gov.uk/ecSDDisplay.aspx?NAME=SD459&ID=459&RPID=13463331>

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

6.4. UKSPF Year 1 Project Tracker: [Appendix A UKSPF Project Tracker.pdf](#)

7. Appendices

7.1 **Appendix A** UKSPF Letter from MCCA January 2025