

SENT VIA EMAIL

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Dear Leaders,

UK Shared Prosperity Fund 2025/26 allocation

You will be aware that in December 2024, the government announced a final year of UK Shared Prosperity Fund (UKSPF). In areas where new devolution deals have been agreed, the new allocation has been pooled into a single allocation, with a requirement to nominate one lead authority for each devolved area.

When the UK Shared Prosperity Fund (UKSPF) was originally launched in April 2022, funding amounts were allocated to Local Authorities based on population size and a needs-based index with a mix of both revenue and capital funding. Across the Greater Lincolnshire region, a total of £38,671,725.52 was awarded in 2022 over three years.

In the single year allocation for 2025/26, Greater Lincolnshire MCCA has received a single pot allocation of £12,119,794 which is split as 25% capital and 75% revenue, plus a capital only 22% capital top-up which is exclusively for the MCCA to support the early development of Local Growth Plans and priority investments of £2,666,354. This top-up was derived from other government sources, not taken from the UKSPF programme allocation. As before, 4% of the fund can be deducted for management and administration costs.

The decision of allocation of UKSPF funding will be considered by the GLCCA as part of their inaugural meeting in March 2025. However, we recognise the benefit of providing early clarity and funding direction to Delivery Authorities to allow them to start reviewing their Investment Plans ahead of the GLCCA decision.

With that in mind, we can confirm that we are supportive of a 2025/26 funding model where the one-year single pot allocation of UKSPF is passported to existing delivery authorities based on the same funding share as the 2022 allocation, giving each area the opportunity to prioritise local need, extend successful projects, or identify new ones. The distribution method would ensure the slight reduction in funding would be distributed proportionally to the size of the original entitlement. It would further provide opportunities to continue support for adult numeracy interventions, recognising the continuing need and skills aspirations set out in the Greater Lincolnshire Devolution Deal.

The individual allocations resulting from the above proposed methodology can be seen in the table below.

Authority	% of balance	Capital	Revenue	Suggested allocation 25/26
MCCA		2,666,354	0	2,666,354
Boston	6%	112,170	575,544	687,714
East Lindsey	11%	226,875	1,164,093	1,390,967
Lincoln	7%	143,680	737,222	880,902
NE Lincs	16%	319,221	1,637,918	1,957,138
North Kesteven	8%	163,328	838,035	1,001,363
N Lincs	17%	330,968	1,698,191	2,029,158
South Holland	7%	137,662	706,344	844,007
South Kesteven	10%	199,286	1,022,537	1,221,823
West Lindsey	7%	138,040	708,282	846,322
Lincolnshire CC	10%	205,579	1,054,821	1,260,400
		4,643,163	10,142,985	14,786,148

We further will recommend that North East Lincolnshire Council is nominated as the Lead Authority for the 2025/26 programme, based on their existing knowledge and expertise in the UKSPF monitoring and management processes and their confirmed role of providing interim financial resourcing and oversight for the MCCA. In view of the additional reporting and administration responsibility on the lead authority, it is recommended that the first 0.75% (£110,896) is allocated to the lead authority, leaving a 3.25% M&A maximum allowance for each of the 11 participants to deduct for delivery costs.

As a Delivery Authority you are advised to now start the process of refreshing your investment plans in readiness for submission to the Lead Authority in March/April 2025. Authorities are free to make their own prioritisation of their allocations and need to ensure investment plans have been through their own relevant governance process to ensure alignment with the slightly revised government guidance and political sign-off.

However, all delivery authorities are recommended to take due regard, as part of their decision making, the single year nature of the allocation and note that any future funding of this nature will be managed and distributed by the MCCA. As such you are encouraged to give priority to schemes aligning closely to MCCA priorities and collaborative schemes crossing authority boundaries, to assist in the transition to a centrally funded position and maximise opportunities for longer term funding sustainability.

Any UKSPF which is not committed will be lost to Greater Lincolnshire. It is therefore recommended that by the end September 2025, a review of projects and delivery is undertaken by the Lead Authority and any underspend from projects which have been unable to achieve the level of spend anticipated is pooled across the Greater Lincolnshire geography and made available for additional, or overachieving projects elsewhere, subject to approval from the MCCA.

I trust this letter provides sufficient clarity and assurance to allow you as a Leader to consider your local investment priorities and refreshing existing investment plans. We anticipate more detailed guidance on reporting mechanisms and process will be shared in due course once government guidance is finalised.

Yours sincerely

**Councillor Martin Hill OBE
Leader, Lincolnshire County
Council**

**Councillor Rob Waltham MBE
Leader, North Lincolnshire
Council**

**Councillor Philip Jackson
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Lincolnshire Council**