



Finance and Economic Overview and Scrutiny Committee

Tuesday, 13 May 2025

Report of Councillor Philip Knowles,
Cabinet Member for Corporate
Governance and Licensing

Update on UK Shared Prosperity Fund 2022-2025

Report Author

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Purpose of Report

To provide the committee with a closure report for the UK Shared Prosperity Fund (UKSPF) for 2022-2024 and an update on the funding position for UKSPF in 2025/26

Recommendations

The Committee is recommended to:

- 1) Note the contents of this report

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Does the report contain any exempt or confidential information not for publication?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 The Council was awarded £3,918,582 in UKSPF funding for projects that had to be delivered between 2023 and March 2025 including an initial £20,000 allocation to support the Council in setting up the programme. In addition, the Council was also awarded top up-funding (Rural Fund) of £540,460. This resulted in a total grant allocation of £4,459,042 which has been full spent and allocated against eligible projects.
- 1.2 For 2025/26 it has been confirmed by the MCCA that the funding would be distributed to each of the Council's within the Greater Lincolnshire area. This means that the allocation to South Kesteven District Council will be £1,212,660 in UK Shared Prosperity Funds with a further £162,103 allocated through the Rural top up fund as summarised in the table below:

	Revenue	Capital	Total
UKSPF	£997,660	£215,000	£1,212,660
Rural Fund	£0	£162,103	£162,103
Total	£997,660	£377,103	£1,374,763

- 1.3 Officers will be ensuring the appropriate final claims and return submission are made to close down the previous scheme and are working on investment plan delivery, bidding and award process for allocating the 2025/26 funding to ensure the funding is fully allocated within the agreed MCCA timelines.

Completed by: David Scott – Assistant Director of Finance (deputy s151 officer)

Legal and Governance

- 1.4 This is an update report for noting by Committee.

Completed by: James Welbourn, Democratic Services Manager

2. Background to the Report

2.1. The Council's overarching aspiration as set out in the Corporate Plan 2024-2027 is to ensure that the District is "A thriving District to live in, work and visit". A key priority is to enable and support a dynamic, resilient and growing local economy, which benefits all our communities. Continuing to distribute government grants, including the Rural Prosperity Fund will support the Council in meeting these aspirations.

2.2. The UK Shared Prosperity Fund (UKSPF) was a central pillar of the previous UK government's Levelling Up agenda and has provided £2.6 billion of funding for local investment between April 2022 and March 2025. It aims to improve pride in place and increase life chances across the UK by investing in communities and place, supporting local business, and people and skills.

2.3. The Rural England Prosperity Fund (REPF) is a top-up to the UKSPF and succeeds EU funding from LEADER and the Growth Programmes which were part of the Rural Development Programme for England. The REPF supports capital projects for small businesses and community infrastructure. The programme seeks to improve productivity and strengthen the rural economy and rural communities. It is complementary to funding used to support rural areas under the UKSPF, with the previous funding period running from April 2023 to March 2025.

2.4. The fund was designed to finance projects that delivered improvements to community buildings, green spaces, support businesses as well as providing funds for culture, arts, and heritage initiatives within the district. Projects were assessed based on how they responded to local needs, the benefits they offered to the community, and their deliverability within the required timeframe.

2.5. The Council was awarded **£3,918,582** in UKSPF funding for projects that had to be delivered between 2023 and March 2025; this figure included an initial £20,000 allocation from government to support the Council in setting up the programme. In addition, the Council was awarded top up-funding (Rural Fund) of **£540,460**.

2.6. In relation to the main UKSPF programme, funding is split between three main themes:

- Communities and Place
- Supporting local business
- People and skills

2.7. In addition, the Council was able to use 4% of the total fund for administration and monitoring purposes. A summary of the amounts allocated to each of the themes is shown below (table 1). This confirms that the fund had been fully allocated.

Table 1

	Revenue - Total	Capital - Total
Communities & Place	£1,637,341.09	£1,312,545.31

Supporting Local Business	£657,704.59	£0
People & Skills	£155,050.01	£0
Admin and Monitoring	£155,941.00	£0
Total	£2,606,036.69	£1,312,545.31
Total spend		£3,918,582.00

2.8. A breakdown of how the fund has been allocated against each of the interventions is provided in Appendix 1 to this report.

2.9. The Rural Fund (REPF) had to be allocated towards capital projects only and was split between two themes;

- Supporting rural business
- Supporting rural communities

2.10. It can be seen from the table below (table 2) that, as with the main programme, all funds have been allocated.

Table 2

Theme	Spend (Capital)
Support rural business	£269,260
Supporting rural communities	£271,200
	£540,460

2.11. The funding has been used to support the delivery of a variety of different projects across the district and some of examples are provided in Appendix 2 to this report.

2.12. The Government announced 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).

2.13. It has been confirmed by the MCCA that the funding would be distributed to each of the Councils within the Greater Lincolnshire area. This means that the allocation to South Kesteven District Council will be **£1,212,660** in UK Shared Prosperity Funds with a further **£162,103** allocated through the Rural top up funds.

2.14. As with the original UKSPF programme, an investment plan setting out how the funds would be allocated needs to be submitted to the Ministry of Housing and Local Government (MHCLG). Whilst the MCCA is responsible for the preparation of the investment plan, each of the Councils within Greater Lincolnshire have been asked to provide its own plan to feed into the overall investment plan. Council agreed at its meeting on 27 February 2025 (see Background papers) the broad principles of the SKDC investment plan and this has been submitted to the MCCA.

- 2.15. As with the original fund, the fund priorities and themes remain the same. A copy of the investment plan for South Kesteven that has been submitted to the MCCA is appended to this report (Appendix 3).
- 2.16. Responsibility for the fund remains with the MCCA. 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.
- 2.17. It is anticipated that the funds will not be released to the Council until late May/early June although this is entirely dependent on MHCLG making the funds available to the MCCA. Preparations are ongoing to ensure that appropriate bids for funding can be received and decisions made to ensure compliance with the deadlines imposed.

3. Key Considerations

- 3.1. The committee is requested to note the contents of the report including the fact that the funding for the previous UKSPF and REPF has been fully spent.
- 3.2. The committee is also requested to note the update for the 2025-26 allocation of UKSPF and REPF.

4. Reasons for the Recommendations

- 4.1 The Council was required to monitor progress of the UKSPF programme and ensure that projects have been delivered and the relevant monitoring, reporting and evaluation has taken place. This was set out in the Memorandum of Understanding signed with the Department of Levelling Up, Housing & Communities. As this report is for noting, no other options have been considered.

5. Background Papers

- 5.1 UK Shared Prosperity Fund Allocation 2025/26 report to Council 27 February 2025: [Agenda for Council on Thursday, 27th February, 2025, 2.00 pm | South Kesteven District Council](#)
- 5.2 UKSPF 2025-26 Allocations: [UKSPF 2025-26 allocations - GOV.UK](#)

6. Appendices

- 6.1 Appendix 1 – Breakdown of spend against each Intervention/theme
- 6.2 Appendix 2 – Example projects delivered
- 6.3 Appendix 3 – 2025/26 Investment Plan for SKDC