

REPORT FROM: Head of Economic Growth

TO: Executive

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UK Shared Prosperity Fund – Round 2 (Interim Year)

PURPOSE OF REPORT

1. To inform Executive of plans for a UKSPF Interim Year, April 2025 to March 2026

RECOMMENDATIONS

- (1) To grant delegated authority for project selection decisions to the Chief Executive Officer, in consultation with the Leader of the Council.

REASONS FOR RECOMMENDATIONS

- (1) Due to short timescales involved in preparing a programme for 2025/26

Background

1. The original three-year UK Shared Prosperity Fund (UKSPF) programme for Pendle comes to an end in March 2025. A further single year of funding has been announced by central government. The aim of the UKSPF extension year is to provide a smooth transition from the existing UKSPF programme to a new, future funding framework.
2. Whilst the new government has made some formal tweaks to the programme, it has been confirmed that local authorities will continue to have the same flexibility and be able to fund all the same sorts of activities. There is no requirement to submit a revised investment plan to government.
3. The funds for the extension year will go to the new Combined County Authority (CCA), which will take over as Lead Local Authority (accountable body), instead of Pendle and other Lancashire district and unitary councils.
4. Discussions between district leaders and representatives for the CCA toward the end of 2024 have led to a provisional agreement for the CCA to disperse these funds to the

individual Lancashire Councils for 2025-2026 so that they may continue their own programmes in the transition year.

5. The total allocation for Lancashire in 2025/26 is:

Total	Capital	Revenue
£21,748,007	£3,301,752	£18,446,256
	15.2%	84.8%

6. The CCA have determined a split to the individual authorities as follows in the table below. This is subject to the ratification by the CCA at its first shadow meeting in January.

Local Authority	Total	Capital	Revenue
Blackpool	£2,402,256	£308,919	£2,093,337
Blackburn with Darwen	£2,786,882	£358,380	£2,428,502
Burnley	£1,638,370	£210,687	£1,427,683
Chorley	£1,366,996	£254,465	£1,112,531
Fylde	£857,692	£159,659	£698,033
Hyndburn	£1,382,611	£177,797	£1,204,814
Lancaster	£1,717,574	£319,725	£1,397,849
Pendle	£1,703,204	£219,024	£1,484,180
Preston	£2,462,651	£316,685	£2,145,966
Ribble Valley	£638,494	£118,855	£519,639
Rossendale	£857,878	£159,693	£698,185
South Ribble	£1,092,805	£203,425	£889,380
West Lancashire	£1,381,211	£257,112	£1,124,099
Wyre	£1,274,919	£237,325	£1,037,594
Combined County Authority	£184,463	£0	£184,463
Total	£21,748,007	£3,301,751	£18,446,256

7. For Pendle the comparison against the current Year 3 of the programme is as follows:

	Year 3 (2024/25)	Year 4 (2025/26)	Difference. Value £	Difference % change
Capital	£569,268.00	£219,024	-£350,244	-61.5%
Revenue	£1,736,672.00	£1,484,180	-£252,492	-14.5%
TOTAL	£2,305,940.00	£1,703,204	-£602,736	-26.1%

8. Please note: The proposals which follow in this report are predicated on this dispersal from the CCA to districts occurring (and districts being responsible for their own project selections). If ultimately this does not happen then the proposals in this report are not relevant. The reason that this report is being presented now is to ensure timely progress can be made if it happens.

9. The CCA are still awaiting key details from government about the scheme including when the money will be received.

Issue

10. Details of the new UKSPF programme, including the news that Pendle is in line to receive further funds via the CCA, have only begun to emerge during December and January. Prior to this, it was understood that the Pendle UKSPF programme would end in March. Many details of the new programme remain unknown at the present time.
11. Now that the allocation of anticipated funding is known, officers can begin sketching out a draft programme which meets the new funding allocation. For reasons of continuity and limited timescales, this will be based on the extension of existing projects.
12. Officers have begun a survey of existing project leads to ascertain where there is appetite for continuation into Year 4 and they will need to conduct follow up conversations to understand individual monetary need, ability to continue delivering against the requirements of the programme, timescales required for continuity to be secured etc.
13. Timescales are short; the funding is for a single year only from the 1st April 2025.
14. Limited timescales also mean that there will be little time for commissioning new projects if delivery partners are to have sufficient time for mobilisation and delivery.

Proposal

15. For the reasons of timescale, and the fact that a new investment plan is not required (we can continue to deliver against the existing one), it is proposed to offer extensions to existing projects into Year 4, where it is reasonable to do so eg where there is continued demand for a service which still meets a community need.
16. The reduction in funding may result in a smaller balance of projects overall (fewer projects funded) and some projects may not be suitable for continuity; some may choose not to continue, especially if continuity decisions cannot be determined in time. All of this will require conversations and negotiations with providers in a rapidly reducing timeframe.
17. Officers intend to undertake a review of projects to establish potential for continuity and continued community need. Once it is possible to establish a potential Year 4 programme, it is requested that delegated authority be given to the Chief Executive Officer in consultation with the Leader and Deputy Leader of the Council, to approve the final selection of projects.

For information. The original Pendle UKSPF Investment Plan 2022/23-2024/25

Interventions selected in the original Investment Plan

Community & Place
E1: Improvements to town centres & high streets
E6: Local arts, cultural, heritage & creative activities
E9: Impactful volunteering and/or social action projects
E13: Community measures to reduce the cost of living
Local Business
E19: Investment in research & development at the local level
E23: Strengthening local entrepreneurial ecosystems
E29: Supporting decarbonisation & improving natural environment
People & Skills
E33: Employment support for economically inactive people
E34: Courses including basic, life & career skills

E35: Enrichment & volunteering activities
E37: Tailored support for the employed to access courses

18. Note: The ‘menu’ of interventions for selection was much greater in size than this, these are just the ones Pendle selected to deliver against. Going forward there would be the flexibility within the programme to move money into new interventions within each theme, if we so wished to (there are ‘change request’ rules when it comes to moving significant portions from one ‘theme’ to another).

19. It should also be noted that the ‘menu’ of interventions is being altered as part of updates to the structure of the UKSPF programme and this has not yet been published. Government has given assurance that the same ‘activities’ can continue to be invested in, but the ‘interventions’ they are attached to may change.

Current Programme

	Community & Place		Supporting Local Business		People & Skills			
Total split of funds 2022-2025 £3,626,135	45% £1,628,064		34% £1,225,042		21% £773,029		Total Revenue/Capital	
	Capital	Revenue	Capital	Revenue	Capital	Revenue	Capital	Revenue
2022/23 £440,065	11%	89%	12%	88%	0%	0%	11%	89%
2023/24 £880,130	43%	57%	0%	100%	0%	100%	18%	82%
2024/25 £2,305,940	58%	42%	0%	100%	2%	98%	25%	75%
Average overall							18%	82%

IMPLICATIONS

Policy: The programme will continue to meet the needs of the Corporate Plan and provides opportunities to meet other agreed strategies.

Financial: It is not currently understood what level of project management costs will be available to administer the fund. But generally, as this is programme of external funds there will be no financial implications for the Council.

Legal: where new projects may be commissioned Subsidy Control will need to be a consideration. This will not be an issue for the continuation of existing projects.

Risk Management: Limited timescales to agree and implement a programme are a risk to the continuity of the existing programme. Where projects cannot be extended and new projects are required to be commissioned, the time involved in commissioning/procuring will reduce available delivery time, and as a result could be a risk to the spend of funds, ability to undertake activities in the community, or the achievement of outputs and outcomes.

Health and Safety: None as a result of this report

Sustainability: None as a result of this report

Community Safety: None as a result of this report

Equality and Diversity: None as a result of this report

APPENDICES None

LIST OF BACKGROUND PAPERS None