

**REPORT FROM: DIRECTOR OF PLACE**

**TO: EXECUTIVE**

**DATE: 20<sup>th</sup> March 2025**

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## **UK SHARED PROSPERITY YEAR 4**

### **PURPOSE OF REPORT**

To seek a decision from members in agreeing to underwriting UKSPF provision in order to safeguard Pendle's planned programme, given delays with the formal programme for Lancashire. And to seek a decision on the revenue determination from members in order to proceed with the planned programme.

### **RECOMMENDATIONS**

- (1) To agree to the proposal in section 5-7 for council to underwrite projects for Year 4 in the event that UKSPF funds are not released to PBC in a timely fashion.

### **REASONS FOR RECOMMENDATIONS**

- (1) In order to safeguard UKSPF provision being able to continue into Year 4

### **ISSUE**

1. There is likely to be delay in formal sign off and release of funds for the UKSPF Lancashire programme, with the resulting impact for district programmes of activity. This creates a very small level of risk for the programme and PBC.

### **Background**

2. A draft memorandum of understanding between the LCCA and MHCLG was delivered on 4<sup>th</sup> March 2025, which is now being reviewed.
3. MHCLG have advised that they will release the template for a Forecast Report to the LCCA on 1<sup>st</sup> April. This report will detail how the Lancashire programme expects to allocate its 2025-26 UKSPF allocation and the outputs and outcomes expected to be achieved.

4. It is believed that MHCLG are unlikely to sign off on the MoU until they receive, and subsequently approve the Forecast Report for Lancashire. Due to the arrangements in Lancashire for UKSPF in Year 4 which will require collation of information from districts, the form is unlikely to be returned until late April. The LCCA therefore think that it is likely to be May before the MoU is agreed for Lancashire and monies released. Service Level Agreements and release of funds between the LCCA and Lancashire districts would then follow suit.

### **Proposal for Pendle Council to underwrite projects pending the release of UKSPF funding**

5. Whilst the Lancashire Combined County Authority have announced the UKSPF allocations for individual councils, the programme for Lancashire is not yet formally signed off, and it is unclear exactly when funds will be released to Pendle, this adds an element of risk to proceedings.
6. In order that existing projects can continue delivery into the new programme year, instead of coming to an end on March 31<sup>st</sup> because funding has ceased, Officers are seeking to understand whether members would agree to formally extend planned projects from Year 3 to Year 4, from April 1<sup>st</sup>, in the absence of a formal agreement between the LCCA and MHCLG and an SLA between Pendle and the LCCA. Individual project agreements would include a clause that the extension is quarterly only until funding arrives. Should funds still not be released this would give PBC the opportunity to withdraw at quarterly periods thus avoiding a full year commitment and minimizing any liabilities.
7. The risk is considered small.
  - The UKSPF monies have been allocated. An MoU for Lancashire already exists but not all formalities are complete.
  - There is broad understanding between all parties concerned, including MHCLG that local authorities can continue to fund the same broad range of activities in what is considered to be an extension year for the programme. The Lancashire programme is likely to be approved as a result.
  - There are potential cashflow considerations for the Council, however as funding to the majority of projects is released in arrears on a quarterly basis, this is likely to be minimal. PBC is unlikely to incur cost unless the release of funds extends beyond the first quarter (April-June)
8. Should agreement not be reached in time to extend projects beyond March then portions of the planned revenue programme for Pendle would come to a stop and funds would remain unallocated within the UKSPF budget. New projects could be repocured but as explained in the previous report to the Executive in January this would impact on organisations' ability to achieve effective delivery within the remaining timescales.

### **IMPLICATIONS**

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

**Financial:** there is a small risk that PBC may need to fund UKSPF provision from its own reserves in the short term.

**Legal:** None directly as a result of this report. Any contractual conditions raised within this report would be put to Legal officers.

**Risk Management:** Not agreeing to the recommendations in this report would place parts of the Pendle Year 4 programme at risk.

**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**

### **LIST OF BACKGROUND PAPERS**

None