
UK Shared Prosperity Fund

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| Committee considering report: | Individual Executive Member Decisions |
| Date of Committee: | 28 May 2025 |
| Portfolio Member: | Councillor Justin Pemberton |
| Date Head of Service agreed report: (for Corporate Board) | 25 April 2025 |
| Date Portfolio Member agreed report: | 16 May 2025 |
| Report Author: | Philippa Venables |
| Forward Plan Ref: | ID4714 |

1 Purpose of the Report

This report is to set out the 2025/26 allocations for West Berkshire Council from MHCLG's UK Shared Prosperity Fund (UKSPF) and Defra's Rural Economy Prosperity Fund (REPF).

2 Recommendation

- 2.1 It is recommended to agree the areas of focus for the above funds in the coming year and to agree communications to MHCLG and Defra regarding thematic areas of spend, in alignment with the principles and key intervention areas of the funding as per government guidance.

3 Implications and Impact Assessment

| Implication | Commentary |
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| Financial: | <p>The UKSPF allocation for 2025/26 is £327,146, comprising £266,745 revenue and £60,401 capital. This will be used for named project activity and some staffing costs, as set out in the main body of the report and will be disbursed by government in May after the final reports for this financial year have been submitted on 30th April.</p> <p>The REPF allocation for 2025/26 is £179,363 capital. This will be used predominantly for grant funding activity but may be called on to support other capital projects in line with the fund objectives, eg delivery/refurbishment of green space.</p> |

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| | <p>Up to 4% of our UKSPF allocation is permitted to be used for the management and administration of both the UKSPF and REPF Funds, so the proposal comprises an M&A allocation of £13,000 falling within the required 4% of the £327,146 funding package.</p> <p>This combined £50,000 would meet the one-off staffing savings proposal agreed as part of the 2025/26 Budget Build approved at Full Council in February 2025.</p> <p>Further Finance comments can be provided once detailed information on the individual sub projects has been identified in terms of costs & timelines.</p> |
| Human Resource: | <p>There will be no need for additional staff associated with this funding however there is a proposed £50k staffing contribution from UKSPF towards the resource from existing teams required to deliver this activity.</p> |
| Legal: | <p>Key interface with Legal services associated with this funding will be where contracting is required to commission delivery of project elements. This may be in the form of consultancy work or support for capital projects.</p> |
| Risk Management: | <p>Each discrete project funded by UKSPF and REPF will – or already does – have its own risk register and this will be managed by project/programme leads. The overall funding risk for UKSPF is that monies are not spent by the end of the financial year, at which point MHCLG retain the remainder of the allocation. It is not currently possible to retain funding for the subsequent financial year. This risk is managed and mitigated by incorporating flexibility of funding between thematic areas as set out in the main body of the report, in close consultation with MHCLG. A risk register is in existence for the Rural Business Grant scheme under REPF.</p> |
| Property: | <p>Any property related issues will be associated with any capital contribution made from the fund to support larger projects within the council's work programme. As these projects will be led by other areas of the council there are no direct property implications for this report.</p> |
| Policy: | <p>UKSPF was created as part of the previous government's Levelling Up policies to build pride in place and increase life chances through the investment priorities of Community and Place, Supporting Local Business and People and Skills. This</p> |

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| | has been continued by the present government as a one year extension to the original three/four year programme. | | | |
| | Positive | Neutral | Negative | Commentary |
| Equalities Impact: | | | | |
| A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality? | x | | | Each project within the fund will be delivered as part of an individual project or programme plan and consultation will be incorporated into all appropriate elements, as it has been in previous UKSPF activity, to ensure that inclusivity is maintained. |
| B Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users? | x | | | As the UKSPF in particular has the objective of increasing people's life chances and improving the socio-economic environment, the impact would overall be a positive one. Each project supported by the fund would have its individual impact assessed and managed in terms of employees, service users and resident groups. |
| Environmental Impact: | x | | | As UKSPF funding has a focus on Place and some of the key projects within the fund are place based, then these will serve to improve the general environment of the locations of focus. |

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| Health Impact: | x | | | <p>Part of the overarching objective of UKSPF is to improve life chances; through improving the economic performance of the area and supporting the provision of improved amenities, this has correlation with positive health and wellbeing outcomes.</p> <p>A subtheme of UKSPF Communities and Place focuses on health and wellbeing; the potential outcomes from increased active travel and improved blue and green spaces aligns with this subtheme.</p> |
| ICT Impact: | | x | | |
| Digital Services Impact: | | x | | |
| Council Strategy Priorities: | x | | | <p>Delivery of the UKSPF and REPF funded activity will support the Council priorities as follows:</p> <ul style="list-style-type: none"> • Progress the Masterplans for Newbury and Thatcham to deliver high quality local facilities • Work with partners to focus on the canal as an asset for residents and business <p>Work with residents to promote a greater community offer in our rural communities</p> |
| Core Business: | x | | | <p>The projects and programmes will support the Council priorities as above in developing significant work programmes which will support the economic development of the area.</p> |
| Data Impact: | | x | | |

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| Consultation and Engagement: | <ul style="list-style-type: none">• Economic Development• Finance• Portfolio Holder |
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4 Executive Summary

4.1 Allocations for 2025/26 have been announced by MHCLG for the UK Shared Prosperity Fund (UKSPF) of £327,146 and by Defra for the Rural Economy Prosperity Fund (REPF) of £179,363. The purpose of this report is to consider and agree communication to MHCLG of the council's UKSPF allocations of spend across the required thematic areas as designated by government and set out below, and to agree the allocation of REPF within the required areas which are also set out below.

4.2 It is proposed that the UKSPF be allocated as follows:

- Communities and Place: £136,745k revenue, 60k capital
- Supporting Local Business: £40k revenue
- People and Skills: £40k revenue
- £13k Management and Administration costs falling within the required 4% of the overall allocation (UKSPF)
- £37k staffing costs to support delivery of the associated project delivery

4.3 It is proposed that the REPF be allocated as follows:

- Supporting Local Business: £109,363 Rural Business Grants
- Communities and Place: £70,000 to provide or upgrade amenities such as rural playing pitches/community facilities to increase provide diversification of local revenue streams and improve community participation in sports, increasing health and wellbeing.

5 Introduction/Background/Supporting Information

Introduction

5.2 The UKSPF is a blend of capital and revenue funding and has the overarching objective of kickstarting economic growth and promoting opportunity in all parts of the UK. It is allocated by MHCLG per local authority and allocations sums vary according to government assessment of need.

5.2 The REPF is a capital fund managed by Defra and acts as a rural top up to UKSPF, providing allocations for eligible local authorities in England to help address the additional needs and challenges facing rural areas. Delivery of REPF is integrated into UKSPF and will continue to mirror its delivery geographies.

5.3 Each fund will be provided up front and will be disbursed by MHCLG and Defra in May 2025, after the deadline for local authorities to submit their financial and performance returns for 2024/25 on 30th April 2025.

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- 5.4 Local authorities are also required, by 30th April, to submit high level allocations of their award across the three investment priorities of UKSPF: Communities and Place, Supporting Local Business and People and Skills
- 5.5 For REPF, the award must be allocated against the two investment themes of Communities and Place and Supporting Local Business.
- 5.6 MHCLG and Defra at this point require from local authorities a projection of allocation across the three investment priorities for 2025/26. The funds this year have increased in flexibility as local authorities are permitted throughout the financial year to reallocate up to 30% of the total fund to other priorities; only a sum above the 30% would represent a material change in the proposal and require further approval from government. This will allow flexibility in project planning across the year and the ability to address new priorities and issues as they arise.

Proposals

- 5.7 It is proposed that under UKSPF and REPF the following allocations are made as follows in the table below, set out by investment theme and funding source/capital revenue split:

| | UKSPF - Revenue | UKSPF - Capital | REPF - Capital | Total |
|---------------------------|-----------------|-----------------|----------------|----------------|
| Communities & Place | 136,745 | 60,401 | 70,000 | 267,146 |
| Supporting Local Business | 40,000 | | 109,363 | 149,363 |
| People & Skills | 40,000 | | | 40,000 |
| M&A | 13,000 | | | 20,000 |
| Staffing | 37,000 | | | 30,000 |
| Total | 266,745 | 60,401 | 179,363 | 506,509 |

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| Funding | (266,745) | (60,401) | (179,363) | (506,509) |
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- 5.8 Communities and Place: £136,745k revenue, 60k capital – This would support delivery of the Newbury Masterplan (now incorporating Bond Riverside and associated connectivity with the town centre), Newbury Parking Strategy, Stage 2 of Thatcham Community Hub feasibility work
- 5.9 Supporting Local Business: £40k revenue - £30k agreed contribution to Berkshire Prosperity Board and £10k to deliver a Rural Business Forum, also an Annual Business Forum in which the council will engage local business in the Devolution and Local Government Reorganisation plans
- 5.10 People and Skills: £40k revenue – to support delivery of the emerging Get Britain Working plan which is currently being developed by Berkshire Place Directors for submission to government in September 2025. The aim of this government initiative

is to develop a Berkshire plan bringing together skills and health to get more people into work and to get on in work

5.11 Management and Administration (M&A) – Up to 4% of our UKSPF allocation is permitted to be used for the management and administration of both the UKSPF and REPF Funds, so the proposal comprises an M&A allocation of £13,000 falling within the required 4% of the £327,146 UKSPF allocation. The UKSPF prospectus states that “Each lead local authority in England, Scotland and Wales will be able to use up to 4% of their allocation by default to undertake necessary Fund administration, such as project assessment, contracting, monitoring and evaluation and ongoing stakeholder engagement”. The £13k will be taken from the UKSPF revenue allocation. Paragraph 10.10 of the new guidance for 2025/26 confirms that “REPF funding cannot be spent on revenue expenditure including the administration of the REPF; UKSPF revenue funding can be used to meet administration costs associated with REPF”. Staffing – additionally £37k revenue has been allocated for the further requirement of staff time in project delivery. As part of the Revenue 25/26 budget build, £50k of one-off Economic Development staffing savings were taken on the basis that UKSPF funding could fund staff in 2025/26.

5.12 It is proposed that under REPF the following capital allocations are made:

Supporting Local Business: £109,363 Rural Business Grants – this will be a continuation of the successful REPF scheme run by the council to support small scale investment in micro and small enterprises in rural areas; this was oversubscribed in 2024/25 and currently retains a pipeline of interested businesses.

5.13 Communities and Place: £70,000 to provide or upgrade amenities such as rural playing pitches/community facilities to create diversification of local revenue streams and improve community participation in sports, increasing health and wellbeing. Utilisation of this funding has therefore been aligned both to national policy and to West Berkshire Council priorities. The investment priorities and relevant themes/sub themes of UKSPF as designated by MHCLG are as follows:

- Communities and Place – our allocation will focus on the theme of Thriving Places (Development of the visitor economy; High streets and town centre improvements).
- Supporting Local Business – our allocation will focus on the theme of Support for Business (Advice and support to businesses)
- People and Skills – our allocation will focus on the themes of: Employability (Supporting people to progress forwards and into employment; and Skills (Essential skills including numeracy, literacy, ESOL and digital; Employment related skills)

5.14 The investment priorities and relevant interventions proposed under REPF criteria are as follows:

- Communities and Place – our allocation will focus on the theme of Thriving Places (Investment in capacity building and infrastructure support for local civic society and community groups; creation of and improvements to local green spaces)
- Supporting Local Business – our allocation will focus on the theme of Support for Business (Small scale investment in micro and small enterprises in rural areas)

6 Options for Consideration

- 6.1 Do nothing – this is a government directive and doing nothing would result in the council having to return just over £500k of funding; as this income represents the sole external revenue stream for economic development activity this is not recommended. Doing nothing would result in the failure to progress key Council priorities such as Newbury Masterplan and Thatcham Community Hub, to discontinue a successful grant scheme and to be unable to support capital programmes particularly in rural areas.

7 Conclusion

- 7.1 It is recommended that Members support this proposal to create maximum benefit from this external funding which will drive local economies and support local initiatives to improve town centres and their environs, also support business and skill initiatives, thus contributing to wider work to improve the quality of life and opportunity in West Berkshire.

Subject to Call-In:

Yes: ☒ No: ☐

The item is due to be referred to Council for final approval ☐

Delays in implementation could have serious financial implications for the Council ☐

Delays in implementation could compromise the Council's position ☐

Considered or reviewed by Scrutiny Commission or associated Committees or Task Groups within preceding six months ☐

Item is Urgent Key Decision ☐

Report is to note only ☐

Wards affected: All wards

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| 1 | 16 May 2025 | Text preparation and figures check for submission to Portfolio Holder | |
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