

UK Shared Prosperity Fund Pre-Launch Guidance Summary

February 2022

Overview

On 2 February the UK Government published the [Pre-Launch Guidance for the UK Shared Prosperity Fund \(UKSPF\)](#) alongside the [Levelling Up White Paper](#).

The UKSPF is a key component of the UK Government's levelling up agenda and will provide £2.6 billion of new funding for local investment by March 2025. Rather than having to compete for funding, all areas of the UK will receive an allocation from the Fund through a formula.

The Pre-Launch Guidance provides further information to local authorities and other partners across the UK on three areas:

- The aims of the UKSPF
- Its contribution to the shared objectives of the UK Government, local authorities and other partners across the UK
- The roles of the UK Government and local partners across the UK

In February and March, the UK Government will be running webinars and engagement activities with local authorities and other stakeholders across the UK. In parallel to this the local authorities responsible for delivering the fund are invited to use the guidance document in preparation for the launch, through initiating conversations with their communities about how the Fund could be best used and identifying any key stakeholders who could provide insights on local needs.

A full Prospectus on the Fund, including details on allocations, broader governance and statutory and regulatory requirements is expected to be published later in the spring.

Key aims of the UKSPF

The key goal of the UKSPF is to “build pride in place and increase life chances across the UK”, through facilitating the delivery of the four elements of the Levelling Up agenda, which are:

- Boosting productivity, pay, jobs and living standards
- Spreading opportunities and improving public services
- Restoring a sense of community, local pride and belonging
- Empowering local leaders and communities

It accompanies the [Levelling Up Fund](#) and [Community Ownership Fund](#) and is a mix of revenue and capital funding.

To access their allocation of the fund, each [place](#) will have to set out “the measurable outcomes they are looking to deliver, and what interventions they are choosing to prioritise”. These will need to be submitted for UK Government approval.

Places will have to sign up to indicators so that improvements can be monitored, and they will be able to choose from investment in the three investment priority areas:

1) Communities and place

- “Strengthening our social fabric and fostering a sense of local pride and belonging” and building “safe and resilient neighbourhoods”.
- Example interventions might include visual improvements to town centres and high streets, cultural/visitor economy interventions, capital funding to improve neighbourhoods or community projects and initiatives.

2) Local businesses

- “Creating jobs and boosting community cohesion”, promoting networking and collaboration, and increasing private sector investment in growth-enhancing activities.
- Example interventions might include the development of cultural, visitor and heritage assets, outdoor markets and targeted business growth and innovation support.

3) People and skills

- Boosting core skills and supporting adults to progress in work, helping disadvantaged people to access skills, supporting local areas to fund local skill needs and supplement local adult skills provision, and reducing levels of “economic inactivity”.

- Example interventions might include technical or vocational qualifications in areas where there are local skills shortages, support to address barriers to employment, enrichment activities or community referrals.

In England the UKSPF will focus on priorities 1 and 2 in 2022-23 and 2023-24, and priority 3 from 2024-25.

In addition to this, each area will be required to invest funding in local interventions as part of the UK Government's £559m programme to improve adult literacy, 'Multiply'. This programme will be overseen by the Department for Education, who will set out further details in due course. To measure the impact of local approaches, and build an evidence base of what works, the Department for Education will conduct randomised control trials and evaluation activity.

How the UKSPF will be delivered

The UKSPF will operate UK-wide under the financial assistance powers in the UK Internal Market Act 2020. It will be overseen by the Department for Levelling Up, Housing and Communities at UK level, who will collaborate with other relevant Government departments. It will be managed by a UK-wide ministerial forum which will monitor overall performance.

In England the UKSPF will mainly operate over the strategic geographies of the Mayoral Combined Authorities and the Greater London Authority and lower tier or unitary authorities in other places. The Delivery Geographies are set out [here](#). Lead local authorities "will have flexibility over how they deliver the fund, for example they may wish to use a mix of procurement, local competitions or deliver some activity through in-house teams". As outlined in the Levelling Up White Paper, the UK Government's aim is that every part of the country that wants a devolution deal will have one by 2030.

In Scotland, funding will be delivered across existing strategic regional [areas](#), such as the City and Growth Deal geographies. Where strategic regional areas overlap, the UK Government would welcome local views on the appropriate geography, how funds should be allocated and what the lead authority should be. Where City and Growth Deals do not cover multiple local authorities, the UK Government would also welcome and support collaborative proposals with other areas if they wish to do so.

In Wales, funding will be delivered across strategic regional [areas](#) covering City and Growth Deal geographies.

In Northern Ireland, it's proposed that the fund will be delivered at Northern Ireland scale, with lead oversight responsibility sitting with the UK Government.

In all nations, local authorities are encouraged to work with other places in delivering interventions and to engage with a range of local stakeholders, civic society organisations,

businesses and employer bodies responsible for identifying local skills plans. Local partners will support authorities in the development of investment plans and will provide advice on strategic fit and deliverability. Local authorities are also being asked to ensure that MPs are involved in every stage of the UKSPF process.

The guidance also mentions the UK Government's commitment to working closely with the devolved administration ministers in delivering the Fund. It says they are "undertaking further engagement with each administration to determine the scope of this role so that we can facilitate the best possible outcomes across the UK".

To support local government in administering the Fund, every place in England, Scotland and Wales will be able to spend some of their allocation on Fund administration (e.g. project assessment, contracting and monitoring). The UK Government is also looking into additional capability support for local government and other partners.

How places can access the UKSPF

In recognition that "even the most affluent parts of the UK contain pockets of deprivation and need support", every place in the UK will receive a share of the UKSPF.

A mixture of both revenue and capital funding will be available, and it will be allocated using a formula. To access their allocation every place will have to submit an investment plan for UK Government approval which will outline measurable outcomes they are looking to deliver and their proposed interventions (investment plans will be commissioned in the spring).

More information on allocations and the formula which will be used will be published at a later date.

The full pre-launch guidance can be found [here](#).