

UK Shared Prosperity Fund – Journey over 4 years !

- **EU Referendum May 2016.**
- **Conservative Manifesto 2016 - promised a UKSPF** - *“Designed to reduce inequalities between communities,” delivering “sustainable, inclusive growth.”*
- **Ministerial Statement on the UKSPF (July 18)** - *tackle inequalities between communities by raising productivity, esp. in e parts of our country whose economies furthest behind, a simplified, integrated fund, UKSPF in the devolved nations, a national framework in England that works for local priorities, consulting the public 2018.*
- **General Election October 2019 – Conservative Manifesto** - *ensure people of UK do not lose out from the withdrawal of EU funding, replace with one fairer and better tailored to our economy. And ensure that £500 million is used to give disadvantaged people the skills they need to make a success of life. Used to bind together whole of UK, tackling inequality and deprivation in each nation. Replace overly bureaucratic EU Structural Funds –better targeted at UK’s specific needs, but as a minimum match the size of those funds in each nation.*

A new UKPSF

WYCA/LEP headline suggested asks of the design principles (2018)

- **Value of the SPF available to areas would be at least of an equivalent value** to those EU and other domestic funds previously received prior to Brexit.
- **Needed to support our growth ambitions (ESIF, LGF, other funds)** - annual funding should be at least £200 million per annum.
- Committed to tackling the challenges posed by Brexit and seizing any opportunities but therefore Fund needs to be **something different, flexible and more responsive to local needs**.
- SPF seen as the key instrument to **strengthen and accelerate devolution** using localised industrial and economic development strategies.
- Funding to be allocated at the strategic level, leaving local areas free to allocate to programmes and projects according to local priorities and plans.

A new UKPSF

Our headline suggested asks of the design principles (2018) (cont'd.)

- SPF to **commit to breaking down both the institutional and operational silos** previously and currently witnessed in ESIF programmes - fully integrated that **bring together the people, place and business driven funding.**
- Funding with the aim of delivering within a '**single pot**' - removing unnecessary complexity, bureaucracy, plethora of rules and eligibility, fragmented funding programmes.
- Developing long term objectives for sustainable growth and inclusion - adopt principles established in the EU multi-annual financial frameworks **and be set in 7-10-year funding periods as a minimum.**

Spending Review - 25 Nov 2020 : UKSPF Heads of Terms

- **UK Wide** - at least match receipts from EU structural funds, average *reaching around* £1.5 billion per year – **over what period ?**
- Additional funding (**£220m**) (*WY – If share of pop est. £7.7m*) - support **communities** to **pilot** programmes, new approaches **2021 – 2022**.
- Funding profile - Spending Review expected 3 March 2021.
- **UK-wide Investment Framework** published **spring/summer 2021**.
- **One area** – place - target places most in need e.g. ex-industrial areas, deprived towns, rural, coastal communities. It will support people and communities, opening up new opportunities and spurring regeneration and innovation - **no mention of urban**. (MHCLG - old ERDF).
- **Second portion** - targeted differently to people most in need (DWP - old ESF).

Spending Review – Investment priorities

Area 1

- **Investment in people and skills** tailored to local needs, e.g. work-based training, supplementing and tailoring national programmes (e.g. AEB); and other local support (**e.g. for early years**)
- **Investment in communities and place** including **cultural and sporting facilities**, civic, green and rural infrastructure, community-owned assets, **neighbourhood and housing improvements**, **town centre** and **transport improvements** and digital connectivity
- **Investment for local business** including to support innovation, green and tech adoption, tailored to local needs.

Area 2

- Local targeted bespoke employment and skills programmes locally tailored -improve employment outcomes in and out of work, specific cohorts of people who face labour market barriers.
- Split areas again PLUS new areas to UKSPF (previously ineligible under ESIF) – greater flexibility to meet local area needs OR expanded remit or potential dilution.
- Places asked to agree specific outcomes to targets within the Framework.
- Investment aligned with government’s clean growth and net zero objectives.
- Investment proposals to be approved by government among a representative stakeholder group

Spending Review - Nov 2020 : Levelling Up Fund (LUF)

- Limited information at this stage.
- Prospectus expected to be published Budget March 2021.
- Supersedes existing LGFing - £4bn England Fund for remaining Parliament - **£600m 2021-22 (share least £21m pop calc)** (£300m ringfenced to support further competitive round of Town Deals)
- Supports regeneration of towns/communities, visible impact to support recovery.
- New cross-departmental Fund - broad range of high value local projects **up to £20m**, or by exception.
- Eg bypasses, other local road schemes, bus lanes, railway station upgrades, regenerating eyesores, upgrading town centres and community infrastructure, local arts and culture.
- Allocated on a competitive basis – *step backwards* !
- Open to all places - but ref to places in need, those facing particular challenges, areas that have received less government investment in recent years.

UKSPF/LUP in context of other key growth funding

- **West Yorkshire Devolution Deal** - Election of Mayor – manifesto priorities - £38m per annum Gainshare and multiple funding strands.
- **Spending Review** - Range of funds that will have a crucial role to play in levelling up across the country.
- **Getting Building Fund** - £900m fund to accelerate development of ‘shovel ready’ capital infrastructure projects to stimulate economic growth and deliver impact within two years - £58.6m West Yorkshire 15 projects.
- **Towns Fund** - £3.6bn (167 towns) to support underinvested/left behind places in support of the levelling up agenda circa £25m each - 8 towns selected in West Yorkshire circa £200m of investment.
- **Future High Streets Fund** - Competitive fund requirement to achieve minimum benefit cost ratio – Calderdale set to benefit.
- **Growth Hubs** - Core funding across England maintained in 2021 - additional £6.4m to support EU transition for businesses.
- **ESIF** - will continue through to December 2023.

Additional issues to consider and challenges

- Outcomes for each Fund to be defined. - guides resource allocations, what's in out – how relate to one another? Eg what does L Up really mean : within regions as well as between regions.
- SPF operates UK-wide - Inferred via Local Government – Level?
- Unclear on time lines – How long funding is over – strategic planning and delivery.
- SPF - role of Local Government in context of proposed actions e.g. LA statutory responsibilities - early years, neighbourhood housing improvements, community asset management, new environmental duties for councils.
- SPF - one year pilot - what can be done in a year and how will it lead in to full programme ?
- SPF - role – will Local Government be the commissioner? – timeline *to engage* and procure across wider stakeholder base key for SPF.
- LUF – competitive – need for coordination role?
- Potential for siloed funds
- Role of Economic Recovery Plans to support recovery and L Up and integration with other funding sources.

Discussion

This year – pilot funding est £7m and LUF– est share £21m (West Yorkshire)

- Prospectus March 2021 – no submission timeframes

1. Pilot year – quick polls

- If local government manage the funds – what are the implications, things to think about ?
- What does community mean to us under SPF?
- What actions or support needed to deliver immediately and over next year ?
- *Length delivery time – e.g. how aligns with existing provision ESIF/SPF – must not displace/undermine.*

2. UKSPF Main Programme

- Open discussion - what are our must win battles for the funds ?
- Longer term design and plan still undecided – what more can/should we do now?

3. Levelling Up Fund

- Future allocations – our readiness – anything further can/should do now.

4. Agreed next steps

Contact us

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