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# **UK Shared Prosperity Fund**

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Economic Development, Transport and Climate  
Emergency (EDTCE) Scrutiny Committee  
12<sup>th</sup> March 2025

Lead director/officer: Mike Dalzell

## Useful information

- Ward(s) affected: All
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- Report version number: 1

## 1. Purpose of Report

1.1 This briefing provides an update on the UK Shared Prosperity Fund (UKSPF) programme, including plans for the transition year for 2025-26.

## 2. Summary

2.1 To note the progress of the UKSPF programme running until March 2025.

2.2 To note the planned arrangements for the transition year between 1<sup>st</sup> April 2025 and 31<sup>st</sup> March 2026.

## 3. Recommendations

3.1 Members are invited to comment on the report and the interventions being delivered

## 4. Report/ Supporting Information

### Background

4.1 The UK Shared Prosperity Fund (UKSPF) was intended by government to replace the previous regime of European Union Structural Funds (ESIF) that have operated for many years. ESIF programmes typically supported individuals to improve skills and gain jobs using European Social Fund resource (ESF) and drive business growth using European Regional Development Funds (ERDF).

4.2 The comparative loss of resource for the city as a result of the new UKSPF approach is circa 50% so there has been much less resource overall to allocate.

4.3 As per government guidance the city council submitted a UKSPF Investment Plan in summer 2022 for a UKSPF programme over three financial years for a total value of £9.193m. This was approved by government in December 2022. The predetermined financial profile is shown below and demonstrates that the programme is heavily backloaded to the final year 2024/25.

**Table 1: Original UKSPF Financial Profile**

Year	Capital	Revenue	Total
2022/23	£111,567	£1,004,098	£1,115,665

2023/24	£290,074	£1,941,257	£2,231,331
2024/25	£1,169,217	£4,676,870	£5,846,087
<b>Total</b>	<b>£1,570,858</b>	<b>£7,622,225</b>	<b>£9,193,083</b>

4.4 An evaluation was undertaken that reviewed previous EU funded projects and economic data, and this was used to inform the UKSPF Investment Plan. The programme also needed to deliver across three investment themes and deliver a mix of capital and revenue spend, including a minimum capital allocation. The programme allocation across themes originally agreed with government is as follows, after including for Council programme management costs:

**Table 2: Original Investment Plan Allocation by Theme**

<b>Theme</b>	<b>Investment Plan Allocation</b>
Communities & Place	£2,871,058
Business Support	£3,053,249
People & Skills	£2,901,053
<b>Total</b>	<b>£8,825,360</b>

### **Current Progress - Finance**

4.5 The current programme is nearing completion at the end March 2025, and delivery is via commissioned activity and internal projects. Financial performance at the end of December 2024 is as follows:

**Table 3: Spend to December 2024**

<b>Theme</b>	<b>Total Revised Allocation</b>	<b>Spend to Dec 24</b>	<b>Remaining</b>
Communities & Place	£3,131,685	£2,080,417	£1,051,268
Business Support	£3,178,586	£2,150,622	£1,027,964
People & Skills	£2,515,089	£1,747,958	£767,131
<b>Total</b>	<b>£8,825,360</b>	<b>£5,978,997</b>	<b>£2,846,363</b>

4.6 From the above, this shows a significant amount at December 2024 remaining to be achieved by end of March 2025. A number of these largely relate to capital spend and will be evidenced and reported at the year end.

4.7 As a grant-funded programme under which a significant proportion of expenditure is outside the control of the local authority, there exists the potential for project underspends. These are being managed to minimise the risk of repaying funds to central government. All external projects are proceeding well and are on target to achieve spend, and it is anticipated that total spend across the programme will be fully achieved by the end of March 2025.

### **Current Progress - Deliverables**

4.8 Across the programme more than 25 individual projects have been supported across the themes. This includes 17 projects being delivered by external organisations/ consortia,

and more than 30 external organisations have been involved in the delivery of the programme. The following outlines the type of projects supported and activities achieved to date.

- **Communities & Place**
  - Internal projects: supporting the Festivals and Events; Inward Investment and City Centre teams to deliver event management and city promotional and engagement activities.
  - External projects include support for 2 projects providing advice to households around debt, finance/budgeting, energy efficiency measures and digital inclusion; digital support for voluntary / community sector organisations, support for Community Asset Transfers to invest in sustainability improvements and help with ongoing viability
- **Business Support**
  - Internal projects include supporting current staff within LCC to provide business support to businesses linked to managed workspaces; delivery of the Employment Hub service providing support to businesses looking to recruit apprenticeships, jobs and work experience especially linking to those most disadvantaged, support for graduate retention
  - External projects include support for businesses in Leicester with advice in relation to business sustainability; support around low carbon including decarbonisation plans, dedicated support for black owned businesses and social enterprises; support for manufacturing businesses, development of creative industry networks
- **People & Skills:**
  - Internal projects: part funding for delivery of the Construction Hub supporting individuals into the construction industry
  - External projects; support for Economically Inactive individuals to move into employment; delivery of ESOL; sector skills training in hospitality, retail, textile and creative sectors

4.9 Across these projects, up to December 2024 the programme has supported the following:

**Table 4: Outputs/ Outcomes Delivery to December 2024**

Communities & Place Theme	<ul style="list-style-type: none"> <li>• 1638 households engaged to receive energy efficiency advice. Of these 1111 have implemented energy efficiency measures</li> <li>• 290 people experiencing increased confidence and resilience following support (through addressing barriers related to skills e.g. digital, and circumstances e.g. homelessness, health and access to services etc).</li> <li>• 3293 increased visitor numbers</li> <li>• 25 premises improved with digital connectivity</li> </ul>
Business Support Theme	<ul style="list-style-type: none"> <li>• 587 businesses engaged for business advice, guidance of which:               <ul style="list-style-type: none"> <li>• 138 jobs safeguarded</li> <li>• 54 businesses improved productivity</li> <li>• 70 businesses adopting new to the firm technologies or processes</li> <li>• 192 jobs created</li> </ul> </li> </ul>

People & Skills Theme	<ul style="list-style-type: none"> <li>• 774 Economically inactive individuals supported with life and interpersonal skills to move them forward to engage with labour market of which: <ul style="list-style-type: none"> <li>○ 287 undertaken job search activities</li> <li>○ 48 moved into employment</li> <li>○ 605 reporting increased employability through interpersonal skills development</li> <li>○ 117 engaged in life skills</li> </ul> </li> <li>• 841 individuals engaged to support with basic skills or skills training of which: <ul style="list-style-type: none"> <li>○ 730 have gained a sector specific qualification (i.e. construction, fashion)</li> <li>○ 575 have gained a basic skills qualification</li> <li>○ 34 gaining licences to work in construction</li> </ul> </li> </ul>
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4.10 All projects are continuing to deliver activity until the end of March 2025. As such note that the outputs and outcomes reported above are not the final results for the programme, and these will not be known until the end of April 2025.

### **Transition Year 2025-2026**

4.11 Central Government has confirmed a transition year for UKSPF for 2025/26 ahead of more fundamental change to economic development funding in subsequent years. What that future alternative programme might look like is currently unclear. Guidance has been issued which allows no UKSPF underspend to be carried forward from the current 2024/25 year, hence the need to draw a line under current delivery activity to the end of March 2025.

4.12 Although the national allocation for the transition year 2025/26 is at 60% of the 2024/25 grant funding level, the city allocation is circa 75% of that for 2024/25. So there has been some redistribution in favour of the city although total sums remain well below what was previously supported under the previous European Union regime. The total UKSPF allocation for Leicester city for 2025/26 is £4,356,020.

4.13 Government guidance has confirmed the priorities of the existing UKSPF programme need to be followed in 2025/26 i.e. similar themes and broadly similar output and outcome measures. The existing distribution methods also remain, with Leicester City Council and District councils retaining a UKSPF allocation in the transition year.

4.14 Given the late notice of the funding allocation from Central Government, there has been no time to run new funding calls for delivery of the single year programme for entirely new activities. There has also been no time to conduct a detailed evaluation of current delivery, particularly as this does not finish until March 2025. An evaluation of this is being planned for late Spring/ Summer 2025 to inform future priorities.

4.15 The 2025-26 allocation is being allocated across the programme themes as follows:

**Table 5: Transition Year 2025/26 Allocation by Theme**

Theme	Investment Plan Allocation
Communities & Place	£1,576,138

Business Support	£1,540,401
People & Skills	£1,084,481
Management Fee	£155,000
<b>Total</b>	<b>£4,356,020</b>

4.16 Despite the lower level of UKSPF funding in the transition year, the UKSPF programme for 2025/26 will continue to fund commissioned projects at 80% of their 2024/25 allocation. Note this is slightly more than the overall 75% funding allocation to Leicester. This will avoid dismantling provision and will continue delivery of vital support to local communities and businesses.

4.17 The programme allocation for 2025/26 enables the continued delivery of the programme, including the following:

- Continued funding for internal project delivery: Festivals and Events; Inward Investment and City Centre teams to deliver event management and city promotional and engagement activities; delivery of the Employment Hub, support for Graduate retention, business support and the Construction Hub
- Further capital funding to support new Community Asset Transfers to invest in sustainability improvements and help with ongoing viability
- Continued funding for externally commissioned projects at 80% of their 2024/25 budget, for the following organisations/ consortia:
  - Business Support: East Midlands Chamber, The Race Equality Centre, Exemplas, NBV Enterprise, University of Leicester/CASE, Leicester Social Economy Consortium: continuing advice in relation to business survival; support around low carbon including decarbonisation plans, dedicated support for black owned businesses and social enterprises; support for manufacturing businesses
  - People: Zinthiya Trust, Reaching People, Futures, BYCS, Twin Training, LCC's Adult Education service: continuing delivery of support for households around debt/ cost of living/ energy efficiency/ digital and ESOL
  - Skills: Fashion Enter, Volunteer It Yourself, Voluntary Acton Leicester, LCC's Connexions service: continuing delivery of sector skills training
  - Creative networks: Artreach, HQ Familia, Opal 22, Phoenix and a new fashion/ textiles network

4.18 This approach has been welcomed by external delivery partners, who recognise the lower level of available funding but the desire to continue delivery as much as possible. The final funding allocation and outputs/ outcomes are being negotiated and agreed with each delivery partner, and will be subject to subsidy control and contract variation. It is anticipated that contracts for delivery will be in place by the end of March 2025.

4.19 The programme also has a requirement for a minimum spend on capital projects, and options for this are being explored.

### **Case Studies**

Appendix 1 provides a sample of a few case studies from the projects.

## 6. Financial, legal, equalities, climate emergency and other implications

### 6.1 Financial implications

This report outlines the UK Shared Prosperity grant funding to the Council from 2022/23 to 2025/26, which is being used to support revenue and capital schemes, both internal and external to the Council. Close monitoring of expenditure is required to ensure that grant conditions are met and that the risk of repayment is minimised.

Stuart McAvoy – Head of Finance  
24<sup>th</sup> February 2025

### 6.2 Legal implications

The UKSPF government funded scheme to date moving on from the former EU funded schemes and the transitional 2025/26 scheme provides economic support and much needed growth and regeneration opportunities and assistance for individuals and businesses in the local area.

Any individual grants and distribution of those funds to organisations and individuals will need to need to comply with the Council's own Contract Procedure Rules to ensure monies are properly spent in accordance with imposed grant terms and conditions with performance and successful outcomes monitored for completion of projects to the satisfaction of the Council to meet 2024/25 government grant allocations as funding may not be carried over during the forthcoming transitional period.

Steven Lowry-Smith

21.2.2025

### 6.3 Equalities implications

Under the Equality Act 2010, public authorities have a Public Sector Equality Duty (PSED) which means that, in carrying out their functions, they have a statutory duty to pay due regard to the need to eliminate unlawful discrimination, harassment and victimisation, to advance equality of opportunity between people who share a protected characteristic and those who don't and to foster good relations between people who share a protected characteristic and those who don't.

Protected Characteristics under the Equality Act 2010 are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation. The paper provides an update on the UK Shared Prosperity Fund (UKSPF) programme, including plans for the transition year for 2025-26.

Under UKSPF local authorities are being encouraged to tackle inequalities, increase opportunities and improve public services. This can include people with protected characteristics, those living in poverty and furthest away from the jobs market. The council has duties under the Equality Act, and must therefore consider how investments and decisions will tackle inequalities, prevent discrimination and foster good relations with different communities.

The fund is designed to help deliver enhanced outcomes and recognises that support is needed in boosting core skills and supporting adults to progress in work. The initiatives aim

to help reduce the barriers some people face to employment and support them to move towards employment and education and provide people with the skills needed to progress in life and work. Targeting adults with no or low-level qualifications and upskilling the population along with supporting disadvantaged people to access the skills they need to progress in life and into work and reducing levels of economic inactivity should lead to positive impacts for people from across many protected characteristics and help to foster good relations. The initiatives support the council to embed equality, diversity and inclusion and tackle local inequalities, increase opportunities and improve public services for those living in poverty and furthest away from the jobs market.

Equalities Officer, Surinder Singh, Ext 37 4148

#### 6.4 Climate Emergency implications

The SPF programme is making a positive contribution to addressing the climate emergency through supporting individuals with energy efficiency and supporting businesses with developing carbon reduction plans. For this reason, the programme is included in the Climate Ready Leicester Plan.

We would encourage the Economic Development Service to continue supporting these activities into 2025/26 if possible. Subject to the priorities and level of funding available in any future replacement of the SPF, it is to be hoped that there will be the opportunity to fund further projects supporting both businesses and individuals in areas relating to the climate emergency – particularly energy efficiency and carbon emissions reduction.

Duncan Bell, Change Manager (Climate Emergency). Ext. 37 2249.  
24.02.25

#### 6.5 Other implications (You will need to have considered other implications in preparing this report. Please indicate which ones apply?)

None

#### **7. Background information and other papers:**

#### **8. Summary of appendices:**

Appendix: Case Studies

#### **9. Is this a private report (If so, please indicate the reasons and state why it is not in the public interest to be dealt with publicly)?**

#### **10. Is this a “key decision”? If so, why?**

No



## Case Studies

The following are a selection of a few case studies from the projects.

### **Company E: From Concept to Market**

Manager M had always been passionate about health and wellness. As an advocate for optimal nutrition, he recognised a glaring gap in the supplement market—an all-in-one superfood supplement that combined convenience with scientifically backed benefits. With this vision in mind, M founded Company E, determined to bring his idea to life.

However, like many start-ups, M faced a mountain of challenges. The supplement industry was highly competitive, filled with established brands and countless products vying for consumer attention. How could Company E stand out? How could he validate his product's efficacy and gain consumer trust? Most importantly, how could he navigate the intricate landscape of business development, regulatory compliance, and marketing?

It was at this crucial juncture that Manager M sought the expertise of NBV Enterprise Solutions Ltd. Their structured advisory approach would prove to be the catalyst for transforming Company E from a mere concept into a thriving business.

NBV's Business Adviser, R, guided M through product validation, forming a partnership with De Montfort University (DMU) for scientific testing, enhancing credibility, and securing funding. They advised on regulatory compliance, refining packaging for safety and marketability.

Using a business model canvas, M identified his target market (professionals 25-45), developed a subscription pricing model, and refined Company E's value proposition. R supported the creation of a research-backed marketing strategy, premium branding, and strategic health clinic partnerships.

Key developments included launching an e-commerce platform, hiring content creators, implementing social media strategies, and engaging customers effectively. Future plans focused on growth, intellectual property protection, and influencer marketing.

### **Success & Future Growth**

Through dedicated business advisory and structured support, Company E transformed from an ambitious idea into a fully-fledged, market-ready brand. NBV Enterprise Solutions played a critical role in navigating the complexities of product development, regulatory compliance, and market positioning, ultimately setting the company on a trajectory for long-term success.

M's journey with Company E is a testament to the power of structured business guidance, strategic planning, and perseverance. With a solid foundation in place, the brand is now ready to make its mark in the health supplement industry, bringing innovative, science-backed nutrition to consumers worldwide.

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# Leicester Employment Hub Case Study: Local Electrical Company Takes Chance on New Employee

***Company K Electrical & Suppliers has seen the potential in their new employee despite him not meeting their initial job description.***

Company K was looking to recruit a fully qualified electrician including NVQ Level 3 with at least 1 years experience in the trade and approached the Leicester Employment Hub for support with this. As a long-term family run business KGL was looking for the right person to fit in.

When Z from the Employment Hub started working with K she could see that he would need someone he could rely on, who would take their role seriously, as big changes such as a headquarters move due to building damage and a small team meant that K's time and desire to grow his business needed to be balanced perfectly.

Z met A through her employment engagement with Shaw Trust, an education and employment charity working with job seekers. He was the perfect fit for the role; good character, strong work ethos and experience. However, due to moving out of the UK a number of years ago, when he returned he decided to complete his level 3 qualification and needed more experience to do so. She worked with A to ensure his CV was reflective of his skillset and ensured he has all certificates for previous qualifications, ready to send to K.

After introducing K and A, K happily offered A the job, starting the following week. Since then, K expectations have been surpassed and he's very happy that giving someone who needed the opportunity more than others has paid off so well:

'We probably would have looked past this person because they hadn't completed their NVQ Level 3 qualification, but because she'd taken the time and initiative to speak with them and spoke about her confidence in their ability we took a closer look and now it's as if he's been a part of the team forever when it's only been a couple of weeks in reality!

The service has been absolutely excellent, quick and a lot easier than I thought. Z found a perfect candidate who slotted in perfectly. Our apprentice has taken to working with him over his own training provider even! Z's made things as easy as possible for us. I really appreciate her coming out to see us and she got a good understanding of who we are and what we're about so she could choose not just the right skillset, but the right personality to gel with our small but family orientated businesses.'

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## **VOLUNTARY AND COMMUNITY SECTOR CASE STUDY**

### **Finding stability and a place to call home**

Living in temporary accommodation since August 2023 and bidding for council properties but not getting anywhere, our client was only working part time and not being good with his finances, he was finding it tough to survive.

He wondered whether he would be better off working full time and wanted to move out as soon as possible so he could be independent.

The client had suffered from a traumatic past, as he was accused of crimes he did not do and was wrongfully jailed. He also had to move to Russia with his family and then due to issues there, he came to the UK without his family. Without the digital and financial skills, and confidence he received from Reaching People's support, he would not have been able to move forward.

### **Saying yes to support**

The client describes how his advisor provided him with endless support: "My advisor helped me to see that there were also other options for alternative housing outside of the council bidding system, which I did not know about. They helped me to register and apply for properties with Belgrave Neighbourhood Co-Operative Association and with Platform Housing.

"I was offered a flat at De Montfort House and they helped me with everything from taking me to the property with my belongings, applying for grants and registering for all my bills.

"I got the essential items and they also were successful in obtaining £500 for flooring which helped a lot. They also helped me with completing a better off calculator so I understood how much I would be better off financially from working full time.

"They gave me a blanket, a cold weather pack and some energy saving light bulbs which has helped me save money through my gas and electric bills."

### **Securing independence**

The client continues: "The biggest outcome was that I was able to move into my own property and feel confident that I was going to be able to manage this. I am now independent and getting on with my life. My advisor got me a grant also for a television, which has really helped with making my flat a home."

The client was also given a sim card which he explained helped him to save money and that the data was helpful, as he did not have access to the internet in his flat.

### **Support was invaluable**

The client was grateful to the advisory service as he says: "I would not have been able to move on from temporary accommodation. Also, I have never had my own tenancy, so the support was invaluable.

Overall he says: "I received support and advice when I did not think anyone cared. My English is also very bad and my advisor spent a lot of time translating everything, every step of the way, so I understood everything that was going on. I appreciate all of the time and energy that was put into me, that helped me with my future. It was a very trustful and caring experience and I will never forget it."