

## ITEM No ...10.....

**REPORT TO:** FAIR WORK, ECONOMIC GROWTH AND INFRASTRUCTURE  
COMMITTEE – 17 FEBRUARY 2025

**REPORT ON:** UK SHARED PROSPERITY FUND 2025-26

**REPORT BY:** EXECUTIVE DIRECTOR OF CITY DEVELOPMENT

**REPORT NO:** 50-2025

### **1 PURPOSE OF REPORT**

1.1 This report provides an update on the extension of the UK Government's Shared Prosperity Fund (UKSPF) for 2025-26 and seeks approval to continue the approach to delivery of the programme undertaken during 2022-2025 that delegated authority to the Executive Directors of City Development and Corporate Services to develop and manage the programme, based on the city's Investment Plan approved by the UK Government in December 2022.

### **2 RECOMMENDATION**

2.1 It is recommended that the Committee:

- a delegates authority to the Executive Directors of City Development and Corporate Services to progress the development and delivery of the UK Shared Prosperity Fund Programme in 2025-26 which will be a continuation of the Investment Plan for 2022-2025; and
- b note that an annual report for 2024-25 UKSPF will be brought to committee in May, following the closure of the UKSPF reporting period.

### **3 FINANCIAL IMPLICATIONS**

3.1 There are no direct financial implications for Dundee City Council. The total allocation of funding awarded to Dundee City Council from the UK Shared Prosperity Fund in 2025-26 is £2,440,004. This comprises £1,918,483 of revenue and £521,521 of capital.

3.2 It is anticipated that interventions will typically be delivered through non-ringfenced Section 50 grants to local authorities via the UK Internal Market Act 2020, with grants to be administered by the relevant local authority in line with the terms of its existing procurement, delivery, and governance structures.

3.3 The UK Government has allocated up to 4% of the budget in 2025-26 as a capacity payment for UK Shared Prosperity Fund, which will support the internal delivery of the project by City Development.

### **4 BACKGROUND - UK SHARED PROSPERITY FUND DUNDEE**

4.1 Reference is made to Article II of the minute of Recess Sub-committee on 1 August 2022 (Report 196-2022) where the Executive Directors of City Development and Corporate Services were delegated authority to develop and deliver a UKSPF Investment Plan 2022-2025.

4.2 In December 2024, the UK Government announced a year-long extension to the existing UK Shared Prosperity Fund programme. This will be a transitional year for UKSPF as the UK Government develops its approach to future regional funding. The transitional year recognises

the importance of supporting places to invest in local growth priorities in advance of wider funding reform.

- 4.3 For 2025-26, the UK Government has adopted a new methodology for allocating funding which included a recognition that those areas most in need should be prioritised for support. Utilising data from the Scottish Index of Multiple Deprivation within the allocation methodology meant that six local authorities in Scotland were prioritised, including Dundee City Council. As a result, Dundee's allocation for 2025-26 has seen a smaller reduction in the level of support than other areas. The allocation to Dundee City Council of £2,440,004 represents a decrease of 17% compared to the 2024-25 allocation (excluding the allocation ringfenced in 2024-25 by the UK Government for the adult numeracy programme, Multiply, which is not continuing in 2025-26), whilst the average reduction across the 26 local authorities not identified as most in need has been 37%.
- 4.4 The UK Government has indicated that 2025-26 is a transition year. As such, it should be treated as a continuation of the fund, retaining the three key priorities from years one to three, whilst adapting the interventions. Lead local authorities will continue to have flexibility to invest across a range of activities that represent the right solutions for their areas. The new themes identified by the Government map to the previous interventions, meaning that the UKSPF can continue support for the wide range of activities delivered during 2022-25. The new themes within the priorities are outlined below and support the objectives of the Dundee approach to delivery of the UKSPF with its focus on economic growth. These are:
- **Communities and Place – Thriving Places:** development of the visitor economy, high street and town centre improvements, and improving health and well-being.
  - **People and Skills:** supporting people to progress towards and into employment, support young people who are or are at risk of becoming NEET, essential skills (ESOL, literacy, numeracy, digital) and employment related skills.
  - **Supporting Local Business:** advice and support to businesses, enterprise culture and start-up support and business sites and premises.
- 4.5 To ensure that the UKSPF can be delivered effectively during 2025-26 It is intended that the existing governance arrangements are continued. The Executive Directors of City Development and Corporate Services will have delegated authority to continue to work together to ensure the effective delivery of the programme, and appropriate reporting to the UK Government.
- 4.6 The initial 3-year programme saw UKSPF being delivered in several ways, including through Challenge Funds open to bids from organisations looking to deliver projects in the city, partnership approaches, procured services and regional focused projects. The 2025-26 programme will look to use the same models of delivery.
- 4.7 Between 2022 and 2025, the Council has used UKSPF to support the delivery of key economic development interventions including Discover Work, the Dundee Partnership's employability programme, and local business support through Business Gateway. To ensure that these services can continue to deliver to clients without interruption and that staff employed to deliver these programmes are retained, it is necessary to confirm the ongoing funding for these programmes at the earliest opportunity. These commitments amount to approximately 40% of the UKSPF revenue budget for 2025-26.

## 5 POLICY IMPLICATIONS

- 5.1 This report has been subject to the Pre-IIA Screening Tool and does not make any recommendations for change to strategy, policy, procedures, services or funding and so has

not been subject to an Integrated Impact Assessment. An appropriate Senior Manager has reviewed and agreed with this assessment.

## **6 CONSULTATIONS**

- 6.1 The Council Leadership Team were consulted in the preparation of this report.
- 6.2 The Council continues to consult with the Local Partnership Group established to support the delivery of the UK Shared Prosperity Fund programme, which includes members from key partnership organisations such as the universities, Scottish Enterprise, DVVA, Dundee & Angus College, the Discover Work Partnership, and the Tourism Leadership Group.

## **7 BACKGROUND PAPERS**

- 7.1 None.

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