

UK Shared Prosperity Transition Funding 2025/26**Report by Fiona Robertson, Executive Director - Children, Young People and Partnerships****Report for Decision****1 Recommendations**

Council is recommended to:

- Delegate authority to the Executive Director Place and Executive Director Children, Young People and Partnerships in their role as Chair of the UK Shared Prosperity Fund Board to allocate UK Shared Prosperity transition funding 2025/26 in line with funding conditions
- Agree that an update on the UK Shared Prosperity transition funding 2025/26 will be brought back to Council at a future date
- Note outcomes of the UK Shared Prosperity Fund 2022-2025 programme

2 Purpose of Report/Executive Summary

The purpose of this report is to seek Council's agreement to approve the continuation of delegated authority to Executive Directors to allocate funding to projects for UK Shared Prosperity's transition year of funding 2025/26.

Date 27th January 2025**Report Contact:**

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3 Background/Main Body of Report

- 3.1** The UK Shared Prosperity Fund (UKSPF) is a strand of funding that replaced the old EU structural funds. The 2022-25 programme invested in the following priorities set by the UK Government: Communities and Place, Support for Local Businesses and People and Skills. In addition, there was a separate stream of funding called Multiply which focused on improving adult numeracy for those aged 16 plus.
- 3.2** Midlothian was awarded a total of £3,558,663 to address and deliver activity against the four Investment Priorities.
- 3.3** The majority of funding was awarded on a three-year basis following an initial application process, scoring panel recommendations and approval by the UKSPF Board. Support to Local Business grants were completed in a similar manner but at more regular intervals over the length of the programme. In addition, UKSPF supported four Regional Prosperity Framework initiatives.
- 3.4** As the UKSPF 2022-25 programme progressed, the use of identified project underspends and further applications were considered and approved by the UKSPF Board.
- 3.5** *Appendix 1* provides an overview of projects funded over the 2022-25 period and the outputs and outcomes achieved to date.
- 3.6** In the Autumn Statement in October 2024, the new UK Government announced that the UK Shared Prosperity Fund would be extended for 2025-26 at a reduced level of £900 million.
- 3.7** The Midlothian allocation for 2025/26 is £1,166,951 with a split of capital £330,884 and revenue £836,067.
- 3.8** The UK Government has introduced new missions, themes and sub themes to streamline reporting. However, for the transition funding, the original interventions selected can be aligned to the new priorities via a mapping exercise. *Appendix 2* provides an overview of the transition funding 2025/26.
- 3.9** The transition year is to provide a continuation of UKSPF activity until the end of March 2026. An announcement on a new funding programme to commence in April 2026 is expected in the Spring statement.
- 3.10** The UKSPF Board will analyse projects already funded by UKSPF and will approve, where appropriate, continuation funding for the transition year to ensure delivery of activity across Midlothian to support individuals, businesses and communities.

4 Report Implications (Resource, Digital and Risk)

4.1 Resource

There are no additional resource requirements involved as management and administration costs are covered within the UK Government allocation of funding.

4.2 Digital

There are no implications directly for Council digital services.

4.3 Risk

The UKSPF programme is subject to internal audit that helps reduce the risks associated with managing the programme. The processes associated with awarding funding include robust risk assessment procedures to ensure compliance with Following the Public Pound guidance.

There is a possible risk that any delays in the allocation of funding for 2025/26 may result in a loss of skilled staff to deliver activity under the different Investment Priorities.

4.4 Ensuring Equalities (if required a separate IIA must be completed)

This report falls within the scope of an existing IIA as the transition funding for 2025/26 is a continuation of the original UKSPF 2022-25 programme

The integrated impact assessment concluded that the UKSPF programme will have a positive impact on equality groups across Midlothian.

4.5 Additional Report Implications (See Appendix A)

See Appendix A

Appendices

Appendix A - Additional Report Implications

Appendix B - Background information/Links

Appendix 1 - Outcomes of 2022-25 UKSPF programme

Appendix 2 - Overview of UKSP Transition Funding 2025/26

APPENDIX A – Report Implications

A.1 Key Priorities within the Single Midlothian Plan

The 2023-2027 Single Midlothian Plan focusses on three main aims:

- Individuals and communities will have improved health and skills for learning, life and work
- No child or household will be living in poverty
- Significant progress is made towards net zero carbon emissions by 2030

The interventions under each of the three core Investment Priorities are aligned to the three main aims of the Community Planning Partnership and Single Midlothian Plan.

A.2 Key Drivers for Change

Key drivers addressed in this report:

- Holistic Working
- Hub and Spoke
- Modern
- Sustainable
- Transformational
- Preventative
- Asset-based
- Continuous Improvement
- One size fits one
- None of the above

A.3 Key Delivery Streams

Key delivery streams addressed in this report:

- One Council Working with you, for you
- Preventative and Sustainable
- Efficient and Modern
- Innovative and Ambitious
- None of the above

A.4 Delivering Best Value

This programme of funding has a key role to play in developing communities, reducing inequalities, improving skills, and supporting sustainable development. In addition it will help support the voluntary sector, improve public services and grow the private sector.

A.5 Involving Communities and Other Stakeholders

This funding is a continuation of the original UKSPF programme. The Local Employability Partnership was a key contributor in identifying the priorities for the investment plan and the interventions to be addressed. Third sector partners will be fundamental in delivering a continuation of UKSPF activity in 2025/26 across Midlothian.

A.6 Impact on Performance and Outcomes

By supporting the voluntary sector, growing the private sector and improving public services, the UKSP transition funding will have a positive impact on the performance and outcomes of the Council and the Community Planning Partnership and contribute towards meeting the three main priorities of the Single Midlothian Plan.

A.7 Adopting a Preventative Approach

Projects that are allocated funding for 2025/26 will undertake preventative work by reducing inequalities, carbon emissions, social isolation and the impact of poverty, improving mental and physical health and wellbeing, developing communities and supporting people into learning and employment. Without this valuable contribution, many of these services could not be delivered in Midlothian.

A.8 Supporting Sustainable Development

N/A

APPENDIX B

Background Papers/Resource Links (insert applicable papers/links)

Appendix 1 Outcomes of 2022-25 UKSPF programme

Appendix 2 Overview of UKSP Transition Funding 2025/26