



The UK Shared Prosperity Fund

What we Know & What we Don't Know

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This presentation will cover :

1. The UK SPF – What will it replace
2. What we Know
3. What we Don't know
4. Next Steps

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UKSPF – What it will replace

The UK SPF is set to replace ESIF funding. During 2014-20 this amounts to:

| | | |
|---------|---|--------|
| England | - | €6.2bn |
| Wales | - | €2.1bn |
| NI | - | €457m |

This is for European Regional Development Fund (ERDF) & European Social Fund (ESF) only.

In **England** it will also cover some of the European Agriculture Fund for Rural Development (EAFRD) and the European Maritime and Fisheries Programme (EMFF) – together worth about £400m between 2014-20.

It is also likely to include the **Local Growth Fund**.



UKSPF – Principles

In July the Government published a Statement on the UKSPF which outlined their key proposals for the fund:

The objective will be to **tackle inequalities** between communities by raising productivity.

Simplified administration will seek to **ensure that investments are targeted effectively** to align with the challenges faced by places across the country and supported by strong evidence about what works at the local level.

The UKSPF will operate **across the UK**

Local areas in England are being asked to prepare **Local Industrial Strategies** to prioritise long-term opportunities and challenges to increasing local productivity. This prioritisation will help local areas decide on their approach to maximising the long-term impact of the UKSPF once details of its operation and priorities are announced following the Spending Review.

The Government intends to launch a **public consultation** on the UKSPF this year



UKSPF – Principles

“The objective of the UKSPF is to **tackle inequalities between communities by raising productivity**, especially in those parts of our country whose economies are furthest behind. The UKSPF will achieve this by investing in the foundations of productivity as set out in the Industrial Strategy: **ideas, people, infrastructure, business environment, and place**. The UKSPF will support inclusive and sustainable growth, supporting communities in facing their specific challenges, for example in rural or coastal areas, or deprived areas in our cities.”

Source: MHCLG, October 2018



UKSPF – Where are we now?

“Over the summer and autumn of this year the Ministry of Housing, Communities & Local Government (MHCLG) and the Department for Business, Energy & Industrial Strategy (BEIS) are hosting a series of regional engagement events on the UKSPF. These local ‘roundtables’ will take place across England and will gather input from local stakeholders on the design of the UKSPF. They form part of a broader programme of engagement, all of which will support work towards a public consultation intended for later this year.”

Source: MHCLG, July 2018



UKSPF – What we were told

The Industrial Strategy set out a commitment to **tackle the challenges of low productivity and inequality** in the UK and **the importance of places** in meeting these challenges.

Ensuring institutions can develop long term strategies for growth to help guide the UKSPF investments in places.

The Conservative Manifesto committed the **UK Shared Prosperity Fund** to being;

- A domestic fund'
- Designed to boost productivity and reduce inequalities'
- Driven by UK priorities'
- Cheap to administer and low in bureaucracy'

- **Furthermore the UKSPF will:**
 - Be a simplified, integrated fund
 - Operate in the devolved nations
 - Have a national framework in England that works for local priorities
 - Involve consulting the public on its design and scope

Source: MHCLG 'round table' workshop on the UKSPF, September 2018



UKSPF – Stakeholder Asks

The joint NCVO and ERSA (Employment Related Services Association) report stated that the new fund should :

1. Ensure that it delivers interventions that reflect the link between health, wellbeing and employment services, as well as other interlinking barriers
2. Be developed and delivered through multi-agency and multi-sectoral community partnerships which should be commissioned around place and needs
3. Foster innovation, bringing in new actors and finding new approaches to tackle entrenched problems
4. Include a mix of long term funding and short-term trials, for stability and flexibility
5. Involve a better and quicker process to identify need and allocate funds, providing an earlier return on investment and impact on communities
6. Ensure ease of access for providers of all sizes and sectors



UKSPF – Stakeholder Asks

The influential Joseph Rowntree Trust states that the new fund should be:

1. **Additional and ring-fenced:** the level of resources should match existing ESIF arrangements and be protected
2. **Long term:** resources should be committed over a multi-year planning horizon to provide financial stability to design and implement interventions
3. **Targeted:** support should be targeted on the communities that need it most
4. **Devolved:** local places should have more say over how resources are spent
5. **Flexible:** remove obstacles to combining human and physical capital approaches
6. **Embed what works well:** the Shared Prosperity Fund will be guided by effective evaluation and will share lessons from successful interventions with a network of other regions, acting as an evidence hub for policy to help struggling places



UKSPF – What we Don't know

What we don't know:

- **Budget:** how much and for how long? Will the level of funding be sustained or even grow beyond the next Govt. Comprehensive Spending Review?
- **Scale:** National frameworks vs. responsive to local needs? How will this be achieved?
- **Accountability:** What will be or should be the role of local institutions such as Local Enterprise Partnerships and Mayoral Combined Authorities and the relevance of Local Industrial Strategies for the voluntary sector?
- **Design:** Should the UKSPF support 'cross cutting themes' such as equality, inclusion and sustainable development. What will be the role if any of community participation?
- **Place:** How will the UKSPF address needs and opportunities that vary between communities, and between rural areas, towns and cities?
- **Detail:** Will the UKSPF include ESF-style co-financing or direct bidding or both? Will there be a minimum contract size, a maximum intervention rate and will this be fixed or variable?



UKSPF – Next Steps

“Specific policy areas eligible for UKSPF support, as well as the method of distributing funding and selecting projects to be supported, are still subject to policy development and will not be confirmed until the Spending Review 2019.”

Keep an eye out for the consultation that we have been promised will be this year and respond.

Further enquiries can be made to:

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