

Report of the Cabinet Portfolio Holder for Asset Management and Economic Development

Year Four UK Shared Prosperity Fund Programme for Broxtowe

1. Purpose of Report

The report will inform Members of the details of an award of a further round of UK Shared Prosperity Fund (UKSPF) by the East Midlands Combined County Authority. It will identify the broad approach being taken towards planning to deploy this funding during the 2025/26 Financial Year and seek approval for the onward governance and implementation process.

2. Recommendation

Cabinet is asked to RESOLVE:

- 1. That the broad parameters document supplied in Appendix 2 of this report be approved and confirm that the existing UKSPF Panel will convene to agree the final Year 4 Plan, reporting to the first appropriate Cabinet meeting in Q1 of the new municipal year.**
- 2. That the revenue budget and capital programme for 2025/26 are duly updated to include the UKPSF programme relating to the confirmed allocation of grant funding.**
- 3. To take steps to extend the contract with Rushcliffe Borough Council for the co-ordinator of the UKSPF programme to ensure this resource remains available in year 4 of the programme.**

3. Detail

The Government has always maintained that, from 2025/26 onwards, UKSPF would be devolved to the Mayoral Combined Authorities, such as the East Midlands Combined County Authority, (EMCCA). They have also determined that any underspends from the three previous years would need to be returned to Central Government. It was further announced that only £900 million would be available nationally, a reduction of circa 60%.

EMCCA have now had their regional allocation confirmed and agreed a policy at their Board on 10 February 2025. EMCCA see 2025/26 as a transitional year. The Economic Development and Regeneration team have been working to prepare for these changes. Whilst UKSPF will not be an entirely new programme it will have subtle differences and the outcomes and outputs are centred around economic growth and the other missions of government including for the first time - health. A plan for EMCCA priorities are set out in **Appendix 1**.

Regionally the Combined Authority will replace the overall management and administration role that the Borough previously enjoyed with MHCLG and will

receive a one-year UKSPF allocation of £25.17m in 2025/26. EMCCA have added in the £4.5m capital uplift they receive from government together with an extra £2.0m from the Regional Investment Fund during 2025/26 only. There will be some activities in business support, inward investment and tourism promotion that will be invested in centrally which means that the fund for distribution to local government remains at about £25 million. Broxtowe's allocation in 2025/26 is £1,056,720, of which £462,975 is capital funding and £593,745 is revenue funding.

EMCCA's legal department are preparing a memorandum of understanding and grant funding agreement, but one thing local authorities will continue to be able to do is to deploy 4% of the fund towards administration costs. As a result, it would be prudent to extend the agreement with Rushcliffe Borough Council to retain the 50% Programme Officer until at least May 2026.

The details are emerging as included within **Appendix 1** concerning the areas where EMCCA desire to see the funding utilised. Not all authorities have utilised UKSPF in the same way that Broxtowe has so the shift in emphasis to economic development will not be radical, as the Council's work so far has been broadly congruent with EMCCA's emerging priorities. The key decisions are:

- How to prioritise around this lower resource;
- Whether to allocate funding to doing new strands of activities which are tapered towards change and promoting new ways of doing things versus aligning provision with emerging regional programmes and measures, (so that Broxtowe's businesses and communities will be able to rely on continuity post 2026/27);
- Understanding and using existing contracts to ensure delivery continues seamlessly;
- Ensuring that work streams that have been very successful in the past three years are built upon;

It will not be possible for Cabinet to endorse a final year four delivery plan until all the documents are in place but **Appendix 2** looks to confirm the broad themes that should appear in a year four delivery plan and Cabinet are asked to comment upon them.

In order to ensure that the plan is endorsed before the end of this financial year it is proposed the UKSPF Panel meets on 24 March 2025 to finalise as far as possible officer proposals for Year Four.

4. Key Decision

This report is a key decision as defined under Regulation 8 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 by virtue of the fact that it covers the entire Borough and expenditure over £250,000.

5. Updates from Scrutiny

Not applicable.

6. Financial Implications

The comments from the Head of Finance Services were as follows:

There is currently no budgetary provision within the revenue and capital budgets for UKSPF schemes in 2025/26. The Council has been awaiting confirmation of the level of grant awarded, which was not available at the time of preparing the budgets.

It is now known that the Council will receive an overall UKSPF funding allocation of £1.057m in revenue, capital and capacity in 2025/26. This includes a 4% maximum allocation for administrative purposes (around £42,250).

The General Fund revenue budget for 2025/26 will be updated to include the revenue and capacity funding element of the UKSPF programme at £593,750 (including the £42,250 allocation for administrative purposes). The Capital Programme for 2025/26 will be increased by £462,950 for the UKSPF capital schemes. The planned spend on the UKSPF programme is fully grant funded so the net impact on the Council's budget is nil.

7. Legal Implications

The comments from the Monitoring Officer / Head of Legal Services were as follows:

The Localism Act 2011 under section 1 gives the Council the "power to do anything that individuals generally may do", and may do it "for, or otherwise than for, the benefit of the authority, its area or persons resident or present in its area". These powers give the Council the power to extend the contract with Rushcliffe Borough Council. All grant funding will continue to be subject to grant funding agreements to ensure both compliance with UKSPF grant requirements and that any risks are identified and mitigated and that all legal compliance required by the Recipient is made explicit.

8. Human Resources Implications

Not applicable.

9. Union Comments

Not applicable.

10. Climate Change Implications

The climate change implications are contained within the report.

11. Data Protection Compliance Implications

Not applicable.

12. Equality Impact Assessment

Not applicable.

13. Background Papers

Nil.