

Item 9
18 November 2025



Glasgow City Region Cabinet

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UK Shared Prosperity Fund Update

Purpose of Report:

The report summarises the Glasgow City Region's UK Shared Prosperity Fund (UKSPF) activity to the end of the Quarter 2 2025/2026 and provides details of future UK Government budget projections and potential programme impact.

Recommendations:

The GCR Cabinet is asked to:

- a) Note the content of the report, and;
- b) Approve the Quarter 2 2025/2026 GCR UKSPF report for submission to UK Government

1 Purpose of the Report

- 1.1 The report summarises the Glasgow City Region's UK Shared Prosperity Fund (UKSPF) activity to the end of the Quarter 2 2025/2026 and provides details of future UK Government budget projections and potential programme impact.

2 Background

- 2.1 Glasgow City Region (GCR) Programme Management Office (PMO), on behalf of the eight Member Authorities (MAs), is required to provide the UK Government (UKG) with 6-monthly progress report on UKSPF spend and activity. This report covers activity until the end of Quarter 2 2025/2026. This report will be submitted to UKG following approval.
- 2.2 As the Chief Executives' Group (CEG) will be aware, the current programme is a 1-year extension to the UKSPF Programme, for financial year 2025/2026. The overall UKSPF allocation for Scotland in 2025/2026 is £75.9m, with the Glasgow City Region receiving £29.4m, just under 40% of the Scottish allocation.

3 GCR UKSPF Quarter 2 2025/2026 Spend

- 3.1 This report provides a summary of the UKSPF expenditure to the end of Quarter 2 2025/2026, covering activity across the eight MAs. The summary is noted in Table 1. Table 2 provides a summary by Thematic Priority.

Member Authority	Q2 Spend	25/26 Forecast	% of spend
East Dunbartonshire	£153,728	£1,159,175	13%
East Renfrewshire	£308,747	£1,078,992	29%
Glasgow	£3,031,271	£11,834,806	26%
Inverclyde	£345,975	£1,550,389	22%
North Lanarkshire	£2,982,362	£6,034,164	49%
Renfrewshire	£692,682	£2,062,930	34%
South Lanarkshire	£935,885	£4,007,757	23%
West Dunbartonshire	£428,187	£1,694,752	25%
GCR Total	£8,878,837	£29,422,965	30%

Table 1. GCR UKSPF Expenditure Summary by MA Q2 2025/2026

Theme	Q2 Spend	25/26 Forecast	% of Spend
Communities and Place: Healthy Safe and Inclusive Communities	£2,267,547	£6,368,456	36%
Communities and Place: Thriving Place	£52,795	£5,330,376	1%
Local Business: Support for Business	£1,244,003	£5,483,764	23%
People and Skills: Employability	£3,639,781	£8,992,610	40%
People and Skills: Skills	£1,155,490	£2,132,955	54%
M&A	£519,221	£1,114,804	47%
GCR Total	£ 8,878,837	£ 29,422,965	30%

Table 2. GCR UKSPF Expenditure Summary by Priority Q2 2025/2026

3.2 The GCR PMO are in the process of reconciling the 2025/2026 grant against 2024/2025 carry forward to enable passthrough agreements sent to MAs as soon as possible.

4 Future of the UKSPF Programme

4.1 As noted in section 2.2, in October 2024, the UKG announced a 1-year extension to UKSPF programme running to the end of March 2026.

4.2 At the UKG Spending Review, 11 June 25, the Government made a commitment to 'regional growth and devolution' and advised funding in Scotland, Wales and Northern Ireland would receive the same overall level in cash terms for 2026/2027 to 2028/2029 as it is for UKSPF 2025/2026. It is not yet clear however, what impact this commitment will have on activity that was previously eligible for UKSPF grant funding.

4.3 UKG hosted a webinar for Scottish Local Authorities, Wednesday 5 November. The session was designed to update on progress to date and commence formal engagement on Local Growth Fund (LGF) design, following Local Authority input.

4.4 UKG confirmed that from 2026/2027 UKG will provide targeted, long-term funding to support local growth across the UK, completing the transition from the UKSPF. For the next three years, this funding across the four new programmes will be at the same overall level in cash terms as under the UKSPF in the current year. For Scotland this is approx. £76m p.a., and approx. £238m over the SR period (up to FY 28-29).

4.5 There are four funding streams that make up the Local Growth Fund:

- Pride in Place Programme (PIPP) Phase 2
- Pride in Place Impact Fund (PIPIF)
- New Local Growth Fund
- Growth Mission Fund

4.6 The first three funding streams are led jointly by Ministry of Housing, Communities and Local Government (MHCLG) and Scotland Office, with the Growth Mission Fund led by the Department of Trade (DBT).

- 4.7 In practice, with the funding of £76m per annum and the UKG commitment to PIPP and PIPIF around £42m of flexible funding will remain. With an expectation of around 10-15% allocated to the Growth Mission Fund this will leave around £36m for the Local Growth Fund.
- 4.8 It was also explained that the majority of the new LGF would be capital, but the split was confirmed. If we assume a maximum of 49% revenue and based on our previous SPF allocation (39% for GCR), we are projecting a maximum revenue allocation to the eight local authorities in GCR for employability, business support, third sector etc will be around £7.3m a year, however it is likely to be lower. This is down from the high of £33m in 2024/2025 and £22.6m in the current financial year. GCC alone has £9m of revenue in the current year.
- 4.9 Following the UKG webinar, the GCR PMO engaged with MA UKSPF Lead Officers to understand the potential impact of the reduction in UKSPF / LGF budget allocations. With scenarios of 50%, 75% and 100% reductions in revenue funding being modelled. This impact is being considered in both direct staffing reductions and the levels of outputs and outcomes.
- 4.10 The GCR Intelligence Hub will endeavour to quantify the economic impact of these reductions.
- 4.11 The GCR Intelligence Hub will also utilise experience trialled in GCC to work with individual MAs to help them target their employability interventions.
- 4.12 The UK Autumn Budget will be announced on Wednesday 26 November 2025 and further clarification on the future funding landscape is expected at this point.

5 Recommendation

- 5.1 The GCR Chief Executives' Group is asked to:
- a) Note the content of the report, and;
 - b) Approve the Quarter 2 2025/2026 GCR UKSPF report for submission to UK Government