



Glasgow City Council

City Administration Committee

Item 3

30th January 2025

**Report by Councillor Susan Aitken, Leader of the Council and
Convener for City and City Region Economy and Just Transition**

Contact: Kevin Rush Ext. 74613

UK SHARED PROSPERITY FUND EXTENSION

Purpose of Report:

This report provides the City Administration Committee with an update on proposals to utilise the budget allocation available to Glasgow for the extension year (2025/2026) of the UK Shared Prosperity Fund (UKSPF), following the confirmation of the budget from the UK Government in October 2024.

Recommendations:

The Committee is asked to:

- i. Note the context of the report;
- ii. Approve the approach and budgets proposed for the programmes as outlined in the report.

1.0 Introduction

- 1.1 At its meeting held on 18th August 2022, Committee agreed the Glasgow element of the Glasgow City Region Investment Plan under the UK Shared Prosperity Fund (UKSPF).
- 1.2 The current UKSPF 3-year programme budget runs until 31 March 2025 with a total of £27.2 million available over this period for Glasgow:
- 2022/23 – £4,151,811
2023/24 – £7,101,780
2024/25 – £15,957,694
- 1.3 Members considered and approved a number of reports on the scope and use of the UK Shared Prosperity Fund at meetings over 2022 and 2023 under the three key priority investment areas for the fund
- Communities and Place
 - People and Skills
 - Supporting Local Business
- 1.4 In addition, delivery of the Multiply adult numeracy initiative was compulsory for all member authorities over the 3 year programme period.
- 1.5 In September 2024, UK Government (UKG) confirmed that any budget underspend from the current allocation by the programme conclusion date of 31st March 2025 must be returned to HM Treasury.

2.0 2025/26 Allocation

- 2.1 UKG committed to a one-year extension of the current UKSPF programme in the Budget on 30th October 2024. While this extension is welcomed, the quantum for the extension year was significantly less than the UKSPF budget for the current financial year (2024/2025). The total 2024/2025 UKSPF budget allocation was £1.5bn whilst the financial commitment for the extension year is £900m, an overall reduction of 40%.
- 2.2 While this level of funding was confirmed in the UKG Autumn Budget Statement, individual Regional/Local Authority allocations were not clarified until Friday 13th December 2024.
- 2.3 Part of the reason for the delay in confirming the 2025/2026 awards was a change in the allocation methodology by UKG. While the Scottish allocation remained as 8.42% of the total UKSPF budget, not all Local Authority allocations were reduced by an equivalent amount – initially indicated to be 40%.

- 2.4 The main change to the allocation methodology prioritised areas with the highest levels of deprivation. To measure the level of deprivation in individual areas these allocations used the most recent Index of Multiple Deprivation (IMD) for each nation to identify the 20% of local authorities with the highest levels of deprivation. A 'prioritisation adjustment factor' was then applied.
- 2.5 UKG also informed Local Authorities that there would be no funding within the allocation for the Multiply programme and therefore it was no longer compulsory as part of a UKSPF programme.
- 2.6 Following the application of the revised methodology, Glasgow was identified as one of only 6 Local Authorities in Scotland to fall within the most deprived areas. UKG contacted Chief Executives with confirmation of their 2025/2026 UKSPF allocations, which constituted a 20% reduction for GCC from the Year 3 allocation. It should be noted that as Multiply funding was not continuing in the extension year, the equivalent of the Year 3 Multiply budget was netted off prior to the 45% or 20% reduction being applied.
- 2.7 The allocation for GCC for the extension year is now confirmed as £11,834,805, down from the 2024/25 allocation of £15,957,694.

3.0 2025/26 Projects

- 3.1 Whilst the extension year is welcomed, a 12 month programme does not allow for the efficient development and delivery of new projects. In addition, UKG will start discussions around the focus of the new programme to commence in 2026 around spring/summer 2025 and the focus for the Council will be on planning how best to utilise this future funding to align with and address council priorities. There are a number of areas that require such planning to support the city's ambitions in areas such as innovation and international work.
- 3.2 Given this is an extension year, an exercise has been undertaken to consider projects currently funded, their performance to date and their ability to continue to deliver with a reduced budget over the next 12 months.
- 3.3 It should also be noted that a number of the projects funded in 24/25 were not intended to be continued into 25/26.
- 3.4 A budget has also been included to support the action plan of the International Strategy which was approved by Committee on 7 November 2024.
- 3.3 As per the current programme, UKG have insisted on a minimum allocation for Capital expenditure. Glasgow City Region (GCR) is proposing to regional Chief Executives that the total regional capital allocation is split proportionately across all 8 local authorities at 23.33% of their individual allocations. This would mean a minimum of £2,761,060 for Glasgow to invest in capital programmes.
- 3.4 Table 1 below details the proposal for projects, organisations and associated budgets for 25/26 which take into account the nett 25% cut in the allocation. Appendix 1 provides full details for the Glasgow Communities and Place Fund.

Table 1

Communities and Place	Delivered by	24/25 Budget	25/26 Budget
Communities and Place Fund (Revenue)	Various - See Appendix 1	£3,205,484	£2,564,387
Communities and Place Fund (Capital)	GCC Neighbourhoods, Regeneration and Sustainability	£2,100,010	£2,761,060
Supporting Local Business			
International Strategy Promotion	GCC Economic Development	N/A	£300,000
Innovation Support Fund	Glasgow City Innovation District/ Glasgow Riverside Innovation District	£900,000	£680,000
Business Growth Framework Support	GCC Economic Development	£842,131	£550,000
Tech Community Support Programme	GCC Economic Development	£233,833	£105,000
Tech Ecosystem Growth Support Programme	GCC Economic Development	£127,298	£210,000
Digital Expert Support	GCC Economic Development	£148,982	£110,000
Start up Grants	GCC Economic Development	£187,500	£187,500
Step Up to Net Zero	Glasgow Chamber of Commerce	£221,000	£300,000
Green Business Grant	GCC Economic Development	£408,856	£150,000
Carbon Baseline for SMEs	Delivery agent still to be finalised	£154,525	£92,715
People and Skills			
Glasgow Employability Pipeline	GCC Economic Development	£4,141,649	£3,350,751
Management and Administration			
Management and Administration	GCC Economic Development	£544,106	£473,392

TOTAL**13,215,374 £11,834,805**

- 3.5 Should approval be given, projects will commence on 1 April 2025 and will run for 12 months.

4.0 Policy and Resource Implications

Resource Implications:

<i>Financial:</i>	The UK Shared Prosperity Fund represents additional resource to deliver on the Council's economic strategy and related policies.
<i>Legal:</i>	Formal agreements will be put in place to extend projects where required.
<i>Personnel:</i>	Personnel resources required to assist in the oversight and monitoring of these projects is in place and supported through the Management and Administration allocation contained within the overall budget allocation.
<i>Procurement:</i>	Where required, routes to extend projects have been discussed with the Corporate Procurement Unit and Legal Services.

Council Strategic Plan:	<i>Grand Challenge 2: Increase opportunity and prosperity for all our citizens</i> <ul style="list-style-type: none">• Mission 1: Support Glasgow residents into sustainable and fair work• Mission 2: Support the growth of an innovative, resilient, net-zero carbon economy <i>Grand Challenge 3: Fight the climate emergency in a just transition to a net zero Glasgow</i> <ul style="list-style-type: none">• Mission 2: Become a net zero carbon city by 2030
--------------------------------	--

Equality and Socio-Economic Impacts:

<i>Does the proposal support the Council's Equality Outcomes 2021-25</i>	Yes, specifically Tackling Poverty; Reducing Health Inequality; and Empowering Communities
--	---

What are the potential equality impacts as a result of this report?

Positive impacts

Please highlight if the policy/proposal will help address socio economic disadvantage.

Provision under the Glasgow Employability Pipeline is designed to support the most socio-economically disadvantaged individuals in the city

Climate Impacts:

Does the proposal support any Climate Plan actions? Please specify:

Yes. This work will support the development of a green economy and the implementation of the Glasgow Green Deal, which is a dedicated action in the climate plan. Projects will also provide a tangible means of ensuring that businesses across the city will be able to contribute to the Just Transition agenda.

What are the potential climate impacts as a result of this proposal?

Supporting reductions in carbon and increased energy efficiency across the business sector.

Will the proposal contribute to Glasgow's net zero carbon target?

Yes.

- By reducing emissions from industry.
- Through the development of skills to support the city's net zero ambitions.
- In the provision of support to businesses to secure carbon baseline reports

Privacy and Data Protection impacts:

This report has no impacts upon privacy or data protection.

5.0 Recommendations

5.1 The Committee is asked to:

- i. Note the context of the report;
- ii. Approve the approach and budgets proposed for the programmes as outlined in the report.