

UK Shared Prosperity Fund extension – Allocation of funding approved – Declaration of interest.

3 With reference to the minutes of 18th August 2022 (Print 2, page 283) approving the proposals for the Glasgow component of the Glasgow City Region UK Shared Prosperity Fund (UKSPF) Investment Plan, Councillor Aitken, Leader of the Council and City Convener for City and City Region Economy and Just Transition, presented a report regarding the extension of the UKSPF, advising

- (1) that Glasgow had been allocated £27.2m of funding from the current UKSPF 3-year programme budget which runs until 31st March 2025 and in September 2024, the UK Government had confirmed that any budget underspend by the conclusion date of the programme must be returned to the HM Treasury;
- (2) that the UK Government's Autumn budget had agreed to commit to a 12-month extension of the current UKSPF programme, however the financial commitment of £900m for the 12-month extension was a 40% reduction on the £1.5b budget allocation for the 2024/25 UKSPF budget;
- (3) that the UK Government had not clarified the regional and local authority allocations for the 2025/26 UKSPF programme until 13th December 2024, part of the delay had been due to a change in the allocation methodology used by the UK Government, as detailed in the report;
- (4) that whilst the Scottish allocation remained at 8.42% of the total UKSPF budget, not all local authorities allocations were reduced by an equivalent amount, which was initially indicated to be 40% and following the application of the revised methodology, Glasgow was identified as the only 1 of the 6 Scottish local authorities to fall within the most deprived areas;
- (5) that the UK Government had confirmed that Glasgow's UKSPF allocation for 2025/26 was £11,834,805, a 20% reduction from the Year 3 allocation of £15,957,694 and whilst the 12-month extension to the UKSPF was welcomed, it does not allow for the efficient development and delivery of new projects;
- (6) that for the extension year, an exercise had been undertaken to consider projects currently funded from the current UKSPF programme, their performance to date and their ability to continue to deliver with a reduced budget over the next 12 months, however a number of projects funded in 2024/25 were not intended to be continued in 2025/26;
- (7) that for the current programme, the UK Government had insisted on a minimum allocation for capital expenditure and Glasgow City Region were proposing that the total regional capital allocation be split proportionately across all 8 City Region local authorities at 23.33% of their individual allocations, therefore Glasgow would have a minimum of £2,761,060 to invest in its capital programmes; and

- (8) of the proposed projects, organisations and associated budget for funding from the UKSPF for 2025/26, taking into account the net 25% cut in the allocation of funding, all of which would commence on 1st April 2025 and run for 12 months.

After consideration, the committee

- (a) noted the report; and
- (b) approved the approach and budgets proposed for the UKSPF programme for 2025/26, as detailed in the report.

In terms of Standing Order No 27, Councillor Kelly declared an interest in this item of business and left the room and took no part in the discussion or decision thereon.