



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 1 2025/2026 and provides details of future UK Government budget projections and potential programme impact.

Recommendations:

The Cabinet is asked to:

- a) note the Glasgow City Region UK Shared Prosperity Fund spend until end of Q1 2025/26;
- b) note the potential operational impact of planned budget changes from 2026/2027; and
- c) agree that the Chair of the Cabinet will write to the Secretary of State for Scotland indicating the likely impact of the expected changes to the 'regional growth and devolution' budget.

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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 1 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 reports on UKSPF spend and activity. This report covers spend until the end of Quarter 1 2025/2026. The UK Government will receive their first update report after Quarter 2 2026/2026.
- 2.2 As the Cabinet will be aware, in the UKG Autumn Budget Statement, 30 October 2024, the Chancellor announced 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 Glasgow City Region receiving £29.4m, just under 40% of the Scottish allocation.

3 GCR UKSPF Quarter 1 2025/2026 Spend

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

Member Authority	Q1 Spend	25/26 Forecast	% of spend
East Dunbartonshire	£65,842.72	£1,159,173	6%
East Renfrewshire	£111,721.00	£1,078,992	10%
Glasgow	£1,057,501.51	£11,834,806	9%
Inverclyde	£183,870.00	£1,550,389	12%
North Lanarkshire	£1,279,814.36	£6,034,163	21%
Renfrewshire	£350,716.78	£2,062,930	17%
South Lanarkshire	£36,496.17	£4,007,757	1%
West Dunbartonshire	£187,390.00	£1,694,752	11%
GCR Total	£3,273,352.54	£29,422,962	11%

Table 1. GCR UKSPF Expenditure Summary by MA Q1 2025/2026

Theme	Q1 Spend	25/26 Forecast	% of Spend
Communities and Place: Healthy Safe and Inclusive Communities	£1,182,803.50	£6,272,230.00	19%
Communities and Place: Thriving Place	£3,296.99	£5,452,950.00	0.006%
Local Business: Support for Business	£391,473.46	£5,472,924.00	7%

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People and Skills: Employability	£1,046,506.48	£8,974,701.00	12%
People and Skills: Skills	£385,262.59	£2,135,356.00	18%
M&A	£264,009.52	£1,114,804.00	24%
GCR Total	£3,273,352.54	£29,422,962	11%

Table 2. GCR UKSPF Expenditure Summary by Priority Q1 2025/2026

- 3.2 GCR PMO received the UKSPF grant for 2025/2026 31 July 2025 and will now arrange passdown agreements to be sent to the MAs in the coming weeks.

4 Future of the UKSPF Programme

- 4.1 As noted in section 2.2, in October 2024, the UKG announced a 12-month extension to UKSPF running to the end of March 2026. At the Spending Review, 11 June 25, the UKG made a commitment to 'regional growth and devolution', with the Government stating they would provide:

Targeted, long-term local growth funding to support regional growth across the UK, completing the transition from the UK Shared Prosperity Fund.

In Scotland, Wales and Northern Ireland, the Offices for the Nations will work with the Ministry of Housing, Communities and Local Government (MHCLG) to implement the new local growth fund; and,

Investing in up to 350 deprived communities across the UK, to fund interventions including community cohesion, regeneration and improving the public realm.

For 2026-27 to 2028-29, funding for Scotland, Wales and Northern Ireland across these schemes will be at the same overall level in cash terms as under the UK Shared Prosperity Fund in 2025-26.

- 4.2 UKG have confirmed two areas in Scotland will initially benefit from 'trailblazer' 'Plan for Neighbourhoods' funding, Glasgow City and Fife. They will each received £2m per annum over a 10-year period. It is expected this funding will be drawn from the Scottish Regional Growth and Devolution (formerly UKSPF) allocation.
- 4.3 There is an expectation there may be up to 12 deprived neighbourhoods identified by UKG for 10-year funding support. Again, our expectation is this budget will be drawn from the same funding, therefore upwards of £20m per annum from the Scottish allocation.
- 4.4 It is understood the remaining budget will then be available for the 'Pride and Place' and 'Local Growth Fund' themes. Pride and Place, is expected to provide small capital grants, with a total budget of around £5m. This would then leave in the region of £45m per annum available for wider Economic Development activity. There has been no indication from UKG to the capital/revenue split of this remaining budget.
- 4.5 It should be noted, clarification is not expected from UKG before September 2025.
- 4.6 The GCR PMO has engaged with Member Authorities (MAs) to scenario plan the potential impact of this level of funding on current UKSPF Economic Development activity – principally employability and business support.

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- 4.7 With the scenario of around a 50% cut in the available budget, MAs have indicated that over 100 jobs could be lost, across internal council departments and partner providers. With this scenario creating a significant loss in capacity, MAs would be forced to reduce key services, with some being stopped, and increased waiting times. Services that have been established over a long period of time, with input from European Structural Funds, will be severely reduced or stopped and partnership work developed over a number of years will be severely affected.
- 4.8 From the evaluation work undertaken to date, by IPSOS – on behalf of UKG, one of the key advantages of UKSPF has been the flexibility in the budget, which has allowed a spread of activity across several themes. The information provided so far by MHCLG has indicated both a reduced budget and a reduction in flexibility in the remaining budget.
- 4.9 The Chief Executives' Group on 7 August 25 considered the report and endorsed that recommendations be presented to Cabinet. Given the expected impact of the proposed changes to the 'regional growth and devolution' budget, it is proposed that the Chair write to the Secretary of State for Scotland highlighting the likely impact of these expected changes. It is also expected that individual Member Authorities may undertake their own lobbying in the run-up to any UKG decision being made.

5 Recommendation

- 5.1 The Cabinet is asked to:
- a) note the Glasgow City Region UK Shared Prosperity Fund end of year report;
 - b) note the potential operational impact of planned budget changes from 2026/2027; and
 - c) agree that the Chair of the Cabinet will write to the Secretary of State for Scotland indicating the likely impact of the expected changes to the 'regional growth and devolution' budget.