



**Glasgow City Council**

**Economy, Housing, Transport and Regeneration  
City Policy Committee**

**Report by Director of Regional Economic Growth**

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**Item 3**

**27th January 2026**

### **UK SHARED PROSPERITY FUND/LOCAL GROWTH FUND**

#### **Purpose of Report:**

This report provides Committee with an update on 25/26 UK Shared Prosperity Fund (UKSPF), and information on its replacement the Local Growth Fund (LGF).

#### **Recommendations:**

The Committee is asked to note the report.

## 1.0 Introduction

- 1.1 The UK Shared Prosperity Fund (UKSPF) was launched by the UK Government (UKG) in 2022 as the successor to European Structural Funds (ESF) following the decision of the United Kingdom to leave the European Union.
- 1.2 The funding was allocated directly to local authorities and the UK Government committed to matching ESF levels by 2024/25 noting that some places had some residual ESF allocations in 22/23 and 23/24. Therefore 2024/25 should be considered the baseline for UKSPF.
- 1.3 Although each local authority area had an indicative allocation from UKSPF, the administration and management of the programme was carried out at city region level and overseen by the Glasgow City Region Cabinet.
- 1.4 At its meeting held on 18<sup>th</sup> August 2022, the City Administration Committee agreed the Glasgow City element of the Glasgow City Region Investment Plan under UKSPF.
- 1.5 The initial UKSPF 3-year programme budget ran until 31 March 2025 with a total of £27.2 million available over this period for Glasgow. The UKG extended the programme by 12 months into 2025/26 and reduced the annual allocation by 25% to £11.8m as shown below. Crucially, the vast majority of this was revenue funding, allowing for investment in skills, business support and third sector programmes as had been the case under ESF.

	Total Allocation	Revenue	%	Capital	%
<b>2022/23</b>	£4,151,811	£3,710,471	89	£441,340	11
<b>2023/24</b>	£7,101,780	£6,219,465	88	£882,315	12
<b>2024/25</b>	£15,951,694	£13,546,109	85	£2,405,585	15
<b>TOTAL 22-25</b>	£27,205,285	£23,476,045		£3,729,240	
<b>2025/26</b>	£11,834,806	£9,071,959	77	£2,762,847	23

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- 1.6 The UKG previously specified that UKSPF would come to an end on 31 March 2026. Whilst they have indicated that the overall funding envelope for Scotland will remain the same as it was for the reduced year of 25/26 (£76m), a number of programmes have already been announced that significantly reduce the funding available for allocation to Member Authorities.
- 1.7 The four funding streams now announced by the UK Government are:
  - Pride in Place Programme (PIPP)
  - Pride in Place Impact Fund (PIPIF)
  - Growth Mission Fund (GMF)
  - Local Growth Fund (LGF)

1.8 The PIPP, PIPIF and Growth Mission Fund were all confirmed on, or before, the UKG Autumn Budget Statement (26 November 2025), with the new Local Growth Fund awaiting finalisation.

1.9 The awards listed below have been confirmed for GCR and will be financed from the funding stream that was formerly part of UKSPF.

	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>
<b>PIP</b>	£3,786,000	£11,413,000	£14,711,000
<b>PIPIF</b>	£3,000,000	£0	£0
<b>GMF</b>	£5,000,000	£5,000,000	£5,000,000
	<b>£11,786,000</b>	<b>£16,413,000</b>	<b>£19,711,000</b>

## **2.0 UKSPF Programme**

2.1 UKSPF funding has supported a range of interventions to be delivered by partners including the Glasgow Chamber of Commerce, both Innovation Districts and partners across the Third Sector. In addition, internal delivery is undertaken across Economic Development, Neighbourhood and Regeneration Services, Social Work Services, Jobs and Business Glasgow and Glasgow Life.

2.2 Over the period April 2023 to March 2025 some of the outputs achieved include;

- 17 Third Sector organisations (detailed below) funded/supported to deliver community based activity over 2 years, helping to safeguard almost 200 jobs.

<b>Organisation</b>	<b>25/26 Budget</b>	<b>Organisation</b>	<b>25/26 Budget</b>
Glasgow Clyde Rape Crisis	£170,888	Baltic Street Adventure Playground	£91,758
Inspiring Scotland	£304,000	Basketball Scotland Ltd	£115,278
Pollok United	£147,294	Bike for Good Ltd	£172,335
Sanctuary Scotland Housing Association	£98,918	Castlemilk Youth Complex	£82,838
Verture	£230,001	Centre for Contemporary Arts	£239,222
St Pauls Youth Forum	£165,250	Clydeside Initiative for Arts (SWG3)	£197,886
The GalGael Trust	£100,192		£126,290

		Community Central Hall Ltd	
YoMo (Young Movers)	£138,651	Community Info Source	£103,526
		Eco Drama	£80,059

- Over 500 businesses received financial assistance through the provision of grants.
- Almost 200 businesses received expert advice through accessing the Glasgow Business Growth Framework.
- In addition, some 200 interventions have been delivered via Community Benefits from Framework suppliers, since 23/24.
- Five capital projects supported to move forward or complete.
- Through a blended funding model including GCC funding and Scottish Government's No One Left Behind programme (NOLB) Glasgow Futures providers delivered a menu of employability support aimed at those furthest from the labour market or experiencing in-work poverty. Outputs include:
  - Engaging 10,095 people over the 2 years
  - 2,379 people progressed into employment following GF support\*
  - 2,911 people gained qualifications, licenses and skills\*
  - In addition, financial support enabled employers to create 268 new jobs, providing opportunities for unemployed and underemployed Glasgow residents

\*individuals may have achieved more than one outcome and progressions/achievements are not mutually exclusive

2.3 In December 2025 the UK Government advised that the delivery timescale for the extension year of UKSPF had been further extended and projects could now run until 30 September 2026. They also confirmed that this was a time only extension and no additional funding would be available.

### 3.0 Local Growth Fund for Glasgow City Region

3.1 At the UKG Spending Review, 11 June 25, the UKG made a commitment to 'regional growth and devolution' and advised that Scotland, Wales and Northern Ireland would receive the same overall level in cash terms for 2026/2027 to 2028/2029 as they have for the reduced UKSPF allocation in 2025/2026. For Scotland this is approx. £76m p.a., and approx. £238m over the Spending Review period (up to FY 28-29). However, this would cover the four programmes listed in sections 1.7/1.9.

3.2 On 8 January 2026 UKG provided clarity on the Scottish regional LGF allocations with further detail still to be provided on eligibility of activities/interventions.

- 3.3 In a further policy shift LGF allocations have been determined at a Regional Economic Partnership (REP) level, rather than individual Local Authority. Guidance is still awaited from UKG on how this will operate in practice
- 3.4 As the replacement for EU Structural Funds the UK Government made a commitment that UKSPF would match the level of funding previously distributed through Structural Funds by 24/25 financial year. This meant that funding to GCR reached a total of £42.5m in 24/25.
- 3.5 Had the programme continued at £42.5m a year as per the government's guidance at the time, that would mean a three year programme totalling £127.5m. However, this was reduced to £29m for the UKSPF extension year in 25/26. Taken together with the transition year of 23/24 (when ESF was still technically tapering down), the last three years saw a total of £91m for GCR.
- 3.6 The table below shows the reduction in funding for GCR from the level in 24/25 until the end of the 3 year Local Growth Fund period

**Annual funding 2024-25 = 100**

2024-25	UKSPF	£42.5m	100
2025-26	UKSPF	£29m	68
2026-27	Local Growth Fund	£22.7m	53
2027-28	Local Growth Fund	£21.5m	50
2028-29	Local Growth Fund	£16.7m	39

- 3.7 GCR will receive £60.9m (43.5%) of the overall Scottish LGF allocation of £140m over the three years of the funding period.

#### **4 Implications for Glasgow City Council**

- 4.1 The value of UKSPF to GCC over the previous three years of the programme was just under £35m (£28.8m revenue/£6m capital).
- 4.2 Whilst guidance on how the regional allocation will operate in practice is still awaited from UKG, a total of £18.4m revenue funding is available for allocation – over £10m less than GCC alone received under the previous programme.
- 4.3 It is therefore evident that there will be a significant reduction in revenue funding available to GCC and substantial cuts will have to be made in core employability, business support, and third sector support.
- 4.4 In contrast, English city regions are being given up to 75% revenue from their LGF allocation for 2026/27. Clarity has been sought as to why there is a different approach to the capital/revenue split in Scotland but hasn't been made available at this point.

CITY REGION	TOTAL LGF	LGF REVENUE	LGF CAPITAL
<b>Manchester</b>	£32,000,000	£24,000,000	£8,000,000
<b>West Midlands</b>	£32,000,000	£24,000,000	£8,000,000
<b>Liverpool</b>	£17,000,000	£13,000,000	£4,000,000
<b>Glasgow</b>	£22,700,000	£6,900,000	£15,800,000

## 5 Next Steps

5.1 Guidance from the UK Government on the utilisation and operation of the LGF regional allocation is still awaited. The City Administration Committee will be updated accordingly once this information has been received.

## 6 Policy and Resource Implications

### Resource Implications:

*Financial:* The significant revenue reduction from UKSPF to LGF will have an impact on both internal and external delivery.

Under UKSPF 4% management and administration costs were eligible for Local Authorities to support staffing resources from the overall allocation. It is unclear if this will be the case for LGF.

*Legal:* Formal agreements will be put in place where required.

*Personnel:* Personnel resources required to assist in the oversight and monitoring of these projects is in place though a contribution to the overall cost of managing the projects was previously supported through the Management and Administration allocation of UKSPF contained within the overall budget allocation.

*Procurement:* Where required, support will be sought from CPU.

**Council Strategic Plan:** *Grand Challenge 2: Increase opportunity and prosperity for all our citizens*

- Mission 1: Support Glasgow residents into sustainable and fair work
- Mission 2: Support the growth of an innovative, resilient, net-zero carbon economy

*Grand Challenge 3: Fight the climate emergency in a just transition to a net zero Glasgow*

- Mission 2: Become a net zero carbon city by 2030

**Equality and Socio-Economic Impacts:**

*Does the proposal support the Council's Equality Outcomes 2021-25*

Yes, specifically Tackling Poverty; Reducing Health Inequality; and Empowering Communities

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

The reduction in funding will require tighter targeting of the available resources.

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

The reduction in funding will impact on the Council's ambition of eradicating child poverty.

**Climate Impacts:**

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

Clarity on the interventions will allow further consideration of the impact on Climate Plans

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

Clarity on the interventions will allow further consideration of the potential climate impacts

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

Clarity on the interventions will allow further consideration of the impact on Climate Plans

**Privacy and Data Protection impacts:**

This report has no impacts upon privacy or data protection.

## 5 Recommendations

5.1 The Committee is asked to note the report.