



Industrial Communities Alliance

The all-party association campaigning on behalf of local authorities
in the industrial areas of England, Scotland and Wales

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Miatta Fahnbulleh MP
Minister for Communities
Ministry of Housing, Communities and Local Government

By email to: ministerial.correspondence@communities.gov.uk

6 October 2025

Dear Miatta,

Pride in Place initiative: feedback

Could I begin by congratulating you on your appointment as Minister for Devolution, Faith and Communities.

We enjoyed a good working relationship with your predecessor, Alex Norris, and I very much hope we'll be able to maintain this now you've taken over his responsibilities.

I chair the Industrial Communities Alliance, the all-party association representing local authorities in the older industrial areas of England, Scotland and Wales. Our authorities cover many of the most disadvantaged parts of the country, badly hit by job losses over decades. As you might expect, we have a strong interest in all aspects of regeneration and we work closely with the Labour MPs Group on Local Growth Funding chaired by your colleague Jo Platt.

We logged the new neighbourhood initiatives launched as *Pride in Place* and one of our national meetings shortly after the announcement allowed us to gather feedback from around the country.

Let me begin by saying that our authorities welcome the government's efforts to support deprived neighbourhoods. We understand the very great needs of people in these places. However, there are two significant concerns I'd like to raise.

1. BOUNDARIES OF THE NEIGHBOURHOODS TO BE SUPPORTED

As you will be aware, Middle Super Output Areas (MSOAs) have been used to identify the 169 neighbourhoods to be targeted in Phase 2.

Our authorities are concerned that, with an average population of just 8,000, MSOAs are often likely to prove too small and there will be problems in absorbing all the available funding in a meaningful way. This reflects previous experience, especially in places where there may be little in the way of a local high street.

It's also clear that MSOAs don't match the boundaries of neighbourhoods on the ground. As a purely statistical unit, MSOAs often cut through housing estates and streets and ignore the natural divides between places such as railway lines, main roads and open spaces.

The guidance says "there will be some flexibility offered to areas to alter their default boundary" and it adds that "in some circumstance a board may determine that interventions may extend beyond the geographic boundary". These statements are welcome but it's across-the-board, not just in a few cases, that the neighbourhood boundaries need to be redefined. In doing so, most are likely to be enlarged a little to reflect the realities of local communities, which would also assist funding delivery.

We'd therefore like to propose that all the relevant local authorities should be formally invited to review and redefine the boundaries of the Phase 2 neighbourhoods.

2. KNOCK-ON CONSEQUENCES FOR OTHER FUNDING

Our authorities are concerned that the new funding for neighbourhoods will lead to a reduction in the funding available for the activities currently supported by the UK Shared Prosperity Fund.

We know, from the Spending Review, that this is the intention in Scotland and Wales and we fear this will also be the case in England. The arithmetic points to around a 60% reduction in England compared to the UKSPF budget line for 2025-26, which itself was cut by 40% compared to the previous year.

The UKSPF – the successor to EU funding to the regions – currently funds a great deal of important activity aligned to the government's priorities of growth and jobs. It is a major funder of schemes to help move the unemployed and economically inactive into work, for example, and it also funds business support. The government also needs to be aware that the delivery of UKSPF services across the UK employs several thousands in local authorities and third sector organisations.

The worst of the crunch looks set come in April 2027, when the spending on Phase 2 neighbourhoods kick in. We'd therefore propose that, ahead of this, ministers give serious consideration to spending plans to head off the worst consequences for local growth funding.

I'd be grateful if you would give these points consideration and would of course be only too pleased to meet to discuss them further.

I'm copying in Secretary of State Steve Read and Chief Secretary to the Treasury James Murray so that they're also aware of our concerns.

I look forward to hearing from you.

Yours,

A handwritten signature in black ink that reads "Keith Cunliffe". The script is cursive and fluid, with the first name "Keith" and the last name "Cunliffe" clearly distinguishable.

Cllr Keith Cunliffe
National Chair