

A POSSIBLE ONE-YEAR EXTENSION OF THE UKSPF

Note for consideration by DLUHC and Treasury

The Industrial Communities Alliance (ICA) represents many of the local authorities across England, Scotland and Wales that are the largest recipients of UKSPF funding. The comments below reflect discussion at a national ICA meeting and at a specially convened Policy Advisory Group meeting attended by around 30 officers from around the country.

The ICA welcomes a possible one-year extension of the UKSPF (to March 2026). This would enable a thorough review of the UKSPF and other levelling up funds following the general election, for implementation from April 2026 onwards.

Member authorities' view is that an announcement is needed by September 2024 at the latest:

- This would enable a process of re-contracting to begin, so that the flow of services is not disrupted
- It would head off loss of staff, who would otherwise need to start looking for alternative employment
- Redundancy notices would have to be issued in December
- The shut-down process on projects would need to begin well ahead of March 2025

Best estimates of the total number of staff at risk come from grossing-up local authority figures. The staff employed on contract by other organisations in delivering UKSPF services (e.g. in employment and business support) are additional to these numbers:

- WLGA reports 2,000 staff directly employed by Welsh local authorities on UKSPF monies. Based on Wales' share of UK funding (c.22%) that points to 9-10,000 jobs
- Durham County reports c.90 authority staff funded by UKSPF. Based on Durham's share of UK funding that would point to around 7,000 jobs.

There is no enthusiasm for a revision of allocation criteria, which should wait for a more thorough review to follow. There might however be an adjustment to reflect new MCAs.

The UKSPF budget for 2024-25 is £1.5bn. Uprating for inflation since 2021, when this figure was set, would point to £1.8bn. Unchanged funding in money terms would result in a reduction in the scale of UKSPF-funded activity. Local authorities report that budgets through to March 2025 are fully committed and there is no anticipated underspend.

National Secretariat
Industrial Communities Alliance
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