



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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James Bowler
Permanent Secretary
HM Treasury

By email to: james.bowler@hmtreasury.gov.uk

4 June 2024

Dear James,

UK Shared Prosperity Fund: one-year extension

With the general election underway, I'm taking the unusual step of contacting you as Permanent Secretary rather than a Treasury minister.

I wanted to underline the importance of an early announcement on the future of the UK Shared Prosperity Fund in the hope that you and your colleagues will bring this to the attention of your ministers, whoever they may be, following the general election.

I chair the Industrial Communities Alliance, the all-party association of local authorities in the industrial areas of England, Scotland and Wales. Our authorities cover many of the most disadvantaged parts of the country and, as you might expect, they are therefore among the prime beneficiaries of the UKSPF. At present, UKSPF funding runs out in March 2025.

Our Secretariat has a good working relationship with the officials at the Department for Levelling Up who manage the UKSPF and with the Treasury team that oversees this area of public expenditure, so we are aware that a one-year extension to the UKSPF has been under consideration and indeed has been supported by DLUHC. A fully-funded one-year extension through until March 2026 would bring the UKSPF into line with other 'levelling up' funds and would create the space for a considered and comprehensive post-election review.

Our member authorities strongly support a one-year extension to the present UKSPF.

There is however a major issue of timing. We have been taking soundings from across the country and the clear conclusion is that an announcement is needed by September at the latest. This would enable a process of re-contracting to begin so that the flow of services is not disrupted. It would also head off the loss of staff, who would otherwise need to start looking for alternative work and would be issued redundancy notices in December.

Substantial numbers of staff are at risk. Our best estimate is that the UKSPF directly funds 7-10,000 local authority jobs across the UK. In addition, there will be at least as many, if not more, employed by contractors who deliver UKSPF-funded business services and employment support.

We're aware that the Treasury declined to announce a one-year extension to the UKSPF at the time of the *Spring Budget*. Our member authorities tell us that waiting for the *Spending Review*, which previous timings suggest might not be until late November, is far too late and would trigger real difficulties.

A pragmatic way forward, in our view, would be for ministers to announce – hopefully in July ahead of the recess – that there will be a one-year extension to the UKSPF at the present scale “with the full details to be announced in the autumn”. This should provide sufficient certainty for local authorities and their partners to begin planning activity beyond March next year.

I'd be grateful if you could draw this issue to the attention of ministers and press for an early resolution in the immediate wake of the general election.

I'm writing in similar terms to the Permanent Secretary at DLUHC.

Many thanks in anticipation of your assistance.

Yours sincerely,

A handwritten signature in black ink that reads "Keith Cunliffe". The signature is written in a cursive, flowing style.

Cllr Keith Cunliffe
National Chair