



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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Rt Hon Angela Rayner MP
Secretary of State
Ministry of Housing, Communities and Local Government

By email to: Ministerial.Correspondence@levellingup.gov.uk

25 July 2024

Dear Angela,

UK Shared Prosperity Fund: one-year extension

Could I begin by congratulating you on your appointment as Secretary of State. And could I apologise for raising what may seem like a small issue.

I wanted to underline the importance of an early announcement on an extension to the UK Shared Prosperity Fund.

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 MHCLG officials 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 was under consideration prior to the election and had been supported by your predecessor as Secretary of State.

A fully-funded one-year extension, through until March 2026, would bring the UKSPF into line with other 'levelling up' funds inherited from the previous administration and would create the space for a considered and comprehensive post-election review. It would also avert substantial redundancies.

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 to make an early announcement that there will be a one-year extension to the UKSPF at the present scale "with the full details to be announced in the Spending Review". This should provide sufficient certainty for local authorities and their partners to begin planning activity beyond March next year.

I trust you will see the good sense in this proposal.

I'm copying this letter to the Chancellor.

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 style with a large initial 'K' and a long, sweeping underline.

Cllr Keith Cunliffe
National Chair