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 4. UK economic growth (<https://www.gov.uk/business/uk-economic-growth>)
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Guidance

UK Shared Prosperity Fund: pre-launch guidance

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Contents

1. Introduction
2. Setting out the vision: Objectives of the UK Shared Prosperity Fund and its investment approach
3. Empowering local leaders: How we will deliver the Fund
4. How places access the Fund
5. Developing national governance and local partnerships



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1. Introduction

This provides further information to local authorities and other partners across the United Kingdom on:

- the aims of the UK Shared Prosperity Fund
- its contribution to our shared objectives
- the delivery roles of the UK Government and local partners across the UK

It will enable places to start initial preparations for the Fund's launch. We will publish a full prospectus on the Fund and how it will operate later in the spring.

For further information, you can [contact us](#) on any of the content of this guidance or via the Department for Levelling Up, Housing and Communities area team for your place.

This Pre-Launch Guidance for the UK Shared Prosperity Fund, published alongside the Levelling Up White Paper, sets out a bold new approach to improve livelihoods and opportunity in all parts of the UK.

The Fund is a central pillar of the UK Government's ambitious levelling up agenda and a significant component of its support for places across the UK. It provides £2.6 billion of new funding for local investment by March 2025, with all areas of the UK receiving an allocation from the Fund via a funding formula rather than a competition. This recognises that even the most affluent parts of the UK contain pockets of deprivation and need support.

It seizes the opportunities of leaving the European Union, by investing in domestic priorities and targeting funding where it is needed most: building pride in place, supporting high quality skills training and supporting pay, employment and productivity growth. It will dramatically reduce the levels of bureaucracy associated with EU funds, enable truly local decision making and better target the priorities of places within the UK. It will lead to visible, tangible improvements to the places where people work and live, giving communities up and down the UK more reasons to be proud of their area.

Places will be empowered to identify, and build on their own strengths and needs at a local level, focused on pride in place. Local places will be able to use the Fund in conjunction with other funding such as the Levelling Up Fund to maximise impact and simplify delivery.

The Fund's interventions will be planned and delivered by local authorities across England, Scotland and Wales, working closely with local partners. In Northern Ireland, UK Government will have oversight of the Fund; we plan to draw on the insight and expertise of local partners, including the Northern Ireland Executive, local authorities, City and Growth Deal geographies, business and the community and voluntary sector to target interventions where most appropriate.

1.1 Next steps for government

During February and March, the UK Government will:

- Run a series of webinars and engagement activities with local authorities and other stakeholders across the UK starting week commencing 7 February 2022.

- Continue engagement with partners in Scotland, Wales, and Northern Ireland, including the Scottish and Welsh Governments and the Northern Ireland Executive, to develop arrangements that maximise Fund delivery in each nation.
- Start preparatory work with local partners on an investment plan for Northern Ireland.

The Department for Education will set out further details for local partners on plans to deliver Multiply, the £559m adult numeracy programme, to assist with local preparations in due course.

Later in the spring, the UK Government will publish further information on the Fund. This will include the Fund's outcomes and an interventions toolkit – guidance for how local areas should select local outcomes and a list of interventions from which places can choose. We will publish specific rules and guidance for operating the Fund. At the same time, we will commission each place to develop a local investment plan for UK Government sign off.

1.2 Next steps for local places

Local authorities in England, Scotland and Wales with responsibility for the Fund, set out in the [Delivery Geographies \(https://www.gov.uk/government/publications/uk-shared-prosperity-fund-pre-launch-guidance/delivery-geographies\)](https://www.gov.uk/government/publications/uk-shared-prosperity-fund-pre-launch-guidance/delivery-geographies), can use this document to start preparing for the launch of the UK Shared Prosperity Fund by:

- Starting early conversations about how the Fund can best support the people and businesses in their community to thrive and grow. This should take account of the Fund's objectives and investment priorities and focus on the specific outcomes they want to achieve for their area.
- Identifying local partners and stakeholders who can provide advice and insight on local needs.
- In Scotland and Wales, working with neighbouring authorities to consider how accountable arrangements over strategic geographies could be implemented – including interim arrangements where needed.

The UK Government will engage with Northern Ireland partners. They may use this document to start preparing for the launch of the Fund by considering how the Fund can best support the people and businesses in their community to thrive and grow.

Note - the Department for Education will provide more details on delivery of the Multiply component in due course.

2. Setting out the vision: Objectives of the UK Shared Prosperity Fund and its investment approach

2.1 Vision and objectives of the Fund

The UK Shared Prosperity Fund will support the UK Government's wider commitment to level up all parts of the UK by delivering on each of the four parts of Levelling Up:

- Boost productivity, pay, jobs and living standards, especially in those places where they are lagging.
- Spread opportunities and improve public services, especially in those places where they are weakest.
- Restore a sense of community, local pride and belonging, especially in those places where they have been lost.

- Empower local leaders and communities, especially in those places lacking local agency

The primary goal of the UK Shared Prosperity Fund is to build pride in place and increase life chances across the UK. Alongside economic pull and push factors, people's lives are shaped by the social and physical fabric of their communities. The local mix of social and physical capital is what gives local areas their unique character and shapes where people choose to live, work and invest. Recognising the acute challenges town centres and communities have faced during the Covid pandemic, this Fund will enable improvements to the places people live, as well as support individuals and businesses. It will drive noticeable improvements that matter to local communities and foster local pride in place.

The UK Shared Prosperity Fund forms part of a suite of complementary Levelling Up funding. It builds on the competitive Levelling Up Fund and Community Ownership Fund through long term, stable funding, allocated to all places. Its mix of revenue and capital funding can be used to support a wide range of interventions to build pride in place and improve life chances. These can complement larger-scale Levelling Up Fund or Community Ownership Fund capital projects.

2.2 The investment plan approach

All places across the UK will receive a conditional allocation from the UK Shared Prosperity Fund. To access their allocation, each place will be asked to set out measurable outcomes they are looking to deliver, and what interventions they are choosing to prioritise in an investment plan. These will be submitted this summer for UK Government approval.

These plans will need to take account of the wider funding landscape, and in particular, complementary interventions such as the Levelling Up Fund which will launch its second round this spring, or other national or local schemes, including employment and skills schemes. In the plans, places will sign up to indicators so they, and we, can monitor improvement.

Within the context of the Fund's objectives, each place will have flexibility to invest across a range of activities that represent the right solutions to improve local pride in place, help spread and create opportunity, and a sense of community and belonging. This flexible approach represents a key shift from the previous EU system. Places will be able to choose from investment in three investment priorities of communities and place, local business and people and skills.

2.3 Reflecting the distinct circumstances of each nation and place

Each place has a range of economic and societal relationships with other places across the UK, including their neighbours and places with common needs and opportunities. Working with other places in the delivery of the Fund interventions will be welcomed where this meets the needs of their place, and achieves value for money or better outcomes for local people or businesses.

The UK Government also recognises that the circumstances in which the Fund will operate differ by nation. We therefore want to work with partners in Scotland, Wales and Northern Ireland, including the Scottish and Welsh Governments and the Northern Ireland Executive, to inform the most appropriate mix of interventions for each nation, for publication in the full Prospectus later this spring.

In England, the Fund will focus on communities and place and local business interventions to boost pride in place in 2022-23 and 2023-24, alongside support for people through the Multiply adult numeracy programme. In addition, we will maintain the flexibility to fund voluntary sector organisations delivering locally important people and skills provision, where this is at risk due to the tail off of EU funds. Further investment to support people and skills will follow from 2024-25, when the funding pot reaches its full extent.

2.4 Investment priorities

We have set out initial information on each investment priority below. More detail will be provided in a full Prospectus later this spring.

2.4.1 Communities and place

The overall objectives of this investment priority are:

- Strengthening our social fabric and fostering a sense of local pride and belonging, through investment in activities that enhance physical, cultural and social ties and amenities, such as community infrastructure and local green space, and community-led projects.
- To build resilient and safe neighbourhoods, through investment in quality places that people want to live, work, play and learn in, through targeted improvements to the built environment and innovative approaches to crime prevention.

Example interventions may include, but are not limited to, visual improvements to town centres and high streets, cultural/visitor economy interventions, litter, waste and graffiti reduction, projects to fight antisocial behaviour, and capital funding to improve neighbourhoods or community projects and initiatives.

2.4.2 Local businesses

The overall objectives of this investment priority are to:

- Creating jobs and boosting community cohesion, through investments that build on existing industries and institutions, and range from support for starting businesses to visible improvements to local retail, hospitality and leisure sector facilities.
- Promote networking and collaboration, through interventions that bring together businesses and partners within and across sectors to share knowledge, expertise and resources, and stimulate innovation and growth.
- Increase private sector investment in growth-enhancing activities, through targeted support for small and medium-sized businesses to undertake new-to-firm innovation, adopt productivity-enhancing, energy efficient and low carbon technologies and techniques, and start or grow their exports.

Example interventions may include, but are not limited to, support to increase town centre footfall, outdoor markets, the development of cultural, visitor and heritage assets, targeted business growth and innovation support.

2.4.3 People and skills

The overall objectives of this investment priority are to:

- Boost core skills and support adults to progress in work, by targeting adults with no or low level qualifications and skills in maths, and upskill the working population, yielding personal and societal economic impact, and by encouraging innovative approaches to reducing adult learning barriers.

- Support disadvantaged people to access the skills they need to progress in life and into work, for example the long-term unemployed and those with protected characteristics through funding life, and basic skills where this is not delivered through national or local employment and skills provision.
- Support local areas to fund local skills needs and supplement local adult skills provision e.g. by providing additional volumes; delivering provision through wider range of routes or enabling more intensive/innovative provision, both qualification based and non-qualification based.
- Reduce levels of economic inactivity and move those furthest from the labour market closer to employment, through investment in bespoke employment support tailored to local need. Investment should facilitate the join-up of mainstream provision and local services within an area for participants, through the use of one-to-one keyworker support, improving employment outcomes for specific cohorts who face labour market barriers.

Example interventions may include technical and vocational qualifications in areas where there are skills shortages locally; and intensive, wraparound one-to-one support to address barriers to employment, supplemented by additional services. Additional services may include life skills, basic skills and specialist support including achieving basic qualifications in alternative settings, work experience, supported employment, enrichment activities, counselling and advice, and community referrals. These interventions should be additional and complementary to existing employment and skills provision in each area.

2.4.3.1 Multiply

To meet the UK Government's priority of enhancing adult numeracy, each area will be required to invest a ring-fenced amount of the Fund in local Multiply interventions. This will be managed by the Department for Education and further information on how this element of the Fund will be delivered will be set out in due course.

The Department for Education will also deliver a national digital numeracy platform, giving people the ability to learn at their own place (including at work, or at home), and pace. It will undertake randomised control trials and evaluation activity to test innovative approaches to reducing adult learning barriers, and build the evidence base on what works. This will complement local Multiply interventions.

2.5 Meeting other national policies and priorities

Interventions supported by the UK Shared Prosperity Fund will need to take account of other local and national policies and priorities – including the government's commitment to reach Net Zero by 2050 and clean growth, and complement other UK, national or local provision. This will make sure that funding is effectively targeted. Further details on these requirements will be provided in the prospectus later in the spring.

3. Empowering local leaders: How we will deliver the Fund

The UK Shared Prosperity Fund will establish new relationships between the UK Government, local government and local partners across the UK. We will put people that know their places best front and centre in shaping decisions, forming a new, direct relationship with the UK Government.

Working to a UK-wide framework published by the UK Government, local partners will influence the Fund through development and delivery of an investment plan for each place. This represents a fundamental shift in responsibility compared with the European structural funds that the Fund

succeeds.

The Fund will operate UK-wide and utilise the financial assistance powers in the UK Internal Market Act 2020 to deliver funding to places across the UK. In addition to Devolved Administrations' existing powers, this allows the UK Government to complement and strengthen the support given to local people, businesses and communities in Scotland, Northern Ireland and Wales, as well as England.

The Department for Levelling Up, Housing and Communities will oversee the Fund at UK level, working with other departments. For example, the Department for Education will lead delivery of the Multiply element of the Fund and will play a key role in relation to wider skills interventions, working with local partners. The Department for Work and Pensions will play a key role in the planning and delivery of employment interventions supported by the Fund.

3.1 Who will deliver the Fund

In England, Scotland and Wales, local government will be given responsibility for developing an investment plan for approval by the UK Government, and for delivery of the Fund thereafter. They will receive an area's allocation to manage, including assessing and approving project applications, processing payments and day-to-day monitoring. This recognises that pride in place can be best achieved by delivery close to local people and businesses; by authorities that understand each place's unique local context, and with established governance.

Lead local authorities for each area will have flexibility over how they deliver the Fund, for example they may wish to use a mix of procurement, local competitions or deliver some activity through in-house teams.

Working with other places will be welcomed in the delivery of Fund interventions where it meets the needs of their place, and achieves value for money or better outcomes for local people or businesses. In particular, we strongly encourage lead local authorities to work with other district, county or unitary authorities to agree and commission skills and employment activity.

In Northern Ireland, the UK Government is considering options for development of a Northern Ireland investment plan. We are committed to working with local partners to ensure that the investment plan reflects the particular needs of Northern Ireland's economy and society. We want this plan to draw on the insight and expertise of local partners, including the Northern Ireland Executive, local authorities, City and Growth Deal geographies, businesses and the community and voluntary sector to target interventions where most appropriate. This plan will be used by the Department for Levelling Up Housing and Communities who will have oversight of delivery for Northern Ireland, working closely with local partners.

3.1.1 England

In England, the Fund will primarily operate over the strategic geographies of the Mayoral Combined Authorities and the Greater London Authority, and lower tier or unitary authorities elsewhere. The geographies and authorities we will work with are set out in the [Delivery Geographies](https://www.gov.uk/government/publications/uk-shared-prosperity-fund-pre-launch-guidance/delivery-geographies) (<https://www.gov.uk/government/publications/uk-shared-prosperity-fund-pre-launch-guidance/delivery-geographies>).

The Levelling Up White Paper sets out a devolution mission for England: By 2030, every part of England that wants one will have a devolution deal with powers at or approaching the highest level of devolution and a simplified, long-term funding settlement.

We expect delivery responsibility for the Fund to align with these deals once up and running. We will work with places to review local delivery arrangements for the Fund as they develop devolution arrangements such as County Deals or new or expanded Mayoral Combined Authorities.

The Multiply component of the Fund will be managed differently. The Department for Education will provide more details in due course.

3.1.2 Scotland and Wales

The partnerships that surround City and Growth Deals in Scotland and Wales are strong examples of collaboration. Supported by the UK Government and devolved governments, the deals have empowered local leaders and partners to come together to drive growth and productivity across their region. The UK Government is keen to build on this approach and promote partnership working where it makes sense for local leaders and can deliver good outcomes for local people and businesses.

Local authorities for each geography will be invited to collaborate in developing investment plans and delivering the Fund. This builds on feedback from local partners and the Scottish and Welsh Governments.

In Scotland, we would support delivery across strategic regional areas, such as the City and Growth Deal geographies. Where strategic regional areas overlap, we would welcome local views on the appropriate geography, how funds should be allocated and what the lead authority should be. Where City and Growth Deals do not cover multiple local authorities, we would also welcome and support collaborative proposals with other areas if they wish to do so.

In Wales, we would support delivery across strategic regional areas covering City and Growth Deal geographies. These geographies are set out in the [Delivery Geographies](https://www.gov.uk/government/publications/uk-shared-prosperity-fund-pre-launch-guidance/delivery-geographies) (<https://www.gov.uk/government/publications/uk-shared-prosperity-fund-pre-launch-guidance/delivery-geographies>).

Local authorities in Scotland and Wales are invited to engage with each other to begin to consider how comprehensive, accountable arrangements could be established to administer the Fund, including any interim arrangements where they are needed.

The territorial offices, Department for Work and Pensions, Scottish Government and the Welsh Government will be invited to play a role in the development and delivery of local investment plans. This will maximise alignment with all related investment in each place.

3.1.3 Northern Ireland

In Northern Ireland, we propose to deliver at Northern Ireland scale, with lead oversight responsibility sitting with the UK Government. We want to work with the Northern Ireland Executive and a wide range of local partners.

The development of the single Northern Ireland investment plan will include a specific role for local authorities and other partners for each City and Growth Deal geography. This means we can maximise local intelligence, insight and knowledge, in recognition of opportunities and challenges unique to Northern Ireland, and the distinct and different role that local authorities play there.

3.2 Supporting local places to deliver

We recognise that local government will require support to administer the Fund and each lead authority in England, Scotland and Wales will be able to use a proportion of their allocation to undertake necessary Fund administration, such as project assessment, contracting and monitoring.

This approach, and broader technical guidance for Fund delivery will be developed further over the spring with further information made available to places as they are developing local investment plans.

Alongside existing capacity funding for complementary funds such as the Levelling Up Fund, we are also exploring the need for additional capability support for local government and other partners to maximise the opportunities that the Fund affords.

4. How places access the Fund

Every place in the UK will receive a share of the UK Shared Prosperity Fund recognising that even the most affluent parts of the UK contain pockets of deprivation and need support.

As set out at Spending Review 2021, the Fund is worth £2.6 billion over the period to 2024-25. It will help people access opportunity in places in need, such as ex-industrial areas, deprived towns and rural and coastal communities, and for people in disadvantaged groups across the UK. The Fund will ramp up to £1.5bn a year by 2024-25, including Multiply. Alongside commitments to support regional finance funds across the UK via the British Business Bank, this exceeds the UK Government's commitment to matching EU structural fund receipts for each nation.

The Fund will make available a mixture of both revenue and capital funding to places. This funding will be allocated by formula to invest in local priority projects. This approach responds to clear feedback from partners. It will facilitate places' planning and allow the UK Shared Prosperity Fund to act as a predictable baseline element of local growth funding.

To access their allocation, each place will be asked to set out measurable outcomes they are looking to deliver, and what interventions they are choosing to prioritise in an Investment plan submitted for UK Government approval.

Further information on the allocation formula, including local allocations, will be made available in due course.

5. Developing national governance and local partnerships

5.1 UK-wide governance

Overall implementation of the Fund will be led by the Department for Levelling Up, Housing and Communities, working in partnership with a range of UK Government departments. It will be managed through a UK-wide ministerial forum, with the responsibility to oversee the delivery of the Fund. It will monitor investment and overall performance, and ensure coherence with wider UK Government and devolved administration provision.

The UK Government remains committed to working with devolved administration ministers in Scotland, Wales and Northern Ireland in the implementation of the Fund. We are undertaking further engagement with each administration to determine the scope of this role so that we can facilitate the best possible outcomes across the UK.

5.2 Local partnerships

Throughout the UK, access to local insight and expertise is essential for each place to identify and address need and opportunity, and respond with the right solutions for each place. Comprehensive and balanced local partnerships will be a core component of how the Fund will be administered locally. Local leaders (or the UK Government in Northern Ireland) will be tasked to work with a diverse range of local stakeholders, civic society organisations, employer bodies responsible for identifying local skills plans, and businesses to achieve Fund outcomes in their areas.

Local partners will support the authority leading the Fund in each place to develop an investment plan, which we will commission from each place later in the spring. Once the Fund has launched, partners will provide advice to the authority leading the Fund in each place on strategic fit and deliverability. This will ensure that Fund investments complement other activities in the area and meet goals.

Lead authorities should involve MPs in every stage of UKSPF planning and delivery, and we will set out our requirements in the full Prospectus later this spring.

5.3 Next steps

Drawing on the information set out in this Pre-Launch Guidance, each lead local authority is encouraged to start identifying a diverse range of local stakeholders, appropriate groups and organisations to represent cross-sector voices.

In circumstances where a local authority already has a group that could be used, it can designate the group for UK Shared Prosperity Fund purposes, taking care to ensure that it is fully representative and that its terms of reference meet the Fund's needs.

The UK Government and devolved administrations should have a standing invite to any partnership meetings to provide advice and information about their interrelated investments and policy priorities. Broader governance, statutory and regulatory requirements will be detailed in the full Prospectus, which we expect to publish later in the spring.

5.4 Engaging with other partners

In preparation for investment planning, lead authorities may wish to consider whether collaboration with other places may be appropriate in the delivery of the Fund and meet the needs of their place. For example, in achieving value for money or better outcomes for the people or businesses the Fund will benefit.

In addition, where the Fund is operating over a strategic geography, lead authorities are encouraged to start engagement with their constituent authorities and other local partners to ensure that the needs of places within the strategic geography can be effectively addressed.

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