



## Shropshire UK Shared Prosperity Fund – review of progress and programme evaluation

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<b>Electoral Divisions Affected</b>	All	
<b>Key Decision?</b>	Non Key	
<b>Cabinet Forward Plan</b>	Not applicable	
<b>Report considered by</b>	Not applicable	

## **1. Purpose of Report**

- 1.1 To provide Cabinet with a performance review of Shropshire's UKSPF Shared Prosperity Fund (UKSPF), the outcome of its independent evaluation, and the current state of Growth Funding in Shropshire.
- 1.2 To underline that the delivery of UKSPF in Shropshire has shown the benefits of a locally managed and delivered Growth Funding programme, with a wide range of sectors and organisations benefiting from investment of the last 4+ years.
- 1.3 To promote that the programme evaluation found that UKSPF was managed effectively by Shropshire Council and it praised the transparent approach to allocating and awarding funds that reflected local needs.
- 1.4 To highlight that the Government's current policy towards Growth Funding puts Shropshire and other areas that are still in the process of planning or implementing their devolution plans at an obvious disadvantage to areas with mayoral authorities or the devolved nations.
- 1.5 To note that officers are actively pursuing internal funding solutions and other external funding sources, to maintain a level of support to our community and business sectors whilst the Council is developing its future devolution plans.

## **2. Recommendations**

Cabinet is asked to

- 2.1 Note the high-performance of the delivery of Shropshire's UKSPF programme, including the achievement against spend, outcomes and outputs targets.
- 2.2 Note the findings and recommendations from the independent Shropshire UKSPF programme evaluation.
- 2.3 Recognise the decline of external funding in Shropshire post UKSPF and the implications leading from this,
- 2.4 Agree to formally write to Government and its departments noting concerns around the loss of funding to rural and non-Combined Authority Regions and the implications that this will have for Shropshire.
- 2.5 Support the effort to promote UKSPF and its legacy as a good news story, whilst also communicating effectively to its residents and businesses that the Council is continuing to lobby Government for fair access to future growth funds.

## **3. Background**

- 3.1 The UK Shared Prosperity Fund (UKSPF) was introduced by the UK Government as a domestic replacement for the European Structural and Investment Funds following the UK's exit from the European Union.
- 3.2 Its aims were to reduce regional disparities and support local economic growth by investing in communities, businesses, and skills.

- 3.3 Funding was allocated to Shropshire Council, to deliver programmes aligned with local priorities and national objectives.
- 3.4 A total of £13.4m UKSPF Funds were allocated to the 2022-2025 programme, which closed in March 2025 with no underspend allowed to be carried forward.
- 3.5 A total of £4.3m was allocated to the 2025-2026 programme, which is still in delivery and due to close September 2026.
- 3.6 Across the 2022-25 programme £2.6m of the £13.4m was received from DEFRA to specifically support activities within rural areas. For the 2025-26 programme we received £777k of the £4.3m from DEFRA for rural activities.
- 3.7 The rural programme allocation was not confirmed by Government for the 2022-25 programme until May 2023, with all funds being delivered across capital programmes (see appendix C for full details).
- 3.8 The first call for expressions of interest was not able to go out until March 2024 with approvals being issued in June of that year. Due to the truncated timeline, there was an underspend of approx. 39% that could not be rolled into the 2025-26 programme, meaning that there was an underspend of £495k for that period, which was returned to Government.
- 3.9 The following tables set out the expenditure achieved by the programme. Please note that local delivery of UKSPF did not commence until December 2022 (Table A – April – March 2025) and the final 6 months of delivery (Table B April 26 – September 26) are projected figures with programmes still working towards completion.

Table A – April 2022 to March 2025 (13.4m inclusive of M&A)

<b>Community &amp; Place</b>				
	Total Allocation	Total Spend	Variation	Spend %
Capital	£1,749,292.00	£1,560,268.37	£189,023.63	89%
Revenue	£1,721,406.00	£1,547,558.75	£173,847.25	90%
Total	£3,470,698.00	£3,107,827.12	£362,870.88	90%
<b>Business Support</b>				
	Total Allocation	Total Spend	Variation	Spend %
Capital	£450,708.00	£430,628.02	£20,079.98	96%
Revenue	£5,305,964.75	£4,487,420.97	£818,543.78	85%
Total	£5,756,672.75	£4,918,048.99	£838,623.76	85%
<b>People and Skills</b>				
	Total Allocation	Total Spend	Variation	Spend %
Revenue	£1,617,846.25	£1,586,364.16	£31,482.09	98%
Total	£1,617,846.25	£1,586,364.16	£31,482.09	98%
<b>Rural Business</b>				

	Total Allocation	Total Spend	Variation	Spend %
Capital	£856,826.00	£519,066.64	£337,759.36	61%
Total	£856,826.00	£519,066.64	£337,759.36	61%
<b>Rural C&amp;P</b>				
	Total Allocation	Total Spend	Variation	Spend %
Capital	£1,732,677.00	£1,576,607.69	£156,069.31	91%
Total	£1,732,677.00	£1,576,607.69	£156,069.31	91%

Table B Expected spend from April 2025 to September 2026 (£4.3m Inclusive of M&A)

Total Programme March 25-Sept 26	Total allocation	Total Spend	Total underspend	Forecast to September	%
<b>Main</b>					
Cap	£655,067.00	£331,148.09	£323,918.91	£323,918.00	100.00%
Rev	£2,729,647.41	£2,533,507.39	£196,140.02	£84,443.17	95.91%
Total	£3,384,714.41	£2,864,655.48	£520,058.93	£408,361.17	96.70%
<b>Rural</b>					
Cap	£776,707.00	£356,919.59	£419,787.41	£419,673.00	99.99%
Total	£776,707.00	£356,919.59	£419,787.41	£419,673.00	99.99%
<b>Total</b>					
Cap	£1,431,774.00	£688,067.68	£743,706.32	£743,591.00	99.99%
Rev	£2,729,647.41	£2,533,507.39	£196,140.02	£84,443.17	95.91%
Total	£4,161,421.41	£3,221,575.07	£939,846.34	£828,034.17	97.31%
M&A	163,527.00	147,395.49	16,131.51	94,784.66	148%

*Due to the programme being extended for 6 months with no additional funding provided, revenue underspend has been used towards M&A for this period.*

- 3.10 Over the course of delivery, circa seventy individual contracts, large and small, were supported through UKSPF funds covering a range of activities across the different investment priorities and delivered by a diverse array of organisations, large and small, from the public and voluntary sectors. It also supported grant schemes for business, so that this sector could also benefit directly from UKSPF too.
- 3.11 The Communities and Place Investment Priority has delivered a wide-ranging and impactful programme across both the Main UKSPF Programme and the Rural Fund. The Main UKSPF Programme was particularly effective in driving community engagement, cultural participation, and organisational capacity, with many outputs and engagement-related outcomes exceeding original expectations despite a compressed delivery period. The Rural Fund complemented this activity by supporting capital projects that created lasting community and environmental assets, notably through green space enhancements and active travel infrastructure.

- 3.12 The Supporting Local Business Investment Priority has delivered extensive business engagement, advisory support, and early economic impacts across both the Main UKSPF Programme and the Rural Fund. The Main UKSPF Programme performed particularly well in enterprise reach, innovation support and employment growth, with several interventions exceeding targets for business participation, technology adoption and job creation. The Rural Fund complemented this by providing capital investment to rural businesses, supporting productivity improvements and early employment outcomes. The level of engagement and early productivity gains suggest that further economic impacts are likely to accrue after March 2025.
- 3.13 The People and Skills Investment Priority has achieved high levels of engagement across Shropshire, with several interventions exceeding participation and qualification targets. Delivery has been particularly effective in digital inclusion, workforce upskilling and progression into employment pathways. While sustained employment and some skills outcomes remain below target, this reflects the time required for individuals to convert support into long-term labour market outcomes.
- 3.14 A breakdown of the outputs and outcomes achieved by UKSPF in Shropshire is included as Appendix A.
- 3.15 An independent programme evaluation for the first three years of delivery was undertaken in 25/26. Subject to the availability of funding, an addendum for the final year (+6 months) of delivery will be added.
- 3.16 The key findings of the evaluation were as follows:

#### 3.16.1 Relevance and Strategic Fit

- The Shropshire UKSPF Programme and Rural Fund were highly relevant to local needs and well aligned with both national UKSPF priorities and local strategic objectives. The Programme responded appropriately to Shropshire's distinctive challenges, including an ageing and dispersed population, low productivity, workforce shortages, limited connectivity and rural isolation, which were particularly acute across market towns and rural communities and exacerbated by environmental risk and economic uncertainty.
- Overall, the Programme demonstrated a high degree of strategic coherence. By combining Communities and Place, Supporting Local Business, People and Skills and Rural Fund interventions within a place-based framework, it effectively balanced short-term delivery priorities with longer-term ambitions to strengthen community assets, support business diversification and grow the green and visitor economies. Without UKSPF investment, Shropshire Council would not have been able to support a number of important activities that addressed identified gaps in provision and responded to emerging local needs. The use of robust local data and intelligence ensured that interventions were grounded in evidence and responsive to local context.
- While the Programme was well designed and strategically coherent, compressed delivery timescales limited the ability to plan and launch funding calls concurrently. This reduced opportunities for integration, cross-project collaboration and shared learning across Investment Priorities and placed additional pressure on delivery teams and partners.

### 3.16.1 Performance and Delivery Effectiveness

- Despite a delayed start and compressed delivery window, the Programme achieved a high level of financial and operational performance. Overall expenditure of over 90% across the Main UKSPF Programme and Rural Fund represents a significant achievement given the scale, complexity and late mobilisation of activity.
- Output delivery was generally positive across all three Investment Priorities, with many interventions exceeding participation and engagement targets. While some outcome measures remain below target, this largely reflects the nature of capital investment and economic and labour market change, where impacts materialise over longer timescales. The evaluation highlights the importance of recognising intermediate outcomes achieved during delivery, particularly where final outcomes will not be fully realised until, or after, projects have concluded. Importantly, the Programme established a solid platform for continued benefits beyond the formal funding period.

### 3.16.2 Impact and Added Value

- The Programme delivered clear added value through locally managed, partnership-led delivery. Shropshire Council's open call approach supported transparency, fairness and geographic balance, while local oversight enabled funding to be aligned with emerging needs and mobilised at pace.
- Impact was most evident where projects were delivered by trusted local organisations with established networks and where interventions were well targeted and flexible. Across all Investment Priorities, the Programme generated meaningful short- and medium-term outcomes, including improved community capacity and pride in place, strengthened business resilience and innovation and improved employability, skills and confidence among participants. The evaluation also demonstrates that small-scale projects can make a significant difference and generate disproportionate impact when well targeted. Many longer-term impacts are expected to continue to emerge beyond the Programme's end.

### 3.16.3 Management, Delivery and Value for Money

- The Programme benefited from an experienced Programme Team, established partnership working and robust programme management systems. These factors enabled rapid mobilisation once funding was confirmed and supported effective governance, compliance and delivery under challenging conditions. Clear roles and responsibilities within the Programme Team were essential to managing delivery and should be established prior to programme launch in future initiatives.
- Programme scale and governance arrangements influenced delivery effectiveness. While the use of boards and sub-groups supported accountability and assurance, their size and structure at times limited meaningful engagement and agile decision-making. Evidence suggests that smaller, more focused governance groups would have enabled clearer strategic direction, more effective challenge and more active participation, while still maintaining appropriate oversight.

- The design of the Programme, including separate reporting requirements for the Main UKSPF Programme and the Rural Fund, multiple interventions across Investment Priorities and the distinction between capital and revenue funding, increased the complexity of delivery management, financial monitoring and the evidencing of outputs and outcomes. While delivery was effective, these structural constraints limited the Programme's ability to fully embed activity and maximise longer-term impact.
- Overall, the Programme delivered credible value for money. The use of established delivery partners, intermediary-led models and alignment with existing assets reduced mobilisation costs, maximised reach and generated additional social, economic and environmental benefits, reinforced by significant match funding and leverage. Greater flexibility in match funding requirements would have further supported delivery, particularly for smaller organisations and community-led projects.

- 3.17 This evaluation is included as Appendix 2 to this report for information.
- 3.18 Following the 2025 Spending Review, it became clear that Government policy was to include Growth Funding as part of the settlement to devolved authorities. Despite lobbying from Shropshire and other areas, Government has offered no alternative route to Growth Funding for areas that are still in planning and implementation stages of devolution.
- 3.19 Shropshire also was not an area targeted by Government for their Pride of Place programme.
- 3.20 The lack of Growth Funding for Shropshire post UKSPF has an immediate impact of the ability of the organisations and council services that benefited from UKSPF funding.
- 3.21 This affects Shropshire Council's engagement with local businesses and means that our businesses are now at a big disadvantage in terms of what can be offered to them when compared to their competitors in Wales and the West Midlands Combined Authority.
- 3.22 The absence of funding for business support / skills and community activity will significantly constrain delivery of the Corporate Plan by weakening the foundations required for a thriving economy, resilient communities and sustainable public services.
- 3.23 Reduced support to SMEs will limit growth, job creation and town centre vitality, directly impacting the ambition of a fair and thriving economy, while loss of community-led provision would decrease preventative capacity, increase demand on statutory services, and undermine health, wellbeing and inclusion outcomes.
- 3.24 This is likely to widen inequalities, stall progress on regeneration and environmental outcomes, and increase demand for higher-cost services, ultimately undermining the Council's financial sustainability and its ability to deliver the Corporate Plan
- 3.25 Officers are currently looking at internal funding solutions and other external funding sources, such as lottery funding, to maintain a level of support to our community and business sectors whilst the Council is developing its future devolution plans.

## 4. Summary of Main Proposals

- 4.1 The main purpose of this report is to update Cabinet on the delivery of UKSPF in Shropshire and the position post UKSPF. The key points to recognise are summarised below.
- 4.2 UK Shared Prosperity Fund (UKSPF) launched in April 2022 under the Levelling Up agenda.
- 4.3 Provided £2.6bn for local investment across the UK by March 2025.
- 4.4 Programme extended by the current government (additional 18 months), with financial completion now set for 30 September 2026.
- 4.5 Shropshire received £17.16m (excluding management & admin) / £17.76m (including M&A).
- 4.6 Shropshire Council is the accountable body, and delivery was managed by a dedicated UKSPF/external funding team within the Economy, Funding and Skills Service, with oversight provided by the Shropshire Economic Partnership Board.
- 4.7 The Shropshire programme is on course to spend over 95% of its total award through UKSPF.
- 4.8 The programme delivered against a range of outputs and outcomes, including the creation of new jobs, carbon reduction, environmental improvements, supported employment, digital training, upskilling opportunities and business support.
- 4.9 An independent evaluation for the programme was undertaken which found that it was highly relevant to local needs and well aligned with both national UKSPF priorities and local strategic objectives.
- 4.10 The positive impact of UKSPF in Shropshire has been wide and varied and Appendix D collates the PR undertaken during its delivery, highlighting individual examples of how the funding has made a positive difference to Shropshire's communities and businesses.
- 4.11 With the changes to Government Growth Funding post UKSPF, which is now part of Combined Authority Area settlements, Shropshire is left in a very difficult position. Officers are currently looking at internal funding solutions and other external funding sources, such as lottery funding, to maintain a level of support to our community and business sectors whilst the Council is developing its future devolution plans.
- 4.12 The council will continue to lobby strongly for fair access to government growth funding and consider ways to continue economic growth activity post-UKSPF, and this will include the following immediate actions:
  - 4.12.1 To engage with local MPs, including to request that they communicate with DEFRA regarding the loss of rural development funding and what that means for the rural economy and rural services.
  - 4.12.2 To input into the shaping of the Local Government Association position on growth funding and to actively participate in LGA working groups on the matter.

- 4.12.3 To continue the work already undertaken either with our Portfolio Holder or with partners such as Shropshire Chamber, BIDs, Visit Shropshire, the CCN, town and parish networks and through press and PR to lobby for growth funding for Shropshire.
  - 4.12.4 To communicate the funding situation to residents and businesses through strong and consistent PR, explaining the steps the council is taking to secure funds for Shropshire.
  - 4.12.5 To work with other local authorities that find themselves in a similar position to Shropshire such as Worcestershire, Cornwall and Telford.
  - 4.12.6 To work cross-directorate to find interim funding and resources, potentially through the Transformation Fund, to continue some of the successful activity supported through UKSPF, including Shropshire Crowdfunding (opportunities are being explored to use this for dispensing NCIL - the portion of the Community Infrastructure Levy collected from local developments), Shropshire Growth Hub Business Booster and the Small Equipment Grant.
- 4.13 A prolonged absence of Growth Funding for business support / skills and community activity is likely to have a negative impact on the delivery of priorities of the recently adopted Corporate Plan.
- 4.14 It should be noted that it is important to ensure that capacity is retained within the Economy, Funding and Skills Service to implement the above and to take advantage of future funding opportunities as they emerge.

## 5. Alternative Options

- 5.1 Not applicable within the limits of this report.

## 6. Key risks and Opportunities

### 6.1 Performance risk

Five capital-funded projects are continuing to deliver into 25/26 and therefore risks to the delivery of activity, expenditure and outputs remain. However, risk will be mitigated by the ongoing close monitoring of the projects, to ensure that delivery remains on track. All projects are required to report on progress as part of the terms and conditions of the grant funding agreement.

### 6.2 Financial and compliance risk

As a MHCLG funded programme, there is a risk of funding clawback should grant conditions be unmet. This is mitigated by Shropshire Council's role as an experienced Accountable Body, with robust financial management, assurance processes, clear audit trails and regular reporting to MHCLG.

### 6.3 Delivery capacity risk

There is a risk that delivery capacity could be reduced given that the two dedicated UKSPF officers have their contracts ending on September 30 2026, and may seek alternative employment in advance of their contract end date. The risk will be mitigated through the wider support of the Economic Growth Team and the reprioritisation of work tasks as required.

### 6.4 Impact on future economic growth within Shropshire

The loss of UKSPF in Shropshire and the government policy to channel growth funding into mayoral authority areas creates an immediate risk to the economic growth and prosperity of the area. Officers are working to mitigate the effects of this through the following:

- 6.4.1 Maximising what can be achieved through the core funding provided to the Shropshire Growth Hub through government, however this funding remains very limited.
- 6.4.2 Examining ways that the remaining Marches LEP legacy funding can be used for economic growth, but noting as in 6.4.1, funding within this route is limited compared to the funding received through UKSPF.
- 6.4.3 Engaging with other national funders, such as the Heritage Lottery Fund.
- 6.4.4 Maximising opportunities that are emerging through DWP's targeting of worklessness.
- 6.4.5 Developing a robust evidence base to continue lobbying efforts.
- 6.4.6 Exploring options to support activity through the Council's Transformation Fund and to ensure that the risk presented is owned corporately, cross-directorate.

### 6.5 Risk table

<i>Risk</i>	<i>Mitigation</i>	<i>Link to Strategic Risk</i>
Under-performance against remaining UKSPF spend and output targets	Ongoing project monitoring and programme management.	Economic growth and employment
Loss of UKSPF funding due to non-compliance or poor assurance	Strong financial controls, clear audit trail, MHCLG compliant reporting, and experienced Accountable Body arrangements	Financial resilience / Corporate governance
Loss of programme management staff	Reprioritise the workload of other officers within the Economic Growth Service area.	Workforce capacity and skills
Impact of loss of UKSPF	Explore alternative funding options and continue lobbying efforts	Economic growth and employment

## **7. Council Priorities**

7.1 UKSPF supported activity across three Investment Priorities that were set by Government; Supporting Local Businesses, Community and Place, and Supporting People. Projects delivered through UKSPF funding in Shropshire supported the following Corporate Plan priorities:

- Everyone has the opportunity to be healthy and thrive at every stage of life
- An environment that harnesses our natural assets and supports wellbeing
- A thriving economy that benefits everyone

## **8. Financial Implications**

8.1 The UKSPF programme is fully funded by the Ministry for Homes, Communities and Local Government (MCHLG), with all delivery, staffing, commissioning, management and governance costs met through external grant funding. There is no financial burden on Shropshire Council's core budgets.

8.2 Shropshire Council acts as the Accountable Body for UKSPF in Shropshire and financial oversight, grant claims and assurance are undertaken by the Council, with no ongoing financial liability beyond the grant period, other than in relation to clawback.

8.3 Risks of clawback are mitigated through strong governance, financial controls and compliance with MCHLG requirements.

## **9. Legal and HR implications**

9.1 There are no specific legal implications arising from this report.

## **10. Electoral Division Implications**

10.1 Not applicable

## **11. Health, Social (including "Child Friendly Shropshire") and Economic Implications**

11.1 The Shropshire UKSPF programme considered potential impacts on health and wellbeing, and the economy as part of the appraisal process for supporting projects. This applied sustainable development principles to activity delivered through the programme.

## **12. Equality and Diversity Implications**

- 12.1 The Shropshire UKSPF programme considered equality and diversity impacts as part of the appraisal process for supporting projects. All organisations that were supported by UKSPF had to demonstrate that they had an equality and diversity policy and were aware of relevant legislation.
- 12.2 The programme directly supported organisations that championed equality and diversity, including The Hive (formerly Belmont Arts), Hands Together Ludlow and Arts Alive.
- 12.3 It also funded The Shropshire Infrastructure Partnership (SIP), which is a partnership of voluntary and community sector infrastructure, aiming to facilitate effective joint working amongst voluntary and community infrastructure organisations in Shropshire.

## **13. Climate Change, Biodiversity and Environmental Implications**

- 13.1 The programme is a wide-ranging investment programme, covering capital and revenue projects across the investment priorities of Supporting Local Business, People and Skills, and Communities and Place. The potential impact on climate change is difficult to quantify.
- 13.2 UKSPF supported specific projects that sought to have a positive impact on climate change, which included:
  - Shropshire Energy Grants (provided grants to businesses for renewable energy generation and energy efficiency measures)
  - Shropshire Net Zero Leaders (helped businesses to measure and manage their carbon impacts, particularly focusing on cutting emissions along the supply chain).
- 13.3 Capital investment across a range of environmental and built environment projects that had various positive impacts on carbon mitigation.
- 13.4 Digital training reduces travel needs, cutting carbon emissions by enabling remote learning instead of in-person sessions.

## **14. Background Papers**

- 14.1 Shropshire UKSPF Investment Plan

## **15. Appendices**

Appendix A – SHROPSHIRE UKSPF OUTPUTS AND OUTCOMES  
Appendix B – SHROPSHIRE UKSPF EVALUATION  
Appendix C – PROJECTS LIST AND FUNDING ALLOCATION  
Appendix D – COLLATED PR ON UKSPF