

# The United Kingdom Shared Prosperity Fund: Frequently Asked Questions



The 'United Kingdom Shared Prosperity Fund' ("UKSPF") is expected to be the major UK Government regeneration fund of the 2020s, replacing EU funds after Brexit. These FAQs provide information on the key points of the UKSPF and shall be updated by DWF as the fund develops.

## What is the UK Shared Prosperity Fund?

The UKSPF is a large programme of public funding intended to replace EU structural funds, such as the European Regional Development Fund and the European Social Fund, after the United Kingdom leaves the European Union.

## Who is leading the design of UKSPF?

[Simon Clarke MP](#) is the Minister of State at the Ministry of Housing, Communities and Local Government and shall have day to day responsibility for taking forward the design and delivery of the UKSPF. He shall work closely with Transport Secretary [Grant Shapps MP](#) who on 13th February 2020 became the Cabinet Minister in charge of Northern Powerhouse.

Until February 2020, [Jake Berry MP](#) was the Minister for the Northern Powerhouse and Local Growth and led on the design of the UKSPF. In this role, he championed the use of public funds to address regional inequalities and in December 2019 revealed that a "large chunk" of the UKSPF shall be dedicated to the North of England. This statement is consistent with other pledges from Boris Johnson's Government to rebalance the economy of the UK.

## What is the value of the UKSPF?

The value of the UK Shared Prosperity Fund has yet to be published by the Government.

It is anticipated that the value of the UKSPF will be announced during the Comprehensive Spending Review in Autumn 2020.

The [Conservative Party Manifesto](#) from December 2019 states that the UKSPF will "at a minimum match the size of those [EU Structural Funds] in each nation".

## What is the value of the EU Structural Funds which the UKSPF is designed to replace?

According to analysis from [CPMR](#), had the UK remained in the European Union then the UK would have received an allocation of c. €13bn (£11.4bn) in respect of the European Regional Development Fund ("ERDF") and the European Social Fund ("ESF") for the period 2021 - 2027.

## Will the UKSPF replace any other funds?

There is speculation that the UKSPF will also replace other Government regeneration funds, such as the Local Growth Fund. For this reason, there have been calls from public sector bodies to set the UKSPF budget at [£4bn per year](#).

## What are the aims of the UKSPF?

The [Conservative Party Manifesto 2019](#) states that the UK Shared Prosperity Fund shall be:

- "used to bind together the whole of the United Kingdom, tackling inequality and deprivation in each of our four nations";
- "be better targeted at the UK's specific needs" and
- "replace the EU programme with one that is fairer and better tailored to our economy".

The recent Manifesto commitments are consistent with a 2018 statement by [James Brokenshire](#), then Secretary of State for Housing, Communities and Local Government, who announced the UKSPF's aims are:

- to tackle inequalities by raising productivity, especially in those parts of the country whose economies are furthest behind. The UKSPF aims to achieve this objective by strengthening the foundations of productivity as set out in the UK's Industrial Strategy to support people to benefit from economic prosperity; and
- a simplified, integrated fund, whereas EU Structural Funds have been regarded as difficult to access, the simplified administration for the UKSPF will ensure that investments are targeted effectively to align with the challenges faced by places across the country and supported by strong evidence about what works at the local level.

## When will the UKSPF start funding projects?

According to the [Conservative Party website](#) the UKSPF will be introduced from April 2021.

## Which organisations may apply for UKSPF?

We understand any organisation with a UK based project will be able to apply for UKSPF, whether from the public, private or third sector.

## Which organisations will deliver the UKSPF?

The UKSPF shall operate across the UK. In the devolved administrations it is understood that the Scottish Government, Welsh Government and the Northern Irish Executive will manage the funds.

In England, it is expected that the UKSPF will be delivered by:

- Mayoral Combined Authorities (currently the North of Tyne, Cambridgeshire and Peterborough, Greater Manchester, Liverpool City Region, the Tees Valley, Sheffield City Region, the West of England and the West Midlands); and
- Local Enterprise Partnerships, which have been tasked with developing local industrial strategies.

However the above has yet to be confirmed and there may be a role for other public sector bodies in delivering the UKSPF, including [Local Government](#).

## What kinds of projects shall the UKSPF support?

Although there has been [speculation](#) that the UKSPF will be focussed upon clean energy research and development; green-collar jobs such as those connected to wind farms, it is more likely that local input will determine the types of projects supported, taking note of each [Local Industrial Strategy](#).

The [Conservative Party Manifesto](#) from December 2019 includes a commitment that "£500 million of the UK Shared Prosperity Fund is used to give disadvantaged people the skills they need to make a success of life."

The [Conservative Party website](#) states "The UK Shared Prosperity Fund will be designed to make sure that it helps the most vulnerable. Targeted support will mean that disadvantaged individuals, such as a young person struggling with their mental health or an ex-offender released into the community, can have access to services that fill gaps in normal statutory provision to help them into work. This funding will allow organisations such as charities and other third-party bodies to deliver a wide range of support for people across the UK. This will be delivered on in conjunction and on top of existing skills programmes."

## How will the UKSPF be allocated?

Although the Government has announced a "[large chunk](#)" of the UKSPF shall be allocated to the North of England, no further details are in the public domain at this time.

The EU Structural and Investment Funds are allocated on the basis of a complex formula taking account of population and economic performance of an area, hence statistically poorer regions received greater allocations.

The [Institute for Public Policy Research](#) has recommended that the UKSPF should be distributed using a range of economic well-being indicators, including measures such as GDP/person, disposable income levels and the regional human poverty index. IPPR regard this to be a broader and more accountable approach than used by EU structural funds.

In December 2019, Prime Minister Boris Johnson announced [plans](#) to revise the rules governing public spending to take

account of reducing inequality between northern and southern England, rather than simply promoting overall economic growth across the country. It is highly likely that a similar formula will be used to determine UKSPF allocation.

There has been speculation that in addition to regional allocations, part of the UKSPF may be awarded as a challenge fund, where applicants from any part of the UK may bid in for funding.

## When is the UKSPF likely to be launched?

The UK government has guaranteed funding for projects under the EU Structural Funds until the end of 2020 and has stated that the UKSPF shall be the long term successor. Despite the EU Structural Funds coming to a close in December 2020, the UKSPF is only expected to be launched in April 2021.

## When will there be a consultation on UKSPF?

The Government has announced that it shall consult on the UKSPF. However the consultation has been delayed on several occasions. The [Local Government Association](#) has criticised the impact of these delays on the ability of public bodies and other organisations make plans and put in place appropriate expertise and capacity to deliver outcomes for their communities.

The reason for the delay is explained in the report "[Local Enterprise Partnerships: an update on progress](#)" which states that the Government has "delayed a public consultation on the Fund's future design and structure until it has more clarity about the terms on which the UK will leave the EU".

## What actions can organisations take in respect of the UKSPF?

The UKSPF is likely to be one of the major regeneration funds of the next decade. The consultation is expected during 2020 and therefore organisations should take stock of their needs now and submit these during the consultation.

In the meantime, our [UK Shared Prosperity Fund group on LinkedIn](#) provides a forum for those interested the UKSPF to discuss the fund in more detail and share the latest news.

Those looking to secure public funding at this time should note that Government Departments offer other funds such as the [Future High Streets Fund](#), the [Towns Fund](#) and the [exceptional Regional Growth Fund](#). There are also funds administered by non-departmental public bodies, such as Homes England's [Local Authority Accelerated Construction Fund \(LAAC\)](#) and Innovate UK's [Smart Fund](#). In England, Local Enterprise Partnerships regionally administer public funding from the [Local Growth Fund](#) and [Growth Deals](#), whilst Mayoral Combined Authorities also have their own programmes directed towards activities such as [inward investment](#) or [business support](#).

The [Scottish Government](#), [Welsh Government](#) and the [Northern Irish Executive](#) also have their own funds. Finally, it is still possible to access the UK's remaining [European Structural and Investment Funds](#), such as ERDF and ESF. Each of the above funds has their own eligibility rules and conditions, but are also

subject to standard compliance considerations such as [State aid law](#).

*DWF's specialist Public Sector law team has extensive experience of advising on all aspects of public funding, including working within the Central and Local Government. If you wish to discuss the UK Shared Prosperity Fund or any other aspect of public funding in more detail, please contact Jonathan Branton, Colin Murray, Alexander Rose or Bradley Martin.*

### Related website profile

<https://www.dwf.law/Legal-Insights/2019/July/Interest-in-the-UK-Shared-Prosperity-Fund-grows>

<https://www.dwf.law/Legal-Insights/2019/August/Government-increases-Future-High-Streets-Fund>

<https://www.dwf.law/Expertise/Legal-Services/Commercial-Law/State-Aid#sectorTab=how-can-we-help-tab>

<https://www.dwf.law/Legal-Insights/2019/December/Decisive-victory-for-Boris-Johnson-means-the-UK-will-exit-the-European-Union-by-31st-January-2020>

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