

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD3364

Title: UK Shared Prosperity Fund 2025-26

Executive Summary:

The UK Shared Prosperity Fund (UKSPF) was launched by the previous government in 2022, and invests across three pillars: Communities and Place, Supporting Local Businesses, and People and Skills.

In December 2024, the Ministry of Housing, Communities and Local Government (MHCLG) announced that £62,981,782 from the UKSPF would be allocated to the GLA for 2025-26. This is a one-year extension to the previous government's programme which ends on 31 March 2025.

GLA has agreed a Memorandum of Understanding with MHCLG, following which the GLA will receive a grant determination letter confirming the award.

This decision seeks approval for the allocation of the funds to a suite of activities, some of which are in the process of development, via delegated decision making to Executive Directors and Assistant Directors. UKSPF funds for 2025-26 must be committed and spent by 31 March 2026.

Decision:

The Mayor:

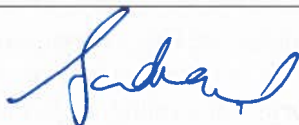
1. approves the receipt and award of £62,981,782 for 2025-26 (which will be issued to the GLA via a grant determination letter from MHCLG)
2. delegates authority to grant approvals for the award and payment of UKSPF funding to the Executive Directors for Good Growth and Communities and Skills, and the Assistant Directors for Economic Development and Programmes, and Employment and Skills (Delivery), including the ability to enter into contracts and award grants and make payments to delivery providers without the need for further decision forms.

Mayor of London

I confirm that I do not have any disclosable pecuniary interests in the proposed decision and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

Signature:



Date:

21/4/25

PART I – NON-CONFIDENTIAL FACTS AND ADVICE TO THE MAYOR

Decision required – supporting report

1. Introduction and background

- 1.1. On 13 December 2024, the Ministry of Housing, Communities and Local Government (MHCLG) published UK Shared Prosperity Fund (UKSPF) allocations to UK lead authorities, including the GLA. London was awarded £62,981,782 (of which £42,887,308 is revenue and £20,094,474 is capital) for 1 April 2025 to 31 March 2026.
- 1.2. MHCLG has instructed lead authorities that their 2022-25 UKSPF allocations cannot be carried over to 2025-26. If there is any underspend from the £144 million allocation it will not be known until late April 2025, once grant recipients have submitted their final claims to the GLA for payment. MHCLG advises that any underspend will be offset from the £62.9 million 2025-26 allocation, but the GLA will not be required to return any funding to MHCLG.
- 1.3. MHCLG and the GLA have signed a Memorandum of Understanding, outlining the responsibilities of both parties. Thereafter a grant determination letter will be issued to the GLA for the 2025-26 allocation. This mirrors the arrangements for UKSPF 2022-25.
- 1.4. All UKSPF activity must align with MHCLG's five new UK-wide themes and twelve sub-themes that are focused on delivering the new government's missions¹. This approach re-works the previous government's framework which was reflected in London's own UKPSF investment strategy, approved in 2022, but which MHCLG advises does not require updating. The three headline investment priorities therefore remain Communities and Place, Supporting Local Business and People and Skills.

Previous decisions

- 1.5. Through MD3058 (January 2023), the Mayor noted the designation of the GLA as the lead authority for London's share of the UKSPF programme; and approved the delegation to certain officers of decision-making authority concerning related expenditure. The GLA's functions as a lead authority are set out in the GLA's Memorandum of Understanding with HM Government. Any future grant-funding agreements, including agreements that may be generated from the approval of this MD, would be executed by the Executive Directors of Good Growth and Communities and Skills, and the Assistant Directors for Economic Development and for Employment and Skills (Delivery).
- 1.6. Through DD2638 (July 2023), the Executive Director, Good Growth, approved the commitment and award of up to £30.9 million UKSPF to the applicants of the December 2022 Supporting Local Business call for proposals, and the award of up to £53.2 million UKSPF to London's 32 boroughs and the City of London Corporation.
- 1.7. Through MD3149 (August 2023), the Mayor approved expenditure of up to £19 million of UKSPF funding to London & Partners (L&P) for three projects. These are Grow London Local, Grow London Global, and Grow London Early Stage.
- 1.8. Through ADD2681 (November 2023), the Assistant Director for Employment and Skills approved expenditure of up to £25 million of UKSPF People & Skills funding to London's four sub-regional partnerships to deliver support for economically inactive and unemployed people. The allocation also funded additional activities complementing the delivery of the 'No Wrong Door' initiative.
- 1.9. Through MD3187 (January 2024), the Mayor approved expenditure of up to £1.369 million of UKSPF People and Skills funding to extend and grow the London Careers Hubs to the end of the 2024-25 academic year. The Mayor also approved the allocation of £11.75 million to the Support for Young

¹ <https://www.gov.uk/government/publications/uk-shared-prosperity-fund-prospectus/uk-shared-prosperity-fund-2025-26-technical-note>

Londoners Fund, with delegated authority for the grant award to be exercised by the Assistant Director for Skills & Employment.

UKSPF 2022-25 continuing protocols

- 1.10. As noted above, MD3058 approved the GLA's management of UKSPF. It is proposed that for this one-year extension, this approval remains in place for 2025-26. This includes continued delegated authority for senior GLA officers, and the financial delegations for officers managing the programme.

UKSPF 2025-26

- 1.11. For the one-year extension of UKSPF, the intention is that the funding should be utilised to support the delivery of the London Growth Plan, published jointly by the GLA and London Councils. On that basis, it is proposed that the funding is allocated as follows:
- a) The GLA, in consultation with London Councils, will directly allocate £30,094,474 to boroughs. This comprises £20,094,474 capital funding for Communities and Place, and the freedom for boroughs to self-select how £10 million revenue funding is split between the three investment priorities. Activity will support the aims of the London Growth Plan and in particular high streets and their surrounding areas. Once the borough allocations are finalised, they will be published online. Should there be adjustments to the allocations during the course of 2025-26, they will be managed and agreed by GLA officers.
 - b) Some existing projects supported by UKSPF from 2022-2025 will be extended where these are consistent with the aims and objectives of the London Growth Plan. This includes:
 - i. Business growth projects – up to £8.5 million. Following the award of funding to projects in the 2022 open, competitive bidding round (approved via DD2638), an Expression of Interest call in February 2025 invited applications for extension funding. These have been assessed against the Growth Plan-related criteria shared with the applicants. The London Partnership Board's UKSPF Sub-group² has provided advice on the level of funding to allocate to these projects and on which proposals should be supported prior to seeking GLA approval (see paragraph 1.13 regarding delegations), reflecting the delegation limits approved in MD3058.
 - ii. Support for Young Londoners projects – up to £4.3 million. In 2023-24 a competitive process awarded UKSPF to deliver support to young Londoners not in education, employment or training (NEET) including provision of work experience opportunities for young people at risk of becoming NEET. The NEET projects aim to support young Londoners across the whole of Greater London, with some delivery across a whole sub-regional geography (Universal NEET), and other projects delivering more localised provision where it meets a specific need (Targeted NEET).

Grants under this programme were awarded for an initial 12 months to March 2025, with an option to extend for up to three years subject to confirmation of further funding. Payments are made on a unit cost basis against outputs and outcomes achieved.

Additional funding sources are being sought to supplement this allocation of £4.3 million to achieve a better geographical spread across London and will enable the programme to continue to meet the increasing needs of young people furthest from the labour market, experiencing multiple forms of disadvantage and/or with significant additional support needs.

- iii. Continuation of funding for the London Careers Hubs (approved under MD3187), part of the London Careers programme. £1.3 million will be used to co-fund the hubs in 2025-26,

² Government invited all lead authorities, including the GLA, to establish a Local Partnership Group comprising external representatives who can provide local insight and expertise. London's UKSPF Sub-group also provided advice during the 2022-25 first phase.

as required by the GLA's grant agreement with the Careers and Enterprise Company (CEC). This match funding will allow some additional enhancements to the CEC-defined programme to maintain current levels of staffing.

iv. In line with the 2022 UKSPF investment strategy, an allocation of up to £12 million to London and Partners for its three projects, approved via MD3149, each of which supports the objectives of the London Growth Plan.

c) The remaining funding will be utilised for new activity which supports the implementation of the London Growth Plan. Currently, projects totalling up to £6 million are under consideration for 2025-26. When finalised, decisions in relation to these projects will be taken by the Executive Directors of Good Growth or of Communities and Skills, following consultation with the Mayor's Deputy Chief of Staff.

d) MHCLG allows up to four per cent of the allocation to be used for management and administration by the GLA. Boroughs can also use four percent from their individual allocations for the administration and management of UKSPF locally.

1.12. As UKSPF must be spent in-year or returned to government, some of the above activities may not proceed or be withdrawn if circumstances change. Similarly, other new activities may be funded.

Delegated decision-making

1.13. In line with the approach previously taken for UKSPF, this decision seeks delegation of approvals for the award and payment of UKSPF funding to the Executive Directors for Good Growth, and Communities and Skills, and the Assistant Directors for Economic Development and Programmes, and for Employment and Skills (Delivery). This includes the ability to enter into new grant funding agreements or contracts and award funding, extension agreements or contracts, and make payments to providers. These delegated approvals will be documented in writing via local governance arrangements and, for efficacy, due to the tight timescale to commit and spend all funding by 31 March 2026, without recourse to further Mayoral Decisions, nor to Directors Decisions or Assistant Director Decisions. All funding decisions will be taken following consultation with the Mayor's Deputy Chief of Staff and all funding awarded will be published on the GLA website.

1.14. Officers in the Economic Development and Programmes Unit (for Communities and Place and Supporting Local Business) and Skills and Employment Unit (for People and Skills) will be responsible for the day-to-day management of grant agreements and extensions in line with the delegations of MD3058.

Payment, contracting and monitoring

1.15. MHCLG will pay the GLA its 2025-26 allocation via a grant determination letter. The GLA will issue grant funding agreements or contracts to recipients setting out the terms and conditions of their UKSPF funding.

1.16. Mirroring 2022-25, each borough and the City of London will receive a single yearly payment from the GLA in early Summer 2025, with 10 per cent of the grant held back pending their final claims in 2026. Other projects will be paid in arrears upon receipt of quarterly claims.

1.17. Once in delivery, MHCLG requires the GLA's Chief Finance Officer to sign off six-monthly performance returns to MHCLG. MHCLG also requires 'material changes' (such as significant changes to expenditure profiles) to be submitted for their approval.

1.18. The Skills for Londoners (SfL) Board, as the designated Skills Advisory Panel for London, will provide oversight for the People and Skills projects. There are no separate boards overseeing Supporting Local Business or Communities and Place, although the UKSPF Sub-group provides advice (see paragraph 1.11b) i above).

2. Objectives and expected outcomes

- 2.1. The approval of this Mayoral Decision will confirm the commitment of London's £62.9 million which will support investment in communities and place, enable businesses to innovate and grow, and reduce the barriers some people face as they move towards employment and education.
- 2.2. UKSPF in London is required to meet the objectives of the government's vision for UKSPF which "...proactively supports Mission-delivery: pushing power out to communities everywhere, with a specific focus to help kickstart economic growth and promoting opportunities in all parts of the UK."³
- 2.3. UKSPF funding will support the implementation and delivery of the London Growth Plan, launched in February 2025. It is a blueprint for boosting productivity. Whilst UKSPF is only available until 31 March 2026 it will enable a suite of activity to proceed, all of which seeks to drive productivity and growth.

3. Equality comments

- 3.1. Section 149(1) of the Equality Act 2010 provides that, in the exercise of their functions, public authorities including the GLA must have due regard to the need to:
 - eliminate discrimination, harassment, victimisation, and any other conduct that is prohibited by or under the Equality Act 2010
 - advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
 - foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 3.2. The protected characteristics are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, and sexual orientation. Due regard must be had at the time a decision is being considered. The duty is non-delegable and must be exercised with an open mind. The due regard duty also applies to the delivery of UKSPF. Noting section 149(1), UKSPF is available to eligible organisations irrespective of the protected characteristics of the applicant bodies. All applicants are required to consider equality, diversity and inclusion (EDI), and to ensure that projects are designed with EDI principles in mind.
- 3.3. To date, UKSPF has supported under-represented groups and individuals across each of the investment priorities. By December 2024, of the people supported by the:
 - People and Skills investment priority activity: 42 per cent were female, 71 per cent Black, Asian and Minority Ethnic (BAME), 22 percent individuals with a disability/health, and 21 per cent aged 50 and over
 - Supporting Local Business activity: 50 per cent were female, 53 per cent BAME and nine per cent individuals with a disability
 - Communities and Place and business growth activity led by boroughs, which includes capital funding: 47 per cent were female, 41 per cent BAME and seven per cent individuals with a disability.
- 3.4. The 2022-25 UKSPF programme ends on 31 March 2025, so a further quarter's data is expected in mid-April 2025. In addition, a UKSPF evaluation is currently underway that is reviewing equality, diversity and inclusion. The report is expected in May 2025.

³ <https://www.gov.uk/government/publications/uk-shared-prosperity-fund-prospectus/uk-shared-prosperity-fund-2025-26-technical-note>

4. Other considerations

Key risks and issues

- 4.1. A key risk is ensuring the UKSPF is spent and not handed back to government after March 2026. To mitigate this, nearly half of the funding is allocated to boroughs, who are now well-versed in managing UKSPF. Likewise, allocations for London and Partners and extending some Support for Young Londoners and business growth (Supporting Local Business) projects will allow well-established projects to continue, significantly mitigating this risk.
- 4.2. There is a risk that London boroughs, projects, and new recipients are unable to spend their full allocations. With only 12 months until UKSPF ends, officers will be working at pace to ensure signed agreements are in place. Should any of the new proposals not proceed, funding transfers can be made to existing successful activity, based on performance. This could, for instance, follow an expression of interest-type exercise followed by referral to the UKPSF Sub-group for its views.
- 4.3. GLA officers will remain in regular contact with grant recipients throughout 2025-26. They will monitor progress and take remedial action where it is required in the normal course of business. Should it be needed, specific action taken will depend on the given scenario, but it could include the re-profiling/re-allocation of expenditure and outcome/output targets at programme or project level.

Declarations of interest

- 4.4. The individuals involved in drafting and clearing this document have no interests to declare.

Links to Mayoral strategies and priorities

- 4.5. The UKSPF programme was established in 2022 and its activities were based on the shared priorities of the London Recovery Board's (LRB) Economic Recovery Framework. The London Partnership Board superseded the LRB in 2023 and aims to enable the city to respond to current and future complex and cross-cutting challenges by convening London's leaders. It helps co-ordinate London's response to these challenges, fostering collaboration between the city's partners at local, sub-regional and city level to achieve shared goals. The activity funded by UKSPF supports the responsibilities of the London Partnership Board. As noted in paragraph 1.11 a sub-group of the London Partnership Board was established to provide strategic oversight of the UKSPF programme. It advises on Communities and Place and Supporting Local Business. The Skills for Londoners Board advises on People and Skills.
- 4.6. The London Growth Plan was launched on 27 February 2025. Developed by the Mayor and London Councils, the London Growth Plan is a blueprint for turbocharging productivity in the capital with its 10-year ambition for growth. This includes supporting businesses, building skills for the future, levelling up affordable housing and infrastructure, and by helping local high streets thrive.
- 4.7. The Skills for Young Londoners UKSPF programme contributes to the delivery of the Inclusive Talent Strategy, described in the London Growth Plan, which will support young Londoners to be better prepared to get into training or good work and progressing at work.

5. Financial comments

- 5.1. The UKSPF is a funding programme run by the Ministry of Housing, Communities and Local Government for local investment. In 2022 the GLA was assigned as the 'lead authority' for London's allocation of UKSPF thus this decision seeks approval for the receipt of this fund which stands at £62,981,782 million for 2025-26.
- 5.2. These funds will be issued in advance to the GLA in 2025, during which time the GLA is expected to demonstrate expenditure levels on a six-monthly basis as part of the government's monitoring agreement.

- 5.3. The GLA's role as a designated 'lead authority' involves the management and administration of UKSPF. This means that the GLA will uphold its financial responsibility by appraising applications; managing performance; monitoring applicants; and carrying out expenditure checks on applicants.
- 5.4. Each lead authority can use up to four percent of its UKSPF allocation to undertake necessary fund administration, such as project assessment, contracting, monitoring and evaluation and ongoing stakeholder engagement. Any underspends on this may be returned to the wider pot to maximise delivery for Londoners.
- 5.5. The UKSPF is allocated across the Good Growth and Communities & Skills directorates. Agreed UKSPF allocations are reflected in GLA programme delivery plans, which align with the 2025-26 GLA: Mayor budget.

6. Legal comments

- 6.1. Under section 30 of the Greater London Authority Act 1999 (GLAA) the GLA may do anything which it considers will further one or more of its principal purposes that are promoting: economic development and wealth creation in Greater London; social development in Greater London; and the improvement of the environment in Greater London.
- 6.2. In determining whether or not to exercise its power to further one or more of its principal purposes, the GLA is required to consider the effect this may have on the remaining purpose or purposes – in so far as that is practicable – and, over a period of time, to secure a reasonable balance between furthering each of its principal purposes.
- 6.3. Section 33 of the GLAA requires the GLA to make appropriate arrangements with a view to securing that, in the exercise of its general power, there is due regard to the principle that there should be equality of opportunity for all people. The GLA is also subject to the public sector equality duty imposed by section 149(1) of the Equality Act 2010 in relation to the exercise of its functions (see section 3 above).
- 6.4. Section 34 of the GLAA provides for the GLA to be able to do anything which is incidental to the exercise of its functions, including its general powers under section 30.
- 6.5. Sections 1 to 4 above concern the award of grant funding by the GLA. Officers must ensure that such grant funding is distributed fairly, transparently, in a manner which affords value for money and in accordance with the requirements of the GLA's Contracts and Funding Code, UK government requirements and subsidy control principles. Officers must also ensure that grant funding agreements are put in place between – or existing agreements varied – and executed by the GLA and recipients before any commitment to fund is made.

7. Planned delivery approach and next steps

- 7.1. Next steps include:

Activity	Timeline
Expenditure can commence for the £62.9m for 2025-26	1 April 2025
GLA awards funding to recipients and thereafter monitors activity and performance	From April 2025
UKSPF programme ends	31 March 2026

Appendices and supporting papers:

None.

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FoIA) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will either be published within one working day after it has been approved or on the defer date.

Part 1 – Deferral

Is the publication of Part 1 of this approval to be deferred? NO

Part 2 – Sensitive information

Only the facts or advice that would be exempt from disclosure under FoIA should be included in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form – NO

ORIGINATING OFFICER DECLARATION:

Drafting officer to
confirm the
following (✓)

Drafting officer:

Stuart Scott has drafted this report in accordance with GLA procedures and confirms the following:

✓

Sponsoring Director:

Phil Graham has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.

✓

Mayoral Adviser:

Richard Watts has been consulted about the proposal and agrees the recommendations.

✓

Advice:

The Finance and Legal teams have commented on this proposal.

✓

Mayoral Delivery Board

This decision was agreed by the Mayoral Delivery Board on 31 March 2025.

✓

CHIEF FINANCE OFFICER:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature:



Date:

31/03/2025

pp. Anna Casbolt, Assistant Director, Financial Services, on behalf
of the Chief Finance Officer

CHIEF OF STAFF:

I am satisfied that this is an appropriate request to be submitted to the Mayor

Signature:



Date:

31/03/2025