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Dyddiad / Date: 1st March 2024

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Rt Hon Michael Gove MP
Secretary of State for Levelling up, Housing and Communities
2 Marsham Street
London
SW1P 4DF

Dear Secretary of State

Shared Prosperity Fund (SPF) – request for extension of programme

I am writing to you further to our correspondence last year (your ref: 30107328; 14/09/23). In your response you noted that your officials were turning their attention to future funding in line with timelines for the next SR, and that updates would be communicated as that work progressed. In light of current discussions between our respective officials, I believe it is now a good time to revisit the issues I raised in my original letter to you dated 7th August.

Good progress continues to be made in all four regions of Wales delivering the SPF. All four lead councils are working at pace to maximise spend across the programme, working collaboratively and effectively with councils in their regions to deliver key local interventions within agreed strategic approaches. These are making a real difference to local communities, businesses and people. As I said in my previous letter, the progress has been remarkable in the time available.

The message from all regions remains, however, that more time is needed to ensure the best possible outputs and outcomes are realised. To stress again, WLGA first flagged concerns over the timescale for programme delivery in correspondence with a previous Minister, Neil O'Brien, at the outset of SPF in April 2022. Having then waited for RIPs to be approved and for the release of funding, the time available for delivery was squeezed further. At present, the SPF is due to finish at the end of March 2025. If no funding can be spent after that date, projects will have to complete by around December 2024 in order to undertake the steps necessary for programme closure. That will mean councils have had only around 16 months to deliver.

As WLGA's Spokesperson on Economy, I am writing on behalf of all four regions and all 22 councils once again to request a targeted, focused and limited extension of the SPF programme by **six months**. That would give projects a more realistic timescale in which to deliver intended benefits and outcomes. I would reiterate that this is not a request for additional funding, but for more time to spend what is already committed to the programme.

We hope that you are able to give this serious consideration as we all share the objective to achieve as much success from the SPF as possible. If, however, you are unable to extend the timescale for the programme itself, we would request as a minimum permission to spend the 4% available for administrative purposes beyond the end of March 2025. Being able to undertake programme closure after that date would enable projects to continue for a few more months, enable efficient project and programme closure and deliver agreed outcomes.

I would like, also, to raise the issue of flexibility in the use of Multiply funding once again. WLGA first raised this with the previous Secretary of State for Wales in July 2022. We have welcomed the steps already taken to allow allocation of Year 1 Multiply underspends to support People and Skills activity in Year 2. We would like to see that flexibility continued to avoid a potential underspend situation. All regions continue to undertake creative steps to maximise Multiply spending but will struggle to spend the full amounts available. In contrast, bids for other interventions have been way in excess of the level of funding available. Having the flexibility to use Multiply funding for complementary interventions which support the goal of improving people's life chances would seem sensible and proportionate.

We are now in a critical phase in terms of delivery, with (currently) only just over a year left to maximise spend, bring projects to an end and close the programme. Clarity on closure is now vital in order to manage the closing down of individual projects and the overall programme. A decision on the timescale for the end of the programme is therefore vital and needs to be communicated as soon as possible to all lead councils, even if the decision remains to close the programme at the end of March 2025. That would enable lead councils to make the necessary arrangements to enable efficient closure.

Finally, WLGA is keen to have a discussion and work with both yourselves in UK Government and the Welsh Government as soon as possible on plans for a successor programme. I believe it is crucial that local authorities input to that forward planning as part of a tripartite arrangement. We can contribute significantly to the shaping and delivering of any future programme, building on our experience, learning and successes to date.

I hope you are able to agree to the above proposals and would be very happy to discuss them with you if you feel that would be helpful. I am copying this letter to the Chief Secretary to the Treasury, the Secretary of State for Wales and the Welsh Government Minister for Economy.

Yours faithfully

A handwritten signature in black ink, appearing to be 'Rob Stewart', written in a cursive style with a long horizontal stroke extending to the right.

Councillor Rob Stewart
WLGA Deputy Leader and Spokesperson for Economy