

Title: UKSPF Programme in Herefordshire

Meeting: Connected Communities Scrutiny Committee

Meeting date: Friday 23 October 2026

Report by: Acting Head of Economy and Regeneration

Classification

Open.

Report purpose

To review the UK Shared Prosperity Fund (UKSPF), with the emphasis placed on learning lessons from delivery, assessing the impact of the funding, and considering future funding opportunities for communities and the voluntary sector.

- To review the overall delivery and achievements of the UKSPF programme in Herefordshire.
- To understand the wider benefits generated by the programme and the extent to which UKSPF funding enabled projects that might not otherwise have proceeded.
- To identify lessons learned from the administration and management of the fund, particularly in relation to the experience of community organisations applying for funding.
- To consider what funding opportunities may exist following the end of the UKSPF programme and what role the council could play in supporting future community investment.

Background

1. It was agreed that the scrutiny review of UKSPF should be constructive and evidence-based, celebrating what had been achieved, while also examining lessons learned and exploring how communities can be supported once the programme ends. Members were particularly interested in understanding the full value delivered by the fund, the additional investment it attracted, and the options available to replace or supplement this source of funding.

Meeting objectives

2. In order for a full review of the UKSPF Programme to be undertaken, the report covers the following areas:
 - A summary of UKSPF delivery and achievements in Herefordshire.
 - Details of projects funded and headline outcomes achieved.
 - An assessment of lessons learned from the administration of the programme.

- Information on challenges experienced by applicants and delivery teams.
- Data on match funding and any additional investment leveraged through UKSPF funding.
- Wider economic and community value generated by the programme.
- Details of potential replacement funding streams and opportunities available to community organisations.
- Commentary on future support for community projects, including any relevant local funding mechanisms available through the council.

Report information

3. UK Shared Prosperity Funding (UKSPF) was a successor programme to European Structural Funds, specifically the European Regional Development Fund (ERDF) and European Social Fund (ESF). The funding was allocated using a funding formula based on population and need.
4. Herefordshire Council was awarded £6,642,136 UKSPF (not including multiply) and £1,705,669 Rural England Prosperity Funding (REPF) for the 2022/25 programme and a further transition year allocation of £2172,966 UKSPF and £511,610 REPF in 2025/26.
5. Following significant engagement and consultation across council directorates, the wider community, organisations and individuals, and in collaboration with the stakeholder group, Herefordshire Sustainable Growth Strategy Board, the investment plan was submitted, and funding was awarded across the three priority interventions, including Communities and Place, Supporting Local Business and People and Skills.
6. UKSPF was a very welcome and broad ranging funding programme, however, it presented a number of administrative challenges for Economic Development (overseeing the delivery) and grant teams within Herefordshire Council. This was mainly due to the breadth of the UKSPF programme which covered three priority interventions and required a co-ordinated approach. In the past, individual teams and services delivered programmes specific to their areas e.g. community schemes through Delegated Grants and Talk Communities, business support programmes through Economic Development and Herefordshire Growth Hub and people and skills programmes through Post 16 Learning and Skills.
7. Guidelines for the UK Shared Prosperity Fund (UKSPF) caused significant confusion among local authorities, delivery partners, and suppliers as confirmed by national and local evaluations. The guidance was too broad and vague in scope which made it difficult to design and roll out local programmes. There was also confusion around the outputs and outcomes which were ambiguous and confusing and were subject to mid-programme changes.
8. UKSPF was, however, less prescriptive and bureaucratic than the EU funding and stripped away a lot of the constraints associated with EU structural funds, however, UKSPF funding had annual deadlines within the three-year programme, leaving short delivery windows and truncated project deadlines; this has also been fed back by grant recipients who would have benefitted from longer delivery windows. Herefordshire Council exercised the flexibility of the UKSPF programme to provide greater levels of grant funding, up to 75% for business related projects and most community projects were fully funded to 100% rather than the previous 15-50% grant caps on EU funding.
9. The national evaluation highlights the different delivery models local authorities and councils adopted to spend UKSPF funding. This varied from open calls, using established

frameworks and mixed procurement routes, as well as delivering grant schemes. Herefordshire Council has a dedicated grants team, and the nearly all grant schemes and contracts were managed in house. A number of the People and Skills contracts were awarded through open grant calls and were contract managed by the Senior Advisor for Post 16 Learning and Skills.

10. The Economic Development Team and Cultural Lead led a number of different contracts, via procurement, including the 1-2-1 business support programmes and start up schemes, feasibility studies, cultural schemes and tourism contract. This caused staffing and resource issues which were further compounded when three of the Delegated Grants Team left under the MERs scheme.
11. A direct comparison with neighbouring authority, Shropshire Council, shows different approaches to delivery. Shropshire Council delivered programmes both directly and awarded through open call. Shropshire also appointed a UKSPF lead and three technical officers. Herefordshire Council appointed one UKSPF lead and was supported part time by a project officer. The national evaluation shows that outcomes were strongest where places funded dedicated UKSPF management teams.
12. Below is the comparative table on council delivery vs external or commissioned delivery in Shropshire:

Dimension	Council-led	External/commissioned
Strategic alignment	Strong	Strong
Local accountability	Very strong	Strong, through contracts
Specialist expertise	Variable	Generally strong
Speed of mobilisation	Variable	Generally stronger
Access to existing networks	Variable	Strong
Procurement/planning risk	Higher for capital	Generally lower
Ability to tailor locally	Strong	Strong where provider is local
Scale/reach	Variable	Generally strong
Administrative efficiency	More demanding	Generally stronger
Evidence of additionality	Strong in some cases	Strong

13. Whilst the evaluation does not provide cost-per-outcome or impact-per-pound figures separately for internal vs external delivery, it appears that external delivery is operationally more effective where specialist capability, established networks or quick mobilisation were required.

Successes and achievements of the Herefordshire UKSPF/REPF Programmes

14. The full breakdown of projects funded can be found in Appendix 1 and 2.
15. Despite staffing and resource challenges, short annual delivery windows, and ambiguity and confusion around the initial guidance produced by MHCLG, Herefordshire Council fully spent its UKSPF and REPF allocation, delivering over 30 projects during its lifetime across all three intervention priorities. The co-ordination of the programme across different directorates, teams and services was a large undertaking and it should be recognised that internal teams delivered the programme on top of existing workloads.
16. The programme delivered a broad range of economic, social and environmental outputs, combining direct financial support with practical advice, skills development and community investment.

Summary of outputs and wider economic and community benefits

Area of Investment	Key Outputs Delivered	Wider Economic and Community Benefits
Business Support	• 214 businesses received tailored support through intensive 1-2-1 advice programmes. • 69 entrepreneurs and pre-start businesses received 20+ hours of support. • 35 businesses received intensive R&D support. • 102 grants awarded across business, innovation, tourism, energy and enterprise schemes. • 23 innovation grants awarded. • 20 businesses adopted new technologies or processes. • 29 new or improved products and services developed. • 8 businesses reported productivity improvements. • 49 businesses received non-financial support. • 78 energy audits completed for businesses and towns. • 66 jobs created across tourism, rural enterprise and business growth programmes. • 114 jobs safeguarded through business support interventions. • 879 tonnes of CO₂ savings identified through business and community decarbonisation activity. • 1 Destination Management Plan developed and launched. • 430,117 people reached through tourism promotion and destination marketing activity. • 11 feasibility studies completed to develop future investment opportunities.	The programme strengthened business resilience, innovation and productivity across Herefordshire. Businesses benefited from specialist advice, grants and investment to support expansion, diversification and decarbonisation. Tourism interventions increased visitor numbers and spending, while feasibility studies provided a good baseline for future economic growth and investment opportunities.

Community and Place	• 37 community facilities supported through Community Capacity Building funding. • 11 additional community facilities/infrastructure projects supported through REPF investment. • Approximately 1,500 community events and activities delivered. • 10,977 individuals accessed community services, support, activities and opportunities. • 5,188 individuals gained new skills or knowledge through community programmes. • 2,159 individuals reported improved health outcomes. • 1,375 people accessed mental and physical health support. • 5,845 people reported reduced isolation and enhanced social connections. • 5,238 people reported stronger social support networks and belonging. • 3,732 households received support to alleviate cost-of-living pressures. • 111 households received home energy support and retrofit advice. • 55 households implemented energy-efficiency measures. • 613 volunteering opportunities supported through community projects. • 12 VCSE organisations received grant support. • 46 cultural development grants awarded. • 47 festivals and events supported. • 677 cultural programmes delivered (422 cultural development programmes and 255 cultural programming activities). • 95,834 visitors attended festivals and events. • 82,255 additional visitors engaged with cultural sites, attractions and activities. • 32 people participated in creative health peer-learning programmes.	Funding and support enhanced community resilience, local pride and quality of life. Cultural and heritage activities increased participation, footfall and visitor numbers while supporting local creative organisations and tourism businesses. Community grants strengthened the VCSE sector, improved access to services and facilities, and delivered significant well-being benefits through reduced isolation, improved health outcomes and stronger community cohesion. Energy efficiency and sustainable transport initiatives also contributed to environmental objectives and reduced household costs.
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	• 131,443 cycle-share journeys completed, avoiding an estimated 81,495 vehicle journeys annually. • 2,613 volunteers engaged across cultural, sporting and community programmes. • 7,964 beneficiaries supported through the Sparks programme. • 56 community groups awarded small sparks grants.	
People and Skills	• 337 young people aged 16 to 24 were supported by the Youth Employment Hub. • 397 people aged 25+ received support to progress towards and into employment. • 467 people reported increased employability through development of interpersonal skills. • 97 people progressed into employment, including self-employment, following support. • 156 people gained basic skills in digital and ESOL (English to Speakers of Other Languages). • 1946 people in employment gained a qualification or completed a course.	The People and Skills interventions improved employability, confidence and progression opportunities for residents. Support was targeted at young people, economically inactive individuals and employees seeking to upskill or retrain. Participants gained qualifications, essential skills and work-related experience, helping them move closer to employment, education and career progression. Employers also benefited from a stronger talent pipeline and a more skilled workforce aligned to local economic needs.

Lessons learned from local delivery and local schemes

17. An evaluation of the feedback from the community and cultural programmes is generally positive, especially around support provided by council staff and grant funding increasing the capacity within community organisations. Smaller charities and volunteer led organisations raised issues around the application process being time consuming and resource intensive, especially around reporting requirements and providing supporting evidence for claims. Conversely cultural organisations mentioned that the guidance was clear, flexibility was shown when projects needed to adapt and smaller organisations appreciated a dedicated named officer.
18. Funding arrangements and reclaiming expenditure after project delivery was a significant challenge for organisations without sufficient reserves and this was also the case across business support programmes. Some had difficulty covering upfront costs.
19. While grant recipients recognised the need for appropriate financial controls and accountability, they felt some procedures could be clearer, more proportionate and easier to navigate.
20. Future grant programmes should retain the strong emphasis on personal support and communication while seeking to simplify administration, improve the timeliness of decisions, clarify reporting requirements and introduce more accessible payment arrangements where funding rules allow. These improvements could reduce barriers to participation and enable a wider range of community organisations to benefit from future funding opportunities.

Recommendations from lessons learned

21. Suggested learning for future programmes:

- Provide dedicated, named officers for projects.
- Consider advanced payment for grant schemes to help with cashflow.
- Allow longer delivery periods, where possible.
- Maintain flexibility around project changes.
- Hold workshops and webinars to promote grant schemes and answer queries, ahead of launching to support potential applicants.
- Provide additional support especially for first-time applicants.
- Provide more consistency with applications and guidance across all schemes.
- Appoint a dedicated management team to deliver larger programmes.
- Consider different delivery models, including more open calls and outsourcing to support delivery of funding and outcomes and reduce the burden on internal staff resource.

Leverage and match funding

22. Overall, the programme leveraged £4.7m match funding. The programme generated £3.5m private sector leverage from the capital and revenue grant programmes. The Our Place Project, part funded by UKSPF, secured an additional £596,000 from the Arts Council. The Marches Energy Grant (delivered by Worcestershire Council across Herefordshire) secured £525,000 Marches Local Enterprise Partnership funding. DWP also provided £98,000 match funding for the Employment Hub, during 2022/25. The evaluation also highlighted that a number of projects are pursuing funding from different funding bodies on the back of the UKSPF investment.

Post UKSPF Funding

23. There is no direct replacement for UKSPF. The Local Growth Fund (LGF) is targeted at the 11 Mayoral Strategic Authorities to invest in infrastructure, business support and skills development. There was no ringfenced grant funding for Herefordshire following the Spending Review.
24. Across the three funding priority areas; current funding opportunities are as follows:

Communities and Place

Hereford Southwest area was awarded £20m Pride in Place, however, this is limited to the South Wye area only, to address long term deprivation.

Herefordshire Council has allocated £90,000 to a Community Innovation Grant Programme. This will enable voluntary, community and social enterprise (VCSE) organisations to develop and test new approaches to improving financial resilience and preventing crisis.

Talk Communities has developed a Community Funding Tool, to help charities and community organisations identify the right grants for their projects. There is a free webinar to help businesses navigate the funding tool. This is constantly evolving to include new grant/funding programmes that come online [Community Funding Tool](#).

Talk Communities works closely with the VCSE sector to host bi-monthly funding forums and twice yearly, 'meet the funders' for charities and community organisation. These are well attended, with approximately 120 organisations in attendance.

Supporting Local Business

There are two grant programmes including Future Skills Grants and the Research and Development Grant, as well as a tourism project funded via the Hereford Enterprise Zone retained rates programme, however, this is unlikely to continue beyond March 2027.

Herefordshire Growth Hub continues to provide support to local businesses and signposting to relevant funding streams such as Made Smarter and Innovate UK funding opportunities and hosts a number of workshops and events to help businesses build business capacity, knowledge and resilience, and support growth.

People and Skills

The Youth Employment Hub (YEH) is funded through a Department for Work and Pensions (DWP) grant, which must be applied for and approved on an annual basis, creating uncertainty beyond each funding year. The grant supports 18 to 24-year-olds claiming Universal Credit into employment. DWP requires the YEH grant to be match funded, and this has previously been provided through the UK Shared Prosperity Fund enabling the service to support all young people aged 16 to 24 who are Not in Education, Employment or Training (NEET).

From September 2026, match funding for 2026/27 is being provided through Hereford Enterprise Zone retained business rates, in addition to Herefordshire Council staffing resources and accommodation, ensuring continued support for vulnerable young people across the county.

Herefordshire Council has been allocated up to an indicative £2,221,448 by DWP via Shropshire Council as the accountable body for the delivery of the Connect to Work programme. The programme will support up to 605 eligible residents with disabilities, health conditions and complex barriers to employment through a voluntary supported employment model. The investment will improve employment outcomes, reduce economic inactivity and contribute to a more inclusive local labour market.

Herefordshire Council is developing a local delivery plan for submission to the Department for Work and Pensions for £1.5 million of Skills Bootcamps funding for the 2027/28 financial year. Skills Bootcamps are short, intensive, employer-led training programmes of up to 16 weeks that help adults aged 19 and over develop sector-specific skills in priority industries.

Consultees

25. None.

Appendices

Appendix 1 – UKSPF Budget Totals 2022/25

Appendix 2 – UKSPF Budget Totals 2025/26

Background papers and resources

Background Paper to UKSPF – To spend and accept UKSPF Cabinet Report dated 15 December 2022 [Spend and Accept UKSPF 15 December 2022](#)