



Welsh Affairs Committee

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From the Chair of the Committee

Paul Jones
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Civic Centre, Newport, South Wales, NP20 4UR

22 February 2024

Dear Paul Jones,

Thank you for taking the time to appear before the Welsh Affairs Committee on Wednesday 24 January. It was an excellent session and will help us greatly going forward in our inquiry into population change in Wales. There is an additional point on which the Committee would appreciate additional information:

1. Could you please tell us about the role of the Shared Prosperity Fund in ensuring communities in Wales remain vibrant and resilient?

Thank you again for contributing to the Committee's inquiry.

Yours sincerely,

Rt Hon Stephen Crabb MP

Ask ior/Gofynnwch am

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April 2024

By Email: welshcom@parliament.uk

Dear Rt. Hon. Stephen Crabb MP

Thank you for your letter.

Across Wales, the UK government allocated £484M in core UK shared prosperity fund (UKSPF) money, with a further £101M for Multiply in Wales (specifically for adult numeracy). SPF forms a core pillar of the UK government's Levelling Up agenda.

UKSPF supports communities in Wales by investing in three policy themes: Communities and Place, Supporting Local Business, and People and Skills. Forming a strategic framework, Newport City Council responded by developing a clear local investment plan responding to local conditions, with a focus on boosting productivity, pay, jobs, and living standards by growing the private sector, improving public services, restoring a sense of community, local pride, and belonging, and empowering local leaders and communities, especially in places lacking local agency.

To deliver Newport, approximately £27m and a further £5.6m for Multiply across revenue and capital were allocated from April 2022 until the end of March 2025. Unlike many local authorities, NCC undertook a public consultation in 2022 to 'ground truth' into our draft local investment plan.

Newport City Council's SPF programme is now in delivery, with some £13m and £9m, respectively, dedicated across the programme to Communities and Place, and People and Skills themes. The scale and type of projects within these two are where Newport City Council believes residents in Newport are likely to see the most significant direct benefit of SPF. For example, support for cost-of-living advisors, capacity building in homeless provision, and reform of city-wide employability support. Likewise, within our Communities and Place theme, Newport City Council has taken the opportunity to deliver significant capital works schemes relating to globally significant heritage assets (Transporter Bridge and Medieval Ship), the purchase and regeneration of historic parkland, and the creation of a new live music venue in the city centre.

Government ambition is for SPF to have a positive and lasting impact on Wales's economic and social well-being. Newport City Council strongly believe its 60 projects in the Newport SPF programme are comprehensively delivering tangible benefits for the people of Newport and Wales through supporting significant national regeneration, community-led development in some of the UK's most challenging communities, and environmental protection and enhancement. We are also fostering regional collaboration and cooperation, particularly relating to skills

and tourism activity with SPF-related activity delivered through pan-regional and cross-sector partnerships and networks.

SPF funding has allowed local authorities to deliver non-statutory functions and services which have had huge impact on local communities but would not have been possible using core Council budgets. However, there is significant concern regarding what happens on 1st April 2025. The current SPF programme would have ended and from an operational perspective, there will need to be time to properly close the programme. However, admin posts will not be funded post 1st April 2025.

As such we will need start the close in November this year. We know this will have a significant impact on projects in delivery and for new projects receiving funding in Year 3 as they will have a maximum of 9 months to complete and deliver all outputs. This is far from ideal and with no certainty of what funding will replace SPF in April 2025.

We recognise that with an election looming, the future SPF or alternative programme is likely to be developed by the next administration, however the demobilisation and then remobilisation of local authority delivery teams will inevitably cause a loss of momentum and ineffectiveness. The alternative is for UK government to agree a transition year, funded at the same level of 24-25, whilst they take time to review and agree a replacement.

If you have any further queries, then please do not hesitate to contact me.

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'Paul Jones', written in a cursive style.

Paul Jones, Strategic Director for Environment & Sustainability.