



Ministry of Housing,
Communities &
Local Government



Department for
Business, Energy
& Industrial Strategy

UK Shared Prosperity Fund

Innovation Support Forum, Birmingham

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Future of Local Growth Funding

On 24 July 2018 an **update on implementing the Industrial Strategy** was tabled in the House of Commons by the Secretary of State for Housing, Communities and Local Government. It included:

- The publication of '**Strengthened Local Enterprise Partnerships**' document, which sets out how the government and LEPs will work together to:
 - Strengthen leadership and capability
 - Improve accountability
 - Manage risk
 - Provide clarity on geography

We remain committed to ensuring full implementation of all recommendations by all LEPs as we look towards the introduction of Local Industrial Strategies and the UKSPF.

- Announcements on **Local Industrial Strategies**
- An update on progress of **UKSPF**



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Local Industrial Strategies

The government has confirmed it will **work in partnership with all Mayoral Combined Authorities (MCAs) and LEPs in England to develop Local Industrial Strategies (LIS).**

Key progress has been made on Local Industrial Strategies in the past year including:

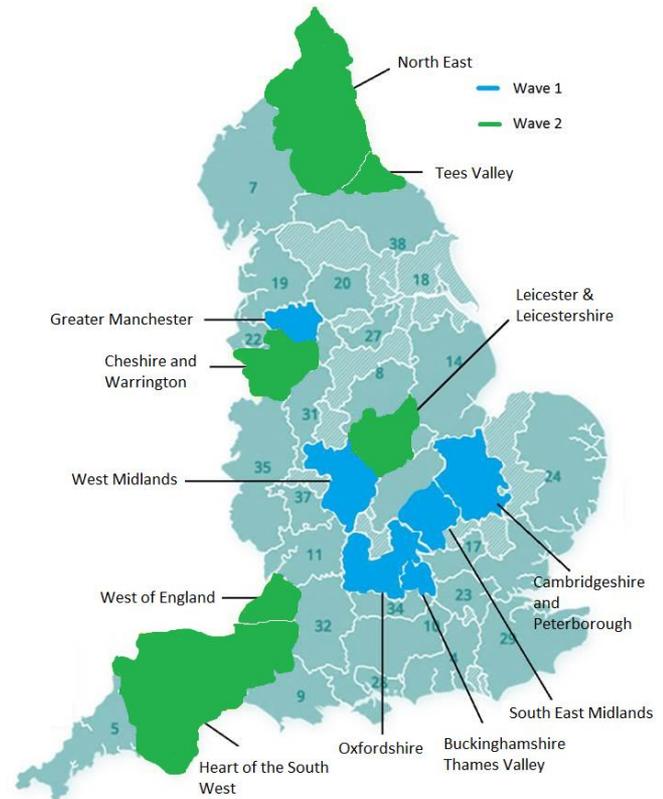
- Strong progress with the trailblazers.
 - In July, the second wave of LIS were announced.
 - In October, we published a [Local Industrial Strategies policy prospectus](#) to inform locally-led work.
 - In December, the government confirmed that we will work with all remaining LEPs/MCAs to develop their LIS.
- West Midlands (May 2019) and Greater Manchester (June 2019) published.



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Local Industrial Strategies – next steps

- Four LEPs in the OxCam Arc to follow.
- Six ‘wave two’ areas including North East, Tees Valley, Heart of the South West – summer/ autumn 2019
- All places by 2020





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Industrial Strategy and UKSPF

The **Industrial Strategy** White Paper, published in 2017, set out a commitment to **tackle the challenges of low productivity and inequality** in the UK and **the importance of places** in meeting these challenges.

The Conservative Party Manifesto committed to creating a “UK Shared Prosperity Fund, specifically designed to **reduce inequalities between communities** across our four nations.”

Our five foundations align to our vision for a transformed economy





UKSPF update

- **The objective of the UKSPF.** The UKSPF will tackle inequalities between communities by raising productivity, especially in those parts of our country whose economies are furthest behind.
- **A simplified, integrated fund.** Simplified administration for the fund 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.
- **UKSPF in the devolved nations.** The UKSPF will operate across the UK. The Government will of course respect the devolution settlements in Scotland, Wales and Northern Ireland and will engage the devolved administrations to ensure the fund works for places across the UK.
- **A national framework in England that works for local priorities.**
- **Consulting the public.**



'No deal' and the HMG Guarantee

In November the UK reached an agreement with the EU on a proposed deal for our departure from the EU.

The Withdrawal Agreement between the UK and EU confirms **the UK will participate in all EU programmes financed by the Multiannual Financial Framework (MFF) 2014-2020 until their closure.**

Preparing for no deal and the HMG Guarantee

- In October 2016 the government guaranteed the full 2014-2020 European Structural and Investment Funds (ESIF) allocation.
- In July 2018 the government extended the HMG guarantee to cover the full 2014-20 programme period.
- If the guarantee is required in a no-deal situation communities will continue to receive the same level of funding as they would have if the UK was a member state, benefiting from the vital jobs and growth opportunities that these programmes support.



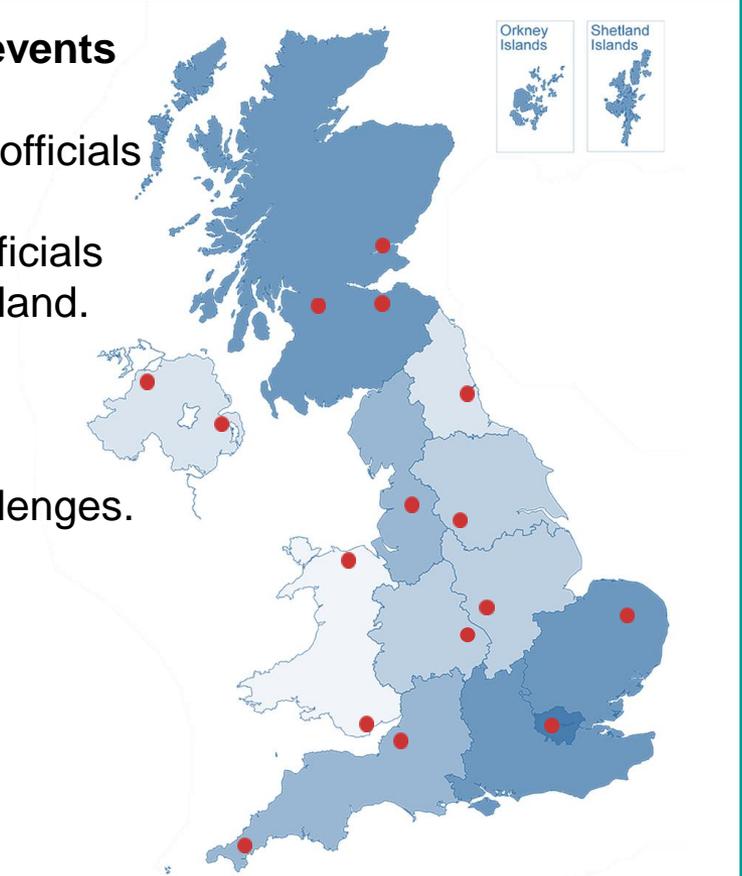
Engagement Events

Over the past year we have held **25 engagement events across the UK;**

- During Summer and Autumn 2018, government officials held events in every region of England.
- During Autumn and Winter 2018, government officials held events in Scotland, Wales and Northern Ireland.

Key Messages

- Greater flexibility:
 - Overall flexibility of fund to respond to challenges.
 - Length of funding programme.
 - Match funding.
- Single fund.
- Balance of national and local control.
- Encourage collaboration across boundaries.
- Streamline bureaucracy.





Engagement Events – investment in Ideas

There were a number of **messages on investment in Ideas**, including:

- Emphasis on outcomes rather than outputs.
- Focus on SME engagement with universities key.
- Investment in Ideas should include commercialisation and diffusion.
- Need for alignment with other government funding streams supporting innovation.
- Ability to experiment with new modes of delivery is important. There is learning in failure.
- Support for investor readiness for innovation active companies.
- Focus on skills.
- Collaboration across boundaries is essential for Ideas funding.



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Engagement and Consultation

Our **consultation will build upon the conversations** we have had during our engagement events.

We **recognise the importance of reassuring local areas on the future of local growth funding** once we have left the European Union and providing clarity on the UK Shared Prosperity Fund.

We will **consult widely on the design on the UK Shared Prosperity Fund**.

We encourage all of you and all interested parties across the country to input their views during the consultation.

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