

**3.19** The government will apply this approach through future fiscal events and Spending Reviews to continue to level up opportunity for communities across the UK, and in doing so, unleash the potential of the Union.

#### **Box 3.1 – UK Shared Prosperity Fund – Heads of Terms**

The UKSPF will help to level up and create opportunity across the UK for people and places.

It will operate UK-wide, using the new financial assistance powers in the UK Internal Market Bill. Investments and programmes will display common branding.

The government will ramp up funding, so that total domestic UK-wide funding will at least match current EU receipts, on average reaching around of £1.5 billion a year.

A portion of the UKSPF will target places most in need across the UK, such as ex-industrial areas, deprived towns and rural and coastal communities. It will support people and communities, opening up new opportunities and spurring regeneration and innovation. Its funding profile will be set out at the next Spending Review. The government will develop a UK-wide framework for investment in places receiving funding and prioritising:

- **investment in people** and skills tailored to local needs, such as work-based training, supplementing and tailoring national programmes (e.g. the Adult Education Budget); and other local support (e.g. for early years)
- **investment in communities and place** including cultural and sporting facilities, civic, green and rural infrastructure, community-owned assets, neighbourhood and housing improvements, town centre and transport improvements and digital connectivity
- **investment for local business** including to support innovation, green and tech adoption, tailored to local needs.

Places receiving funding will be asked to agree specific outcomes to target within the UK-wide framework. They will then develop investment proposals to be approved by the government among a representative stakeholder group. Investment should be aligned with the government's clean growth and net zero objectives.

A second portion of the UKSPF will be targeted differently: to people most in need through bespoke employment and skills programmes that are tailored to local need. This will support improved employment outcomes for those in and out of work in specific cohorts of people who face labour market barriers.

The government will set out further details of the UKSPF in a UK-wide investment framework published in the spring.

#### **Additional Funding in 2021-22**

To help local areas prepare over 2021-22 for the introduction of the UKSPF, the government will provide additional funding to support our communities to pilot programmes and new approaches. This additional funding will be delivered UK-wide, using the new financial assistance powers in the UK Internal Market Bill. Further details will be published in the New Year.