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Guidance

UK Shared Prosperity Fund: reporting and performance management (3)

This page provides information on reporting and performance management for the UK Shared Prosperity Fund.

From:

[Department for Levelling Up, Housing and Communities](#)

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Published

19 July 2022

Last updated

10 August 2022 —

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Reporting

3.1 The UKSPF has been designed to empower every place across the UK to take the lead in shaping and delivering the fund. As per the prospectus, DLUHC will require formal reporting on a sixth monthly basis. To support our understanding of progress we will also request qualitative updates on a quarterly basis from lead local authorities.

The questions lead authorities will be asked and the data we will collect

3.2 Lead local authorities will provide short, largely qualitative summary updates to DLUHC on a quarterly basis. This will include the following questions:

Summary questions

- Spend to date against the three UKSPF investment priorities and forecast?
- Summary of progress with an overall Red, Amber, Green (RAG) rating of the programme's progress. (Short narrative update)
- Are you forecasting underspend at the end of the financial year, if yes, please explain how you plan to address this and by when?
- Provide narrative on any upcoming new projects, events, case studies and opportunities for Ministerial visits?

3.3 Lead local authorities will also be asked to answer a one-off question that explains, how they have spent their £20,000 capacity payment, or £40,000 for Mayoral Combined Authorities or Strategic Geographies. On an annual basis we will also ask lead local authorities if they have undertaken any evaluation activity to support DLUHC's evaluation of the programme.

3.4 Alongside this summary reporting we will require further detail on a six-monthly basis. The questions we will ask, and the tier of the programme they will relate to is set out below:

3.5 We have tried to limit the questions that we will ask lead local authorities, in line with the principles of local autonomy, decision making and accountability. DLUHC's approach to performance management is that it should be proportionate, asking only for the information we need to understand delivery progress and satisfy our own duties.

Project level

- The UKSPF intervention the project has been set up to support
- Start date
- The Project's projected spend
- The Project's actual spend to date
- Value of match funding against the project
- Postcode(s) where funded activity is being delivered? (see 3.8 below)
- Parliamentary Constituency / Constituencies benefiting from project
- Has UKSPF been used to complement an existing project?
- [ENGLAND ONLY] People & Skills project at Risk? Voluntary Sector Project supported?
- Is the project live, finished, or abandoned?
- Projected end date (when it will cease to be supported by UKSPF) if live, or confirmed end date if finished / abandoned.

3.6 Through reporting lead local authorities should pick whichever of the three options, live, finished or abandoned applies. "Live" means a current project that is continuing, "finished" means a project that has completed delivery, "abandoned"

means a project that has been closed down early because it was not likely to complete successfully.

3.7 In order to understand the lead local authorities' spending plans we will need to know about the pipeline projects that they plan to support. We will require the following information:

- Upcoming Project(s) planned in the next 6 months
- The UKSPF intervention(s) the upcoming project has been set up to support
- Projected spend

3.8 Lead local authorities should capture the postcodes of areas where activity takes place e.g., the postcode where X is being delivered, or the postcodes of grant recipients. Where activity takes places across multiple postcodes, areas should capture as many as possible. Where activity takes place over the whole of a lead local authority, all of the district postcodes that fall under the lead local authority should be captured (i.e. the first half of the relevant postcode(s) e.g. CB6 etc). This guidance is as the per the existing [Community Renewal Fund Technical Guidance \(https://www.gov.uk/government/publications/uk-community-renewal-fund-prospectus\)](https://www.gov.uk/government/publications/uk-community-renewal-fund-prospectus).

3.9 Where projects sit across multiple interventions, lead local authorities should note down each of the interventions it is seeking to support.

Intervention level

- Intervention number
- Output name
- Output target to be achieved
- Output delivered to date
- % of output delivered
- Forecast output in next 6 months
- Forecast to meet output target (Y / N)
- Outcome name
- Outcome target
- Outcome delivered to date
- % of outcome delivered
- Forecast outcome in next 6 months
- Forecast to meet outcome target (Y / N)

3.10 Where interventions generate multiple outcomes and outputs, lead local authorities should collect and report all of these.

Investment priority level

Expenditure Profile

3.11 Lead local authorities will be asked to report on actual spend to date, compare spend with previous forecasts, and provide updated forecasts, highlighting any changes from their original Investment Plans. In May 2023 we will ask lead local authorities to report on expenditure for each Investment Priority from the start of delivery to March 2023, asking for total spend against forecast, capital and revenue spent and any changes to capital and revenue forecasts for 23/24 and 24/25. We will also ask lead local authorities to report any match or third-party funding and an update on expenditure every six months.

We will also ask lead local authorities to confirm:

- Headline expenditure in year on management and administration.
- Have you identified any slippage / delay in delivering your projects against this investment priority? (Y/N)
- If yes, give reasons for delay, how you intend to resolve it and by when.

3.12 Further details on the format DLUHC will use to collect this data from lead local authorities will be set out in due course, in advance of the first formal reporting deadline.

3.13 The Chief Finance Officer at each lead local authority will need to sign off both quarterly and sixth monthly returns to the department, to confirm they are content that what has been provided is accurate and deliverable.

3.14 Where lead local authorities are supporting existing projects at risk using the UKSPF the data requested in paragraphs 3.3 through 3.7 should be collected from the commencement of UKSPF funding.

The frequency these questions will be asked

3.15 The table below sets out the timeline for reporting. Quarterly reporting will only ask the questions detailed at 3.2. Lead local authorities should continue to collect the outputs and outcomes of their UKSPF spend as benefits continue to be delivered after the reporting period. How we would expect lead local authorities to provide outputs and outcomes that continue to materialise after 2025 will be set out in due course.

Reporting Periods	Report Due Date	Information Type
1 August to 31 December 2022	1 February 2023	Quarterly (summary report only)
1 January to 31 March 2023	1 May 2023	Sixth monthly
1 April to 30 June 2023	1 August 2023	Quarterly (summary report only)

Reporting Periods	Report Due Date	Information Type
1 July to 30 September 2023	1 November 2023	Sixth monthly
1 October to 31 December 2023	1 February 2024	Quarterly (summary report only)
1 January to 31 March 2024	1 May 2024	Sixth monthly
1 April to 30 June 2024	1 August 2024	Quarterly (summary report only)
1 July to 30 September 2024	1 November 2024	Sixth monthly
1 October to 31 December 2024	1 February 2025	Quarterly (summary report only)
1 January to 31 March 2025	1 May 2025	Sixth monthly and final reporting of the SR funding cycle

What will we do with the data provided?

3.16 The questions and data requested from lead local authorities is intended to capture information for three purposes:

- A programme level oversight of the progress of the UKSPF to assure DLUHC, the Accountable Officer, Ministers and Parliament.
- Support evaluation of the fund, the principles of which are set out in the monitoring and evaluation section and will be expanded upon in the evaluation strategy in the Autumn.
- Monitor that UKSPF monies are being spent on the UKSPF priorities, and that the outputs and outcomes delivered are in line with expectations detailed in investment plans.

3.17 DLUHC will process personal data, as set out in the Data Protection Act 2018 and the UK GDPR (General Data Protection Regulation), to administer, monitor, evaluate and effectively assess the outcomes of a range of projects.

3.18 Apart from data collection from multiply participants, DLUHC will not collect any personal data directly from participants and the data that is obtained by the UKSPF team from lead local authorities will be used for the purposes of audit and evaluation as well as statistical, research, administrative and grant management purposes.

3.19 As and when required appropriate arrangements for sharing of data by lead local authorities with DLUHC will be developed and set out, including privacy notices as and where appropriate.

3.20 The Department for Education (DfE) will implement the local element of Multiply in England, a UK-wide digital numeracy platform, randomised control trials and evaluation activity to test innovative approaches to reducing adult learning barriers, and build the evidence base on what works. There will be data sharing between DLUHC and DfE and the mechanisms for this are being developed.

3.21 DLUHC will also be engaging with HMRC and the Department for Work and Pensions, in particular around the People and Skills and Supporting Local Business investment priorities. As with DfE an MoU and appropriate data sharing arrangement will be developed.

3.22 We continue to work closely with the DLUHC Data Protection Officer and will review these arrangements to ensure continual compliance with DPA 2018 and UK GDPR.

3.23 All data submission returns will need to be scrutinised and signed off by lead local authority Chief Finance Officer.

UKSPF Performance management and change process

3.24 The following section sets out the process for a lead local authority to make changes to their Investment Plan and their duties to inform DLUHC regarding changes. These sit along lead local authorities' existing statutory duties and rules to use public money well.

Triggers for change

3.25 UKSPF will take a proportionate approach to changing local priorities and plans in line with the responsibilities delegated to lead local authorities. This means that DLUHC approval will only need to be sought when "material changes" are made to UKSPF investment plans.

3.26 If changes are made but fall beneath the thresholds defined in paragraph 3.30 to be considered "material changes" then lead local authorities do not need to seek DLUHC approval.

3.27 However, they should provide updates on these changes to DLUHC as part of their regular reporting cycle. This should be via their usual quarterly and sixth monthly reporting cycle.

3.28 If the thresholds at 3.30 were crossed, DLUHC would consider the change "material" and formal approval would be required from the department before a lead local authority could make the changes.

3.29 Requests for material changes can be made to the department as and when required. DLUHC will set out a template for lead local authorities to use following

the process below.

Material changes

3.30 For the purposes of the UKSPF a 'material change' will constitute any of the following:

Material change 1:

A post investment plan approval request for administration costs to exceed the percentage agreed in a lead local authority's investment plan.

Material change 2:

Moving funding between investment priorities if the change involves moving 30% of the total funding allocation over the three years or £5m whichever is lower. Any funding moved from an existing intervention to fund a bespoke intervention would also require approval.

Material change 3:

If the indicative outputs are expected to drop from what had been set out in the original investment plan submitted to DLUHC, within the following parameters:

- In lead local authorities with a total UKSPF allocation of £1.5m or lower it would constitute a material change if the total outputs set out in the investment plan were forecast to drop by 30% or more against an investment intervention.
- In lead local authorities with a total UKSPF allocation above £1.5m it would constitute a material change if the total outputs set out in the investment plan were forecast to drop by 20% or more against an investment intervention.
- In all lead local authorities, if the outputs forecasted have dropped by more than 40% against an investment intervention since the original investment plan was submitted.

Questions for Lead Authorities to answer as part of change process

3.31 The follow questions will be asked of lead local authorities as part of DLUHC's consideration of any 'material changes.'

All changes

1. Has the Chief Finance Officer certified that the change is necessary and deliverable?
2. Can you confirm that the local partnership group's view was sought prior to this change request and confirm they were content?

Request to use more than the agreed total of their UKSPF allocation for administration, post investment plan submission.

1. How much additional funding for project management / administration is required to deliver your programme / project?
2. What additional funding for management / administration is the lead authority able to provide itself?
3. What impact will be increasing management / admin costs have on outputs and outcomes?

Request to move 30% or £5m or more of total UKSPF allocation between investment priorities

1. What alternative intervention and outputs/outcomes, if any, do you now want to deliver?
2. Confirm that you have considered the risks and issues that arise from your change of plans, and the management and mitigation of those risks and issues including e.g. risks, public sector equality duty?
3. Confirm that you have sufficient capability and capacity to manage the impact of the requested change?
4. Confirm that any subsidy / State Aid implications from the requested change have been considered and activity can take place in compliance with these requirements and that funding the amended project will not breach subsidy/State Aid law.

Request to change forecast outputs

1. What are the reasons for the reduction in expected outputs?
2. What are the new output totals you now expect to deliver against this intervention?
3. What is the forecast for the delivery of these outputs in the next six-monthly reporting period and the final target?

3.32 Material change requests will be assessed by the UKSPF team and further details on the format of the collection of this data from lead authorities will be set out in due course, in advance of the first formal reporting deadline.

3.33 The Fund's ethos and design is intended to give lead authorities flexibility and responsibility in delivering. However, there are some changes that the department would not consider:

- Requests for increased RDEL spend beyond each lead local authority's percentage cap, which is set out here in the UKSPF prospectus [\[RDEL % CAP\]](https://www.gov.uk/government/publications/uk-shared-prosperity-fund-prospectus/uk-shared-prosperity-fund-prospectus#:~:text=The%20local%20split%20of%20capital%20and%20revenue%20for%20) (<https://www.gov.uk/government/publications/uk-shared-prosperity-fund-prospectus/uk-shared-prosperity-fund-prospectus#:~:text=The%20local%20split%20of%20capital%20and%20revenue%20for%20>

[20the%20Fund%20in%20Scotland%2C%20Wales%2C%20and%20Northern%20Ireland%20is%20as%20follows%3A\)](#)

- In Scotland and Wales, requests to move funding allocated for the delivery of Multiply to core UKSPF interventions.

Spend and accounted for: definition and managing local allocations

3.34 As set out at s8.1 of the prospectus, we will pay each lead local authority annually for core UKSPF funding (and Multiply funding in Scotland and Wales). In 2022 to 2023, funding will be paid once the local investment plan has been signed off. In 2023 to 2024 and 2024 to 2025, we will pay early in the financial year once updates have been reviewed and assessed as feasible as part of the UKSPF reporting.

3.35 We expect Fund investment and outputs (for core UKSPF in England, Scotland and Wales, and also Multiply funding in Scotland and Wales) to be achieved in line with each place's Investment Plan. We reserve the right to withhold, delay and/or alter payment cycles from 2023 to 2024 onwards where there are performance or other issues with delivery.

3.36 This will be subject to lead local authorities demonstrating in their investment plans and subsequent performance reports that a full annual payment will be spent and accounted for in-year on UKSPF activities.

What counts as 'spend'?

3.37 'Spend' includes expenditure invoiced and paid, as well as accrued, in line with financial accounting standards.

3.38 This applies to all UKSPF expenditure – including any payments from a lead local authority to another local authority, or in-house expenditure.

What happens if a lead local authority does not spend its full grant allocation for a given year?

3.39 We will consider withholding the next annual instalment until we have received credible plans demonstrating revised delivery to achieve expected targets, setting out how the lead local authority will utilise underspends in the next year and/or appropriate milestones and spend have been achieved for the previous year. Lead local authorities will need to establish appropriate programme management methods to maximise effective delivery and achieve spend to profile.

3.40 If we have ongoing concerns around future spending plans based on experience of local delivery to date, then we may pay in instalments based on performance, or otherwise delay or withhold future annual allocations.

3.41 No funding will be provided for activity after 31 March 2025, and we will expect underspends in the final year of the programme (2024 to 2025) to be repaid to DLUHC. The future of the UKSPF will be a matter for the next Spending Review,

and will benefit from areas being able to evidence delivery, value for money, outputs and outcomes after 31 March 2025.

Can a lead local authority use UKSPF first, and then match funding later?

3.42 Yes, this is possible. Where it will aid overall programme or project management, or to reflect the availability of funding from partners, lead local authorities can use the UKSPF in one period, and match funding the next, or vice versa. This is subject to the UKSPF being used solely for agreed UKSPF activities and taking account of the overall UKSPF spend profile for the given year.

3.43 Subject to accounting arrangements and local discretion, lead local authorities may also be able to use other flexible funding for UKSPF project activity in a given year, and recover from the UKSPF the following year.

Overall payment process

3.44 The typical process would include:

Activity	Date
Approval of plan	October 2022 onwards
Quarterly qualitative progress reporting. This will include: Overall costs incurred to date at plan level	February 2023 (quarterly thereafter)
Six monthly expenditure, outputs/outcomes and milestone reporting. This will include: A statement of grant expenditure from a Chief Finance Officer. This should be reconciled to management/statutory accounts, in line with financial accounting standards at the mid-year report. It should cover the final amount of expenditure incurred over the year	May 2023 (six-monthly thereafter)
Review by DLUHC, reconciling and considering proposals to make up any underspend where appropriate. Any changes to local investment plan considered where required. Annual payment made.	May to July 2023 (annually)

3.45 We will review these arrangements at a fund and place level, taking into account performance.

3.46 As set out in the UKSPF [Prospectus](https://www.gov.uk/government/publications/uk-shared-prosperity-fund-prospectus) (<https://www.gov.uk/government/publications/uk-shared-prosperity-fund-prospectus>), where there are current or emerging operational or financial risks, we may reduce

delegation, reduce payment periods or withhold funds. This may also result in more regular reporting requirements in order to release funding in year.

Published 19 July 2022

Last updated 10 August 2022 [+ show all updates](#)

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