

Committee Name and Date of Committee Meeting

Cabinet – 16 March 2026

Report Title

Local Growth Fund 2026/27 allocation

Is this a Key Decision and has it been included on the Forward Plan?

Yes

Executive Director Approving Submission of the Report

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Report Author(s)

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Ward(s) Affected

Borough-wide

Report Summary

The report sets out proposals and recommendations for the use of Rotherham's £2.95 million allocation from the Local Growth Fund (LGF) in 2026/27. For 2026/27, LGF will operate as a continuation of the UK Shared Prosperity Fund (UKSPF), forming part of a further transitional programme. This transitional year builds upon the £10.48 million of UKSPF that the borough received over four years from April 2022 to March 2026.

Recommendations

That Cabinet:

1. Endorse the projects for submission to South Yorkshire Mayoral Combined Authority for award of LGF for 2026/27 as follows:
 - a) Local Business Support
 - i) £946,845 (£464,915 revenue and £481,930 capital) for sub-regional business support supporting three strands of Launchpad (start-up support), Productivity and Low Carbon.
 - ii) £666,655 (£110,000 revenue and £556,655 capital) for Shop Unit Grants.

- iii) £60,000 to support Rotherham Town Centre Markets.
 - iv) £36,559 for Social Value to increase opportunities for local businesses.
- b) People and Skills
- i) £441,203 for a skills programme incorporating Ambition (children and young people), Core Skills (community-delivered basic skills training) and Advance (support to progress in work.)
 - ii) £300,781 for Young People's Skills Development.
- c) Communities and Place
- i) £424,219 for Events, delivering a wide-ranging programme of civic and cultural events and festivals.
2. Agrees to delegate authority to the Director of Policy, Strategy and Engagement, in consultation with the Leader of the Council, to determine revised and final allocations for the Local Growth Fund. This is to include provision for other eligible actions within the use of the fund should it not be possible to achieve full spend of the grant through the allocations above.

List of Appendices Included

- Appendix 1 Project details
- Appendix 2 Equality screening (form A)
- Appendix 3 Equality assessment (form B)
- Appendix 4 Climate impact assessment

Background Papers

March 2025 Cabinet report: UK Shared Prosperity Fund 2025/26

Consideration by any other Council Committee, Scrutiny or Advisory Panel

N/A

Council Approval Required

No

Exempt from the Press and Public

No

Local Growth Fund 2026/27 allocation

1. Background

- 1.1 UK Shared Prosperity Fund (UKSPF), introduced by government as the successor to the European Structural Funds, has been a major source of investment for Rotherham since 2022. With the introduction of an integrated settlement for South Yorkshire Mayoral Combined Authority (SYMCA) from 2026/27, UKSPF has been replaced by a new Local Growth Fund.
- 1.2 Rotherham received £7.2m of UKSPF over three years from April 2022 to March 2025, comprising £5.6m revenue and £1.6m capital (including £400,000 specifically for rural areas). This was allocated across the following three themes or 'investment priorities':
- Supporting Local Business
 - People and Skills
 - Communities and Place
- 1.3 In 2025/26, the government provided a further transitional year of UKSPF, albeit at a reduced level compared to 2024/25. UKSPF investments in this year were required to align with the government's five national missions. Rotherham received £3.28 million from the SYMCA allocation for 2025/26, consisting of £2.86 million revenue and £420,000 capital.
- 1.4 An assessment of Rotherham projects' impact in 2025/26 will take place after the year end. Some of the outputs reported to date include:
- 108 business grants approved across the Shop Unit, Productivity, and Low Carbon projects.
 - 179 financial inclusion drop-in sessions taking place in local communities through Open Arms Rotherham, with over 1,700 attendees and nearly one thousand people receiving ongoing one-to-one support.
 - The events programme (including Rotherham Show) has reached over 140,000 people, creating 119 volunteering opportunities, and supporting 29 events or activities.
 - The Ambition project has engaged 46 young people who were not in employment, education or training. Of these, 25 have started a professional qualification and 7 have found work.
 - The Advance project, which supports those in work, has helped 60 people gain a new professional skill.
 - 95 people have completed basic skills courses through the Core Skills project.
 - 16 young people are benefitting from traineeships as part of Children's Capital of Culture, with the project also providing 156 volunteering opportunities and offering grants or other support to 23 local organisations.

- 1.5 From 2026/27, the Local Growth Fund provides a three-year allocation (four years for capital) to SYMCA for activity broadly focused on economic development and regeneration. The allocation is approximately £15.1 million in 2026/27, with £15.8 million in 2027/28, £19.6 million in 2028/29 and £16.9 million capital in 2029/30.
- 1.6 The approach agreed via SYMCA is to provide a further year of funding for current priority projects funded through UKSPF. Alongside this, longer term proposals will be developed to utilise LGF for business support, skills and community programmes.
- 1.7 Rotherham has been allocated £2.95 million in 2026/27, comprising £2.09 million revenue and £858,585 capital. This represents a reduction of £328,447 (around 10%) compared to the 2025/26 allocation. Funding in 2026/27 will continue to focus on the priorities of supporting local business, people and skills, and communities and place.

2. Key Issues

- 2.1 For this additional transitional year of funding, the proposed approach is to:
- maintain delivery of priority projects.
 - ensure the funding continues to support Rotherham's key policy aims, including creating an economy that works for everyone.
 - work with SYMCA and other South Yorkshire local authorities to develop longer-term approaches to funding these areas of activity via SYMCA's integrated settlement.
- 2.2 Projects will support Rotherham businesses to start up and grow, enable people to develop their skills and achieve their aspirations, and provide an engaging programme of events increasing footfall.
- 2.3 Consideration has also been given to the deliverability of projects, bearing in mind that this is a further one-year allocation. Most of the projects are therefore continuations from the current programme.
- 2.4 A summary of the proposals for each theme is set out below, with a more detailed breakdown included at Appendix 1 and the overall financial summary outlined in Table 1 below.

Table 1: Rotherham LGF programme 2026/27 – financial summary

Themes/Projects	Proposed Amount (£) 26/27		
	Revenue	Capital	Total
Supporting Local Business			
Launchpad (sub-regional)	263,257		263,257
Productivity (sub-regional)	174,708	308,880	483,588
Low Carbon (sub-regional)	26,950	173,050	200,000
Shop Unit Business Grants	110,000	556,655	666,655
Support for new markets	60,000		60,000
Social Value	36,559		36,559
Total	671,474	1,038,585	1,710,059
People and Skills			
Ambition (sub-regional)	122,367		122,367
Core skills (sub-regional)	110,000		110,000
Advance (sub-regional)	208,836		208,836
Skills development for young people	300,781		300,781
Total	741,984	-	741,984
Communities and Place			
Events	424,219		424,219
Community support			
Total	424,219	-	424,219
Total cost of proposals	1,837,677	1,038,585	2,876,262
Total allocation	2,096,047	858,585	2,954,632
Balance remaining	258,370	-180,000	78,370

2.5 Supporting Local Business

Three projects operating across South Yorkshire - Launchpad, Productivity, and Low Carbon - will:

- help entrepreneurs to test and develop their business ideas
- offer wide-ranging support to boost business productivity
- support businesses to transition to the low carbon economy

2.6 Building on the success of this year's Shop Unit Business Grants scheme, grants will once again be available to help businesses improve shop units on designated local high streets and bring empty units back into use. The allocation has been increased to reflect the high demand in 2025/26, with the target areas also expanded.

2.7 In addition, extra resources will be provided during the construction of the new Rotherham Town Centre Markets. This will include support for traders, as well as initiatives to promote the markets, increasing public awareness and attracting additional footfall.

- 2.8 Finally, this theme also proposes further funding to promote the social value agenda in Rotherham, through Barnsley & Rotherham Chamber of Commerce's *Meet the Buyer* events and associated digital campaigns.
- 2.9 **People and Skills**
It is proposed that the Ambition, Advance and Core Skills projects are maintained in 2026/27 as part of sub-regional skills programmes. Ambition will continue to support young people who are not in education, employment or training to understand the range of training and skills pathways available to them, moving them closer to sustained employment. Advance will evolve into a more holistic in-work service, offering both personalised support and group-based training and linking closely with Pathways to Work. The Core Skills strand will become an in-house service able to respond flexibly to residents' needs, offering accredited training in community settings.
- 2.10 These projects, alongside Employment Solutions—which is funded through the Council's core budget—and the Pathways To Work programme form a coordinated approach to supporting residents into and within work.
- 2.11 In addition, this theme includes an allocation to provide further skills development and employment opportunities for young people, building on the successful traineeship programme that was delivered as part of Children's Capital of Culture. This will include an alumni programme for trainees, embedding of the Arts Awards programme within Rotherham Civic Theatre, and the development of a creative education strategy to maintain a focus on creative curriculums in local schools.
- 2.12 **Communities and place**
This theme has previously included the Open Arms Programme of support and advice sessions in neighbourhoods across Rotherham. From April 2026, the government is introducing a new, three-year Crisis and Resilience Fund (CRF) replacing the Household Support Fund. Funded activity should include the provision of 'resilience' services such as the sessions and support offered as part of Open Arms. As such, it is proposed that Open Arms is funded via CRF from 2026/27 and a report on Rotherham's CRF allocation is scheduled for consideration by Cabinet in April 2026.
- 2.13 For 2026/27, the focus for this theme will be an extensive events programme. As well as established events such as the Rotherham Show, UPLIFT and Christmas lights switch on, the programme will include school holiday events across the borough, a new winter festival and a St George's Day event in April.
- 2.14 **Project and programme management**
Whilst SYMCA have provided revenue and capital allocations, they have indicated that there is flexibility to increase the capital allocation. The above proposals take advantage of this flexibility (see Table 1 above).
- 2.15 The proposals also leave a small amount of funding (£78,370) unallocated. This provides flexibility to increase allocations to individual projects or support other activity as priorities emerge during 2026/27.

- 2.16 Following endorsement of the overall programme by Cabinet, it is proposed that the final and revised allocations for individual projects are approved by the Director of Policy, Strategy and Engagement, in consultation with the Leader of the Council.
- 2.17 As with 2025/26, it is intended that projects will be submitted to SYMCA (as the accountable body for the funding) for final approval as a package of projects within a single application (other than projects that are part of South Yorkshire wide programmes). This will enable the Council to have a single contract with SYMCA for the delivery of local projects, streamlining administrative processes and allowing project delivery to commence as quickly as possible.
- 2.18 It is anticipated that there will be no ongoing revenue implications for the Council arising from the proposed programme of activity.

3. Options considered and recommended proposal

- 3.1 The preferred option is the programme of activity set out above, which is deliverable within the one-year window, retains key projects from the current programme, and reflects the Council's priorities.
- 3.2 An alternative option would be to develop and commission an entirely new programme for 2026/27. This would risk losing the infrastructure that has been established to deliver effective activity across the three themes. It would also pose significant risks for developing and delivering an impactful programme within the limited timescales.

4. Consultation on proposal

- 4.1 Discussions have been held with relevant services and partners to develop the proposed programme.

5. Timetable and Accountability for Implementing this Decision

- 5.1 Outline project proposals have already been developed. Subject to Cabinet's endorsement, detailed proposals will be brought forward imminently for approval in line with the delegation in this report.
- 5.2 Ongoing coordination and oversight of Rotherham's LGF programme will be carried out by the Council's Policy, Performance and Intelligence Service, working with project leads across the Council and colleagues in Finance.

6. Financial and Procurement Advice and Implications

- 6.1 The report sets out the proposed allocation of LGF to revenue and capital projects. The planned investments should not result in any additional ongoing costs for the Council. If any additional costs are incurred, these should be managed within the existing service budget allocations and mitigations identified to ensure this does not result in an overspend position.

6.2 Any expenditure with third party suppliers for the supply of goods, works or services arising from the project proposals indicated in this report will be subject to the Council's Financial and Procurement Procedure Rules and the relevant procurement legislation (Public Contract Regulations 2015 or the Procurement Act 2023).

7. Legal Advice and Implications

7.1 The proposed projects are consistent with the requirements of the LGF programme, and it will be necessary for the Council to comply with the funding agreements in respect of the programme. Where necessary, the funding to be provided to the projects referred to in the report will need to comply with the requirements of the Subsidy Control Act 2022.

8. Human Resources Advice and Implications

8.1 Due to the nature of funding arrangements, HR will provide advice in relation to the most appropriate contractual and recruitment options for any new fixed term posts required in line with internal processes.

9. Implications for Children and Young People and Vulnerable Adults

9.1 LGF will have a positive impact for children and young people, with £122,367 allocated to the Ambition project, providing targeted support to young people who face barriers to accessing education and skills provision. In addition, £300,781 is allocated to provide skills and development opportunities following on from the Children's Capital of Culture traineeship programme.

10. Equalities and Human Rights Advice and Implications

10.1 An Equalities Screening (Form A) and Equalities Assessment (Form B) have been undertaken. Both are appended to this report.

10.2 The assessment shows that several projects are specifically focused on breaking down barriers to inclusion and offering opportunities to disadvantaged groups.

10.3 Whilst some projects do monitor the extent to which people with protected characteristics access and benefit from the support provided, this is not comprehensive across the programme. Where relevant and practical, the requirement to collect, analyse and act upon equality-related information will be built into projects' monitoring requirements.

11. Implications for CO2 Emissions and Climate Change

11.1 Activity that could contribute towards an increase in emissions includes the delivery of events, which could see an increase in journeys via private transport and a consequent increase in emissions. The town centre is accessible by public transport for many people. Residents living in and

around the town centre may be able to walk (or cycle) to events unless they have restricted mobility.

- 11.2 The Low Carbon project provides grants to businesses to enable them to reduce their energy consumption and reduce carbon emissions.

12. Implications for Partners

- 12.1 Key partners have been consulted in the development of Rotherham's LGF programme and are involved in delivery.

13. Risks and Mitigation

- 13.1 Active management of the programme through quarterly monitoring and returns provided to SYMCA will enable any over and under commitments to be identified and adjustments made to the programme to ensure full spend and outcomes from the grant.

14. Accountable Officers

Fiona Boden, Head of Policy, Performance and Intelligence,
Policy, Strategy and Engagement Directorate

Approvals obtained on behalf of Statutory Officers:

	Named Officer	Date
Chief Executive	John Edwards	27/02/26
Executive Director of Corporate Services (S.151 Officer)	Judith Badger	24/02/26
Service Director of Legal Services (Monitoring Officer)	Phil Horsfield	25/02/26

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