



**Concurrent meeting of
Prosperous Communities
Committee and Corporate
Policy and Resources
Committee**

Thursday 24th November 2022

Subject: Rural England Prosperity Fund

Report by:

Director of Planning, Regeneration & Communities

Contact Officer:

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Purpose / Summary:

To set out the Council's response to the Rural England Prosperity Fund for approval

RECOMMENDATION(S):

1. That Prosperous Communities Committee approve the interventions set out at 3.5 as the focus for the West Lindsey Rural England Prosperity Fund.
2. That Prosperous Communities Committee recommend that Corporate Policy and Resources Committee approve the submission of the Rural England Fund Addendum as attached at Appendix 1.
3. That Corporate Policy and Resources Committee approve the Rural Fund Addendum for submission by 30th November and delegate any housekeeping amendments to the Chief Executive in consultation with the Chair of this committee.

IMPLICATIONS

Legal: It will be necessary to seek the support of Legal Services Lincolnshire in the drafting of grant funding agreements for both Rural Communities and Rural Business projects.

As set out in the guidance for this fund, council's will contract with government for this additional funding through the UK Shared Prosperity Investment Plan. We are awaiting further information on this process. It is envisaged that a 'Memorandum of Understanding' will be issued to the Council by government. We will seek the support of Legal Services Lincolnshire throughout the contracting process.

(N.B.) Where there are legal implications the report MUST be seen by the MO

Financial : FIN/114/23/MT

The Council have been allocated £795,821 from the Rural England Prosperity Fund to be invested from 1st April 2023 to 31st March 2025.

Aligned to the main West Lindsey UK Shared Prosperity Fund Investment Plan submitted to government in July, the West Lindsey Rural Fund will target a split of 60% of funding invested in rural communities and 40% in rural businesses. The funding split will be kept under review for delivery purposes and any flexibility within the guidance used should it be required.

The proposed profile of funding is as follows (see paragraph 3.5 for definition of interventions):

Rural Communities

Intervention 2.1: 2023/24 £19,895 2024/25 £19,895

Intervention 2.8: 2023/24 £218,850 2024/25 £218,850

Rural Businesses

Intervention 1.1 : 2023/24 £79,582 2024/25 £ 238,749

In addition, internal funding already approved to support businesses within the Feasibility Fund will be used as a revenue match funding stream for the rural business intervention.

The Feasibility Fund reserve has a balance of £150,000 which has previously been approved (FIN/223/19) to support the growth of business by offering grant funding which will facilitate the creation of new jobs and economic activity across the district. There has been little interest/demand in the past three years so it is proposed that the £150,000 currently sat in this reserve be repurposed and utilised as match funding for the rural business intervention to support businesses with revenue costs

(N.B.) All committee reports MUST have a Fin Ref

Staffing :

The Rural Fund Addendum will be integrated into the West Lindsey UK Shared Prosperity Fund Investment Plan where the need for a Programme Manager was identified and approved for funding through the UKSPF allocation.

(N.B.) Where there are staffing implications the report MUST have a HR Ref

Equality and Diversity including Human Rights :

The main UK Shared Prosperity Fund Investment Plan includes an assessment of Equality Considerations and how to tackle inequality in access.

The Investment Plan is designed to support all residents to live the best lives they can and to help our businesses and economies to thrive. The Investment Plan recognises that inequalities in West Lindsey are largely correlated with limited access to opportunities, infrastructure or jobs. This is particularly acute for residents living in areas of severe deprivation or remote rural areas (often both).

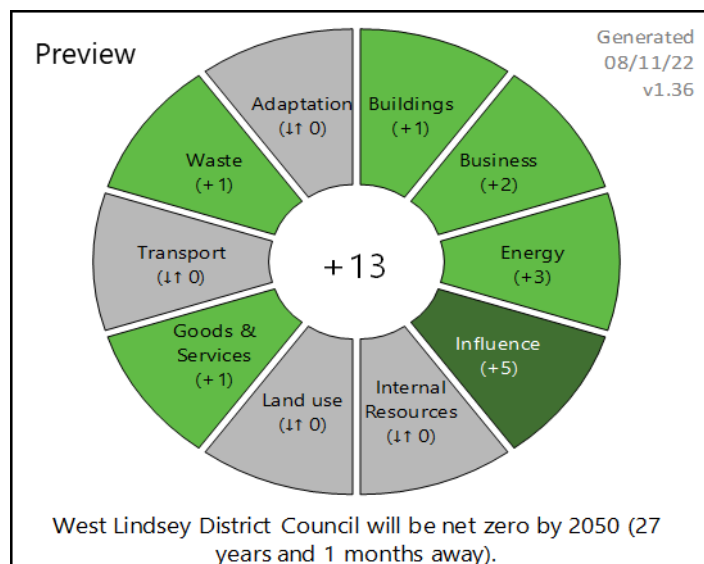
As we move into the implementation stage of our main Investment Plan, a detailed Equality Impact Assessment will be completed for each project within the plan.

Data Protection Implications :

It will be necessary to manage our data protection duties very carefully through each of the grant funding programmes. The Data Protection Officer will be required to support the development of the grant funding application packs and processes to ensure compliance with the law.

Climate Related Risks and Opportunities :

The Climate Environment and Sustainability Impact Assessment Tool has been used to consider the environmental impact of the Rural England Prosperity Fund.



At this stage the CESIA is at a high level as the full extent of investment details is not yet determined. Further impact assessments will be completed as the detail of the proposals are worked up. As the impact assessment sets out, in operating the fund with a focus on climate related opportunities there is the potential to see a positive impact on our climate related outcomes. These include through requiring building use / adaptations, use of renewable energy sources, improvements to business processes and outputs as well as using our role to shape and influence both communities and businesses.

Section 17 Crime and Disorder Considerations :

The investment contained within this fund will have the potential to provide infrastructure that can support the delivery of what can be considered as 'diversionary activities' across arts, culture, heritage and sport and community activities. Engaging in positive community activity is known reduce anti-social behaviour and increase a sense of community and pride in place. We are not required to measure any specific Section 17 crime and disorder outputs or outcomes as part of this fund.

However we will measure both perception of facilities and amenities as well as engagement in activities.

Health Implications:

The investment contained within this fund support a reduction in feelings of social isolation, ability to engage digitally for our communities and with access to arts, heritage, culture and sporting activities. This activity will have positive benefits for the health and well-being of our residents. We are not required to measure any specific health benefits of this funding.

However, we will measure both perception of facilities and amenities as well as engagement in activities.

Title and Location of any Background Papers used in the preparation of this report:

Rural England Prosperity Fund Prospectus

[Rural England Prosperity Fund: prospectus - GOV.UK \(www.gov.uk\)](http://www.gov.uk)

Risk Assessment :

Risk will be managed through the UK Shared Prosperity Fund and as such we are not required to develop a separate risk assessment. The Risk Assessment for the UK Shared Prosperity Fund is being updated to reflect the inclusion of the Rural England Prosperity Fund.

The draft programme wide risk register is included at Appendix 2 for information.

Call in and Urgency:

Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?

i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)

Yes

No

Key Decision:

A matter which affects two or more wards, or has significant financial implications

Yes

No

Executive Summary

In September 2022 the government confirmed that in recognition of the additional 'levelling up' challenges facing rural areas, there would be a 'rural top up' to the main UK Shared Prosperity Fund (UKSPF) to be known as the Rural England Prosperity Fund (REPF).

REPF will be administered and monitored as part of the main UKSPF.

Selected rural areas have been invited to submit an 'addendum' to the Government in order to set out the challenges faced in their rural communities and by rural businesses in order to access the funds. Addendums must be submitted by 30th November 2022.

West Lindsey District Council have been allocated £795,821 to be invested during the period 1st April 2023 to 31st March 2025.

Aligned with the main West Lindsey UK Shared Prosperity Fund Investment Plan this paper sets out that the fund should be invested to support rural community infrastructure, investment into farm diversification and agri – tech to improve productivity and sustainability.

The REPF top up will be delivered, monitored and managed as part of the main UKSPF. The Council have committed to establishing a UKSPF Programme Board to oversee delivery of the programme which will include engagement from key partners across the sectors of community development, business support and skills.

Once the REPF addendum has been submitted officers will present three Full Business Cases to Corporate Policy and Resources Committee as agreed in order to finalise the details of the UKSPF Investment Plan.

The timing of this Full Business Case step will be in part dependant upon when the Government are able to contract for delivery with local authorities.

1. Introduction

- 1.1 On 3rd September 2022 the Rural England Prosperity Fund (REPF) was announced as an addendum to the UK Shared Prosperity Fund.
- 1.2 West Lindsey District Council have been allocated £795,821 to be invested during the period 1st April 2023 to 31st March 2025.
- 1.3 The allocation of funding has taken account of an areas;
 - rural population
 - rural businesses and productivity
 - the importance of farming in each authority area
- 1.4 Rural places across the UK have been provided with an allocation in recognition of the specific challenges faced by rural areas. The prospectus sets out that these challenges include:
 - lower productivity rates
 - poor connectivity
 - poorer access to key services.
- 1.5 These challenges are already highlighted within the West Lindsey UK Shared Prosperity Fund Investment Plan (UKSPF) as important challenges for investment in ‘Levelling Up’ across our district.
- 1.6 The rural fund objectives within the UKSPF investment priorities for community and place and supporting local businesses have been used as the basis for our REPF submission.
- 1.7 In order to access the REPF an ‘addendum’ to our Investment Plan submission is required to be made to government by 30th November 2022. The REPF will be managed as ‘rural top up’ to the UKSPF.

2. The Rural England Prosperity Fund

- 2.1 The REPF provides 100% capital funding to:
 - Support new and existing rural businesses to develop new products and facilities that will be of wider benefit to the local economy. This includes farm businesses looking to diversify income streams;
 - Support new and improved community infrastructure, providing essential community services and assets for local people and businesses to benefit the local economy.

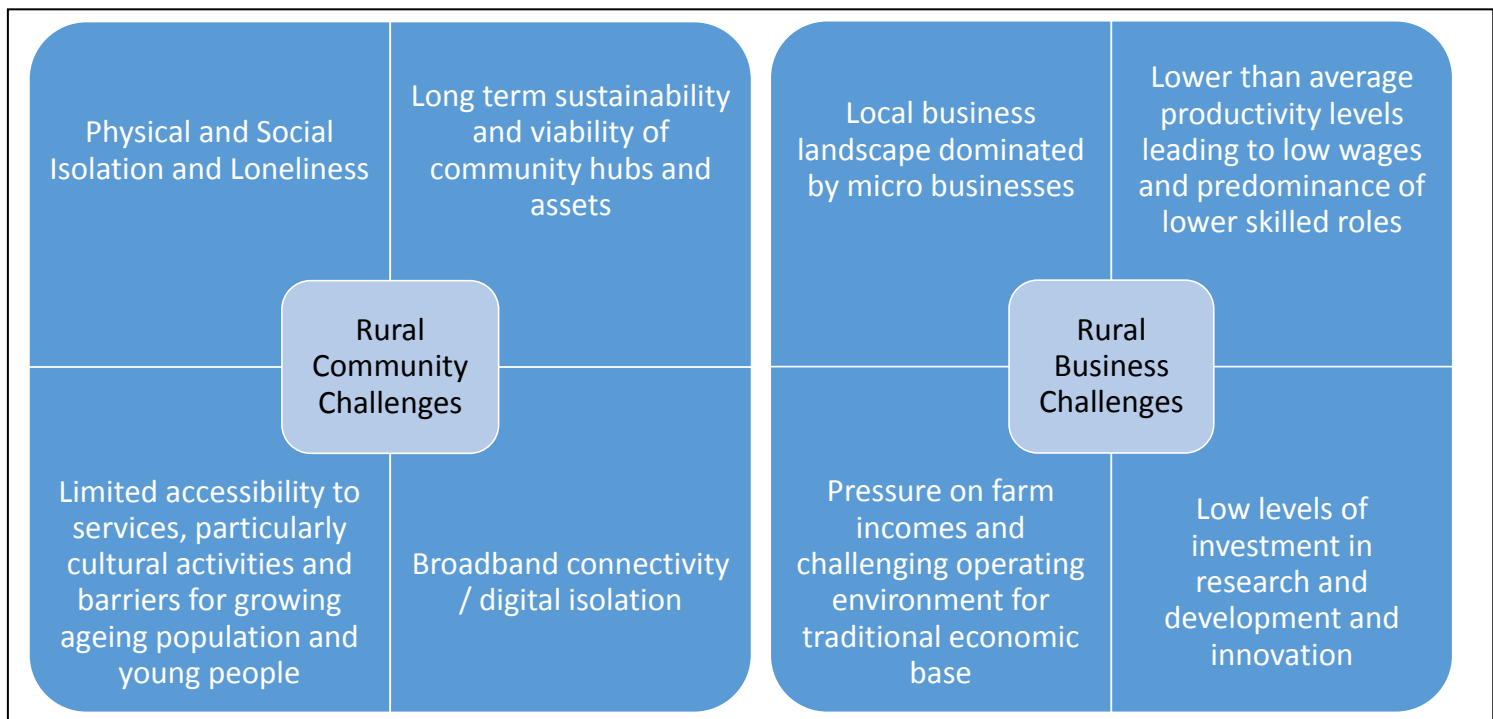
2.2 A set of interventions, outputs and outcomes have been published alongside the fund prospectus. The interventions are closely aligned with those contained within the UKSPF and are designed to achieve the funds aims.

3. West Lindsey approach to REPF

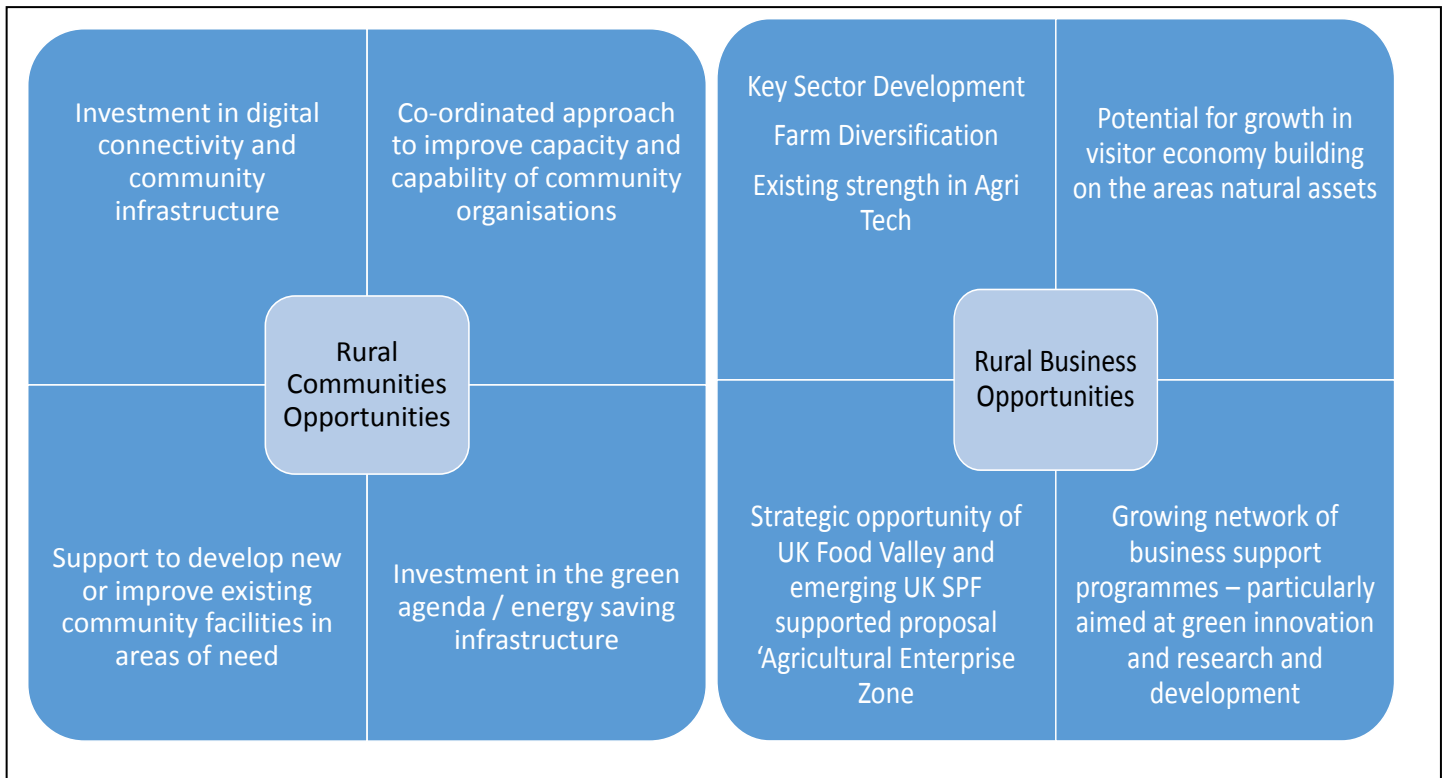
3.1 According to DEFRA’s methodology for classifying rural areas, 99.4% of West Lindsey is classified as predominantly rural including hub towns [Department for Environment, Food & Rural Affairs; 2011 Local Authority Rural Urban Classification]. Therefore, all of West Lindsey’s district wards qualify as eligible to receive funding from the Rural England Prosperity Fund (REPF). However, as some of the UK Shared Prosperity Fund (UK SPF) Investment Plan focused on interventions in Gainsborough, the largest town in West Lindsey, this REPF funding proposal targets investment into the rural wards of West Lindsey.

3.2 A theory of change has been developed to consider the challenges and market failures together with the opportunities for improvement being experienced in our rural communities. This has been strongly informed by the wide ranging and cross cutting engagement completed through the work on the main UKSPF as well as further engagement through this process. See Appendix 3 summary document.

3.3 The challenges are summarised below.



3.4 The opportunities are summarised below.



3.5 Using the challenges developed through the UKSPF Investment Plan work and additional analysis completed for the Rural Fund it is proposed that the West Lindsey investment will be focused on the following interventions from the prospectus:

Rural Communities

2.1: capital grant funding for investment and support for digital infrastructure for local community facilities.

2.8 capital grant funding for impactful volunteering and social action projects to develop social and human capital in local places

Rural Businesses

1.1 capital grant funding for small scale investment in micro and small enterprises in rural areas.

3.6 Intervention 1.1 will be delivered as an extension to 'Project 2.1: Flagship West Lindsey Business Support Programme' in the initial UK SPF Investment Plan. This will provide a capital grant stream as part of the wider business support programme.

3.7 This grant stream will enable increased funding for rural businesses and farms to invest in new capital assets, innovative technologies, and

infrastructure. Examples could include investment in Agri-Tech and to improve productivity or sustainable energy sources such as solar panels. Capital investment in infrastructure is a key and necessary part that will enable the business support programme to be successful and have the desired impact on rural communities in West Lindsey.

- 3.8 This is in line with the opportunities, market failures, and challenges with the focus on supporting farms and rural businesses in innovation and diversification.
- 3.9 Through this intervention, there will be increased funding in the breadth of business portfolios and income streams leading to an increased capacity and capability for local micro and small businesses and improved business security. This diversity of business activities and income streams will help to address the pressures on farm costs and incomes. The introduction of new technologies and commercial activities will improve productivity and increase the demand for highly skilled jobs. Furthermore, through supporting the development and introduction of innovation and diversification this will improve general business adaptability and foster a culture and ability to explore future opportunities for diversification and innovation.
- 3.10 In this way, Intervention 1.1 and the provision of a capital grant stream to the Flagship West Lindsey Business Support Programme will address local rural business challenges, market failures, and opportunities in West Lindsey.
- 3.11 The existing 'Feasibility Fund' which has £150,000 of allocated funding and has seen very little demand over the last 3 years will be re-purposed as a match funding opportunity to support businesses with revenue costs. This is set out within the Financial Implications of the paper.
- 3.12 Interventions 2.1 and 2.8 will be delivered as an extension to 'Project 1.1. Flagship Community Grant Programme' in the initial UK SPF Investment Plan. This will provide a capital grant stream as part of the wider investment in capacity building and infrastructure support for local civil society and community groups.
- 3.13 This grant stream will increase funding for community hubs to develop their capacity and capability and to provide investment in digital infrastructure and broadband. Community hubs are a central feature of local communities in West Lindsey and are essential for social interactions, pride in place, and the delivery of services. In remote rural areas of West Lindsey, they provide a lifeline to communities. Through developing the capacity and capability of community hubs to provide more services and improve their digital infrastructure this will address the challenges, market failures, and opportunities.
- 3.14 Through these interventions, there will be new and improved community facilities that boost community engagement. There will be increased provision, quality, impact, attendance, and perception of local events as

well as improved capacity and capability of community hubs to plan for the sustainable management of community spaces and improved community infrastructure. This will improve the accessibility of services including the introduction of services to new areas. This will increase engagement in community events and activities and improve social capital and reduce isolation.

3.15 Investment in improving digital connectivity will also increase the number of people accessing services and the use of community hubs and facilities. This will enable more communities to be reached and more people to access services.

3.16 In this way, Interventions 2.1 and 2.8 and the provision of a capital grant stream to the Flagship Community Grant Programme will address rural communities' challenges, market failures, and opportunities in West Lindsey.

4. Delivery

4.1 The principle of the REPF being seen as a 'top up' to the UKSPF has been used to help shape our delivery plans. Equally, it has been important to be pragmatic about what the council has the capacity to deliver successfully.

4.2 In this respect this proposal sets out that the two main flagship grant schemes approved through the UKSPF Investment Plan will be 'topped up' by the REPF and the delivery mechanisms shared.

4.3 When approval was provided by the concurrent meeting in July 2022 it was agreed that for each of the three investment themes in the UKSPF, committee would receive a detailed Full Business Case to set out a comprehensive five case model for each theme. Work is underway on this task and the REPF will now be included within the Business Support and Communities and Place businesses cases. For clarity, REPF can not be used to fund interventions within the People and Skills interventions of the UKSPF.

4.4 We are awaiting government approval of the UKSPF investment plan and to this end it is planned that the Full Business Cases will be presented to Corporate Policy and Resources Committee before the end of the financial year.

5. Monitoring and Evaluation

5.1 The REPF will be monitored and evaluated inline with UKSPF. Once contracting for the UKSPF is in place the guidance states that quarterly monitoring across the programme is required to capture spend, progress, forecasting and a narrative position with case studies.

- 5.2 It was proposed in the UKSPF investment plan that a Shared Prosperity Fund Board would be established to bring together community, business and skills reps to over see delivery.
- 5.3 The Shared Prosperity Fund Board will report into the Portfolio Board and the finances of the programme reported quarterly through the budget monitoring process.

6. Next Steps

- 6.1 Subject to committee approval the West Lindsey Rural England Prosperity Fund Addendum will be submitted to the Department for Levelling Up Homes and Communities through the government portal by 30th November 2022.
- 6.2 We envisage that contracting with places will happen post-Christmas 2022 with a view to spend commencing in April 2023.
- 6.3 Corporate Policy and Resources Committee will receive the business cases as set out at 4.3 in early 2023, precise timings of this step will be dependent upon government contracting with local authorities on the fund.

7. Recommendations

- 1. That Prosperous Communities Committee approve the interventions set out at 3.5 as the focus for the West Lindsey Rural England Prosperity Fund.
- 2. That Prosperous Communities Committee recommend that Corporate Policy and Resources Committee approve the submission of the Rural England Fund Addendum as attached at Appendix 1.
- 3. That Corporate Policy and Resources Committee approve the Rural Fund Addendum for submission by 30th November 2022 and delegate any housekeeping amendments to the Chief Executive in consultation with the Chair of this committee.