

UK Shared Prosperity Fund and Rural England Prosperity Fund

Report number:	CAB/WS/22/059	
Report to and date:	Cabinet	8 November 2022
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Decisions Plan: **The decision made as a result of this report will usually be published within 48 hours and cannot be actioned until five clear working days of the publication of the decision have elapsed. This item is included on the Decisions Plan.**

Wards impacted: **All wards**

Recommendations: It is recommended that Cabinet:

- 1. Approves the implementation arrangements for the UK Shared Prosperity Fund (UKSPF) Investment Plan (at Appendix A to Report number: CAB/WS/22/059), subject to funding being received from Government.**
- 2. Approves the West Suffolk Rural England Prosperity Fund (REPF) investment allocations (at Appendix B to Report number: CAB/WS/22/059), for submission to the Department for Environment, Food and Rural Affairs (Defra).**
- 3. Agrees to officers completing the full REPF Defra investment plan addendum template in line with the details contained in Report number: CAB/WS/22/059.**
- 4. Grants delegated authority to the Chief Executive, in consultation with the Leader of the Council, to make changes to the UKSPF implementation plans and the REPF investment plan addendum allocations, following input from the Local Partnership Group.**
- 5. Grants delegated authority to the Portfolio Holder for Resources and Property to implement the approved REPF investment plan addendum once funding has been received from Defra, including implementing minor variations in the funding amounts for each intervention, in order to respond to changing circumstances over the lifetime of the Fund.**

1. **Context to this report**

The UK Shared Prosperity Fund and Rural England Prosperity Fund – Government guidance

1.1 **UK Shared Prosperity Fund**

On 13 April 2022, the Department for Levelling Up, Housing and Communities announced a £2.6 billion fund to support implementation of its Levelling Up White Paper, known as the UK Shared Prosperity Fund (UKSPF). The fund is a successor to EU Structural Funds and covers the period 2022-2025. Full details are set out in the [UK Shared Prosperity Fund: prospectus - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/107123/uksp_fund_prospectus.pdf)

1.2 The Government's stated aim for the fund is to build pride in place and increase life chances across the UK, aligned with the Levelling Up White Paper goals. The vision for the fund is that 'it will lead to visible, tangible improvements to the places where people work and live, alongside investment in human capital, giving communities up and down the UK more reasons to be proud of their area.'

1.3 On 26 July 2022, West Suffolk Council approved its investment plan for submission to the Department for Levelling Up, Housing and Communities, which set out how West Suffolk proposed to spend its £1,943,467, against a selection of the Government's 41 'interventions'.

1.4 Once funding is received, interventions are expected to be delivered through:

- grants to public or private organisations
- commissioning third party organisations
- procurement of service provision
- in-house provision.

This report sets out West Suffolk Council's plans for delivering the approved interventions in 2022-2023 and 2023-2024. A further decision will be required for 2024-2025 in due course.

1.5 **Rural England Prosperity Fund**

On 3 September 2022, the Department for Environment, Food and Rural Affairs announced a further fund, known as the Rural England Prosperity Fund (REPF), or 'Rural Fund' as a top-up to UKSPF (covering the priorities of Communities and Place and Supporting Local Business only).

- 1.6 The funding, which is a successor to LEADER and the Growth Programme (Rural Development Programme for England) is 100 per cent capital funding and covers the years 2023 to 2025 (with a 25:75 split across the years). The aim of the funding is to support the Levelling Up White Paper and Future Farming Programme. Government has advised councils to focus the funding on grants to businesses and community groups. In particular, the Rural Fund provides 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
- 1.7 West Suffolk's allocation is £753,701 (over the two years) and the funding can be used everywhere outside Bury St Edmunds. Full details are available in the [Rural England Prosperity Fund: prospectus - GOV.UK \(www.gov.uk\)](#)
- 1.8 In a similar way to the UKSPF, West Suffolk Council needs to submit to Government a plan for how the £753,701 will be allocated against a set of 'interventions'. This needs to be done through an investment plan addendum. The deadline for submission of investment plan addendums is 30 November 2022 (for approval by January 2023).

2. **Proposals within this report**

Implementation of UKSPF allocations

- 2.1 Following the approval of West Suffolk's proposed UKSPF allocations against interventions by Council in July 2022, officers have been working with portfolio holders to develop plans for implementing each of the allocations.
- 2.2 DLUHC have asked councils to ensure there is a competitive process for project selection wherever possible. For year one of the funding (2022-2023), the Council has not yet received confirmation of West Suffolk's funding from Government and the money has to be spent by 31 March 2023, with outcomes achieved. Direct, competitive processes for project selection are therefore not appropriate for a number of the interventions in year one, especially given the sums of money involved. For these, alternative approaches are therefore being proposed, for example:
- Using previous bidding rounds (for example, Community Chest) to identify suitable projects for funding

- Establishing funding agreements with strategic partners who in turn distribute the funding to appropriate projects
- Direct funding of existing initiatives that meet the criteria for UKSPF

2.3 Appendix A sets out the proposed mechanism for implementing each intervention, for Cabinet's approval. The range of proposed mechanisms and recipients represents a good spread across different sectors, localities and organisation types, all with the aim of building capacity and supporting the Council's growth and families and communities objectives, particularly in the face of current economic challenges.

2.4 **Please note:** Since the Council meeting on 26 July 2022, there has been a change to the funding amounts approved for intervention E33 as follows from £47,160 to £21,222 in year one. This is as a result of a change in the joint Suffolk-wide skills funding proposals that occurred after the Council report had been published.

There are also likely to be changes to the detailed splits of capital and revenue funding for each intervention that were required in the UKSPF application form submitted to Government, in response to the bids received and funding agreements drawn up. The overall capital and revenue splits will remain the same, however.

REPF funding proposals – West Suffolk investment plan allocations

2.5 In a similar way to UKSPF, portfolio holders and officers have worked together on potential funding allocations for REPF, using the following criteria:

- the feedback from engagement
- where EU funding was previously applied
- whether outcomes are deliverable in the timeframes and with the levels of funding available
- how the intervention fits with West Suffolk's existing strategic priorities, in particular, where funding can help build capacity in the longer term
- Government criteria
- where there is evidence of need according to the evidence base (a pack of data and evidence has been prepared by the Suffolk Office of Data and Analytics)

2.6 While the priority for the funding is to get money granted to individual businesses and community groups through a competitive process, some elements of capacity building and fostering growth cannot be carried out by individual organisations. Some require the Council to act as a steward of resources on behalf of businesses and

communities, using REPF funding as a lever to attract match funding and local support.

- 2.7 The overarching proposal for West Suffolk's REPF allocation is therefore that it is used to:
- a. provide infrastructure to support rural areas
 - b. provide direct grant funding to businesses
 - c. provide direct grant funding to voluntary, community and social enterprise (VCSE) organisations
- 2.8 Appendix B sets out the proposed allocation of West Suffolk's funding, for submission to Defra, against the appropriate 'interventions'.
- 2.9 At the heart of the proposed allocation is the aim of supporting West Suffolk's rural areas by building capacity and supporting the local economy and communities, in order to meet the Government's objectives in section 1.6 above.
- 2.10 Once the proposed allocations have been approved, it is recommended that the Chief Executive be given delegated authority to make minor adjustments to the investment plan allocations before submission to Government by 30 November 2022, in consultation with the Leader of the Council.

Implementation of the West Suffolk REPF investment plan

- 2.11 Preparations will need to be made in advance of West Suffolk Council receiving the funding in January 2023 to ensure that local providers can spend the money and deliver the outcomes between October 2022 and 31 March 2023. Officers will develop procurement and commissioning processes to ensure this can be achieved in the timeframe.
- 2.12 Given the long timeframe associated with the REPF implementation as a whole, it is likely that there will need to be changes to the detail of the investment plan over time. This could be as a result of changing priorities for West Suffolk Council; changes in the provider landscape; or changes emerging in the national political or societal context.
- 2.13 It is therefore proposed to give delegated authority to the Portfolio Holder for Resources and Property to implement the approved investment plan once funding has been received from Defra, including implementing minor variations in the funding amounts for each intervention, in order to respond to changing circumstances over the lifetime of the Fund.

3. Alternative options that have been considered

- 3.1 West Suffolk Council could have taken an alternative approach to allocating REPF funding, for example, allocating all the funding into grant pots for businesses and VCSE organisations. However, this would miss the opportunity to fund supporting infrastructure that can have a multiplier effect, supporting a wider range of businesses and communities.

4. Consultation and engagement undertaken

- 4.1 A key part of the Government's design of the UKSPF and REPF is engagement with local partners and stakeholders. West Suffolk Council therefore undertook a significant piece of engagement work in the development of UKSPF in order to ensure a wide range of views were incorporated into the development of the investment plan. This included contacting each district councillor. This engagement work has been used in the development of the implementation plan for UKSPF and the allocation of REPF against interventions. Full details of this engagement were set out in the report to Council in July 2022.
- 4.2 A Local Partnership Group has also since been established, in line with the requirements in the UKSPF prospectus. This group is due to meet on 7 November 2022, to discuss the outline of the proposals in appendices A and B, the outcome of which will be reported orally to Cabinet on 8 November 2022. The group will continue to oversee the implementation of the UKSPF and REPF, receiving six monthly updates from the Leader of the Council.

5. Risks associated with the proposals

- 5.1 **Delayed receipt of UKSPF funding from DLUHC**
Year one of UKSPF funding runs from 1 April 2022 to 31 March 2023, however, funding has yet to be received and so the timeframe for putting funding agreements in place and for partner organisations to deliver outcomes are seriously reduced.

6. Implications arising from the proposals

- 6.1 **Financial**
If approved, the REPF investment plan will result in £753k of new capital funding being received and distributed by West Suffolk Council.
- 6.2 **Legal compliance**
The Council will be required to abide by the terms and conditions of the funding, some of which have been set out in the prospectus, but

more details of which will be received in due course. In particular, the council will be required to abide by subsidy rules in awarding funding to third parties.

6.3 **Personal data processing**

All personal data handled in conjunction with the UKSPF and REPF will relate to individuals in their professional capacity. No additional customer data will be handled by the council as a result of the funding. All personal information (for example, names of respondents, contacts at supplier organisations) received through the engagement process and through the implementation phase will be handled in line with the Council's information governance policies.

6.4 **Equalities**

The proposals in the investment plan allocations support the delivery of the first two of the Council's equalities objectives, namely:

- Champion and promote growth in West Suffolk that recognises the economic value of strong, diverse and healthy workforces and communities and a clean natural environment, alongside growth in productivity.
- Work in partnership with others to support initiatives that focus on prevention and early intervention, particularly on issues such as health, crime and social isolation. In particular, develop innovative new models of supporting residents and businesses to access public services, for example through the Mildenhall Hub and Western Way Development.

6.4.1 A number of the interventions it is proposed to support also have particular emphasis on groups with a protected characteristic.

6.4.2 Each project or package of measures will be screened for equalities considerations in a proportionate way at the point of commissioning or procurement.

6.5 **Crime and disorder**

The overall purpose of the UKSPF and REPF is to build social capital in communities and build pride in place, both of which support reductions in crime and antisocial behaviour.

6.6 **Environment or sustainability**

The UKSPF and REPF prospectuses invite local authorities to ensure that their investment plans contribute to net zero objectives. As such, as well as directly investing in active travel measures (E7) and green skills initiatives (E39), other projects that come forward under other interventions will be encouraged to build in carbon reduction measures. UKSPF and REPF will also sit alongside other funding from

pooled business rates and the Council's investment in net zero measures in order to reduce West Suffolk's carbon footprint over the period of the fund.

6.7 HR or staffing

West Suffolk Council will draw down four percent of the overall value of the funding to support the administration and delivery of the investment plan. Work is underway to determine the best way in which to do this, including the possibility of joint working around the pooled initiatives.

6.8 Changes to existing policies

UKSPF and REPF does not require any changes in existing policies.

6.9 External organisations (such as businesses, community groups)

The role of external organisations in delivery of UKSPF and REPF is set out in the above sections of the report.

7. Appendices referenced in this report

7.1 Appendix A: Proposed implementation plans for West Suffolk UKSPF interventions

7.2 Appendix B: Proposed allocation of West Suffolk Rural England Prosperity Fund allocation

8. Background documents associated with this report

Report to Council 26 July 2022

<https://democracy.westsuffolk.gov.uk/documents/s44592/COU.WS.22.015%20Referral%20from%20Cabinet%20-%20UK%20Shared%20Prosperity%20Fund%20Investment%20Plan%20Allocations.pdf>