

RURAL ENGLAND PROSPERITY FUND

Summary: This paper provides an overview of the Rural England Prosperity Fund, the timescales and the suggested process for taking this forward.

Options considered: In order to obtain grant from this funding source the Council is obliged to submit an application. The Fund is non-competitive and secures significant investment into the District. Failure to submit a compliant plan would miss a key funding opportunity.

Conclusions: The Rural England Prosperity Fund provides greater powers than under the previous EU funded models to support rural businesses and communities. At this stage Local Authorities do not need to provide detailed specifics as to how the fund will operate. However, the Council will need to submit an application to the Government (by 30 November 2022) which outlines the local rural challenges and the suggested interventions that need to be made to support them.

Recommendations:

- 1.To note the contents of the report.**
- 2.To endorse the process for developing the REPF Addendum to the UKSF. It is proposed that this follows the same principles and processes that were adopted to develop the UKSPF Investment Plan and will be led by the Economic Growth Manager and Assistant Director for Sustainable Growth, in consultation with the Portfolio Holder for Sustainable Growth. An established Local Partnership Group, composed of a variety of key local stakeholders, is already in place and will help to inform and shape the final submission. However, given that this fund is more rural focussed, there is likely to be value in inviting additional stakeholders representing aspects of the rural economy.**

Reasons for Recommendations: This fund will help the Council in its delivery of the Corporate Plan objectives of 'Boosting Business Sustainability and Growth' and 'Quality of Life'.

LIST OF BACKGROUND PAPERS AS REQUIRED BY LAW

(Papers relied on to write the report, which do not contain exempt information and which are not published elsewhere)

Cabinet Member(s)
Cllr. Richard Kershaw

Ward(s) affected
All

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1. Introduction

- 1.1 The Rural England Prosperity Fund (REPF) is a top-up to the UK Shared Prosperity Plan (UKSPF) and is available to eligible Local Authorities in England. It succeeds EU funding from LEADER and the Growth Programme, which were part of the Rural Development Programme for England.
- 1.2 The REPF is intended to support the aims of the Government's Levelling Up White Paper and Future Farming Programme. It will fund capital projects for small businesses and community infrastructure. It is intended to help to improve productivity and strengthen the rural economy and rural communities.
- 1.3 Eligible Local Authorities will qualify for an allocation based on factors developed in line with the scheme objectives. Not all authorities with rural areas are eligible. The methodology behind the allocation took into account rural population, rural businesses and productivity and the importance of farming within each authority area.
- 1.4 A total of £110 million is available for financial years 2023 to 2024 and 2024 to 2025. North Norfolk has been awarded **£1,457,851**. Locally, North Norfolk has the second highest allocation, slightly behind the Borough Council of Kings Lynn and West Norfolk.
- 1.5 It is anticipated that North Norfolk will receive £1,238,269 from the UKSPF, which is expected to be confirmed in the autumn. Collectively North Norfolk will therefore receive a total allocation £2,696,120 from the UKSPF and the REPF which will need to be defrayed before the end of March 2025.

2. Aims of the Fund

- 2.1 The REPF will provide capital funding (only), which can be used 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, and/or;
 - new and improved community infrastructure, providing essential community services and assets for local people and businesses to benefit the local economy.

2.2 Investments supported under this fund will need to demonstrate value for money and additionality. The interventions will also need to consider how investments contribute to net zero and nature recovery objectives.

3. Delivery of REPF

3.1 Local Authorities are required to deliver projects within the UKSPF framework and will be responsible for submitting a supplementary application to the UK Government for approval.

3.2 Local Authorities will need to consult local rural partners to deliver the Fund, which could be through the use of the previously established UKSPF Local Partnership Group. Local Authorities are also encouraged to engage with their local MPs.

3.3 Once the submitted additional information is approved and funding allocated, the Local Authority will be responsible for deciding how to award grants administered under the scheme. This will involve:

- managing local project calls for selecting projects in line with approved plans;
- approving applications;
- contracting with successful applicants;
- making payments;
- day-to-day monitoring.

3.4 The Local Authority will need to conduct due diligence and ensure REPF beneficiaries have robust business plans which demonstrate the viability and success of projects. Local Authorities will also need to ensure that there is no duplication of funding.

3.5 Any organisation with legal status can get funding to deliver a REPF intervention. This may include:

- local authorities
- public sector organisations
- higher and further education institutions
- private sector companies
- voluntary organisations
- registered charities
- arms-length bodies of government

3.6 The REPF cannot support projects that have received funding from other Defra schemes and cannot be used to support projects or costs where there is a statutory duty to provide them.

3.7 Match or co-funding under the Rural Fund is not mandatory. However, submissions should consider match funding and leveraging options from the

private, public and third sectors. This will maximise the value for money and impact of the Fund.

4. REPF Process and Assessment

4.1 The Government will use information that has previously been submitted within the Council's UKSPF Investment Plan. To access the Fund, Local Authorities must complete a short template. This is an addendum to the UKSPF investment plan. The additional information will build on the UKSPF Investment Plan.

4.2 The REPF platform launched on **12 September 2022**. The submission window opened on **3 October 2022 and** closes on **30 November 2022**. First payments are expected to be awarded in **April 2023**.

4.3 When assessing the proposals, the Government will consider:

- how well the proposals meet the strategic objectives of the REPF. The submission will need to identify the interventions and outcomes that the Council wishes to prioritise. This will need to be selected from a menu of interventions appended to the Prospectus and must include a justification for each intervention selected;
- how the Council will ensure value for money and additionality, including whether projects could be funded using private finance;
- how projects could unlock future private investment, and;
- how the Council has, and plans to engage, with rural partners.

4.4 As with the UKSPF, if the Government cannot sign off the additional information first time, they will provide feedback and will work with the Council to secure sign off.

4.5 The Government will make an annual payment to eligible Local Authorities. This will be at the beginning of each financial year. However, the Government may alter payment cycles where there are performance or delivery issues. Any underspends at the end of each financial year will need to be returned.

5. Financial & Resource Implications and Risks

5.1 There are a number of potential resource implications. The Council will need to capture the outcomes (periodic reports, collating data, variations etc.) of the project delivery and monitor its expenditure. Developing and delivering grant schemes are notoriously resource intensive and so this will need to be monitored.

5.2 The guidance for the UKSPF allows the Council to use 4% (~£50,000) of the fund to support its administration. The Government have indicated that there will be **no additional funds** to support the additional burdens of the grant schemes developed under the REPF. However, the Council is currently recruiting into the post of Economic Programmes and Funding Manager. The functions of this role will include monitoring the UKSPF/REPF, potentially supported by an administrator funded through the 4% UKSPF administration allocation.

6. Sustainability

6.1 Projects delivered under this funding will need to need to consider how they contribute to net zero and nature recovery objectives.

7. Equality and Diversity

7.1 There are no direct equality and diversity considerations to note in relation to the content of the report.

8. Section 17 Crime and Disorder considerations

8.1 There are no direct equality and diversity considerations to note in relation to the content of the report.

9. Conclusion & Recommendations

9.1 The Rural England Prosperity Fund, whilst modest in value and limited to supporting capital projects only, represents an opportunity over the forthcoming next two financial years for the Council to have greater control and (theoretically) less bureaucracy to invest in local priorities than under the previous EU rural fund model. More detail is still anticipated from the Government in due course, but the Council shortly needs to commence the process of outlining its key challenges in a rural context and determine the priority interventions that will be implemented to help overcome them. At this stage Local Authorities do not need to provide the details as to how the fund will operate.

9.2 Recommendations:

1. To note the contents of the report
2. To endorse the process for developing the REPF Addendum to the UKSF. It is proposed that this follows the same principles and processes that were adopted to develop the UKSPF Investment Plan and will be led by the Economic Growth Manager and Assistant Director for Sustainable Growth, in consultation with the Portfolio Holder for Sustainable Growth. An established Local Partnership Group, composed of a variety of key local stakeholders, is already in place and will help to inform and shape the final submission. However, given that this fund is more rural focussed, there is likely to be value in inviting additional stakeholders representing aspects of the rural economy.