

UK Shared Prosperity Fund (UKSPF) and Rural England Prosperity Fund (REPF)

Summary:

UK Shared Prosperity Fund (UKSPF)

The UKSPF is a central pillar of the UK government's Levelling Up agenda and is the successor funding model to the former EU Structural Funds. It will provide £2.6 billion of new funding for local investment by March 2025, with all areas of the UK receiving an allocation from the Fund via a funding formula rather than via competitive bidding.

NNDC has been allocated £1,238,269 from this fund which is to be delivered over three financial years (22/23-24/25). The intention of the fund is to invest in local priorities, targeted towards a number of areas: building pride in place, supporting high quality skills training, supporting pay, employment and productivity growth and increasing life chances. There are three UKSPF investment priorities: communities and place; supporting local business; and people and skills.

Rural England Prosperity Fund (REPF)

The Rural England Prosperity Fund (REPF) is a top-up to the UKSPF and is available to eligible local authorities in England where communities and businesses face specific rural challenges. It succeeds EU funding from LEADER and the Growth Programme which were part of the Rural Development Programme for England. Nationally, a total of up to £110 million is available for financial years 2023 to 2024 and 2024 to 2025.

North Norfolk District Council have been conditionally allocated £1,457,851. To secure this allocation, an addendum to the UKSPF Investment Plan was submitted to DEFRA in November for approval.

Conclusions:

The allocation of UKSPF and REPF funding, subject to approval of the REPF Addendum, will support businesses and communities in North Norfolk to address a number of identified local challenges. This will be achieved through the development of a number of business and community support programmes and grants and will seek to complement existing business and community advice and funding support.

Recommendations:

1. To note the contents of the report.
2. To confirm Cabinet's support for the anticipated approach to the delivery of a range of programmes/grants that will be delivered by this funding and to delegate the establishment and processes for their delivery, including the commission and procurement of delivery partners, to the Portfolio Holder for Sustainable Growth and the Assistant Director for Sustainable Growth.

Reasons for Recommendations:

This recommendation is being made in order to deliver the UKSPF and REPF schemes within the timescales of the funding programmes.

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)

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1. Introduction

1.1 The UKSPF and REPF will provide over £2.7 billion of new funding for local investment nationally by March 2025 and are a replacement model to the former EU funding mechanisms. As the Local Authority, NNDC has responsibility for determining the allocation of the funding and its delivery within North Norfolk. In order to help shape and determine the priorities for this funding a Local Partnership Group was formed, composed of a variety of key local stakeholders and representatives within the community, business and rural groups. Support was also provided by the two local MPs and their offices.

2. Scope of the schemes

UK Shared Prosperity Fund (UKSPF)

- 2.1 On 7 December 2022 the Council received confirmation that its Investment Plan had been approved and would receive total funding of £1,238,269, which will be provided in tranches. NNDC has recently received the first allocation of funds (£150,275) for this financial year. The indicative allocation for 2023/24 is £300,551 and £787,443 in 2024/25.

The interventions identified within the approved UKSPF Investment Plan are:

Communities and Place

1. Funding for new, or improvements to existing, community and neighbourhood infrastructure projects;
2. Funding for the development and promotion of wider campaigns which encourage people to visit and explore the local area;
3. Community measures to reduce the cost of living, including through measures to improve energy efficiency, and combat fuel poverty and climate change;
4. Funding to support relevant feasibility studies;

Supporting Local Business

5. Strengthening local entrepreneurial ecosystems, and supporting businesses at all stages of their development to start, sustain, grow and innovate, including through local networks;
6. Supporting decarbonisation and improving the natural environment whilst growing the local economy. Taking a whole systems approach to invest in infrastructure to deliver effective decarbonisation across energy, buildings and transport and beyond, in line with our legally binding climate target. Maximising existing or emerging local strengths in low carbon technologies, goods and services to take advantage of the growing global opportunity;

People and Skills

7. Tailored support to help people in employment, who are not supported by mainstream provision to address barriers to accessing education and training courses. This includes supporting the retention of groups who are likely to leave the labour market early

Rural England Prosperity Fund (REPF)

- 2.2 In recognition of the fact that rural business and communities often experience a range of differing challenges from their urban counterparts, the Government introduced further funding for eligible rural areas. The REPF will provide funding support for rural businesses and communities. The scheme definition of 'rural' includes all of the North Norfolk district. The interventions identified within the REPF addendum plan are:

Rural businesses

- 2.3 The funding for businesses (capital grants) is for:
- i. Small scale investment in micro and small enterprises in rural areas. Including capital funding for net zero infrastructure for rural

businesses, and diversification of farm businesses outside of agriculture to encourage start up, expansion or scale up of these businesses where this involves converting farm buildings into other commercial or business uses.

Community groups

- 2.4 The funding for community groups is for:
- i. Funding (capital grants) for investment in capacity building and infrastructure support for local civil society and community groups.
 - ii. Funding (capital grants) for existing cultural, historic and heritage institutions that make up the local cultural heritage offer.
 - iii. Funding (capital grants) for impactful volunteering and social action projects to develop social and human capital in local places.
- 2.5 Capital grant funding scheme(s) will be established to support rural businesses and rural communities.

Local Partnership Group

- 2.6 The North Norfolk Local Partnership Group (LPG) were engaged in the identification of key local priorities and agreement for selected interventions within the Investment Plan. Key stakeholders representing rural businesses, farmers and landowners and the community, voluntary and social enterprise sectors operating in rural North Norfolk were invited to join the Local Partnership Group and to help shape and inform the development of the REPF addendum. The expanded Local Partnership Group (to include more rural representation) met to review the priorities, challenges and opportunities for businesses and communities and the focus of the REPF interventions that could best address them. The LPG will continue to meet regularly to monitor delivery and evaluate the impact of the UKSPF and REPF grant investment.

3 Funding Allocations

- 3.1 The UKSPF and REPF indicative spend profiles in the UKSPF Investment Plan and addendum are:

Year	UKSPF Allocation	REPF Allocation
2022-23	£150,275	-
2023-24	£300,551	£364,463
2024-25	£787, 443	£1,093,388
Total	£1,238,269	£1,457,851

4 Delivery

- 4.1 As the lead authority, NNDC has responsibility for the local delivery of the funds and managing the process for assessing and approving applications, processing payments and monitoring outputs. The Council has flexibility over how the funds are delivered and to consider appropriate processes for the

dissemination of the funding, which can include commissioning other appropriate delivery partners who may take on some of these functions in order to successfully deliver a single or set of priority interventions

- 4.2 NNDC will effectively be the accountable body responsible for overseeing delivery of projects and the distribution of funding in accordance with corporate policies and standards and available resources. Appropriate processes are being explored and costed currently and will be established to ensure the interventions in the UKSPF Investment Plan and REPF Addendum can be administered, monitored and delivered effectively with value for money and within the scheme deadlines. It is recommended this process is delegated to the Portfolio Holder/Assistant Director to ensure funds can be delivered from April 2023 (REPF and Y2 UKSPF). Given the limited delivery window, UKSPF funding has been committed to established projects in the current financial year (Y1 2022-23), including to the North Norfolk Sustainable Communities Fund, the Go Digital scheme (to support business digitalisation) and tourism marketing.

5 Corporate Plan Objectives

- 5.1 The matters addressed in this report relate to and support the following Corporate Plan objectives and delivery themes:

- **Boosting business sustainability and growth**
- **Quality of life**
- **Financial sustainability and growth**

6 Medium Term Financial Strategy

- 6.1 There are not considered to be any material impacts upon the MTFs as a result of the recommendations in this report.

7 Financial and Resource Implications

- 7.1 Funding is provided by an allocation determined by funding formulas rather than via a competitive bidding process. As such, the funding is guaranteed. Failure to not spend an annual allocation within any given year (except the final year) will not mean that funds will need to be returned. However, the Government may potentially hold back the following years allocation if a suitable plan has not been provided that provides satisfactory reassurance as to how the funds will be committed.
- 7.2 The UKSPF provides an administration allocation of 4% to support its delivery. However, no allocation was provided to support the administration of the REPF. As such, options are being explored as to how the UKSPF funds can be optimised to ensure the successful dissemination of both funds.

8 Legal Implications

- 8.1 There are no immediate legal implications thought to arise from matters outlined in this report or recommended course of action. However, during the development of the programme there will be the need to procure support or services and to deliver grant schemes. Legal advice will be sought as required and Council procurement and governance procedures will be adhered to.

9 Risks

- 9.1 The UKSPF funding awarded and the REPF funding allocated must be committed and defrayed by March 2025 as set out in the Investment Plan and Addendum. Unspent funds will need to be returned.

10 Sustainability

- 10.1 There are not considered to be any impacts upon sustainability as a result of the recommendations in this report.

11 Climate / Carbon impact

- 11.1 There are not considered to be any specific impacts on climate/carbon as a result of recommendations in this report.

12 Equality and Diversity

- 12.1 There are not considered to be any impacts upon equality and diversity as a result of the recommendations in this report.

13 Section 17 Crime and Disorder considerations

- 13.1 There are not considered to be any impacts upon crime and disorder as a result of the recommendations in this report.