UK Shared Prosperity Fund and Rural England Prosperity Fund Review and UK Shared Prosperity Fund Transition Year 2025-26	
Executive Summary	The UK Shared Prosperity Fund (UKSPF) was a three-year Government funding programme 2022 – 2025 with an allocation to NNDC of £1.2 million for North Norfolk. The Rural England Prosperity Fund (REPF) was a two-year Government programme 2023 – 2025 of capital grant funding of £1.4 million awarded to NNDC. Both programmes aim to support local economic priorities. Collectively the grant and support schemes delivered locally have leveraged an additional £2,858,782 of public, private and community sector investment across the District. At the time of producing this report both programmes are on track to complete and be fully defrayed by 31 March 2025. The total value of programmes that are delivering support to communities and businesses in the District equate to £5,554,899. In mid-December 2024 the Government announced an additional year of UKSPF transition funding for 2025-2026. NNDC was awarded £405,095 comprising £330,302 revenue and £74,793 capital. On 4 March the government announced that the REPF will be extended for a further year with up to £33 million available nationally to support economic growth but the scheme outline and the expected award to NNDC are yet to be confirmed.
Options considered	No other options considered. This report provides detail on the delivery of the UKSFP/REPF programmes to-date and it details the forthcoming 2025/26 programme as agreed by Cabinet.
Consultation(s)	Portfolio Holder for Sustainable Growth Director of Resources/S151 Officer Monitoring Officer
Recommendations	It is recommended that the Committee considers the evaluation report and makes any observations on the delivery of the programme and its outputs/outcomes to Cabinet.
Reasons for recommendations	The report is to bring matters concerning the delivery of these significant programmes to the attention of the Committee. No substantive recommendation is necessary.
Background papers	N/A

Wards affected	All Wards
Cabinet member(s)	Portfolio Holder for Sustainable Growth

Contact Officer	Jenni Jordan – Economic Programmes & Funding Manager jenni.jordan@north-norfolk.gov.uk Stuart Quick – Economic Growth Manager stuart.quick@north-norfolk.gov.uk

Links to key documents:	
Corporate Plan:	Investing in Our Local Economy & Infrastructure Our Greener Future Developing Our Communities
Medium Term Financial Strategy (MTFS)	The programmes were operated with external grant funds, and they do not impact upon the MTFS. The forthcoming delivery of the UKSPF transition programme further utilises external grant funds and has been agreed by Cabinet. It will not impact upon the MTFS.
Council Policies & Strategies	North Norfolk Economic Growth Strategy & Action Plan

Corporate Governance:	
Is this a key decision	No
Has the public interest test been applied	N/A
Details of any previous decision(s) on this matter	Cabinet decision to commence delivery of the programmes: UKSPF and REPF Cabinet 6 March 23 - Final.pdf Cabinet resolution on 3 February 2025 – to support the following recommendations: 1. To confirm Cabinet's support for the approach to the UKSPF programme (transitional year 2025/26) outlined in this report 2. To delegate to the Assistant Director for Sustainable Growth, in consultation with the Portfolio Holder for Sustainable Growth, the detailed definition of the projects to be delivered within the overall programme headings and the commissioning of specific projects and the procurement and/or appointment of any project delivery partners or contractors, as appropriate.

1. Purpose of the report

1.1 This paper provides an overview of the local delivery of the Government's UK Shared Prosperity Fund (UKSPF) and Rural England Prosperity Fund (REPF) 2022-2025 programmes. The report outlines the programme aims and priorities and illustrates each of the individual projects that were delivered as part of the programmes. Each appendix to this report highlights the delivery targets and what the project achieved, the level of funding, the financial leverage, case study examples and GIS mapping and details of the beneficiary businesses, community groups and households demonstrating the geographic spread across the district. A measure of social return on investment (social value) has also been included where available.

1.2 In addition, this report provides an outline of the workstreams identified for the 2025/26 transition year for UKSPF. These are aligned to the Government's published missions and themes. This programme will be delivered between 1 April 2025 and 31 March 2026.

2. UKSPF Introduction & Background

2.1. The UK Shared Prosperity Fund (UKSPF) formed a central pillar of the former Government's Levelling-Up agenda. North Norfolk's allocation of £1,238,269 over three years 2022 – 2025 has been managed by NNDC and delivered in collaboration with a range of partner organisations.

2.2. The intention of the fund was 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. In order to secure the funding an Investment Plan was produced, informed through engagement with a specially created Local Partnership Group (LPG) composed of a range of stakeholders, including business and business support representatives (Federation of Small Businesses FSB, Norfolk Chamber of Commerce and New Anglia Growth Hu), community organisation representatives (Community Action Norfolk CAN and Norfolk Community Foundation), representatives of rural agricultural businesses (National Farmers Union NFU and Country Landowners Association CLA) and the two local MPs.

2.3. The UKSPF Investment Plan that was developed, aligned with the following (previous) District Council Corporate Plan objectives:

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

2.4. The provision of funds (for both UKSPF and REPF) to local authorities for the final year (2024-25) was determined by the Government based on the level of defrayal in the prior years, with a sliding scale applied based on past performance. Councils in underspent positions received a reduced amount or no funding at all for year 3 (2024-25), many having to forward fund their programmes from their own resources; whereas NNDC was one of the few authorities regionally that received 100% of the funding in advance for both UKSPF and REPF in 2024-25.

3. Programme Overview

3.1. The programme had the following three thematic strands, with each having a number of delivery interventions. Schemes were developed to deliver a set of prescribed outputs and outcomes with grant funding split between the strands (**see Fig 1.1**).

- Supporting local business

- Community and Place
- People and Skills

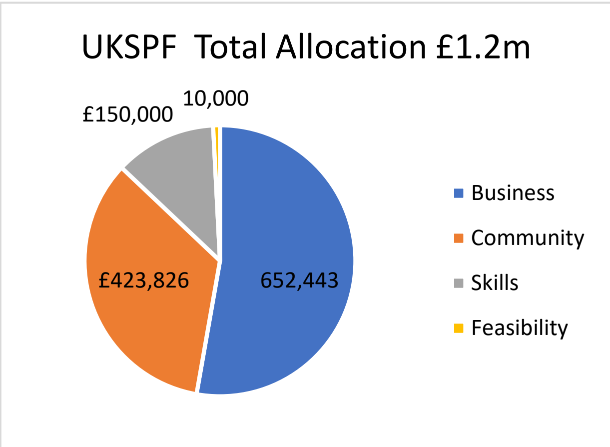
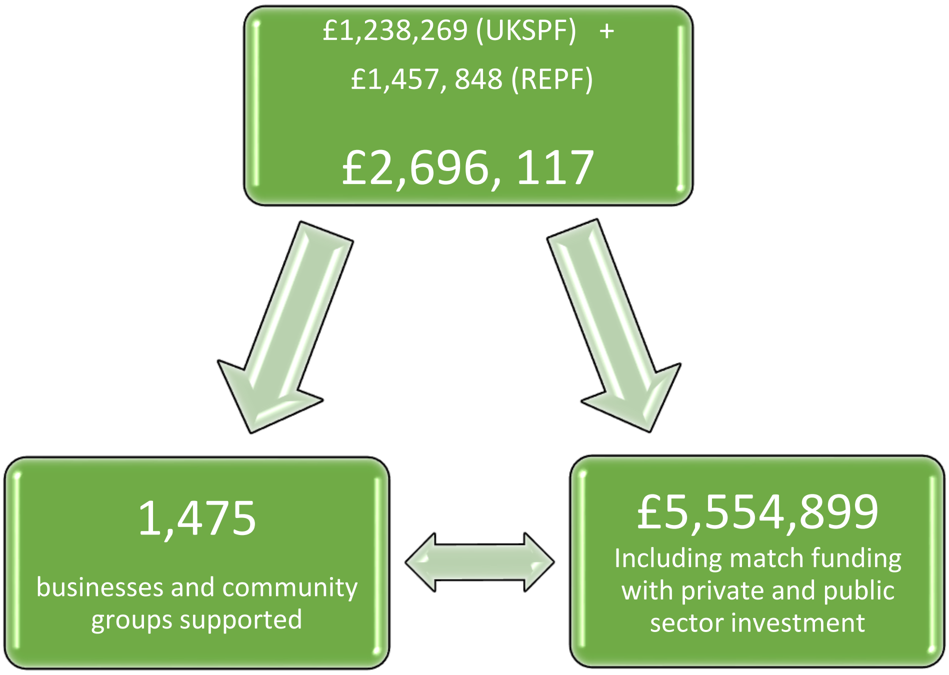


Fig 1.1 Allocation split by thematic strands

Figure 1.2 Total UKSPF and REPF funding, match funding and numbers of businesses and community groups supported

3.2. Figure 1.2 shows total investment and the number of beneficiaries across the two programmes. In addition to the government funding, more than £2.8 million has been leveraged from businesses, community groups and additional public sector investment. In total 1,475 businesses and community groups have benefitted from the two programmes between 2022 and 2025 supporting many local residents and employees.



4. Delivery addressing local priorities

4.1. **Addressing lack of digitalisation and supporting business resilience.** A feasibility report commissioned prior to the pandemic investigated how productivity could be improved if companies adopted new digital technologies. A pilot scheme, developed by Norfolk County Council and delivered and evaluated in 2021, demonstrated the need for one-to-one support to help businesses understand what digital tools could improve their business operations. This encompassed working with a trusted advisor to conduct an audit to identify areas for improvement or new investments in digital technology. The UK Digital Strategy (June 2022) identified the need for SMEs to innovate through better use of digital technologies enabling businesses to gain competitive advantages, create high-skilled jobs and boost national productivity.

4.2. The 'Go Digital' scheme was developed to support business digitalisation and to help them to access specialist advice. A small grant element was also included to enable businesses to purchase hardware, software or further specialist support to improve their resilience, increase their online presence, productivity and support growth.

4.3. Go Digital North Norfolk has supported two hundred businesses. Each business received nine hours of free specialist 1:1 advice and a bespoke action plan with recommendations. Of those engaged in the programme, one hundred and sixty businesses received a grant of up to £500 towards items identified within their Action Plan. This programme delivered so successfully that an additional £101,500 was leveraged from Norfolk County Council to deliver advice to a further one hundred and twenty businesses and provide an additional ninety-five business grants. This is thought to be the highest total delivery of all participating Norfolk local authorities. **See Appendix 1.**

4.5 **Supporting community resilience.** The importance of community facilities to settlements in the District and the need for investment to make them fit for modern purposes is recognised.

4.4 The Sustainable Communities Fund was therefore supplemented during the first two years of the programme to offer grant funding of up to £15,000 for small-scale capital projects.

4.5 The Sustainable Communities Fund grant panel reviewed applications and allocated grant funding for fourteen projects. **See Appendix 2** for details of the projects supported.

4.6 **Addressing energy costs and decarbonisation of businesses.** Businesses are facing huge challenges with rising energy costs. Providing support to help achieve energy efficiency and decarbonisation will help them identify savings that may lower their energy costs.

4.7 A project was developed that involved offering business advice and grants to support measures to achieve energy efficiency resulting in lower energy costs. Alongside support for their business decarbonisation, this will support the Government's Net Zero Strategy and the Council with its Net Zero 2030 Strategy & Climate Action Plan.

4.8 The Decarbonisation and Growth audit and grant programme supported businesses with independent advice, alongside the opportunity to apply for grant funding to implement identified measures. This programme ran for a single year 2024-25 and supported 150 North Norfolk businesses. The grant pot of £50,000 required a minimum of a 50% match delivered 9 grant-funded projects, thus leveraging in significant additional private funding. **See Appendix 3**.

4.9 **Addressing fuel poverty**. Residents with poorly insulated homes face increasing energy costs. Much of the inflationary pressure on household incomes is from rising energy prices, further exacerbating a trend of increasing fuel poverty in the District.

4.10 The Cost of living programme ran for one year 2024-25 and this programme supported the implementation of energy efficiency measures for local households via an advice and a grant programme. It was designed to complement the Home Upgrade Grant (HUG 2) grant scheme, which was administered and delivered by Norfolk Warm Homes.

4.11 Identified homes were eligible for retrofitting work to support home improvements such as insulation, windows, doors and heating and twenty-five homes benefited and became more energy efficient, saving carbon and reducing heating costs. Leveraged funding was in excess of £442,000. **See Appendix 4.**

4.12 **Support for tourism as a key sector in the local economy**. Information from the Economic Impact of Tourism report 2023, demonstrates that the District's visitor economy is worth to £520m, with 8,400 full time equivalent jobs, resulting in over 27% of all employment being associated with tourism in north Norfolk.

4.13 The Destination Marketing programme supported the development and delivery of promotional campaigns, encouraging people to visit and explore the local area. This was funded for two years (2022/23 and 2023/24) and delivered by the local destination Marketing Organisation (DMO) Visit North Norfolk (VNN).

4.14 VNN ran a series of promotional and marketing campaigns, driving traffic to the Visit North Norfolk website, and consequently local visitor economy businesses. Alongside marketing, VNN supported in excess of 200 visitor economy businesses through implementation of destination marketing campaigns aimed at increasing footfall and driving a significant increase in traffic to digital platforms encouraging people to visit. In addition a sector conference was held along with training sessions, workshops and one-to-one assistance to tourism businesses. **See Appendix 5.**

4.15 **Supporting People and Skills.** Skills, deficits and labour shortages are common to many local businesses but are particularly prevalent in hospitality, agriculture, transportation, food processing, retail and social care, which reduces business productivity and constrains service provision. There are no training providers located within North Norfolk, consequently, employees wishing to engage in training are having to travel significant distances

4.16 Future Skills Now was a one-year programme (2024 -2025), which encouraged businesses to identify their skills and training gaps. It also delivered a grant fund to help achieve the ambitions and address the issues identified.

4.17 Seventy-six businesses complete an audit to identify their needs. A funding pot of £85,000 was made available (at a 75% intervention rate) supporting 64 grants to train and upskill the workforce of participating businesses, increasing qualifications, helping retention of existing staff and supporting business resilience. **See Appendix 6**.

4.18 **Support for small and medium sized enterprises (SMEs).** Businesses of this scale tend generally to be less well informed about opportunities (business support, grants etc.), and are frequently less able to obtain commercial lending. Engagement with local businesses identified a number of fundamental structural issues in businesses. It is commonly observed that there is a lack of strategic planning and knowledge i.e. businesses only 'know what they know'. A need was identified for professional advice and guidance to maintain competitiveness and productivity and support business sustainability and growth.

4.19 A partnership was developed with Norfolk County Council's Growth Hub who provide a range of support and 1:1 advice, in person or virtually, and delivered access to training and support workshops.

4.20 In addition, NNDC Economic Growth team developed a business engagement programme (BEP) supporting businesses with a range of networking opportunities, collaborative events, sector specific workshops and online resources through Invest North Norfolk.

4.21 One hundred and sixty-seven businesses were supported (to date) through specialist knowledge and advice through a two-year programme (2023/24 and 2024/25) via the Growth Hub. Additionally over 200 businesses have engaged with the BEP. **See Appendix 7**.

4.22 Under this programme the Growth Hub also supported the delivery of the Rural England Prosperity Fund grant programme (see below) (£1.4m two year capital funding programme) with services including administration, due diligence, appraisal, monitoring, reporting and grant award payment. **See Appendix 8**.

5. Rural England Prosperity Fund – Introduction and Background

5.1 The Rural England Prosperity Fund (REPF) was introduced as part of the Government's Levelling Up White Paper and the Future Farming Programme. It provided funding for capital projects aimed at small and medium-sized enterprises, as well as community infrastructure initiatives. The primary objectives of the fund were to enhance productivity, bolster the rural economy, and strengthen rural communities. Additionally, it supported projects designed to address the unique challenges faced by rural areas.

5.2 The capital-only allocation for North Norfolk was £1,457,852 over two years (2023 /24 and 2024/25). The allocation was weighted heavily in the second year of the programme with 75% of the funding allocation - £1.036m - needing to be delivered in 2024/25. It was managed by NNDC which, in order to optimise the available staff resources, alongside the UKSPF initiative detailed above, commissioned the Growth Hub to administer the fund. The grant scheme for North Norfolk was developed in tandem with the Borough Council of Kings Lynn and West Norfolk's scheme in order to minimise potential cross- border 'postcode lottery' disparities/criticisms. The fund was developed to support businesses and communities.

5.3 REPF grants are allocated against a discrete number of interventions with specific outcomes. Alongside the UKSPF Investment Plan, the submitted REPF addendum plan was shaped and informed by the Local Partnership Group. Business Grants were available for between £10,000 and £100,000 (generally with a grant intervention rate of up to 50%). Community Grants were available for between £10,000 and £50,000 at a 75% grant intervention rate. Thirty-two businesses and community groups benefitted from the grant scheme. By adding in a match element to the grant scheme (not a requirement from Government), this programme successfully leveraged approximately £1.5 million in private and community investment. **See Appendix 9**.

6. Lessons Learned UKSPF and REPF 2022-2025

6.1. The Council was given very little advance notice of these very significant, high profile programmes. There was limited time to mobilise their delivery but, significantly there was little time to engage with potential beneficiaries. It became apparent that the Council would have to be incredibly agile in its development and delivery of these scheme, in a way that would optimise their benefits and minimise the risk of underspend. Effective and efficient implementation thus became a key focus.

6.2. The following commentary outlines some of the principal issues encountered and the lessons that can be applied in the implementation of other such programmes.

- Engaging and collaborating with stakeholders in the development of programmes and the design and delivery of schemes and projects, ensured that they effectively aligned with local needs.
- The tight timescales between funding announcements and programme delivery created significant pressures. It was challenging to establish systems, manage a complex multi-faceted programme, handle procurement, commission services, and negotiate contracts and SLAs with delivery partners within limited timeframes. However, this was managed and the diverse methods of implementing these programmes is believed to have yielded optimum outcomes (compared, for example, with direct delivery of a smaller number of larger value projects) with 1,475 individual businesses and communities benefitting from the programmes.
- Promoting the schemes to elicit the optimum projects has been challenging. An absence of a direct mailing system meant a heavy reliance on one-to-one engagement by NNDC and its partners. The Economic Growth team has now created a reliable GDPR-compliant database and the means of effectively communicating opportunities presented by programmes such as these with multiple potential external beneficiaries.
- Delivering capital projects within the very short timeframes dictated by Government for the REPF programme was incredibly challenging. Applicants had to navigate procurement processes, establish realistic lead times with suppliers and contractors, and secure the necessary permissions and consents, prior to submitting grant applications. Early and direct engagement with potential applicants, rather than merely advertising the grant to any interested organisation, helped to focus on the most readily achievable projects (within the known constraints).
- Businesses and community groups pursuing capital building projects through the REPF grant programme sometimes faced delays due to the planning process, often with uncertainty about whether planning permission was in fact required at the outset. Whilst a good dialogue was established with planning officers, with the benefit of hindsight, protocols would have taken some of the stresses out of that from both sides, and resources could have been built in to ensure sufficient certainty for applicants (akin perhaps to Planning Performance Agreements)

7. UK Shared Prosperity and Rural England Prosperity Fund – Transition year 2025- 2026

7.1. The UK Government has recently announced a separate one-year UKSPF and REPF programme for 2025-2026. North Norfolk's UKSPF allocation will be £405,095 (from 1st April 2025) and Cabinet has agreed the high level delivery approach. It is intended to align delivery with the Council's Corporate Plan and Economic Growth Strategy in order to align with local priorities. UK Government has issued a revised list of priorities, themes, sub themes and missions, to which programmes need to align. The UKSPF programme and each workstream must deliver against pre-determined interventions and a set list of outputs and outcomes. The guidance is prescriptive in relation to the measures and reporting mechanisms.

7.2. No details of the allocation of REPF funds to North Norfolk District Council have yet been received, so the amount of grant money and the scheme rules governing its delivery are not yet known; although the delivery will be expected to complete within the next financial year, which, given this is capital funding will be incredibly challenging.

7.3. Cabinet in January 2025 (Public Pack)Agenda Document for Cabinet, 03/02/2025 10:00) agreed on the planned delivery workstreams and the identified and defined intervention themes. Detailed dialogue with potential delivery partners is currently being undertaken to determine the exact nature of each proposed workstreams and budget allocation.

7.4. The Government's five missions are embedded in the guidance for delivery of the transition funding and local authorities need to deliver programmes within the framework of the pre-determined investment priorities and key themes and subthemes.

7.5. Mission 1: Kickstart economic growth

Mission 2: Make Britain a clean energy superpower

Mission 3: Take back our streets

Mission 4: Break down barriers to opportunity

Mission 5: Build an NHS fit for the future

Norfolk District Council's UKSPF 2025-26 programme and workstreams fit within Mission 1 (Kickstart economic growth) and Mission 4 (Break down barriers to opportunity). The outputs and outcomes and monitoring criteria are listed in **Appendix 10**.

8. Governance

8.1. In accordance with the Council's project management and governance arrangements, the 2022-25 UKSPF and REPF programmes were overseen by a Project Board, comprising the Sustainable Growth portfolio holder and officers from relevant teams. It is proposed that this board continues to oversee the delivery of the programme in the transition year.

8.2. The North Norfolk Local Partnership Group (LPG) was established to inform the identification of key local priorities and was actively engaged in the development and delivery of the 2022-25 UKSPF Investment Plan. Membership of the LPG includes stakeholders representing rural business interests, farmers and landowners, business support partner organisations and the community, voluntary and social enterprise sectors operating in North Norfolk. It also included the two MPs covering the parliamentary constituencies covered by NNDC's administrative area. It is proposed that the group continue to meet regularly to monitor delivery and evaluate the impact of the UKSPF transition investment.

8.3. It is proposed that, with the establishment of the Council's Strategic Board for Projects, the UKSPF and REPF programmes should provide an implementation progress report to that board on a quarterly basis.

8.4. The transitional fund is a 1-year programme with the requirement to complete and defray all the funding by March 31st 2026. Any projects supported through the UKSPF and REPF transitional year will need an exit strategy, detailing what will happen at the end of the funding period, including details of how any ongoing revenue costs will be met. Delivery partners will be asked to take account of this in any funding agreements.

9. Financial and Resource Implications

Highlight here any financial / resource implications arising from your report and state where the provision exists to undertake the proposed action. Please note that resources include staffing.

9.1. **Comments by the S151 Officer:**

The S151 Officer (or member of the Finance team on their behalf) will complete this section.

10. Legal Implications

Highlight any legal implications or concerns arising from your report.

10.1. **Comments from the Monitoring Officer:**

The Monitoring Officer (or member of the Legal team on behalf of the MO) will complete this section*. They will outline any legal advice provided.*

11. Risks

11.1. The UKSPF and REPF 2025-26 funding allocations must be committed and defrayed by March 2026. Unspent funds will need to be returned.

12. Net Zero Target

12.1 There are not considered to be any specific impacts on the Net Zero 2030 Strategy & Climate Action Plan as a result of recommendations in this report.

13. Equality, Diversity & Inclusion

13.1 There are not considered to be any impacts upon equality and diversity as set out in the Council's *Equality, Diversity & Inclusion Strategy* as a result of the recommendations in this report.

14. Community Safety issues

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

15. Conclusion and Recommendations

15.1 The UKSPF and REPF funding programmes have been effectively implemented from December 2022 to March 2025. All workstreams and projects have either met or surpassed the output targets established in the Investment Plan, which was approved by the Government at the outset. In certain instances, projects were completed at a lower cost, allowing the team to repurpose the savings to fund additional activities and initiatives, thereby maximising impact and delivering greater benefits across the District.

15.2 The UKSPF transition funding builds upon the successful implementation of the 2022–2025 UKSPF programme (£1.2 million) and the REPF capital grant programme (£1.4 million). The proposals presented to Cabinet for the UKSPF transitional funding were informed by an evaluation of the prior UKSPF programme, the lessons learnt, an assessment of local needs, and close alignment with the new Government's missions, objectives, themes, sub themes and interventions. There is also a close alignment with the objectives of the Council's Corporate Plan and Economic Growth Strategy goals.

16. Recommendations:

16.1 Note the contents of the report and the success of the programmes to date and the workstreams outlined for UKSPF 2025-2026.