

**Agenda Item:
Economic Success Policy Development Panel
7 November 2022**

Rural England Prosperity Fund

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Portfolio: Economic Development and Finance

Ward(s) Affected: All

Purpose of the Report:

To access Broadland's Rural England Prosperity Fund (REPF) allocation, an addendum to UK Shared Prosperity Fund (UKSPF) investment plan must be submitted setting out measurable outcomes that reflect local needs and opportunities.

Recommendations:

Economic Success Policy Development Panel to recommend to Cabinet to:

- 1** Approve the principal areas of investment as set out in section 4 of this report.
- 2** Delegate to the Director of Place, in consultation with the Section 151 Officer, the Managing Director and the Leader of the Council, for the sign off and submission of an addendum to the UKSPF investment plan to meet the requirements of the funding.
- 3** Delegate to the Director of Place, in consultation with the Section 151 Officer, the Managing Director and the Leader of the Council, to make any non-substantive changes to the principal areas of investment as required by the Department for Environmental, Food and Rural Affairs.

1. Summary

- 1.1 The REPF supports the aims of the government's Levelling Up White Paper and Future Farming Programme. It funds capital projects to support business development, farm business diversification and community infrastructure with the aim of improving productivity and strengthening the rural economy and rural communities.
- 1.2 The REPF is integrated into the UKSPF which supports productivity and prosperity in places that need it most. For eligible local authorities, the REPF is a rural top-up to UKSPF allocations. It supports activities that specifically address the particular challenges rural areas face. It is complementary to funding used to support rural areas under the UKSPF. Broadland District Council has been allocated £569,552, subject to the receipt of a compliant proposal.
- 1.3 The REPF replaces European Funding from LEADER and the Growth Programme which were part of the Rural Development Programme for England. It provides £110m of funding for local investment between April 2023 and March 2025 with local authority allocations based on their population, the importance of farming to the area and the number and productivity of rural businesses in the area.
- 1.4 It is proposed that Broadland District Council focuses on two principal interventions, linked to the Pride in Place and Cambridge Norwich Tech Corridor work programmes. If approved, this approach will maximise the impact of the funding and better secure the delivery of outcomes within the required timeframe.
- 1.5 The deadline for submission of the addendum to the Council's investment plan is 30 November 2022. The Department for Environment, Food and Rural Affairs will then undertake an assessment and provide feedback as required, with approval anticipated in January 2023.
- 1.6 The first payments are expected to be received in April 2023.

2. Background

- 2.1 In August 2022, Cabinet approved the principal areas of Broadland's UKSPF investment plan and the governance arrangements of the fund. The investment plan has been submitted and feedback is expected shortly.
- 2.2 The REPF objectives fit within the UKSPF investment priorities for supporting local business and community and place, providing capital funding to:
 - 2.2.1 Support new and existing rural businesses to develop new products and facilities that will be of benefit to the local economy. This includes farm businesses looking to diversify income streams.
 - 2.2.2 Support new and improved community infrastructure, providing essential community services and assets for local people and businesses to benefit the local economy.

- 2.3 Projects must be in a rural area i.e. in a town, village or hamlet with a population below 10,000 or in a market or ‘hub town’ with a population of up to 30,000 that serves the surrounding rural area as a centre of employment and in providing services.
- 2.4 The REPF prospectus contains information on interventions, outputs and outcomes. To access the allocation, an addendum to the UKSPF investment plan must be submitted by 30 November 2022. Broadland District Council has been allocated a total of £569,552 over the two-year period from 1 April 2023 to 31 March 2025.
- 2.5 The funding must be used on capital projects with grants provided for business or community purposes. Where consistent with the investment plan submitted, UKSPF funding may be used for the administration of grants, and any revenue costs associated with projects. No further revenue funding is included in the REPF.
- 2.6 To access the allocation, each authority has been asked to submit an addendum to the UKSPF investment plan by 30 November 2022.

3. Current position/findings

- 3.1 The REPF is additional capital funding, allocated to rural local authorities to support rural businesses and communities. Funding will be received as part of the UKSPF allocation. Details of the estimated funding allocations per annum are as follows:

	2023/24	2024/25	Total
BDC Total	£142,388	£427,164	£569,552

- 3.2 There is a requirement for local rural partners to be consulted as part of the development of proposals and delivery of the fund. The prospectus document includes guidance on utilising a local partnership group, i.e. Broadland’s UKSPF board, and inviting additional members with a particular specialism in rural development.
- 3.3 The REPF is additional funding linked to the UKSPF; the ongoing governance and financial monitoring of the funding will be managed in line with UKSPF requirements.

4. Proposed Action

- 4.1 It is proposed that two primary programmes included within Broadland’s UKSPF investment plan are supported. Full details of proposals will be finalised in time for the addendum to be submitted and are subject to change following negotiations with DEFRA:

- 4.2 **Programme 1: Pride in Place.** This project fits into the supporting rural communities investment priority, directly linking to intervention 2.2: *capital grant funding for investment in capacity building and infrastructure support for local civil society and community groups*. The objectives of this investment are to strengthen our social fabric and foster a sense of local pride and belonging through investment in activities that enhance physical, cultural and social ties and amenities including community infrastructure and local green space.
- 4.3 In the Council's UKSPF investment plan it has been proposed funding is used to expand and enhance the *Community Infrastructure Funding* offer by providing grant funding to bring forward delivery of key pieces of infrastructure. To support this, it is proposed £100,000 of REPF funding is made available to community groups to improve the environmental credentials of new or existing buildings for example installing renewable heating. It is proposed grants of up to 25% of the cost of capital works are offered, with a maximum grant of £25,000.
- 4.4 Measureable outputs for this programme include:
- 4.4.1 Number of organisations receiving grants.
 - 4.4.2 Number of facilities supported, created or installed.
 - 4.4.3 Amount of green or blue space created or improved.
- 4.5 Indicative outcomes for this programme include:
- 4.5.1 Improved perception of facilities of amenities.
 - 4.5.2 Increased users of facilities or amenities.
 - 4.5.3 Improved perceived or experienced accessibility.
- 4.6 **Programme 2: Cambridge Norwich Tech Corridor.** This project fits into the supporting rural business investment priority and links closely with intervention 1.1: *capital grant funding for small scale investment in micro and small enterprises in rural areas*. The objectives of this investment is to create jobs and boost community cohesion and increase private sector investment in growth-enhancing activities through targeted support for small and medium sized businesses.
- 4.7 Linking to the food and drink cluster support funded through the UKSPF, it is proposed £200,000 of REPF is used to purchase a piece of food processing equipment for the Broadland Food Innovation Centre which will be available for the use of tenants and other businesses within the food and drink cluster to enable on site processing/manufacturing supporting businesses to adopt new processes and increasing growth.
- 4.8 It is proposed the remaining £269,552 of funding be made available for eligible businesses by expanding the development grants element of Broadland's Business Builder programme. The current offer is for capital grants of up to £5,000 at a 50% intervention rate allowing for the purchase of specific equipment etc. to facilitate growth within the business. It is proposed REPF funding be used to enable the purchase of higher value equipment or improvements to commercial sites offering grants of up to £25,000 at a 50% intervention rate.

4.9 Measureable outputs for this programme include:

4.9.1 Number of businesses supported

4.9.2 Number of micro businesses supported

4.10 Indicative outcomes for this programme include:

4.10.1 Jobs created/safeguarded.

4.10.2 Number of new businesses created.

4.10.3 Number of businesses adopting new technologies or processes.

4.10.4 Number of businesses with improved productivity.

4.10.5 Number of businesses experiencing growth.

5. Issues and risks-

4.11 **Resource Implications** – No additional revenue funding is available through REPF for the administration of the fund. The 4% administration allowance within the UKSPF can be utilised to assist in managing grant calls and appraising grant applications, monitoring contract compliance and administering grant payments, however administering multiple, smaller grant calls will required significantly more resource than larger investments.

4.12 **Legal Implications** – As with UKSPF, appropriate UK government logos and reference to REPF and UKSPF must be prominently displayed on all websites and printed materials relating to funded activity. A plaque of significant size must also be installed at a location readily visible to the public, bearing the appropriate UK government logos, project name and standardised text.

4.13 **Equality Implications** – It is a requirement for all decision making to meet the requirements of the Public Sector Equality Duty.

4.14 **Environmental Impact** – A requirement of the funding is for projects to support green growth, working with the natural environment to achieve the UK's legal commitment to cur greenhouse gas emissions to net zero by 2050 and improve resilience to natural hazards.

4.15 **Crime and Disorder** – N/A

4.16 **Risks** – A risk register will be developed on approval of the Investment Plan and maintained throughout programme delivery.

4.17 The programme is reliant on working closely with external stakeholders. There is a reputational risk associated with poor stakeholder engagement leading to disengagement and possible bad press.

5. Recommendations

Economic Success Policy Development Panel to recommend to Cabinet to:

- 5.1 Approve the principal areas of investment as set out in section 4 of this report.
- 5.2 Delegate to the Director of Place, in consultation with the Section 151 Officer, the Managing Director and the Leader of the Council, for the sign off and submission of an addendum to the UKSPF investment plan to meet the requirements of the funding.
- 5.3 Delegate to the Director of Place, in consultation with the Section 151 Officer, the Managing Director and the Leader of the Council, to make any non-substantive changes to the principal areas of investment as required by the Department for Environmental, Food and Rural Affairs.

Background papers

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

[Rural England Prosperity Fund interventions objectives outputs and outcomes list.pdf \(publishing.service.gov.uk\)](http://publishing.service.gov.uk)