

# North Yorkshire County Council

## Executive

29 November 2022

### Rural England Prosperity Fund

#### Report of the Corporate Director – Business and Environmental Services

#### 1.0 Purpose of Report

- 1.1 To seek approval for the Council's submission to Government for the Rural England Prosperity Fund in North Yorkshire with a total value of £5.4m and note that a further report will be brought back to Executive for approval to accept funding.

#### 2.0 Background

- 2.1 Following the launch of the UK Shared Prosperity Fund (UKSPF) in April 2022 the Government has announced further funding for rural communities through the Rural England Prosperity Fund (REPF). As with the UKSPF North Yorkshire County Council is the Lead Authority for the REPF. The REPF provides capital funding for rural areas including settlements with a population below 10,000 and rural hub towns with a population of up to 30,000. The fund covers the UK Shared Prosperity Fund priorities of 'Supporting Local Business' and 'Communities and Place'.
- 2.2 To access the funding lead authorities are required to submit an addendum to their previously submitted UKSPF Investment Plan. The deadline for submission is 30th of November 2022. North Yorkshire has an initial allocation of £5.4m over 2 years covering the 2023/24 and 2024/25 financial years. Funding is initially apportioned 25% in the first of these years and 75% in the second. Just as with the UK Shared Prosperity Fund funding is 100%, requiring no match funding from the Lead Authority. Submission of the addendum is by online proforma.
- 2.3 The profile and priorities of the REPF in North Yorkshire follow the proposals set out in the UK Shared Prosperity Fund Investment Plan approved by the Council's Executive in July. The REPF Addendum has been developed by a sub-group of the Shared Prosperity Fund Local Partnership Group and has taken into consideration the work of the Rural Commission in North Yorkshire.
- 2.4 The REPF includes the addition of two new interventions; i) capital grants for small and micro enterprises and ii) grants for rural circular economy projects. Both of these interventions have been included in the draft North Yorkshire submission alongside those of the UKSPF Investment Plan.
- 2.5 The proposed investment plan for REPF in North Yorkshire is attached as Appendix 1. The plan broadly divides the fund evenly between Communities and Place £2.71m and Supporting Local Business – £2.7m. The table below details the proposed funding profile for the REPF in North Yorkshire.
- 2.6 The REPF Investment Plan addendum provides funding to support rural communities and businesses. Delivery of the REPF will follow the UKSPF Delivery Plan agreed by the Council's Executive on 25 October. In doing so the REPF will provide additional support for Community Networks and other local community groups to deliver local aspirations and ambitions.

## 2.7 Rural England Prosperity Fund, Funding Profile

| Priority / Intervention  | 23/24            | 24/25            | £ Total          |
|--|------------------|------------------|------------------|
| <b>Supporting Local Business</b>   |                  |                  |                  |
| 1.1. Funding (capital grants) for small scale investment in micro and small enterprises in rural areas.  | 375,000          | 1,125,000        | 1,500,000        |
| 1.2. Funding (capital grants) for growing the local social economy and supporting innovation (SPF E26).  | 150,000          | 450,000          | 600,000          |
| 1.3. Funding (capital grants) for the development and promotion (both trade and consumer) of the visitor economy (SPF17).                            | 150,000          | 450,000          | 600,000          |
| <b>Total</b>   | <b>675,000</b>   | <b>2,025,000</b> | <b>2,700,000</b> |
| <b>Communities and Place</b>   |                  |                  |                  |
| 2.2. Funding (capital grants) for investment in capacity building and infrastructure support for local civil society and community groups (SPF E11). | 117,000          | 350,000          | 467,000          |
| 2.3. Funding (capital grants) for creation of and improvements to local rural green spaces (SPF E3).   | 100,000          | 300,000          | 400,000          |
| 2.4. Funding (capital grants) for existing cultural, historic and heritage institutions that make up the local cultural heritage offer (SPF E4),     | 83,000           | 250,000          | 333,000          |
| 2.5. Funding (capital grants) for local arts, cultural, heritage and creative activities (SPF E6),   | 83,000           | 250,000          | 333,000          |
| 2.7. Funding (capital grants) for rural circular economy projects.   | 179,279          | 537,835          | 717,114          |
| 2.8. Funding (capital grants) for impactful volunteering and social action projects to develop social and human capital in local places. (SPFE9)     | 117,000          | 350,000          | 467,000          |
| <b>Total</b>   | <b>679,279</b>   | <b>2,037,835</b> | <b>2,717,114</b> |
| <b>Total:</b>  | <b>1,354,279</b> | <b>4,062,835</b> | <b>5,417,114</b> |

## 3.0 Equalities

- 3.1 Equalities have been considered in the context of establishing the Governance arrangements for the UKSPF through the creation of the Local Partnership Group. When specific projects / funding opportunities are delivered through both UKSPF and REPF, they will be required to demonstrate that consideration has been given to the protected characteristics and that no direct or indirect discrimination should occur in the delivery of the project.

3.2 Equalities will be a standing item on the agenda of the fund's Project Board Meetings to ensure that funding programmes do not unfairly discriminate against any specific groups.

#### **4.0 Finance**

4.1 The Rural England Prosperity Fund allocation for North Yorkshire is capital funding of £5.4m over two years, 23/24 £1.35m and 24/25, £4.06m. The fund requires no match funding on the part of the Lead Authority (NYCC and then NYC). The funding is paid on an annual basis to the lead authority 50% of each year's allocation in advance and 50% in arrears on evidence of defrayal and at the end of the programme overall, successful delivery of outputs. Any overspend in the programme will have to be met by the Council and so does represent a financial risk underspends will be returned to the Government.

4.2 The REPF will be delivered alongside the UKSPF, by a joint team of officers from the Local Enterprise Partnership and the Council. Through UKSPF 4% of the fund, £675k is allocated for administration of the programme and this provision will be used to support delivery of REPF also. If there were insufficient funding, any additional revenue costs would need to be met by the Council. At the end of the current three year period the programme is expected to transfer to the York and North Yorkshire Combined Authority.

4.3 The main risks associated with the delivery of the programme would be those of not effectively delivering elements of the approved Investment Plan; using funding for activities not eligible for funding through REPF or failing to achieve agreed outcomes and outputs, which could result in repayment of funds. To mitigate these risks the delivery of the fund will be overseen by a Project Board including representation of all relevant disciplines including finance.

4.4 As the full terms and conditions of the grant are not yet known, a further report will be brought forward, for approval to accept the funding which will highlight any other specific financial risks.

#### **5.0 Legal**

5.1 The Council will be the lead authority and accountable body for the Shared Prosperity Fund and will be required to enter into a formal funding agreement with the Department for Levelling Up, Housing and Communities (DLUCH) once the investment plan has been approved. Once received the funding agreement will be reviewed to ensure terms are acceptable for the Council.

5.2 Contractual funding agreements will be put in place between the Council as lead authority and the recipients of funding through the Shared Prosperity Fund. Funding agreements will mirror the conditions of any agreement between the Council and DLUH.

#### **6.0 Climate Change**

6.1 The draft investment plan includes references to climate change and decarbonisation through the entirety of the programme. All projects funded through the programme will need to assess and identify their environmental impact. An environmental impact assessment was completed as part of the Executive report of 19 July 2022. This remains largely unchanged and is updated and attached to this report as Appendix 2. Climate change or environmental impacts will be a standing item on the fund's Project Board meetings.

## **7.0 Recommendation(S)**

- 7.1 The Executive is recommended to approve submission to Government of the Rural England Prosperity Fund addendum to the UK Shared Prosperity Fund investment plan as outlined in this report and the attached Appendix A.

Karl Battersby  
Corporate Director – Business and Environmental Services

Author of Report: Mark Kibblewhite – Senior Policy Officer

### Background Documents:

- i. UK Shared Prosperity Fund, report to Executive 19 July 2022.
- ii. UK Shared Prosperity Fund, Delivery Framework, report to Executive 25 October 2022

### Appendices:

- Appendix 1 – Proposed Investment Plan for REPF in North Yorkshire  
Appendix 2 – Climate Change Impact Assessment