

North Yorkshire Council

Briefing Note for the Director of Community Development

02 February 2024

UK Shared Prosperity Fund and Rural England Prosperity Fund. Building Pride in our Places – award of Grant Funding from Rounds two and three of the Grant Appraisal Process.

Report of the Senior Policy Officer Economic Development, Regeneration, Tourism and Skills.

1.0 PURPOSE OF REPORT

- 1.1 This report outlines the process and rationale for awarding funding from the second and third rounds of 'Building Pride in our Places Grants' through the UK Shared Prosperity Fund and Rural England Prosperity Fund in North Yorkshire.
- 1.2 The report records that the recommendation to award funds be made given that the Council's Contract and Procurement Procedure rule 23 has been followed.

2.0 BACKGROUND

- 2.1 North Yorkshire Council is the lead authority for the UK Shared Prosperity Fund (UKSPF) and Rural England Prosperity Fund (REPF) in North Yorkshire. These Funds are replacements for the previous European Union Strategic Investment Funds and are a key component of the Government's Levelling Up programme.
- 2.2 The primary goal of the UKSPF is to build pride in place and increase life chances across the UK. This aligns with Levelling Up White Paper missions, particularly: 'By 2030, pride in place, such as people's satisfaction with their town centre and engagement in local culture and community, will have risen in every area of the UK, with the gap between the top performing and other areas closing.'
- 2.3 The UKSPF Investment Plan for North Yorkshire identifies 5 key strategic themes which are:
 - I. Addressing Rurality and Tackling Inequalities
 - II. Building Pride in our Places
 - III. Decarbonising our Communities and Economy
 - IV. Boosting Productivity
 - V. Challenging Labour Market
- 2.4 Each of the programme themes is allocated funding as part of the UKSPF and/or REPF delivery in North Yorkshire. The Building Pride in Our places theme has been allocated a total of £4.978m made up of £3.312m from UKSPF and £1.666m from REPF. The UKSPF is a mixture of capital and revenue funding with flexibility to increase capital while REPF is 100% capital funding.

2.5 The Building Pride in Our Places theme is being delivered through a competitive grant giving programme undertaken according to rule 22 of the Council’s Contract and Procurement Procedure Rules.

3.0 Award of funding to projects

3.1 In November 2022 the Council’s Executive approved the UK Shared Prosperity Fund Delivery Framework which included details of how the funds allocated in the UKSPF and REPF would be managed and allocated to different projects and programmes.

The ‘Building Pride in Our Places’ theme is concerned with supporting town centres, markets and retail, culture and visitor economy. The programme has a total allocation of £4.978m the majority of which is being given as grants through a competitive grant giving process.

3.2 The grant giving process consists of initial expressions of interest or pre-applications, which are assessed for strategic fit and eligibility. These are then presented to the ‘Places’ theme sub group for consideration prior to being invited to submit a full application.

3.3 Full grant applications are appraised and scored according to a detailed set of criteria which fall into four headings:

1. Strategic Fit – does it meet programme criteria and wider strategic aims
2. Value for money – is the amount of money proportionate to the outcomes, is there a suitable level of match funding.
3. Deliverability – are required permissions in place or likely to be in place. Is the applicant able to deliver the project on time and to budget.
4. Impact – will the project deliver stated outcomes. Are these commensurate with the funding requested.

Appraisal is undertaken by an independent panel consisting of internal members and officers of the council alongside external partners. The appraisal process has been reviewed by the Council’s auditors, Veritau.

3.4 The value of individual applications considered is extremely wide with a maximum limit of £400,000 for larger capital projects to £15,000 for smaller feasibility projects. Projects with a total value over £25,000 are asked to identify match funding as part of the value for money appraisal. Applications are also asked to demonstrate the need for funding and to outline all other sources available to them. Projects included in this report are those with a grant award of £50,000 or over.

3.5 The second round of appraisals was conducted on 21.09.2023 and the third round of appraisals conducted on the 8.12.2023. Projects scoring 60% or more according to the appraisal framework have been proposed for approval and are awaiting funding agreements. The project appraisal criteria and process has been considered by the Council’s independent auditors, Veritau who are satisfied that this represents a robust and transparent process.

3.6 The following projects, scoring 60% or higher have been approved by the appraisal panel:

Project	Appraisal score	Total project value	Funding awarded	Intervention %	Subsidy control
SPF-CP-010 Hudswell Hostel, Richmond	60.5	Est. £107.m	£388,000	36.2 %	assessment
This project involves the restoration and reuse of a local heritage asset to support the local visitor economy and to generate support					

	for local community activity through the Hudswell Community Charity.				
SPF-CP-147 North York Moors National Park – See Moor	71.5	£410,000	£205,000	50%	assessment
	Provision of improved visitor facilities at Danby Moor and Sutton Bank will help to promote the work of the National Park Authority in engaging with communities, supporting the identity and pride in place in the park and benefiting the local visitor economy.				
SPF-CP-176 Low St, Sherburn in Elmet, Town Centre Enhancement*	72.5	£800,000	£300,000	37.5%	scheme
	Part of a wider programme of public realm town centre improvements, this project represents a significant step forward in the regeneration of Sherburn town centre with local social and economic benefits.				
SPF-CP-187 Scarborough Lights Festival*	69.5	c. £1m	£100,000	10%	scheme
	This project will have significant added benefits in terms of generating footfall in Scarborough and promoting the levelling up ambitions around local civic pride in the town as well as supporting tourism.				
SPF-CP-111 Pannett Gallery Whitby - improvements	76	£151,000	£75,000	50%	scheme
	Support from the panel for Pannett Gallery and the management and promotion of the newly acquired Soper Collection. This project will increase sense of place, civic pride and drive footfall and economic activity to a key location.				
SPF -CP-038 Whitby Lobster Hatchery	70	£212,541	£73,944	34.7 %	scheme
	Strong support from the appraisal panel who identified key strategic fit with a wide range of objectives and potential long term benefits for both fishermen and hospitality industry.				

*Internal NYC applications.

4.0 CONTRIBUTION TO COUNCIL PRIORITIES

4.1 THE UKSPF / REPF 'Building Pride in our Places' theme supports the Council's priorities concerning Place and Environment; Economy; Health and Wellbeing; and People.

5.0 ALTERNATIVE OPTIONS CONSIDERED

5.1 UKSPF and REPF funds are awarded to the Council by central government as part of the Government's 'Levelling Up' aspirations. Funds are provided to the Council at 100% grant without the requirement for match contribution from the Council. In delivering the 'Places' UKSPF theme, an alternative option would be to procure third party delivery of this part of the Shared Prosperity Fund programme however to maximise the funds awarded to communities and businesses it has been decided to deliver the places theme as a grant giving programme. The grant awards themselves are made through a competitive and transparent process which considers the value for money of the proposed projects and makes an objective assessment as to which projects to support or not. This process is conducted by an independent panel which includes elected members and representatives of independent organisations.

6.0 FINANCIAL IMPLICATIONS

- 6.1 The UKSPF and REPF are given as funding allocations to the Council for the purposes of delivering these programmes within the County. The funding is awarded following approval of the Council's Investment Plan and is subject to a memorandum of understanding, agreed between Government and the Council. Funding is provided to North Yorkshire Council without any match funding requirement on the part of the Council. It should be noted that the Council cannot recover any overspend from Government and that funding can only be used for activity undertaken before the end of March 2025. Successful awards are subject to a funding agreement between the grant recipient and the Council which limits the funding available from the Council to the sum of the award and grant recipients are required to accept all liability for any overspend or losses incurred by the grant recipient. This ensures that the use of the funds, in accordance with the approved Investment Plan has no direct impact on the Council's wider finances.
- 6.2 Prior to awarding funds due diligence is undertaken to ensure that the grant recipients are fit to receive the grant and have the financial stability and track record to complete the project as they have described it. This process also includes an assessment of other funds available to the grant recipients and the need for the UKSPF / REPF subsidy. This is proportionate to the scale of the project. To support this process guidance has been sought from the Council's auditor's Veritau who have considered the financial status of external grant recipients included in this report, and their suitability to receive funding.

7.0 LEGAL IMPLICATIONS

- 7.1 Grant agreements will be drawn up and agreed by legal services. Legal Services will ensure that all projects are compliant with the Subsidy Control Act 2022.

8.0 EQUALITIES IMPLICATIONS

- 8.1 The national UKSPF programmes requires that all the UKSPF, REPF and associated funding is delivered in accordance with equalities legislation. All funding applicants are required to outline how they have considered the equalities implications of their projects or programmes and how they intend to mitigate and negative impacts and promote any positive ones. This is a condition of funding.

9.0 CLIMATE CHANGE IMPLICATIONS

- 9.1 The national UKSPF programmes requires that all the UKSPF, REPF and associated funding is delivered in accordance with relevant climate change legislation. All funding applicants are required to outline how they have considered the climate change and environmental implications of their projects or programmes and how they intend to mitigate and negative impacts and promote any positive ones. This is a condition of funding.

10.0 REASONS FOR RECOMMENDATION

- 10.1 THE UKSPF and REPF funding programmes are delivered according to an investment plan, approved by the Council and agreed by Government. Applications to the fund have been rigorously appraised by an independent panel against a number of criteria, including strategic fit and deliverability. The fund is time limited and has to be utilised before the end of March 2025.

These projects represent clear strategic fit with the aims of the UKSPF programme in North Yorkshire and have been assessed to be deliverable in the terms of the suitability of the organisation and the credibility of their delivery plans.

11.0 RECOMMENDATION

- i) That a decision record is made for each of the projects recommended for funding as identified in table at paragraph 3.6

Director – Community Development
County Hall
Northallerton
January 2024

Report Author – *Mark Kibblewhite, Senior Policy Officer (Economic Growth)*

Note: Members are invited to contact the author in advance of the meeting with any detailed queries or questions.

PLEASE ALSO NOTE THAT IF ANY REPORTS / APPENDICES INCLUDE SIGNATURES THESE MUST BE REMOVED / DELETED PRIOR TO SENDING REPORTS / APPENDICES TO DEMOCRATIC SERVICES. Appendices should include an Equality Impact Assessment and a Climate Impact Assessment where appropriate

Background Documents:

[The UK Shared Prosperity Fund Delivery Framework, Executive 25/10/2022](#)