

North Yorkshire Council

Briefing Note for the Director of Community Development

5 August 2024

UK Shared Prosperity Fund and Rural England Prosperity Fund. Building Pride in our Places – award of Grant Funding for Sandylands Sports Centre

Report of the Principal Economic Development 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 UK Shared Prosperity Fund and Rural England Prosperity Fund in North Yorkshire for the Sandylands Sports Centre Extension to provide a Dedicated Gymnasium Facility.
- 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 is a mixture of capital and revenue funding with flexibility to increase capital while REPF is 100% capital funding. Each of the programme themes has been allocated funding as part of the UKSPF and/or REPF delivery in North Yorkshire
- 2.4 The UKSPF Investment Plan for North Yorkshire identifies 5 key strategic themes which are:
 - I. Communities - Addressing Rurality and Tackling Inequalities
 - II. Place - Building Pride in our Places
 - III. Decarbonisation - Decarbonising our Communities and Economy
 - IV. Supporting Local Businesses - Boosting Productivity
 - V. People and Skills - Challenging Labour Market
- 2.5 Priorities within the Communities theme identified in the Investment Plan include: Addressing Rurality and Accessibility, Tackling Inequalities, and Promoting Healthy and Active Lifestyles. The Communities theme is being delivered through various mechanisms, including through

competitive grant giving programmes, undertaken according to rule 23 of the Council's Contract and Procurement Procedure Rules.

3.0 AWARD OF FUNDING

- 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 majority of funding within the Communities theme is being given as grants through a competitive grant giving process.
- 3.2 The UKSPF competitive grant giving process entails applications for funding being submitted to the Council, appraised internally by officers of the Council, before being presented to a panel for a decision.
- 3.3 Grant applications are appraised and scored according to a detailed set of criteria, including headings, such as:
- I. Strategic Fit and Need – Does the project meet programme criteria and wider strategic aims? Is there a clear need for the project?
 - II. Value for money – Is the amount of money proportionate to what will be delivered? Is there a suitable level of match funding?
 - III. 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?
 - IV. Impact – Will the project deliver stated outcomes?
- 3.4 There are multiple decision panels across the UKSPF programme, relating to the different thematic areas. Each decision panel is composed of officers of the council and independent external partners. The 'Communities' decision panel consists of officers of the Council alongside representatives from North Yorkshire Sport and Community First Yorkshire.
- 3.5 An application was received from Sandylands Sports Centre requesting a sum of £170,000 as a capital contribution towards a £1.2m project to deliver an extension to Sandylands Sports Centre to comprise a Dedicated Gymnasium on the ground floor and a Community Café. Due to the charitable status of the applicant organisation and the expected outputs of the project, it was considered that the application fell within the scope of two UKSPF Communities grant programmes. However, the amount of funding requested (£170,000) was beyond the level that these programmes could provide (both individually and collectively).
- Rural Capital Sport Grant Programme (delivered by North Yorkshire Sport on behalf of North Yorkshire Council's UKSPF Programme) – capital grant funding up to £49,999 aimed at community-based organisations improving or expand existing facilities, or creating new infrastructure, to boost levels of participation in sports.
 - Village Halls and Community Buildings Grant Programme - capital grant funding up to £49,950 to improve facilities in community buildings and village halls that result in greater community engagement and levels of volunteering.
- 3.6 Given the hybrid nature of the application, officers working on the two programmes above conducted appraisals of the application and put forward any further queries or requests for additional information. The applicant was given the opportunity to respond and submitted a revised full application with additional information. A collaborative decision panel was brought together on 28.05.2024 to consider this application for funding alongside additional

information supplied. This decision panel consisted of officers of the Council alongside an independent representative from North Yorkshire Sport. The panel's recommendation was to award the project £89,950. This is composed of a £49,950 contribution from the Village Halls and Community Buildings programme and a £40,000 contribution from the Rural Capital Sports Programme.

3.7 The table below summarises the scope of the project and the grant funding decision arrived at by the panel:

Project	Total Project Value	Funding awarded	Intervention %	Subsidy control
Sandylands Sports Centre (SPF-CP-008)	£1,196,736	£89,950	7.5%	Subsidy Control Assessment Completed
The grant will provide a £89,950 capital contribution towards an extension at Sandylands Sports Centre, which will comprise a Dedicated Gymnasium on the ground floor and a Community Cafe. Project costs will include expenditure on the foundations and building structure, mechanical and electrical infrastructure, and the internal renovation and decoration. The extension and provision of a Dedicated Gymnasium will facilitate the full relocation of the Craven Gymnastics Club to Sandylands Sports Centre, to accommodate the current demand for current Gymnastics facilities and to enable the club to expand their capacity and activity.				

3.8 A Subsidy Control Assessment has been completed. This assessment concludes that, in this case, the grant award is a subsidy; however, the beneficial effects (in terms of achieving specific policy objectives) outweigh any potential negative effects on market competition. Any possible impact of the grant funding in terms of competition with other local sports and leisure facilities is likely to be extremely limited. Furthermore, the grant recipient is a registered charity, running the facility on a not-for-profit basis, and the same grant programme(s) have been equally open for any/all other similar sport and leisure facilities in North Yorkshire to apply.

4.0 CONTRIBUTION TO COUNCIL PRIORITIES

4.1 THE UKSPF / REPF Communities theme supports the Council's priorities concerning Place and Environment; 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 Communities theme, an alternative option would have been to procure a third party to directly deliver projects and activity in line with the objectives and priorities set out in the UKSPF Investment Plan (e.g. promoting healthy and active lifestyles across North Yorkshire). However, to maximise the funds awarded to communities and businesses, it has been decided to deliver the Communities theme primarily through grant giving programmes. 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. This process is conducted by an independent panel which includes 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 must be utilised before the end of March 2025.

This project represents clear strategic fit with the aims of the UKSPF programme in North Yorkshire and has 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 the project recommended for funding as identified in the table at paragraph 3.7.

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May 2024

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Background Documents:

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