

North Yorkshire Council

Briefing Note for the Director of Community Development and Assistant Director Finance

11 April 2024

UK Shared Prosperity Fund and Rural England Prosperity Fund.

Report of the Principal Economic Development Officer, EDRTS

1.0 PURPOSE OF REPORT

- 1.1 The report makes recommendations for the final allocation of Rural England Prosperity and UK Shared Prosperity Funds to be claimed from Government as the programme is completed.

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 in the period covering the 2022/23 – 2024/25 financial years. These Funds are replacements for the previous European Union Strategic Investment Funds.
- 2.2 The primary goal of the UKSPF is to build pride in place and increase life chances across the UK. To secure this funding the Council was required to submit an investment plan for the funds which was agreed by NYCC's Executive in July 2022 and endorsed by Government.
- 2.3 The UKSPF/ REPF 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 has been allocated funding as part of the UKSPF and/or REPF delivery in North Yorkshire. The following table outlines budget allocations for the 2024/25 financial year and includes adjustments made to bring the whole programme to a nil balance at the end of this period. Through the delivery of the programme every effort has been made to enable projects and themes to complete the programme with full spend up to the end of March 2025. Although there has been some programme adjustments to overall budgets during the delivery process some end of programme variation has been unavoidable. The primary concern has been to not over allocate funding. This proposal maximises the use of funds to the benefit of local communities in North Yorkshire and to the Council.

Programme	Budget 2024/25	Interim final £	variance	Final budget
Communities	2,977,000	2,990,000	13,000	2,990,000
Building Pride in our places	3,372,000	3,188,000	-184,000	4,020,000
Decarbonising our workforce and communities	1,649,000	1,400,000	-249,000	1,400,000
Supporting Local Business	3,772,000	3,580,000	-192,000	3,580,000
Challenging Labour Market	3,060,000	2,840,000	-220,000	2,840,000
Management and admin	363,000	363,000	0	363,000
Total	£15,193,000	14,361,000	-832,000	15,193,000

Note: These figures are rounded estimates at this time and will be finalised by end of w/c 07/04/25

- 2.5 The total reallocation of funding will be £832,000 which is 3.8% of the total programme budget over 3 years of £22,310,066.

3.0 Award of funding to projects

- 3.1 This report outlines the redeployment of funds across the existing UKSPF / REPF themes. In order to claim funds activity must be delivered in the 2024/25 financial year. The reallocation of funds should also reflect the requirement to reach a minimum level of capital expenditure in the UKSPF programme of £2.862m in 24/25. REPF is 100% capital. In accordance with the Memorandum of Understanding agreed with the Government the Council has the discretion to reallocate up to a maximum of £5m from one priority area to another without seeking approval. These proposals are therefore not deemed a material change under the terms of the MOU and do not require agreement from Government..
- 3.2 The principals of this approach were agreed by the last North Yorkshire meeting UKSPF Local Partnership Group on March 13th 2025.
- 3.3 It is important to note that large funding programmes of this nature invariably experience some level of underspend or reallocation of funding particularly where there are strict final deadlines for expenditure. In other programmes this is occasionally mitigated by overallocation of funding on the expectation that not every project or programme will fully complete. In the case of this UKSPF / REPF programme this option was rejected by the Project Board as the funding is awarded at 100% from Government and any possible overspend would fall directly on the Council without any prior agreement or reserve funding in place to accommodate this. Instead it is acknowledged that existing Council projects which are eligible for UKSPF/REPF funding, are consistent with the aims of the North Yorkshire Investment Plan, and are not being claimed against other external sources, can claim unutilised funding at the end of the programme.
- 3.4 Funding can be claimed in such a way that Council's own funds and other external funding can be reprofiled into future years. This is consistent with recent UKSPF/REPF guidance from the Ministry of Housing Communities and Local Government which states that programmes and projects can continue beyond the end of the 2024/25 financial year using the applicant's own funds.

3.5 The proposed projects against which funds can be allocated are:

Project	Description	Impacts	£
Whitby harbourside public realm	Public realm improvements as part of Whitby Towns Fund programme.	Improved public realm, increased pride in place.	153,000
Whitby Old Town Hall	Additional improvements to the fit out of the redeveloped Hall and market place	Support for visitor economy and increased footfall	35,500
Scarborough Walking and Cycling	Capital investment in active travel improvements in Scarborough	Increased physical activity, participation and public health outcomes	51,500
Scarborough Public realm	Public realm improvements as part of Scarborough Town Fund programme	Improved public realm, increased pride in place.	52,000
Ripon Leisure Centre	Capital Investment in community facilities to increase health outcomes and footfall.	Increased pride in place, new community facilities developed.	270,000
Catterick Garrison Town Centre	Capital investment in community facilities and business space supporting increased productivity and footfall.	New community facility developed, increased pride in place	270,000
Total			832,000

3.6 The projects identified as eligible for UKSPF / REPF funding all fall within the remit of the 'Building Pride in our Places' programme theme which has a maximum grant level of £400,000 matched at 50%. As these are in-house projects they do not require the due diligence and contracting processes they would were they external bodies. If this funding is not allocated in this way it would have to be returned to Government. Each project would be allocated funding outlined above which would be claimed against work undertaken and delivered in the 2024/25 financial year.

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.

5.2 Because North Yorkshire Council has been successful in delivering programme expenditure in years 1 and 2 the entirety of the year 3 funding was paid to the Council in advance on the basis that any unutilised funding would be returned to Government. The only viable alternative option therefore would be to return part of the UKSPF funding, c.£832,000 to central Government as underspend.

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 at 100% intervention rate 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.

7.0 LEGAL IMPLICATIONS

7.1 The completion of the UKSPF / REPF programmes is delivered in accordance with the Memorandum of Understanding between the Council and the UK Government. The proposed projects are Council projects which are therefore not subject to any further due diligence or scrutiny such as subsidy control.

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.

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. Council projects are already required to meet these standards.

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. The proposed projects represent clear strategic fit with the investment plan and the aims of the UKSPF programme in North Yorkshire. At this point in the programme the only alternative recommendation would be to return the funding to Government.

11.0 RECOMMENDATION

11.1 That 2024/25 UKSPF / REPF funding is allocated to projects identified in paragraph 3.5 to achieve a final programme nil balance.

Nic Harne
Corporate Director, Community Development
County Hall
Northallerton
April 2025

Report Author – Mark Kibblewhite, Principal Economic Development Officer

Background Documents:

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