

CABINET

Rural England Prosperity Fund (REPF): Visitor Economy, Community Wealth Building & Culture Individual Cabinet Member Decision: Councillor Catherine Potter

Report of Chief Executive

PURPOSE OF REPORT				
To delegate to the Chief Executive the authority to finalise and agree Rural England Prosperity Fund (REPF) awards in respect of Intervention SRB1, in line with the council's UKSPF Investment Plan and REPF addendum.				
Key Decision	<input type="checkbox"/>	Non-Key Decision	<input checked="" type="checkbox"/>	Referral from Cabinet Member
Date of notice of forthcoming key decision	n/a			
This report is public; Appendix A is exempt from publication by virtue of paragraph 3 of Schedule 12a of the Local Government Act 1972				

RECOMMENDATIONS OF CHIEF EXECUTIVE

- (1) That the Chief Executive be delegated to finalise and agree Rural England Prosperity Fund (REPF) awards in respect of the following Interventions:
- SRB1 Small scale investment: Funding (capital grants) for small scale investment in micro and small enterprises in rural areas. Including capital funding for net zero infrastructure for rural businesses, and diversification of farm businesses outside of agriculture to encourage start up, expansion or scale up of these businesses where this involves converting farm buildings into other commercial or business uses.

Funds will be awarded as set out in the council's UKSPF Investment Plan and REPF addendum, to deliver the following projects:

- Filberts Too
- Hare Appletree Farm Vending Machine
- Newland Home Farm – Stable Conversion

1.0 Introduction

- 1.1 In April 2022 the government announced the [prospectus for the UK Shared Prosperity Fund \(UKSPF\)](#), to be delivered by local authorities from 2022-2025.
- 1.2 In September 2022 the government published the Rural England Prosperity Fund Prospectus to be delivered by local authorities from 2023-2025.
- 1.3 The Lancaster district has been allocated £500,075 by the Department for

Food, Environment and Rural Affairs (DEFRA) through the Rural England Prosperity Fund (REPF). The REPF complements the UK Shared Prosperity Fund (UKSPF) in rural areas from April 2023-March 2025. The Rural England Prosperity Fund (REPF) provides complementary funding to the UK Shared Prosperity Fund (UKSPF), targeted specifically at supporting rural businesses and communities in line with the government's overall goals of Levelling Up. The funding is entirely designated as 'capital' funding, which means it can only be spent on 'lasting assets such as buildings or equipment'.

2.0 Rural England Prosperity Fund addendum to UKSPF Investment Plan

- 2.1 Following a consultative development process with rural stakeholders, the council's REPF addendum to the UKSPF Investment Plan was finalised and submitted to meet the government's deadline of 30th November 2022.
- 2.2 The council received approval of the REPF addendum in April 2023 followed by release of the initial tranche of funding for 2023-2024 in July 2023.

3.0 REPF applications

- 3.1 The grant application window for the first stage of REPF took place from 16th May – 11th July.
- 3.2 A total of 18 applications were received across the REPF's Supporting Rural Business and Supporting Rural Communities Intervention Priorities.
- 3.3 The full list of applications is included in the exempt appendix to this report.

4.0 Evaluation

- 4.1 Applications have been evaluated in line with HM Treasury's 'five cases' best practice approach to business case development (considering the strategic, economic, commercial, financial and management case for each project) as well as the Critical Success Factors agreed by Cabinet at its meeting of 12 July 2022:
 - Climate Emergency
 - Affordable
 - Deliverable
 - Impact
 - Inclusive
 - Collaborative
 - Proven Track Record
 - Scalable
- 4.2 Further independent and neutral evaluation has been commissioned via an external panel of stakeholders.
- 4.3 Following initial evaluations in July - August 2023, informal discussions with Cabinet in August and September 2023 considered the proposed strategic approach and provisional recommendations for the first round of funding awards.
- 4.4 Technical evaluation has been conducted to ensure projects are strongly aligned to REPF criteria as well as meeting all relevant obligations of the funding.

5.0 Proposal Details

- 5.1 It is proposed that applications be considered for a decision based on the following two outcomes:

- 1) *Award funding and begin implementation:* projects which clearly meet the criteria and can deliver positive impact against the programme's strategic outcomes and outputs
 - 2) *Do not consider awarding funding:* projects which are less well aligned to the criteria or strategic fit
- 5.2 The recommended decision for each application is contained in the exempt appendix to this report.
- 5.3 Specific to the relevant portfolio area of Visitor Economy, Community Wealth Building and Culture, the following projects are proposed for a Year 1/Year 2 funding award in respect of Intervention SRB1 Small Scale Investment: Funding (capital grants) for small scale investment in micro and small enterprises in rural areas. Including capital funding for net zero infrastructure for rural businesses, and diversification of farm businesses outside of agriculture to encourage start up, expansion or scale up of these businesses where this involves converting farm buildings into other commercial or business uses;
- Filberts Too
 - Hare Appletree Farm Vending Machine
 - Newland Home Farm – Stable Conversion
- 5.4 Should the recommendation in this report be approved, officers will initiate the process of finalising all relevant details and agree grant agreements for the projects to be delivered in accordance with the REPF programme's guidance and requirements, and within the funding envelope defined by the council's Investment Plan and addendum.
- 5.5 Delivering the complex and wide-ranging REPF programme will require a degree of flexibility in managing the specific funding allocated to each of the two Priorities and six Interventions contained in the addendum. All allocations will be determined within the parameters of the UKSPF programme's change control process.
- 6.0 Details of Consultation**
- 6.1 Delivering a successful REPF programme from 2023-2025 will be fundamentally dependent on a consultative, collaborative, and inclusive approach. The council's REPF programme so far has been characterised by this principle, with wide-ranging consultation including:
- The formation of a Local Rural Partnership Group, in line with the REPF Prospectus, to advise and support the addendum development process and subsequent activity in delivering the programme.
- 6.2 The technical nature of project evaluation along with its 'competitive' element means that limited consultation is possible in considering funding awards for specific projects at this stage.
- 6.3 However, a consultative process has been taken with Cabinet members to ensure recommendations are in line with the desired strategic direction.

7.0 Options and Options Analysis (including risk assessment)

	Option 1: Award REPF funding in respect of the specified project(s)	Option 2: Do not award REPF funding for the specified project(s)
Advantages	Commence delivery of the REPF programme with its associated benefits to the district.	Opportunity to consider other projects by not committing funding at this time.
Disadvantages	No specific disadvantages beyond demands on the organisation of delivering the programme.	Failure to deliver on the REPF programme.
Risks	Projects may require further development in finalising and agreeing details.	Failure of the council to fulfil its duty of delivering the REPF programme.

8.0 Officer Preferred Option (and comments)

8.1 The officer preferred option is option 1, to commence delivery of the REPF programme.

9.0 Conclusion

9.1 A robust process has been conducted in the development of an approved REPF Addendum, followed by the evaluation of project proposals.

9.2 This report sets out the proposed approach to the next phase of delivering the programme, and as such it is recommended that officers be delegated to finalise and agree funding awards for the first round of REPF projects.

RELATIONSHIP TO POLICY FRAMEWORK

The REPF demonstrates significant overlap with the council's Plan 2030 Priorities. As such, REPF projects and funding awards provide additional opportunity to advance the council's strategic priorities. This is reflected in the strategic design of the programme to meet the Council's goals.

CONCLUSION OF IMPACT ASSESSMENT

(including Health & Safety, Equality & Diversity, Human Rights, Community Safety, HR, Sustainability and Rural Proofing)

All REPF projects are required to be delivered in line with the Public Sector Equality Duty, with the relevant contractual obligations placed on those delivering projects as part of the conditions for receiving funding.

LEGAL IMPLICATIONS

Legal Services have been consulted throughout this process and will advise on any necessary legal agreements in relation to grant funding arrangements.

FINANCIAL IMPLICATIONS

There are no direct financial implications arising from this report. All awards to projects are funded by REPF money via central government. All funding awards for financial year 2024-2025 at this stage, are subject to receipt of funds from central government. Regarding the resources used to administer the fund, the award includes a 4% allowance from the core revenue budget from the UKSPF programme. A team has been established to address this whilst working within the financial boundaries set and any additional requirements are being managed from within existing budgets.

The Capital Programme has been updated at quarter one (30 June 2023) to reflect the £500K REPF funding allocated to the authority by central government and the anticipated related expenditure. This will be reported to Cabinet as part of the Delivering Our Priorities Report on the 12 September 2023 Cabinet agenda. Should the recommendation in this report be approved officers will update the programme to reflect the individual sub-projects within the over-arching REPF funding envelope already included.

OTHER RESOURCE IMPLICATIONS

Human Resources:

N/A externally delivered project

Information Services:

N/A externally delivered project

Property:

N/A externally delivered project

Open Spaces:

N/A

SECTION 151 OFFICER'S COMMENTS

The Section 151 Officer would request that both Members and Officers consider that the Council currently has a significant structural budget deficit and so funding initiatives will need to be (at a minimum) cost neutral to the Council or be subject to the usual arrangements surrounding for on-going support of items not included within the budget framework.

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and has no further comments to add.

BACKGROUND PAPERS

Appendix (Exempt):

Summary of REPF Round 1 Applications

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