

UPDATE ON UK SHARED PROSPERITY FUND AND RURAL ENGLAND PROSPERITY FUND

Cabinet – 14 December 2023

Report of: Detlev Munster – Strategic Head of Property and Commercial

Status: For Consideration

Also considered by: Improvement & Innovation Advisory Committee – 5 December 2023

Key Decision: No

Executive Summary: The UK Shared Prosperity Fund and Rural England Prosperity fund are on track and delivering as expected at this stage of the programme. The investment plan, approved by Cabinet in July 2022 and by Government in December 2022, outlined a complex programme of work with more than 15 individual projects to be delivered by a range of project leads. Projects complement the Economic Development Strategy and represent an ambitious yet achievable programme. In July 2022, Cabinet requested that annual monitoring of the investment plan and its implementation be undertaken, and this report is the first such report.

Portfolio Holder: Cllr. Julia Thornton

Contact Officer: Emily Haswell, Ext. 7261

Recommendation to Improvement and innovation

To note the progress with delivery of the UKSPF and REPF programme

Reason for recommendation: Good progress has been made with delivery against the UK Shared Prosperity Fund investment plan and Rural England Prosperity Fund addendum with the programme of projects remaining on track and meeting interventions, outcomes and outputs expected.

Introduction and Background

- 1 The UK Shared Prosperity funding was launched in April 2022 to support the Government's commitment to levelling up all parts of the UK aiming to build pride of place and increase life chances. Sevenoaks District Council was allocated £1m over the financial years 2022-25 covering the 3 priorities of Community and Place, Supporting Local Business and People and Skills. This included funding for both Capital and Revenue allocations for each year.
- 2 In order to receive this funding an investment plan was submitted to the Department of Levelling up in July 2022 and was approved in late December 2022. The approved Local investment plan contains detailed financial allocations against projects, interventions and forecast outcomes and outputs and therefore provides the framework for the monitoring of this funding. See table below.

Allocations Summary

- 3 The following summary table outlines the annual financial allocations across the investment priorities, these include a mixture of Capital and Revenue funding meeting percentages stipulated in scheme guidance.

Funding Period	Communities and place	Local Business support	People and Skills	TOTALS
2022/23	£62,169	£28,000		£90,169
2023/24	£89,505	£90,833		£180,338
2024/25	£222,826	£174,167	£332,500	£729,493
TOTAL	£374,500	£293,000	£332,500	£1,000,000

Interventions

- 4 The investment plan detailed the interventions alongside projects and financial allocations together with expected outcomes and outputs. The interventions against the investment priorities are summarised in the table below;

Community and Place	Local Business Support	People and Skills
E11 - Capacity building and infrastructure to support local groups	E29 - Supporting decarbonisation & improving natural environment	E33 - Employment support for economically inactive people
E12 - Community engagement and local regeneration	E24 - Training hubs, business support offers, incubators and accelerators	E33 - Employment support for economically inactive people
E12 - Community engagement and local regeneration	E31 - Support relevant feasibility studies	E39 - Green Skills courses
E12 - Community engagement and local regeneration	E16 - Open markets and town centre retail and service sector	E41 - Funding to support local digital skills

E3 - Creation of an improvement to Local Green Spaces	E17 - Development and promotion of visitor economy	
E1- Improvements to Town Centres and High Streets	E31 - support relevant feasibility studies	
E6 Enhancing existing cultural, historic and heritage institutions offer		

- 5 The investment plan submitted and agreed was based on consultation and feedback from local stakeholders and also aligned to activities in the Economic Development Strategy. Thus creating an ambitious programme of activity which whilst challenging to achieve aims to create a legacy to build on in future years. The West Kent Partnership provided a chance to work jointly on some areas of our UKSPF where this could add value. It should be noted that Sevenoaks District funds will only be used to support Sevenoaks District organisations but we can benefit from jointly commissioning work across the area.

Rural England Prosperity Fund (REPF)

- 6 In September 2022 The Rural England Prosperity Fund was announced providing further funding to support the additional challenges associated with Levelling up rural areas. The Sevenoaks District allocation was £501,308 of Capital funding across the financial years 2023-2025. To secure this funding an addendum was submitted and subsequently agreed in April 2023 to be monitored alongside the UKSPF spend.
- 7 The REPF funding has been allocated towards the creation of the West Kent Rural Grants Scheme to support businesses and community organisations across DEFRA defined eligible geographic area. The scheme provides Capital grants only. With no funding for administration permitted, a West Kent Rural Officer was appointed through West Kent Partnership funding.

Project Delivery

- 8 The projects within the investment plan and addendum have been based on consultation with end users, businesses and stakeholders and reflect the priorities both in the Better Together Community Plan (2022-2025) and the Economic Development Strategy (2022-27); both reflect the priorities within the Council Plan. The programme of work seeks to maximise impact of funding to meet current gaps whilst matching the prescribed mix of funding producing a wide range of interventions outcomes and outputs to benefit the District. Projects have a mixture of project leads dependent on expertise and where relevant work alongside partners and/ or include work procured externally.
- 9 A programme management office has been established through the creation of a UKSPF project officer role to ensure delivery remains on track, to liaise with project leads providing guidance support and to assist the UKSPF lead to complete monitoring returns, which are critical to release of further funding. To

date all monitoring rounds have been successfully completed with returns signed off by the Councils S151 officer, which has released funding for financial years 2022/23 and 2023/24. The October/ November 2023 monitoring round is expected to release funding for the final year.

- 10 Recruitment activity was undertaken at the beginning of the year and the UKSPF Project Officer, the Town Centre Project Officer and the Rural Projects Officer commenced their respective posts in April 2023, June 2023, and May 2023 respectively.
- 11 Programme activities are monitored on a fortnightly basis by the Economic Development Team and more widely with our West Kent partners on a monthly basis. A close working relationship exists at officer level amongst the West Kent partners.
- 12 Building on LEADER's legacy, and to support the distribution of REPF grants, the Local Action Group was re-established and reconstituted into the Grants Panel. The panel has mixed representation of local businesses, local community groups etc, and is responsible for approving grant applications. The Grants Panel will meet on a periodic basis.

Progress

- 13 A summary of progress has been provided in Appendix A in table form, this provides an overview of progress to date against each of the projects and a rating of Red, Blue, Amber or Green. The result is that 50% of programmes are Green meaning project activity and spend has commenced and is either on track or completed. 31% are blue indicating the project was not profiled to commence until financial year 2024/25 as per the investment plan. 19% are Amber indicating the project activity is ongoing but spend is yet to commence or the project is facing minor delays. We are currently reporting no projects with a Red rating (to indicate concern about ability to deliver the project within the timescales)
- 14 Within the agreed Investment Plan some projects are not profiled to commence spend until the financial year 2024/25 and therefore the rating provided indicates that preparation remains on track. This is the case in particular for the People and Skills programmes as these were originally restricted to the final year of the programme.
- 15 The UKSPF guidance indicates the level of flexibility, which can be applied without a formal project change request, at the current time our performance remains as per the agreements in place and no project changes are perceived necessary.
- 16 Key achievements to date include the swift appointment of additional staff to support the schemes, namely the UKSPF project officer, Town Centre project officer and the West Kent Partnership funded – West Kent Rural officer. These posts have brought additional resource to the team to enable delivery of the programme of work.

- 17 Under the Community and Place theme, the key achievements have been around the extensive community mobilisation and grants programme, as well as the liaison with all town and parish councils to identify key small scale public realm projects. See Appendix A for further details.
- 18 Under the Supporting Local Business theme the key achievement has been the procurement and establishment of the West Kent Business support programme together with an initial successful round of the Green Grants scheme for businesses. See appendix A.
- 19 People and Skills projects are profiled for the financial year 2024/25. However, initial scoping work and project outlines are being completed and procurement processes commenced to ensure programmes are ready to launch in the new year.
- 20 The Rural England Prosperity Fund has allocated the whole amount for the current year in approving 12 grants, with an additional 4 applications approved with funding to be disbursed in the next financial year.
- 21 All grant schemes have been advertised through a dedicated business grants page on our council website, social media posts, Local business organisations, flyers and presentations at Local business events, and information being shared through Town and Parish Council's and local stakeholders. Schemes have been well subscribed with applications exceeding available funding in most cases.

Economic Development Strategy

- 22 The Economic Development Strategy 2022-27 was produced following consultation with local businesses and stakeholders, this consultation included discussion on priorities for the UKSPF to ensure that the deliverables within the strategy and the UKSPF programme were aligned. This means that the UKSPF provides the funding to deliver some of the ED strategy objectives and ensures that resources and therefore achievements are maximised.

Other options Considered and/or rejected

- 23 There is no obligation to spend the UK Shared Prosperity Fund / Rural England Prosperity fund allowance, however to not do so would present a missed opportunity. The funding available provides funds for supporting the levelling up agenda, strengthening pride in place, improving life chances in the district and providing additional support to overcome the additional challenges faced in rural areas. It also supports the delivery of the Council's EDS. Failure to use the allocation may have implications in future funding allocations made and would not represent the best interests of the community.
- 24 Whilst different projects could be delivered, the Investment Plan and its proposed activities/projects was extensively consulted and reflects the needs of our District and is now agreed. However, officers are continuously scanning the market to determine if the projects/activities remain valid. If changes are needed, a change request will need to be made to Government.

Key Implications

Financial

- 25 The Grant funding agreement and Memorandum of Understanding have been signed by the Council and the Government.
- 26 Funding for each financial year will be paid to the local authority in advance. Prior to each year's allocation, a report needs to be submitted on progress against the outputs of the Investment Plan. Lead local authorities may be asked to return any underspends at the end of each financial year, therefore regular financial and performance monitoring will be required.
- 27 Up to a maximum of 4% of the total allocation (UKSPF only) can be used for administration of the plan including commissioning services and monitoring. More administration heavy projects have in-built resources included.

Legal Implications and Risk Assessment Statement.

- 28 A signed Memorandum of Understanding and Grant funding agreement is in place following receipt of a grant determination letter, these documents set out detailed fund requirements and obligations and link to the UK Shared Prosperity Fund prospectus which provides comprehensive guidance on project delivery including procurement, publicity and branding and eligibility. These documents have been amended and resigned to incorporate the REPF funding addendum.
- 29 Delivery risks were considered at the outset of the project and mitigations included within the scheme design – key risks are outlined within the table below

Risk	Mitigation	Likelihood
Partner organisations do not provide monitoring information required	Funding administered directly by SDC and only released at appropriate time once project complies with scheme requirements – ongoing monitoring requirements detailed in scheme guidance for all grant schemes.	Low /Medium
Project unable to complete	There is some flexibility within scheme guidance to amend projects and adapt to changing circumstances, regular monitoring in place to ensure early indication of challenges	Medium
Non delivery risk	Programme management in place with project leads supported by a Project Officer in terms of monitoring with regular progress meetings in place	Low

Monitoring non compliance resulting in failure to release further funding rounds	Programme management in place Project Officer supported by UKSPF lead and finance team to ensure monitoring returns are completed fully and in line with scheme requirements	Low
Failure to deliver contracts procured externally	Internal governance procedures are followed alongside the required procurement procedures outlined within programme guidance	Low

Equality Assessment

- 30 Members are reminded of the requirement, under the Public Sector Equality Duty (Section 149 of the Equality Act 2010) to have due regard to (i) eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010, (ii) advance equality of opportunity between people from different groups, and foster good relations between people from different groups The decisions recommended through the report directly impact on end users. The impact has been analysed and does not vary between groups of people. (full assessment included as background document)
- 31 The UK Shared Prosperity Fund investment plan, REPF addendum and the investment priorities they support, should have a positive impact on all our residents and businesses. Some initiatives, however, are targeted at specific groups that are in particular need in our community such as the unemployed or those experiencing barriers to employment. Such an approach means we are seeking to positively impact levelling up of opportunity across the District.

Net Zero Implications

- 32 The decision recommended through this report has relevance to the council's ambition to be Net Zero by 2030. Officers believe that the UKSPF Investment Plan will help in reducing carbon emissions. but in summary:
- A number of projects notably the green grants scheme and the training of retrofit advisers should positively impact local businesses and potentially emissions from Council owned assets
 - Through community mobilisation we will be seeking to raise awareness of Net Zero issues and solutions
 - We are seeking to deliver green infrastructure in our key centres and boost biodiversity

Conclusions

- 33 The early stage delivery for the UKSPF and REPF Programmes have gone well with the extensive range of projects on track to deliver for the current financial

year. The achievements complement activity within the Economic Development Strategy Delivery plan, and through working in partnership maximum impact from this funding is expected.

Appendices

Appendix A – UKSPF and REPF summary report

Background Documents

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Detlev Munster

Strategic Head of Commercial and Property