

Agenda Item No:	9	
Committee:	Cabinet	
Date:	17th July 2023	
Report Title:	Rural England Shared Prosperity Fund	

1 Purpose / Summary

- 1.1 At the Cabinet meeting held on 12th June 2023 Members considered a report titled “Rural England Shared Prosperity Fund” and agreed to recommend:
- Acceptance of £436k Rural England Shared Prosperity Funding (RESPF) from the Cambridgeshire & Peterborough Combined Authority (CPCA) for a two-year period commencing in 2023-24 and ending in 2024-25.
 - To delegate to Officers responsibility for approving and finalising with the CPCA the RESPF Grant Funding Agreement; and
 - To note that a further report will be presented to Cabinet for approval of the detailed proposals in relation to the projects, procedures and documentation associated with the onward administration of the funding.
- 1.2 The purpose of this report is to determine the legal, financial and governance arrangements in relation to the administration of the District Council’s RESPF allocation to include approval of the utilisation of the fund for 2023-24 and the associated processes, decision making structures and grant funding agreements.

2 Key Issues

- 2.1 At the time of writing this report the final agreement from Government on the RESPF funding is still awaited and it is anticipated that this will be provided imminently. To reduce the risk of not drawing down the whole of the RESPF 2023-24 budget, decisions need to be made in advance of the final agreement about how the funding for 2023-24 will be utilised.
- 2.2 The allocation of RESPF for Fenland is £436k with £109k in 2023-24 and £327k in 2024-25. The investment priorities for RESPF are Business Growth and Community and Place. Given the relatively limited funds and time available for delivery the focus will be on business growth in 2023-24.
- 2.3 To note that a further report will be presented to Cabinet for approval of the RESPF programme for 2024-25.

3 Recommendations

- 3.1 Cabinet is requested to consider and agree for 2023-24 that the RESPF monies should be allocated exclusively for business growth purposes. The split of the

2024-25 RESPF to be allocated between business growth and community and place and will be determined at a future meeting of the Cabinet.

Wards Affected	All
Forward Plan Reference	
Portfolio Holder(s)	Cllr Ian Benney
Report Originator(s)	Anna Goodall, Assistant Director Simon Jackson, Economic Growth Manager
Contact Officer(s)	Simon Jackson, Economic Growth Manager
Background Papers	Rural England Shared Prosperity Fund: prospectus - GOV.UK (https://www.gov.uk/government/publications/rural-england-prosperity-fund-prospectus/rural-england-prosperity-fund-prospectus)

Report:

1 BACKGROUND AND INTENDED OUTCOMES

- 1.1 As reported to Members on the 12th of June Cabinet meeting, the Rural England Shared Prosperity Fund (RESPF) builds on, and is complementary to, the UK Shared Prosperity Fund (UKSPF). The RESPF is a top-up to the UKSPF and is available only to eligible local authorities in England.
- 1.2 The RESPF objectives sit within the UKSPF investment priorities for:
- Business Growth
 - Community and Place
- 1.3 The RESPF provides capital funding to:
- Support new and existing rural businesses to develop new products and facilities that will be of wider benefit to the local economy. This includes farm businesses looking to diversify income streams.
 - Support new and improved community infrastructure, providing essential community services and assets for local people and businesses to benefit the local economy.
- 1.4 The Government has allocated £3.2m RESPF for the four rural districts of Cambridgeshire over a two-year period commencing 2023/24. The Government allocation for Fenland is £436k with £109k in 2023/24 and £327k in 2024/25. The allocation is determined nationally by Government is based on factors developed in line with the scheme objectives including the size of rural populations.
- 1.5 The RESPF in Fenland covers all of the District with the exception of Wisbech which is classed a non-rural urban location.
- 1.6 The Government's allocation for Fenland of £109k in 2023-24 means that there are relatively limited funds available to deliver projects in the investment priorities of Business Growth and Community and Place.
- 1.7 The final agreement from Government on the RESPF funding is still awaited and it is anticipated that this will be provided imminently. To reduce the risk of not utilising the whole of the RESPF 2023-24 budget decisions need to be made about how the funding for 2023-24 will be utilised before the final agreement is received.
- 1.8 An assessment has been made by Council officers in terms of which of the investment priorities could have projects that can make the most effective use of the relatively limited funds available and deliver before the end of the 2023-24 financial year. This assessment is summarised as:
- Community and Place

1. Active travel schemes (along with any other transport schemes) are mostly very complex and very expensive. There are various schemes that could be supported but they all fall into the complex and expensive. Moreover, one active travel scheme of any reasonable size could easily take the whole of the RESPF £436k budget.

2. From a community's perspective, for many of the potential RESPF community opportunities the mobilisation of this work would be complicated from a resourcing and potentially a governance/procurement perspective and present a significant risk that they would not be implementable in 2023-24.

Business Growth

1. The Council has a track record in the effective engagement with Fenland businesses and over the last three years the Council's Economic Growth Team has built a business database of over 2,500 businesses.

1.9 Based upon this assessment, the recommendation is that the Council allocates the whole of the 2023-24 RESPF of £109k to the Business Growth priority investment. This would comprise a single project providing capital grants to rural businesses. Officers are confident that such a grant scheme could become operational quickly and utilise all the 2023-24 RESPF allocation.

1.91 The key elements of a RESPF Business Growth Grant Scheme will be:

- A maximum grant of up to £5k per business.
- Businesses will need to contribute a minimum of 50% towards the total cost of the project.
- Only businesses with between 3 and 20 employees will be eligible.
- Only businesses located within the defined Fenland RESPF area.
- Capital grants will be available for businesses to promote business growth and for the purchase of for example capital equipment, expansion of business premises and so on.

1.92 The criteria used in assessing applications for RESPF will include:

- Projects that create and sustain rural jobs.
- The diversification of income streams.
- Certain types of rural businesses will receive priority including farming and tourism business.

1.93 The RESPF Business Grant Scheme will be delivered by the Council's Economic Growth Team. The grant decision making process will be advised by the North Cambridgeshire Place Development Board (PDB). The PDB is comprised of representatives from the local business community with the Council represented by the Leader and Chief Executive. The final decision on whether to support an application will be made by the Council's RESPF Grants Team consisting of Officers from Finance, Audit, Communications and Economic Growth.

2 REASONS FOR RECOMMENDATIONS

- 2.1 The reason for the recommendation is to gain Cabinet approval that for 2023-24 the RESPF monies should be allocated exclusively for business growth purposes. The split of the 2024-25 RESPF to be allocated between business growth and community and place and will be determined at a future meeting of the Cabinet.

3 CONSULTATION

- 3.1 Engagement with partners such as Cambridgeshire Acre, CPCA Growth Works, Growth HUB and the Start & Grow pilot has enabled external views and policies to be incorporated into the RESPF Business Growth Grant project.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 An alternative option would be not involving the PDB in the process. The PDB is made up of representatives from the Fenland business community will bring expertise and experience in evaluating private sector business investments and will help to ensure the most effective use of the business sector RESPF grant funding. This breadth of experience and expertise is not available within the Council.
- 4.2 Another option might be that the final decision is taken by a member or members rather than the Council's RESPF Grants Team. The final decision on grant applications is an operational rather than strategic decision. The Leader of the Council sits on the PDB and contribute to its recommendations as to whether to support or otherwise each application.

5 IMPLICATIONS

5.1 Legal Implications

- 5.1.1 Authority has been given for Fenland District Council to enter into a Grant Funding Agreement with the CPCA who are passporting RESPF central government funding from DLUHC/DEFRA. In order now for the Council to distribute the funding to the intended recipients and in accordance with its bid, further governance is required.
- 5.1.2 In relation to the allocation of funding connected with RESPF Business Growth Grant Scheme, it is important for the Council to ensure that a fair and proportionate process is in place to assist with the determination of applications. The process for undertaking initial and full assessments of those applications received is as set out in this report. Recommendations will then be made by the EGT and PDB before a final decision is taken by the RESPF Grants Team which will be comprised of officers who have had no prior involvement in the process, An appeal mechanism will exist where again, decisions will be taken by officers who have had no prior involvement and are of greater seniority than the original decision maker(s) seeking input from members where necessary. This is consistent with ordinary and fair decision-making processes and will be supplemented and supported with detailed information for applicants about the

scheme; what the criteria are, how the decision will be made and by whom and how their data will be processed, shared and stored. Information sharing, conflict of interest and confidentiality agreements/policies will be drawn up with the PDB and each successful applicant will be required to enter into a grant funding agreement to receive the monies. This will ensure that the applicant understand what is expected of them upon receipt of the funding, for officers to be able to undertake periodic reviews and ultimately for the Council to clawback the monies in the very unlikely event the need to do so arises. Decisions relating to this scheme will be published in accordance with the Council's statutory obligations and having regard to any exemptions which may exist. Subsidy control will be assessed and documented on each occasion to safeguard the Council's interests and in compliance with its obligations under the CPCA GFA.

5.2 Financial Implications

5.2.1 It is currently being assumed that there will be no carry over of the RESPF funds allocated for 2023-24 into 2024-25. The Economic Growth Team are aware of this risk and have undertaken mitigating actions.

5.3 Equality Implications

5.3.1 The Business Growth Grant Scheme and services have been assessed to ensure equality of access, etc.

6 SCHEDULES

Schedule One – RESPF Business Grant Fund Scheme

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1. The RESPF Business Grant Fund Scheme will provide access to pump-priming grant funding in Fenland for rural businesses to enable them to drive local economic growth, productivity, R&D, energy saving, business innovation and skills development to secure access to market opportunities and boost long-term skilled employment.
2. The project will support existing rural businesses with more than 3 and fewer than 20 employees.
3. The project will be managed by the District Council's Economic Growth Team (EGT) ensuring quick mobilisation of the project. The EGT has an extensive programme of engagement with Fenland businesses including one to one support for over 40 businesses per year.
4. Rural businesses will submit an Expression of Interest (EOI) form to the EGT for consideration. Once assessed using a standardised scoring process those applicants that exceed the scoring threshold will be invited to complete the full grant application form and will receive support to complete the form from the EGT.
5. Those businesses invited to complete a Full Application Form submitted into the EGT will be assessed and scored. Each Application Form will be supported by an Officer fully funded by the UKSPF Shared Prosperity Fund who will also ensure due diligence, supporting evidence has been provided, subsidy control has been reviewed, etc.
6. The grant decision making process will be advised by the North Cambridgeshire Place Development Board (PDB). The PDB is comprised of representatives from the local business community with the Council represented by the Leader and Chief Executive. The final decision on whether to support an application will be made by the Council's RESPF Grants Team consisting of Officers from Finance, Audit, Communications and Economic Growth.
7. A council cannot contract out its decision making to another body unless it is permitted by the Deregulation and Contracting Out Act. The decision on whether to support an application will be made by the Council's RESPF Grants Team consisting of Officers from Finance, Audit and the Economic Growth Team. Decisions relating to the allocation of funding will be published on the Council's website in line with transparency requirements and the associated exemptions under Schedule 12A of the Local Government Act 1972.
8. As the PDB will have access to information about businesses that have applied for an RESPF grant including potentially commercially sensitive data. The members of the PDB will be required to declare any conflicts of interest with any applicant business before the application is considered by the PDB. All applicants will be made aware of who comprises the PDB and what the application process is so that they can equally flag any potential concerns to the Council before their data is shared. The application pack will include a

privacy statement to ensure we are compliant with GDPR, transparent and how the data will be shared with others to assess and determine the application.

9. If an applicant is dissatisfied with the outcome, they can request a review of the decision. The review will be undertaken by a group of Council officers, including the Corporate Director and Chief Finance Officer (s151 officer) and the Monitoring Officer. This officer group may wish to consult with the Portfolio Holder for Economic Growth and Portfolio Holder for Finance on any complex decisions.
10. Grant requests up to a maximum of £5,000 will be considered. The requirement for a private sector match of at least 50% increases ownership by the applicant and increases the return on investment for the project.