

STAFFORDSHIRE MOORLANDS DISTRICT COUNCIL

Cabinet Delegated Decisions

17 November 2022

TITLE:	UK Shared Prosperity Fund and Rural England Prosperity Fund
PORTFOLIO HOLDER:	Councillor Flunder - Portfolio Holder for Tourism
CONTACT OFFICER:	Lisa Hoyland – Regeneration Officer
WARDS INVOLVED:	All wards

Appendices Attached:

Appendix 1 Rural England Prosperity Fund proposed interventions

1. Reason for the Report

- 1.1 The UK government has proposed an additional £410,353 for Staffordshire Moorlands, known as the Rural England Prosperity Fund, referred to as the 'Rural Fund', and managed by DEFRA. The Council needs to submit an addendum to the UKSPF Investment Plan showing the preferred rural fund interventions with a submission window between 3rd October and 30th November.

2. Recommendations

- 2.1 Approve the proposed Rural Fund interventions and allocations as set out in Appendix 1.
- 2.2 Approve the preferred option B below as the proposed delivery model for the Rural Fund.
- 2.3 Approve the submission of the required Rural England Prosperity Fund addendum form to DEFRA by the deadline of 30th November using the interventions, allocations and delivery model (option B) as the basis for completion.

3. Executive Summary

- 3.1 The Staffordshire Moorlands UKSPF Investment Plan and associated documents were submitted to the Department for Levelling Up, Housing and Communities (DHULC) by their deadline of 1st August for the Council's allocation of £3,428,937. The Investment Plan is now awaiting approval by

DHULC.

3.2 The UK government has now proposed an additional capital “top up” to the UKSPF of £410,353 for Staffordshire Moorlands called the Rural England Prosperity Fund and referred to as the ‘Rural Fund’, to be managed by DEFRA. The Rural Fund has two objectives, to support rural businesses and to support rural communities. It is a replacement for the EU funded Leader programme.

3.3 The report considers how Staffordshire Moorlands District Council will allocate the additional Rural Fund and outlines options for its delivery and seeks approval for the required addendum form to DEFRA on this basis.

4. **How this report links to Corporate Priorities**

4.1 The UK Shared Prosperity Fund will contribute to:-

- Aim 1: To help create a safer and healthier environment for our communities to live and work.
- Aim 2: To use resources effectively and provide value for money.
- Aim 3: To help create a strong economy by supporting further regeneration of towns and villages.
- Aim 4: To protect and improve the environment and respond to the climate emergency.

5. **Alternative Options**

5.1 The alternative option is to not submit a rural fund UKSPF addendum to the Investment Plan, in which case the Council may forfeit the additional £410,353 allocated.

6. **Implications**

6.1 Community Safety - (Crime and Disorder Act 1998)

UKSPF can contribute to the design and management of the built and landscaped environment to ‘design out crime’.

6.2 Workforce

The Council will be required to programme manage the UKSPF and will need to consider capacity both for delivery and for procurement, consultation and financial management. Additional resourcing implications are set out in the options for delivery of the Rural Fund below.

6.3 Equality and Diversity/Equality Impact Assessment

This report has been prepared in accordance with the Council's Diversity and Equality Policies.

6.4 Financial Considerations

The Council will be able to use up to 4% of its UKSPF allocation by default to undertake necessary fund administration, such as project assessment, contracting, monitoring and evaluation and ongoing stakeholder engagement.

6.5 Legal

The milestones, expectations and timescales will be set out in a Memorandum of Understanding between DLUHC, DEFRA and the Council. The Council should design its project selection and contracting processes so that mechanisms are in place to recover funding where beneficiaries do not comply with fund parameters, UK law or any local requirements. For the Rural Fund, a Service Level Agreement will be drawn up for joint delivery with other councils as set out in the options for delivery below.

6.6 Climate Change

UKSPF can contribute to supporting decarbonisation and improving the natural environment whilst growing the local economy. The Rural Fund grant scheme will include applications from businesses and communities for projects that contribute toward the government's net zero ambitions and also meet the required economic outcomes.

6.7 Consultation

The Council is working with a diverse range of local and regional stakeholders, civil society organisations, employer bodies responsible for identifying local skills plans, and businesses or business representative groups to achieve Fund outcomes. A webinar was held on 15th July at which a wide range of stakeholders including rural stakeholders were invited to submit their responses.

6.8 Risk Assessment

Risks to the Council are that the funding will not be spent if we do not agree a process for its allocation.

Neil Rodgers
Executive Director (Place)

Web Links and Background Papers

<https://www.gov.uk/government/publications/uk-shared->

Contact details

Lisa Hoyland

7. Detail

- 7.1 The UK government has proposed an additional £410,353 for Staffordshire Moorlands, known as the Rural England Prosperity Fund, referred to as the 'Rural Fund', and managed by Defra. The Council needs to submit an addendum to the UKSPF Investment Plan showing our preferred rural fund interventions with a submission window between 3rd October and 30th November. Proposed allocations are set out for consideration and approval in Appendix 1.
- 7.2 The Rural England Prosperity Fund (Rural Fund) is integrated into the UK Shared Prosperity Fund (UKSPF), which supports productivity and prosperity in places that need it most. Rural England Prosperity Fund funding is available from April 2023 to March 2025.
- 7.3 The Rural Fund has two objectives, to support rural businesses and to support rural communities. It is a replacement for the EU funded Leader programme.
- 7.4 Rural England Prosperity Fund can be invested in projects which will boost productivity and create rural job opportunities. These could include, for example, farm businesses looking to diversify by opening a farm shop, wedding venues or tourism facilities or improvements to village halls, pubs and other rural hubs for community uses. Investment will be based on local priorities.
- 7.5 Projects must be in a rural area. For Rural Fund purposes, rural areas are defined in the guidance as:
- towns, villages and hamlets with populations below 10,000 and the wider countryside
 - market or 'hub towns' with populations of up to 30,000 that serve their surrounding rural areas as centres of employment and in providing services

On this basis all of Staffordshire Moorlands towns and rural areas are eligible for this support.

- 7.6 Match or co-funding under the Rural Fund is not mandatory. However, the Council should consider match funding and leveraging options from the private, public and third sectors. This will maximise the value for money and impact of the Fund. The proposed grant scheme will ensure that there is a percentage of match funding from the private and community organisations in receipt of grant.

- 7.7 DEFRA encourages local collaboration and working with other places to deliver Rural Fund interventions.
- 7.8 Proposed investment must be compliant with the Public Contracts Regulations 2015 and must follow the Council's constitution and grant rules, processes and procedures where relevant.
- 7.9 The Council must use the Rural Fund on capital projects. This means we must spend grants on lasting assets such as a building or equipment. Grants must be for business or community purposes. We cannot use grants to fund domestic property improvements or to buy private vehicles. We cannot spend grants on revenue costs such as running costs or promotional activities.
- 7.10 For the Rural England Prosperity Fund we are required to submit an addendum to the UKSPF Investment Plan by 30th November (at the latest). Officers will prepare the document for submission, however, we need to agree the Rural Fund allocation against the rural fund interventions. A suggested allocation is shown on Appendix 1 for approval.
- 7.11 The completed questions in the addendum must be shared with local MPs for their approval.
- 7.12 It is proposed that the capital interventions below are combined into one programme currently referred to as the 'Peak Rural Innovation Programme' which will allocate grants both to businesses and community organisations.
- 7.13 Consultation for UKSPF which included rural stakeholders demonstrated that the interventions below were supported:-
- **Intervention 1** : 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.
 - **Intervention 2:** Funding (capital grants) for growing the local social economy and supporting innovation. This includes community businesses, cooperatives and social enterprises.
 - **Intervention 3:** Funding (capital grants) for the development and promotion (both trade and consumer) of the visitor economy, such as local attractions, trails and tourism products more generally.
 - **Intervention 5:** Funding (capital grants) for investment in capacity building and infrastructure support for local civil society and community.
 - **Intervention 8:** Funding (capital grants) for local arts,

cultural, heritage and creative activities.

8. Delivery Options

8.1 As the Rural Fund comprises of capital only, any revenue support to deliver the Fund must be drawn from within our existing resources or from the main UKSP Fund. In effect this means that a proportion of our UKSPF revenue already agreed must be used to support the Rural Fund capital projects.

8.2 Government will use information on capability and resource from our previously submitted UKSPF investment plans to assess our ability to deliver.

8.3 Options for delivery:

A number of proposals for the delivery of the Rural Fund allocation have been considered and it is recommended that we support option B below.

OPTION A

Consideration was given to a jointly managed Rural Fund 'Staffordshire Rural Innovation Programme' grant scheme to be funded from the Rural Fund capital and UKSPF revenue to achieve economies of scale delivered jointly with the other Staffordshire Districts eligible for Rural UKSPF (South Staffordshire, Lichfield and Stafford, subject to their agreement) and managed by Staffordshire County Council (SCC). Staffordshire County Council had shared a delivery model for the four areas with a proposed delivery cost of £16,414 for two years delivery.

The latest information received (31/10/22) is that this route can no longer be progressed as an insufficient number of areas have yet to commit to this option meaning that the delivery costs may not be achievable.

OPTION B

A proposal was received from Derbyshire Dales District Council for the Staffordshire Moorlands Rural Fund to be jointly managed with Staffordshire Moorlands District Council, Derbyshire Dales District and High Peak Borough Council to be known as the Peak Rural Innovation Programme.

Each Authority will make payments and issue contracts to applicants within their area with the programme administered through a Rural Grants Panel with representatives from both Authorities and external rural stakeholders represented. Decision making on the fund priorities will sit with each Authority. Progress would be reported to

the UKSPF Board.

Estimated costs will be taken from the main UKSPF 4% allocation of £96,483. Estimated Officer costs to administer the fund at 4% will be c £16,000p.a plus on costs.

It is recommended that this Option B is approved and officers work on establishing the detail of the arrangement.

OPTION C

Staffordshire Moorlands District Council to independently deliver all £410,353 rural fund capital. Funding for this option would be taken from the main UKSPF 4% allocation. To deliver a grant scheme independently would require a project officer dedicated to this process at an estimated cost of a minimum of £31,346 plus on costs.

For all options it is likely that marketing costs would be additional however these could be reduced by using existing marketing channels including the business newsletter and promotion through partner organisations. Costs may also be dependent on the number of councils agreeing to these options and are subject to change.

It is recommended that Option B is approved and officers work on establishing the detail of the arrangement.