



**SOUTH
KESTEVEN
DISTRICT
COUNCIL**



Full Council

20 July 2023

Councillor Philip Knowles, Cabinet
Member for Corporate Governance and
Licensing

UK Shared Prosperity Fund and Rural England Prosperity Fund Programme Board – Terms of Reference

Report Author

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Purpose of Report

To consider approving amendments to the Terms of Reference of South Kesteven District Council's UK Shared Prosperity Fund and Rural England Prosperity Fund Programme Board.

Recommendations

Full Council is recommended to approve amendments to the Terms of Reference for the UK Shared Prosperity Fund and Rural England Prosperity Fund Programme Board to reflect the following:

1. Membership of the Board to consist of:

- **Cabinet Member responsible for Economic Development**
- **Representative from each Political Group (to be appointed by each Political Group Leader)**
- **An additional representative from the South Kesteven Coalition Group (to be appointed by Leader of the South Kesteven Coalition Group)**
- **Chairman of the Finance and Economic Overview and Scrutiny Committee**
- **Chairman of the Rural and Communities Overview and Scrutiny Committee**

2. Any applications for funding from the South Kesteven Prosperity Fund with a value of £10,000 and under not requiring consideration by the Board, unless, by exception, the Chairman of the Board agrees that an application should be considered by the Board prior to a decision being taken.

Decision Information	
Does the report contain any exempt or confidential information not for publication?	No
What are the relevant corporate priorities?	Growth and our economy High performing Council
Which wards are impacted?	All

1. Implications

Taking into consideration implications relating to finance and procurement, legal and governance, risk and mitigation, health and safety, diversity and inclusion, safeguarding, staffing, community safety, mental health and wellbeing and the impact on the Council's declaration of a climate change emergency, the following implications have been identified:

Finance and Procurement

- 1.1 Officers responsible for making decisions regarding grant applications already have delegated power to take decisions committing the Council to expenditure over and above the threshold of £10,000 within its approved Financial Regulations.

Completed by: Alison Hall-Wright, Assistant Director of Finance and Deputy 151 Officer

Legal and Governance

- 1.2 The proposed amendments to the Board's Terms of Reference do not raise any significant legal or governance implications that are not already reflected in the body of the report.

Completed by: Graham Watts, Assistant Director of Governance and Monitoring Officer

2. Background to the Report

- 2.1 South Kesteven District Council was designated by the Department of Levelling Up, Housing and Communities (DLUHC), as a Lead Local Authority for UK Shared Prosperity Fund (UKSPF) and Rural England Prosperity Fund (REPF). DLUHC mandated local stakeholders were expected to provide advice and guidance on the strategic fit and deliverability of the South Kesteven Investment Plan. To be compliant, a Local Economic Forum (LEF) was established. At the time of writing this report the LEF's inaugural meeting is scheduled to take place on 18 July 2023.
- 2.2 Whilst not a requirement set by DLUHC, to strengthen accountability, oversight and transparency, at its meeting of 26 January 2023, Full Council agreed to the establishment of an elected Member UK Shared Prosperity Fund (UKSPF) and Rural England Prosperity Fund (REPF) Programme Board (hereafter referred to as 'the Board'). This Board has no decision-making power yet can make recommendations to decision-makers prior to decisions being taken in accordance with the Council's scheme of delegation.
- 2.3 Changes in both the Council's political makeup as a result of the all-out District Council elections in May 2023 and the Council's committee structure following its Annual Meeting, have had a consequential impact on the size and composition of the Board. An increased number of political group leaders on the Council and an additional Overview and Scrutiny Committee, means the Board now comprises a relatively large membership which could consist of up to fifteen Councillors.
- 2.4 The Board has met on five occasions since its establishment which has provided sufficient time to review the efficiency and effectiveness of how it conducts its business. The Board currently considers all applications for grant funding from the UK Shared Prosperity Fund and Rural England Prosperity Fund, irrespective of the amount applied for. As some applications for grant funding are relatively low value, questions have been raised as to whether consideration of all applications by the Board is the most efficient use of the Board's time.
- 2.5 All approved grants to date have been published on the Council's website, as set out in paragraph 6 of this report.

3. Key Considerations

Membership of the Board

- 3.1 The existing Terms of Reference state the membership of the Board consists of the following:
- Leader of the Council
 - Deputy Leader of the Council
 - Cabinet Member for People and Safer Communities

- Leaders of all Political Groups
 - Chairman of the Culture and Visitor Economy Overview and Scrutiny Committee
 - Chairman of the Environment Overview and Scrutiny Committee
 - Chairman of the Finance, Economic Development and Corporate Services Overview and Scrutiny Committee
 - Chairman of the Rural Communities Overview and Scrutiny Committee
- 3.2 The names of Overview and Scrutiny Committees would need amending to reflect their new titles further to the committee structure agreed at the Council's Annual Meeting on 18 May 2023.
- 3.3 If the new Housing Overview and Scrutiny Committee was to be added to this list (as the most recent additional Overview and Scrutiny Committee), the size of the Board could potentially consist of a maximum of fifteen Councillors.
- 3.4 It is considered the membership of the Board is too large and disproportionate regarding its role and responsibilities.

Financial threshold for consideration of applications by the Board

- 3.5 All applications for grant funding are currently considered by the Board prior to a decision being taken. Recommendations from the Board are taken into account before a final decision is made by a decision-taker, in accordance with the Council's scheme of delegation.
- 3.6 The value of applications can range significantly from relatively low levels of £250, for example, to much more considerable sums.
- 3.7 Meetings of the Board have often overrun and experienced difficulty in reviewing all of the applications placed before it for consideration, in some cases requiring an additional meeting to be scheduled. Given the relatively low value of the majority of applications considered by the Board in the context of the total amount available, questions have been raised as to whether the submission of low value applications to the Board is the most efficient and best use of its time. Focusing the Board's attention on higher level applications for funding will mean better quality debate can take place due to there being significantly fewer applications to consider. In such circumstances, opportunities could be provided for applicants to present their submissions to the Board and ensure more meaningful consideration can take place prior to a decision being taken.
- 3.8 All applications for grant funding must adhere to the Government's eligibility criteria and due-diligence is undertaken to ensure applicants are entitled to receipt of the grant.

- 3.9 The Government's procurement threshold for the UK Shared Prosperity Fund and Rural England Prosperity Fund scheme where a full tender process is required in respect of South Kesteven Prosperity Fund applications, is £25,000. In the context of this, and thresholds for Officers already included in the Council's Financial Procedure Rules, it is considered applications of £10,000 and below is an appropriate amount to use as a threshold for those that do not necessarily require consideration by the Board, prior to a final decision being taken.
- 3.10 Alongside the introduction of a £10,000 threshold, it is proposed that this be on an exception basis. In practice this would mean the Chairman of the Board could 'call-in' any application of £10,000 and under should they consider it necessary for the Board to give due consideration to it.
- 3.11 To ensure openness and transparency, details of any application granted under the £10,000 threshold which had not been considered by the Board, would be published on the Council's website at the time the decision was made and reported into the Board at its next available meeting.
- 3.12 Taking the above into account, Full Council is recommended to approve Option 1, as set out below.

4. Other Options Considered

Option 1

4.1 Membership of the Board to consist of:

- Cabinet Member responsible for Economic Development
- Representative from each Political Group (to be appointed by each Political Group Leader)
- An additional representative from the South Kesteven Coalition Group (to be appointed by the Leader of the South Kesteven Coalition Group)
- Chairman of the Finance and Economic Overview and Scrutiny Committee
- Chairman of the Rural and Communities Overview and Scrutiny Committee

(This revised membership could potentially consist of a maximum of ten Councillors, allowing full representation from all political groups.)

4.2 Any applications of £10,000 and under not requiring consideration by the Board unless, by exception, the Chairman of the Board agrees that an application should be considered by the Board prior to a decision being taken.

Option 2

- 4.3 Membership of the Board be retained, with committee names being updated accordingly and the Chairman of the Housing Overview and Scrutiny Committee being added to the membership to ensure that all Overview and Scrutiny Committees are represented.
- 4.4 Any applications of £10,000 and under not requiring consideration by the Board unless, by exception, the Chairman of the Board agrees that an application should be considered by the Board prior to a decision being taken.

Option 3

- 4.5 Either of the membership proposals in options 1 and 2 above being adopted.
- 4.6 No financial threshold be put in place and all applications continue to be considered by the Board prior to a decision being taken.

Option 4

- 4.7 An alternative membership for the Board be identified and agreed.
- 4.8 Alternative financial thresholds be identified regarding the value of applications which must be considered by the Board prior to a decision being taken.

5. Reasons for the Recommendations

- 5.1 Option 1 is recommended for approval.
- 5.2 It is considered that the revised membership of the Board will provide adequate cross-party representation to ensure that it can undertake its roles and responsibilities effectively.
- 5.3 The introduction of a threshold of £10,000 regarding those applications that do not require consideration by the Board will ensure that applications, which meet the Government's criteria, can be processed and determined more efficiently and ensure that the Board's focus is reserved for more significant applications.

6. Background papers

- 6.1 Agenda pack and minutes for the meeting of Full Council held on 26 January 2023 (item entitled 'Budget Framework Proposals' includes the decision taken in respect of the establishment of an elected Member UKSPF and REPF Programme Board)

[South Kesteven District Council - Agenda for Council on Thursday, 26th January, 2023, 1.00 pm](#)

- 6.2 UK SPF Investment Plan - Submitted 19 July 2022 and available online at:
<http://www.southkesteven.gov.uk/CHttpHandler.ashx?id=28969&p=0>
- 6.3 South Kesteven Prosperity Fund grants approved to date, available online at:
<http://www.southkesteven.gov.uk/index.aspx?articleid=16064>
- 6.4 Financial Regulations
<http://moderngovsvr/documents/s34354/Appendix%20L%20-%20Financial%20Regulations.pdf>