



SOUTH
KESTEVEN
DISTRICT
COUNCIL



Rural and Communities Overview and Scrutiny Committee

Wednesday, 10 July 2024

Report of Cabinet Member for
Corporate Governance and Licensing

Update on the UKSPF Rural England Prosperity Fund

Report Author

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Purpose of Report

The report provides an update on the UKSPF Rural England Prosperity Fund. It outlines the investment into South Kesteven's communities and highlights the approach for the rest of 2024/25 until the programmes closure on 31st March 2025.

Recommendations

That the Committee:

1. Notes the progress made with the UK Shared Prosperity – Rural England Prosperity Fund and the supports opportunities identified to expedite the distribution of the funding.

| Decision Information | |
|---|--|
| Does the report contain any exempt or confidential information not for publication? | No |
| What are the relevant corporate priorities? | Connecting communities Sustainable South Kesteven Enabling economic opportunities Effective council |
| Which wards are impacted? | (All Wards); |

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 The allocation of funding is in accordance with the grant criteria and the delegations approved by Council.

Completed by: Richard Wyles, Deputy Chief Executive and s151 Officer

Legal and Governance

- 1.2 There are no significant legal and governance implications arising from this report. Decision-making associated with the allocation of the fund will be undertaken inline with the scheme of delegation set out in the Part 3 (Responsibility for Functions) of the Council's Constitution.

Completed by: Graham Watts, Monitoring Officer

2. Background to the Report

- 2.1 The Council's overarching aspiration as set out in the Corporate Plan 2024-2027 is to ensure that the District is "A thriving District to live in, work and visit". A key priority is to enable and support a dynamic, resilient and growing local economy, which benefits all our communities. Continuing to distribute government grants, including the Rural Prosperity Fund will support the Council in meeting these aspirations.

- 2.2 The UK Shared Prosperity Fund (UKSPF) is a central pillar of the UK government's Levelling Up agenda and has provided £2.6 billion of funding for local investment between April 2022 and March 2025. It aims to improve pride in place and increase life chances across the UK by investing in communities and place, supporting local business, and people and skills. The UKSPF replaces the European Regional Development Fund and European Social Fund, with all areas of the UK receiving an allocation.
- 2.3 The Rural England Prosperity Fund (REPF) is a top-up to the UKSPF and succeeds EU funding from LEADER and the Growth Programme which were part of the Rural Development Programme for England. The REPF supports capital projects for small businesses and community infrastructure. The programme seeks to improve productivity and strengthen the rural economy and rural communities. It is complementary to funding used to support rural areas under the UKSPF, with the funding period running from April 2023 to March 2025. Lead local authorities, such as South Kesteven District Council (SKDC) have flexibility over how they deliver the UKSPF and REPF.
- 2.4 In respect to the REPF South Kesteven has been awarded a total of £540,460 in funding for projects which will be have to be delivered by the end of the programme, March 31st 2025.
- Year 2: £135,115 was awarded in the financial year 2023 / 2024
 - Year 3: £405,345 was awarded in the financial year 2024/ 2025
- 2.5 The fund supports projects which take place across rural areas throughout South Kesteven. For Rural Fund purposes, rural areas are:
- 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.
- 2.5 The Year 2 allocation within the REPF (1st April 2023 – 31st March 2024) is as follows:
- Supporting Rural Business
 - Intervention 1.1 - £60,115 (capital grant funding for small scale investment in micro & small enterprises in rural area.)
 - Intervention 1.3 - £25,000 (capital grant funding for developing and promoting the visitor economy)

- Supporting Rural Communities
 - Intervention 2.4 - £50,000 (capital grant funding for existing cultural, historic and heritage institutions that make up the
 - local cultural heritage offers)

2.6 The Year 3 allocation within the REPF (1st April 2024 – 31st March 2025) is as follows:

- Supporting Rural Business
 - Intervention 1.1 - £180,345 (capital grant funding for small scale investment in micro & small enterprises in rural area.)
 - Intervention 1.3 - £75,000 (capital grant funding for developing and promoting the visitor economy)
- Supporting Rural Communities
 - Intervention 2.1 - £100,000 (capital grant funding for investment and support for digital infrastructure for local community facilities.)
 - Intervention 2.4 - £50,000 (capital grant funding for existing cultural, historic and heritage institutions that make up the local cultural heritage offer)

2.7 The key objectives for business projects (Intervention 1.1) are to increase investment in and targeted support for small and medium sized businesses for:

- innovation activities
- productivity enhancing, energy efficient and low carbon technologies and techniques.
- to create jobs and boost community cohesion. This includes visible improvements to local retail, hospitality and leisure sector facilities.
- enhance rural visitor economy and rural leisure opportunities.

2.8 The key objectives for community projects are:

- Strengthen our social fabric and foster a sense of local pride and belonging, through investment in activities that enhance physical, cultural and social ties and amenities. This includes:
- community infrastructure and local green space

- community-led projects
- heritage assets

2.9 To date the UKSPF Board has recommended three applications for approval, totalling £110,301.66. A further have been deferred to return to the July 2024 board for reconsideration, totalling £140,000.

The projects are aligned to the interventions as follows:

- Supporting Rural Business

| Intervention | Funding Available | Funding Committed | Funding Remaining |
|---|--------------------------|--------------------------|--------------------------|
| Intervention 1.1(capital grant funding for small scale investment | £240,460 | £65,301.66 | £175,158.34 |
| Intervention 1.3 - capital grant funding for developing and promoting the visitor economy | £100,000 | £0 | £100,000 |

- Supporting Rural Communities

| Intervention | Funding Available | Funding Committed | Funding Remaining |
|--|--------------------------|--------------------------|--------------------------|
| Intervention 2.1 - capital grant funding for investment and support for digital infrastructure for local community facilities. | £100,000 | £55,000 | £45,000 |
| Intervention 2.4 - capital grant funding for existing cultural, historic and heritage institutions that make up the local cultural heritage offer. | £100,000 | £0 | £100,000 |

- Supported projects.

| Rural projects | Summary | Committed fund |
|------------------------------------|--|----------------|
| Claypole Village Store | They will install a new roof, solar panel with battery storage. wiring, suspended ceiling LED lights, new shelving. Energy efficient glass door fridge-freezer. New flooring, Epos system till. Shop front with electric sliding door etc. It's basically, it's in need of complete internal refitting required. | £55,000 |
| Fairman Knight and Sons UK Limited | This project aims to transform Lincolnshire agriculture by introducing sustainable insect production at the industrial farm-scale, tackling the environmental and economic issues stemming from reliance on imported animal feed. With a focus on cultivating Black Soldier Flies, the initiative proposes a local, sustainable protein source and eco-friendly fertiliser, substantially reducing the carbon footprint and repurposing food waste into valuable resources at the farm level | £45,000 |

| | | |
|----------------|--|------------|
| Vale Honey Ltd | <p>To allow for the expansion of Vale Honey new premises (Unit 1 Top Farm Foston) have been acquired.</p> <p>The aim of the project and purpose of the investment is to: refurbish the property to be compliant with regulation 852/2004 and Install commercial equipment capable of processing 15,000Kg of honey.</p> | £20,301.66 |
|----------------|--|------------|

3. Key Considerations

- 3.1 The REPF funding will need to be spent by 31 March 2024. We therefore have nine months to commit and spend the remaining funding. Any non-spent money will likely need to be returned to DLUHC. It is therefore imperative that we attract and process applications at the earliest opportunity. Work is underway to drive up the number of applications. Officers therefore plan to undertake a range of activities to address the issue.
- We work closely with our contacts such to identify potential projects
 - We accelerate our marketing efforts and promote the programme as effectively through we can through a range of channels.
 - We streamline programme bureaucracy which at present is commanding too much officer time compared to supporting application development.

4. Other Options Considered

- 4.1 An alternative option would be to commission an external provider to develop the bids on behalf of the Council with no local knowledge or partnership links. This option was discounted because Government have placed importance on leveraging options from the locality when selecting communities and place and supporting local business interventions to fund.

5. Reasons for the Recommendations

- 5.1 The REPF programme has nine months left to run. If the fund is not spent then it will likely have to be returned to DLUHC. The recommendations are therefore focused on making every effort to distribute the funding to high quality projects which achieve valuable and value for money outputs in SKDC's rural communities.

7. Background Papers

- 7.1 The Rural England Prosperity Programme Prospectus.
[Rural England Prosperity Fund: prospectus - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/674442/REPP_Prospectus.pdf)

South Kesteven Rural Fund

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