

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

**COMMUNITY SCRUTINY COMMITTEE – THURSDAY, 13
JULY 2023**



Title of Report	RURAL ENGLAND PROSPERITY FUND	
Presented by	Barrie Walford Economic Development and Regeneration Manager	
Background Papers		Public Report: Yes
Financial Implications	<p>The Council has been successful in being awarded Rural England Prosperity Fund (REPF) over two years.</p> <ul style="list-style-type: none"> • 2023/24 allocation - £117,272 • 2024/25 allocation - £351,818 • Total allocation - £469,090 <p>This funding is for the Council to deliver a North West Leicestershire Rural Business Grant Fund alongside the Council UK Shared Prosperity Fund (UKSPF) Investment Plan.</p> <p>Council Finance Officers will be directly involved in the Programme Management Board and have oversight of all the UKSPF Projects (including the REPF).</p> <p>The UKSPF Capital allocations will be managed through the Capital Strategy governance arrangements.</p> <p>Signed off by the Section 151 Officer: Yes</p>	
Legal Implications	<p>Council Legal Officers will directly be involved in the Programme Management Board and have oversight of all the UKSPF Project Boards (including the REPF) in order to provide advice on funding agreements, grant offers and Subsidy Control implications.</p> <p>Signed off by the Monitoring Officer: Yes</p>	
Staffing and Corporate Implications	<p>No additional funding has been made to local authorities to help deliver the REPF.</p> <p>The REPF North West Leicestershire Rural Business Grant Fund will be delivered inhouse by the Council’s Economic Regeneration Service.</p> <p>Signed off by the Head of Paid Service: Yes</p>	
Reason Agenda Item Submitted to Scrutiny Committee	<p>To scrutinise recommendations to Cabinet that accept, and approve spend, of the REPF award to North West Leicestershire District Council (NWLDC).</p>	

Recommendations	THAT SCRUTINY COMMITTEE CONSIDERS AND COMMENTS ON THE PROPOSAL TO ACCEPT THE GRANT FUNDING FROM THE RURAL ENGLAND PROSPERITY FUND, INCLUDING THE DRAFT RECOMMENDATIONS FOR CABINET WITHIN THE REPORT.
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1.0 Background

- 1.1 In April 2022, the government launched a £2.6 billion UK Shared Prosperity Fund (UKSPF) as part of the Levelling Up agenda. In July 2022, North West Leicestershire District Council's (NWLDC) Cabinet approved the submission of an investment plan to the Department for Levelling Up Housing and Communities (DLUHC). On the 11 January 2023, the Council were notified that the Investment Plan had been accepted and approved for which the Council will secure £2,414,817 over three years.
- 1.2 Furthermore, in September 2022, the government announced the new Rural England Prosperity Fund (REPF) that was to be integrated into the UKSPF. For eligible local authorities, the REPF is a rural top-up to UKSPF allocations and is seen as complementary to funding used to support rural areas within the UKSPF Investment Plans.
- 1.3 To access the REPF funding, eligible Local Authorities were required to submit an Addendum for the UKSPF Investment Plan to the Department for Environment, Food & Rural Affairs (DEFRA) before the 30 November 2022.
- 1.4 On 7 April 2023, the Council was notified that the Addendum was approved and that the Council will secure a further £469,090 of REPF funding to deliver a North West Leicestershire Rural Business Grants Fund alongside the existing programme of work under the UKSPF.
- 1.5 This report will be presented to Cabinet in July 2023 with the following draft recommendations:
 - 1.5.1 ACCEPTS THE £469,090 GRANT FROM THE RURAL ENGLAND PROSPERITY FUND.
 - 1.5.2 AGREES TO ALLOCATE £117,262 TO THE GENERAL FUND REVENUE BUDGET IN 2023/24 AND INCORPORATE THE £351,818 INTO ITS BUDGET PLANNING PROCESS FOR 2024/25.
 - 1.5.3 DELEGATES AUTHORITY TO THE STRATEGIC DIRECTOR (PLACE) IN CONSULTATION WITH THE BUSINESS AND REGENERATION PORTFOLIO HOLDER TO REVIEW AND AMEND THE DELIVERY OF THE NORTH WEST LEICESTERSHIRE RURAL BUSINESS GRANT FUND WHERE REQUIRED; TO RESPOND AND ADAPT TO THE CHANGING ECONOMIC ENVIRONMENT AND/OR LOCAL NEEDS.
 - 1.5.4 DELEGATES AUTHORITY TO THE SECTION 151 OFFICER IN CONSULTATION WITH THE BUSINESS AND REGENERATION PORTFOLIO HOLDER TO SUBMIT THE REQUIRED FORMAL REPORTING AS REQUIRED BY THE DEPARTMENT FOR ENVIRONMENT, FOOD & RURAL AFFAIRS (DEFRA).

2.0 North West Leicestershire Rural Business Grant Fund

- 2.1 The REPF award provides funding for the Council to deliver a capital grants programme for eligible businesses in eligible rural areas.
- 2.2 DEFRA has specific eligibility criteria which has been incorporated into the North West Leicestershire Rural Business Grant Programme. This eligibility criteria includes the requirement that the businesses must be based in a rural area as defined by “for the purposes of REPF”. This criteria does mean that that businesses in parts of Bardon, Coalville, Hugglescote, Thringstone and Whitwick do not qualify as rural and will not be eligible for REPF grant funding.
- 2.3 Further details on eligibility are included in the draft North West Leicestershire Rural Business Grant Fund ‘Guidance Notes’, attached as **appendix 1.**
- 2.4 The REPF North West Leicestershire Rural Business Grant Fund will be delivered by the Council’s Economic Regeneration service.
- 2.5 Applications to the fund will be encouraged through an open call from eligible businesses. Applications will be subject to review and validation by the Economic Regeneration Service prior to being presented to a panel, for determination. The REPF grant panels will be made of a council officer, with no prior knowledge of the grant application, and external independent representatives from the Leicestershire Rural Partnership
- 2.6 To help shape the North West Leicestershire Rural Business Grant Fund, officers engaged directly with representatives from the National Farmers Union National Forest Charitable Trust and representatives of the Leicestershire Rural Partnership, who will remain involved in supporting the promotion and engagement of the grant programme.

3.0 Alignment to UKSPF

- 3.1 The REPF North West Leicestershire Rural Business Grant Fund will directly complement the programmes of work already committed through the UKSPF and, in line with the fund’s guidance, will not duplicate any of the Council’s existing rural commitments through the UKSPF.
- 3.2 The North West Leicestershire UKSPF Investment Plan already includes a number of planned rural investments:
- £300,000 of grants for rural communities delivered in consultation with NWL Parish Councils.
 - Investment in outdoor sports facilities and cycleways in the northern parishes.
 - The delivery of capital grant investment at Moira Furnace
 - A substantial investment to create a green web of improved and accessible cycling trails and walking routes within rural communities.
 - A new woodland management volunteer hub in the National Forest, creating visible volunteering opportunities in rural communities.

3.3 The North West Leicestershire Rural Business Grant Fund meets the specific business requirements of the REPF, with the UKSPF already delivering the specific community requirements of the REPF.

4.0 Capacity

4.1 No new funding has been made available to local authorities to help deliver the REPF.

4.2 The REPF North West Leicestershire Rural Business Grant Fund will be delivered in house by the Council's Economic Regeneration team.

5.0 Funding

5.1 In keeping with the REPF guidance, the business grant fund will be split into two awards with £117,272 (25%) ringfenced for the financial year 2023/24 and the remaining balance £351,818 (75%) ringfenced for 2024/25. This is a ringfenced General Fund revenue budget grant.

5.2 REPF awards will be made as annual payments to eligible local authorities. This will be at the beginning of each financial year using powers in the UK Internal Markets Act 2020.

5.3 The recommendations to Cabinet in paragraph 1.5.1 and 1.5.2 of this report seeks the approval to accept this funding award and incorporate the supplementary estimate of £117,272 into the General Fund Revenue Budget 2023/24. The allocation for year 2 of £351,818 will be incorporated into the budget planning process for 2024/25. This is in line with the Council's Constitution and Financial Regulations to bring these additional funds into council budgets.

5.4 Lead local authorities are asked to report on:

- Actual spend to date,
- Compare spend with previous forecasts, and;
- Provide updated forecasts, highlighting any changes from their original Addendum submission.

5.5 The REPF is part of the UKSPF and therefore will be reported to government alongside the existing UKSPF reporting obligation.

Policies and other considerations, as appropriate	
Council Priorities:	Support for businesses and helping people into local jobs
Policy Considerations:	Council Delivery Plan
Safeguarding:	No safeguarding considerations.
Equalities/Diversity:	No equalities/diversity considerations.
Customer Impact:	The REPF, as part of the UKSPF Investment Plan sets out a series of actions that will support residents and businesses.
Economic and Social Impact:	The REPF, as part of the UKSPF Investment Plan sets out a series of actions to support residents and businesses.
Environment and Climate Change:	The REPF, as part of the UKSPF Investment Plan sets out a series of actions that contributes to achieving the council's Zero Carbon Roadmap.
Consultation/Community Engagement:	Officers will continue to engage with stakeholders to help further shape the delivery of the REPF and the accompanying projects identified within the NWL UKSPF Investment Plan.
Risks:	Risks have been considered within the preparation of the NWL UKSPF Investment Plan and the REPF Addendum.
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