

SOUTH STAFFORDSHIRE COUNCIL

CABINET – 09 JANUARY 2024

ALLOCATION OF RURAL ENGLAND PROSPERITY FUNDING

REPORT OF THE ASSISTANT DIRECTOR ENTERPRISE AND GROWTH

**LEAD CABINET MEMBER – COUNCILLOR VICTORIA WILSON, CABINET MEMBER FOR
BUSINESS ENTERPRISE AND COMMUNITY INFRASTRUCTURE**

PART A – SUMMARY REPORT

1. SUMMARY OF PROPOSALS

- 1.1 The report will seek formal approval from the Cabinet to allocate Rural England Prosperity Funding (REPF) resources to the specific projects set out in appendix A.

2. SUMMARY IMPACT ASSESSMENT

POLICY/COMMUNITY IMPACT	Do these proposals contribute to specific Council Plan objectives?	
	Yes	Prosperous and Vibrant Communities
	Has an Equality Impact Assessment (Equal) been completed?	
	No	Each bid goes through a formal Panel led evaluation process and equalities implications are considered as part of that process.
	Has a Data Protection Impact Assessment been completed?	
	No	N/A
SCRUTINY POWERS APPLICABLE	Yes	The Constitution and associated protocol provides that front line Councillors, the Monitoring Officer and the Section 151 Officer will have five clear working days following dispatch of a notification of a proposed decision in which to call in for scrutiny, decisions proposed by the Cabinet or its members. In accordance with the provisions of the Constitution and associated protocol, any two or more members wishing to request that this proposed decision should be called in for scrutiny should do so by giving notice to the Corporate Director of Governance either by e-mail or in writing before the end of the fifth day specifying the reason or reasons therefore. The Corporate

		Director of Governance will then call in the proposed decision and arrange for it to be considered by the Overview and Scrutiny Committee. A copy of such notice must also be sent to me either by email or in writing by the end of the fifth day. This proposed decision will be confirmed and implemented or, where appropriate, referred to the Council for consideration at its next meeting, on or after the date to be notified upon circulation of the minutes of the meeting of the Cabinet, unless called in for scrutiny by that date.
KEY DECISION	No - This report deals with the allocation of grant funding (outside of the approved budget) as opposed to the incurring of expenditure or the making of savings over the financial threshold for a Key Decision.	
TARGET COMPLETION/ DELIVERY DATE	REPF funding ends in March 2025	
FINANCIAL IMPACT	Yes	There is no financial impact on the Authority's approved budget and MTFS. This is a fully grant funded project with new resources received to be applied as detailed in the report. This report ensures that use of these funds follows the strict conditions set out by DLUHC to avoid any possibility of spending occurring outside the remit of conditions set.
LEGAL ISSUES	Yes	The governance for the REPF grant funding streams is in accordance with government requirements and as set by Cabinet on 7 March 2023. Reporting to Overview and Scrutiny Committee forms part of that governance structure.
STRATEGIC RISK	Yes	The delivery of our UKSPF and REPF will be added to the corporate risk register imminently. One of the key risks identified is to ensure that we're able to distribute the funding fairly and transparently against a set of funding criteria that is clearly set out and publicly available. The approved governance structure provides the mechanism to deliver that. Another key risk with the programme is to ensure we spend the allocation by March 2025, this report again provides the mechanism to allocate and spend our allocation.

OTHER IMPACTS, RISKS & OPPORTUNITIES including climate impacts and health impacts if applicable	The REPF provides an excellent opportunity to improve the prosperity of our businesses and the infrastructure of our communities. The nature of the funding also enables us to reduce the impacts of climate change and improve the local environment. The report and appendix outline the specific opportunities the funding brings to the businesses and community groups South Staffordshire.	
IMPACT ON SPECIFIC WARDS	No	

PART B – ADDITIONAL INFORMATION

3. INFORMATION

- 3.1 UKSPF is a central pillar of the UK Government’s levelling up agenda and a significant component of its support for places across the UK. It provides £2.6 billion of new funding for local investment by March 2025, with all areas of the UK receiving an allocation from the fund via a funding formula rather than a competition. This recognises that even the most affluent parts of the UK contain pockets of deprivation and need support.
- 3.2 Within the context of the Fund’s objectives, each place has the flexibility to invest across a range of activities that represent the right solutions to improve local pride in place, help spread and create opportunity, and a sense of community and belonging. Places were able to choose from investment in three investment priorities of communities and place, local business and people and skills. In addition, there are 41 interventions across the three investment priorities, each with their expected outputs and outcomes. We did not have to target all 41 interventions but they formed a menu from which we could chose whichever ones best met our local priorities.
- 3.3 Late in 2022 the Government also announced an associated funding stream to UKSPF, the REPF, which was only available to certain prescribed rural areas. The funding is a capital grants programme for small businesses and community infrastructure, and we were allocated an additional £489k up to March 2025. Again, this was subject to completing and having approval for an addendum to our UKSPF Investment Plan which was approved in April 2023.
- 3.4 The funding is for new, small, registered, organisations and businesses with a postcode or a project site in a South Staffordshire rural area (under the government criteria not all postcodes are eligible).
- 3.5 The Rural Fund objectives sit within the UKSPF investment priorities for:
- Supporting Local Business
 - Community and Place

3.6 The Rural Fund 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.

This funding should not replace funding plans for rural areas under the UKSPF and is a top-up to help address the extra needs and challenges facing rural areas.

3.7 The government have provided a list of interventions, objectives, outputs, and outcomes. Most are the same as UKSPF interventions but there are 2 extra interventions providing funding for:

- small scale investment in micro and small enterprises in rural areas
- rural circular economy projects

As with the UKSPF, investments should demonstrate value for money and additionality, and how investments contribute to net zero and nature recovery objectives.

3.8 The Council opened up REPF for bids in July 2023 and since then we have received a number of expressions of interest, and where eligible, applicants have been invited to submit a full application for funding. These applications have then been assessed against the funding criteria by a panel consisting of both internal colleagues and external organisations, which include the Federation of Small Businesses, National Farmers Union and Support Staffordshire.

3.9 All full bids submitted are evaluated against how the project meets the priorities of the UKSPF interventions, value for money, the need for the project, the financial health and projections of the applicant, and the delivery and sustainability of the project.

3.10 In March 2023 Members approved a governance structure for UKSPF and REPF that required ultimate sign off of bids by Cabinet. Prior to being brought to Cabinet for approval, the first tranche of three recommended bids was evaluated and scored by the above-mentioned Panel and reported to the Corporate Leadership Team, who concurred with the recommendations of the panel for all three bids.

3.11 Appendix A sets out the basic details of three further bids for REPF, all are recommended for approval. In short, the bids are:

- **Stourton Village Hall**, (community bid) for the installation of PV solar panels on the village hall roof – Total bid £16,625 and recommended for approval subject to planning permission.

- **Kinver Point Business Village** (business bid) conversion of an existing redundant farm building into office space, 2 indirect jobs created – Total bid £70,000, recommended for approval subject to planning permission.
- **Blinds and Shutter Company Ltd**, Penkridge (business bid) – conversion of industrial unit space into a showroom, 2 jobs created – Total bid £51,086, recommended for approval subject to possible change of use application.

4. IMPACT ASSESSMENT – ADDITIONAL INFORMATION

- 4.1 The impacts of the three bids have been considered as part of the application, evaluation and assessment exercise.
- 4.2 All successful applicants will be expected to sign a formal funding agreement setting out the terms and conditions for receiving the funding prior to the transfer of any grant funds.
- 4.3 Under the terms of the funding agreements, applicants will be expected to report back their outcomes and outputs on a quarterly basis. This will enable us to report progress to both Members and to the Department of Levelling Up, Housing and Communities, which is required under the terms of our funding agreement with them.

5. PREVIOUS MINUTES

- 5.1 N/A

6. BACKGROUND PAPERS

- 6.1 N/A

7. APPENDICES

- 7.1 Appendix A – Recommended REPF Applications December 2023

8. RECOMMENDATIONS

- 8.1 Cabinet approve the allocation of REPF to the three organisations set out in 3.11 and appendix A, subject to any additional requirements as also set out in the appendix.

Report prepared by: Grant Mitchell, Assistant Director Enterprise and Growth