

Rural England Prosperity Fund Investment Plan

Timetable	
Meeting	Date
Economic Regeneration and Leisure PAC	8 November 2022
Communities Housing and Environment PAC	15 November 2022
Leader	21 November 2022

Will this be a Key Decision?	Yes
Urgency	Not Applicable
Final Decision-Maker	Leader
Lead Director	Angela Woodhouse, Director of Strategy, Insight and Governance
Lead Officer and Report Author	Angela Woodhouse, Director of Strategy, Insight and Governance and Anna Collier, Insight, Communities and Governance Manager
Classification	Public
Wards affected	Rural Wards

Executive Summary

This report sets out the plan for spending the Rural England Prosperity Fund which has been allocated to the council as an addendum to the UK Shared Prosperity Fund allocated earlier this year.

Purpose of Report

Recommendation for Decision

This report makes the following recommendations to the Leader of the Council:

1. That the Intervention for the Rural England Prosperity Fund, as set out in the report, be approved, and submitted to the Government by the Director of Strategy, Insight and Governance.
2. That there should be a guideline figure of £50,000 on the value of applications, but schemes which are significantly above or below this figure be considered on their merits.

3. That a business directory of green solution providers be developed to give advice and support to applicants.

Rural England Prosperity Fund Investment Plan

1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	<p>The four Strategic Plan objectives are:</p> <ul style="list-style-type: none"> • Embracing Growth and Enabling Infrastructure • Safe, Clean and Green • Homes and Communities • A Thriving Place <p>The investment plan proposed aligns with the council's objectives for Homes and Communities and Safe, Clean and Green.</p>	Anna Collier, Insight, Communities and Governance Manager
Cross Cutting Objectives	<p>The four cross-cutting objectives are:</p> <ul style="list-style-type: none"> • Heritage is Respected • Health Inequalities are Addressed and Reduced • Deprivation and Social Mobility is Improved • Biodiversity and Environmental Sustainability is respected <p>The report recommendation supports the achievement of the cross-cutting objectives by enabling rural communities to apply for funding to improve community infrastructure whilst also contributing to our ambition to achieve net zero by 2030.</p>	Anna Collier, Insight, Communities and Governance Manager
Risk Management	<p>The risks associated with this proposal, including the risks if the Council does not act as recommended, have been considered in line with the Council's Risk Management Framework. We are satisfied that the risks associated are within the Council's risk appetite and will be managed as per the Policy</p>	Anna Collier, Insight, Communities and Governance Manager
Financial	<p>The proposals set out in the recommendation will be funded by the Council's Rural England fund allocation. A funding breakdown is set out at 2.10.</p>	Section 151 Officer & Finance Team

Staffing	This fund is an addendum to the UK Shared Prosperity Fund so no money from the fund is allocated for supporting delivery as UKSPF allows for up to 4% of that fund to be spent each year supporting the delivery of local investment plans. The proposal is that work will be managed with our existing staffing with additional project management support funded through the 4% of the UKSPF allowance to be combined with other major project support	Anna Collier, Insight, Communities and Governance Manager
Legal	Acting on the recommendations is within the Council's powers.	Legal Team
Information Governance	The recommendations do not impact personal information (as defined in UK GDPR and Data Protection Act 2018) the Council Processes.	Anna Collier, Insight, Communities and Governance Manager
Equalities	The recommendations do not propose a change in service therefore will not require an equalities impact assessment	Anna Collier, Insight, Communities and Governance Manager
Public Health	We recognise that the recommendations will have a positive impact on population health or that of individuals.	Anna Collier, Insight, Communities and Governance Manager
Crime and Disorder	We recognise that the recommendations have the potential to have a positive impact on local communities for example through the creation or improvement of community infrastructure.	Anna Collier, Insight, Communities and Governance Manager
Procurement	The Council will act within the Council's financial procedure rules and the rules of the Rural England Prosperity Fund.	Anna Collier, Insight, Communities and Governance Manager
Biodiversity and Climate Change	The implications of this report on biodiversity and climate change have been considered and align with the intentions of the MBC Action Plan to encourage renewable energy generation, reducing carbon, supporting EV	Biodiversity and Climate Change Manager

	infrastructure development, improving and developing green and blue space for Nature Based Solutions and community cohesion.	
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2. INTRODUCTION AND BACKGROUND

- 2.1 The Council submitted its UKSPF Local Investment Plan to the Government in August 2022. The Rural Fund is a top-up to the UKSPF and is available to eligible local authorities in England. It succeeds EU funding from LEADER and the Growth Programme which were part of the Rural Development Programme for England.
- 2.2 The Rural England Prosperity Fund (referred to as the Rural Fund) objectives sit within the UKSPF investment priorities for:
- Supporting Local Business; and
 - Community and Place
- 2.3 They also relate to two of the Levelling Up White Paper Missions:
- Mission 1 – Living standards; and
 - Mission 9 – Pride in place
- 2.4 The Rural Fund has been developed by the Government as a top-up to the UK Shared Prosperity Fund and 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.
- 2.5 Projects must be in a rural area. 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

Interventions

- 2.6 The Government have identified a list of interventions, objectives, outputs, and outcomes attached at Appendix A. Below is information taken directly from the Rural Fund prospectus:
- "The list of interventions also provides example projects you could fund, such as grants for:
 - food processing equipment to scale up from domestic to commercial kitchens (non-farming businesses only)
 - converting farm buildings to other business uses
 - rural tourism such as investments in visitor accommodation and farm diversification for event venues

- 2.7 Investments should demonstrate value for money and additionality. We'll provide materials to help support your assessment of projects and to share best practice.
- 2.8 You should also consider how investments contribute to net zero and nature recovery objectives. These include:
- the UK's commitment to cut greenhouse gas emissions to net zero by 2050
 - wider environmental considerations, such as resilience to natural hazards the 25 Year Environment Plan commitments
 - To support green growth, think about how projects can work with the natural environment to achieve objectives. At a minimum, you need to consider the project's impact on our natural assets and nature.
 - You should prioritise projects that deliver the greatest economic, environmental, and social benefits.
- 2.9 Rural Fund projects can be part of a wider UKSPF intervention. They can provide extra funding where the objectives are the same to add value.

Funding

- 2.10 The Council's fund allocation is £539,728 and all the funding must be capital spend delivered over two years 2023/24 and 2024/25. It is understood that the funding will be profiled over two years with a smaller amount in the first year.
- 2.11 This fund is an addendum to the UK Shared Prosperity Fund so no money from the fund is allocated for supporting delivery as UKSPF allows for up to 4% of that fund to be spent each year supporting the delivery of local investment plans. The proposal is that work will be managed with our existing staffing with additional project management support funded through the 4% of the UKSPF allowance to be combined with other major project support.
- 2.12 To access the funding the council has been asked to provide specific additional information as an addendum to our UKSPF Local Investment Plan. The information requested includes the local context including evidence of challenges, market failures and opportunities. We will also have to set out the interventions and outcomes we have selected and explain how these meet local challenges and opportunities. The final section to be completed concerns delivery, including an indicative spending profile for the 2 years of the fund and approach to engagement with rural partners and plans for future engagement.

Delivery

- 2.13 On reviewing the list of interventions, we have identified that the fund could be used to support and improve community infrastructure with a view to supporting our ambitions to reach net zero and reflecting that there are few funding schemes available for parishes and community groups to access.
- 2.14 The fund would be delivered by providing a grant scheme for Parishes and Community Organisations to apply for either

- grants for their village halls and community assets to improve facilities with a view to creating a greener and more sustainable community infrastructure, for example introducing Low carbon heating solutions, improving energy efficiency, insulation, renewable energy generations, nature base solutions solar panels to reduce electricity bills.
- grants to refurbish/fit out community assets so they can become multi use facilities supporting community activities.

2.15 Example projects from the government guidance:

Investment Priority	Intervention	Example Projects	Objectives	Indicative Outputs	Indicative Outcomes
Supporting rural communities	<p>Funding (capital grants) for investment in capacity building and infrastructure support for local civil society and community groups.</p> <p>This intervention corresponds to the UKSPF intervention E11.</p>	<p>Capital grants for provision of net zero infrastructure for rural communities and to support rural tourism activity, for example:</p> <ul style="list-style-type: none"> • EV charging points • community energy schemes such as scaled up biomass, heat pumps or solar <p>Capital grants for kitchens in community hubs which are capable of supporting food and drink entrepreneurs to get accreditation for food production.</p> <p>Funding for resilience infrastructure and nature-based solutions that protect local businesses and community areas from natural hazards including flooding and coastal erosion.</p>	<p>Strengthening our social fabric and fostering a sense of local pride and belonging, through investment in activities that enhance physical, cultural and social ties and amenities. This includes:</p> <ul style="list-style-type: none"> • community infrastructure • local green space • community led projects 	<p>Number of EV charging points</p> <p>Number of visitors or locals using charging points</p> <p>Number of community energy projects funded</p>	<p>Improved perception of facilities or amenities</p> <p>Increased users of facilities or amenities</p> <p>Improved perceived or experienced accessibility</p> <p>Number of new businesses created</p>

- 2.16 Parish councils have already been approached to identify whether there was a need for this type of fund, and the suggestion has been met very positively, with examples of projects that they would like to be considered, such as Solar Panels, EV charging points, Broadband.
- 2.17 Views have been sought from Helen Grant MP and Helen Whatley MP and our Anchor Institution partners, which include representatives from the NHS, Police, Fire Service, KCC, faith groups, Housing Associations, and the VCS, have been consulted.
- 2.18 A cap could be placed on the value of applications. We recognise that some projects could score very highly across the scoring criteria but may be very costly, thus limiting the number of projects that could be supported. Similar schemes such as LoCASE have a cap of £10K, however having no cap or increasing the cap will enable parishes and community schemes to do more and reflects limited alternative funding sources. It is proposed that there should be a guideline figure of £50,000 on the value of applications, but schemes which are significantly above or below this figure be considered on their merits.
- 2.19 It is also recognised that a two stage process may be helpful to allow for initial survey or feasibility work to be undertaken and then a second phase for funding of the actions identified as deliverable.
- 2.20 A draft template for grant applications can be seen at Appendix B along with an example draft scoring matrix. The scoring matrix has been developed based upon achieving interventions objectives and outcomes.
- 2.21 The scoring matrix will be developed further and the decision making process will be finalised before launching the scheme.

Important dates

- 2.22 Dates are indicative and may be subject to change.
- 3 September 2022 - Rural Fund launch
 - 12 September 2022 - Rural Fund addendum platform launch
 - September 2022 - engagement sessions with local authorities and local partners to support the Rural Fund process
 - 3 October 2022 to 30 November 2022 - Rural Fund addendum submissions window
 - November 2022 to January 2023 - Rural Fund assessment period for government
 - January 2023 - anticipated date for approval of Rural Fund proposals
 - April 2023 - first payments expected to lead local authorities
 - April 2023 to March 2025 - funding period
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3. AVAILABLE OPTIONS

- 3.1 Having considered how the fund can have the most impact, legacy, and fairness the intervention proposed is to support rural communities via 'Funding (capital grants) for investment in capacity building and infrastructure support for local civil society and community groups', to support and improve community infrastructure with a view to supporting our ambitions to reach net zero via the administration of a grants scheme.
 - 3.2 The Leader could choose an alternative Intervention as shown at Appendix A or retain the current intervention with an alternative delivery method.
 - 3.3 It is important to note that if the Leader chooses to do this, any decision should be made with consideration of the available funds and the eligibility and spending criteria as set out at 2.10.
 - 3.4 The Leader could agree that a new project be explored. However, the timeline as set out at 2.22, should be considered as well as the requirement to engage key stakeholders.
 - 3.5 Reject Entirely. If the Leader agrees that the Council should not create an addendum to the Local Investment Plan for the delivery of the rural fund projects the Council would risk losing the allocation. If a completely new plan was proposed this would require significant work in a very short space of time, with the final deadline for submission set as 30 November 2022.
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4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 Having given consideration as to how the fund can have the most impact, legacy, and fairness the intervention proposed is to Support rural communities via 'Funding (capital grants) for investment in capacity building and infrastructure support for local civil society and community groups', to support and improve community infrastructure with a view to supporting our ambitions to reach net zero via community grants.
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5. RISK

- 5.1 The projects selected for delivery as part of this fund will be overseen monthly by the Director of Strategy, Insight and Governance. Funding is allocated by government based on the provision of monitoring delivery, outputs and outcomes, which are reviewed at these meetings.
 - 5.2 The risks associated with this proposal, including the risks if the Council does not act as recommended, have been considered in line with the Council's Risk Management Framework. We are satisfied that the risks associated are within the Council's risk appetite and will be managed as per the Policy.
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6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 6.1 PACs were consulted on the UKSPF projects in July 2022, this is a Top Up to the UKSPF Investment Plan, for the benefit of rural communities.
 - 6.2 The issue was considered by the Economic Regeneration and Leisure Policy Advisory Committee at its meeting held on 8 November 2022. The Committee supported the proposed intervention and made recommendations regarding the cap per grant and the development of a business directory of green solution providers to give advice and support to applicants. This is reflected in the recommendation. An extract from the Minutes of the meeting is attached as Appendix 4.
 - 6.3 The issue will be considered by the Communities, Housing and Environment Policy Advisory Committee at its meeting to be held on 15 November 2022, and its views will be reported at the meeting.
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7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 7.1 Once approved by the Leader of the Council the Director of Strategy, Insight and Governance will prepare the addendum to the UKSPF Investment Plan and submit it by the deadline of the 30 November 2022.
 - 7.2 Key officers will continue to develop the documentation and guidance ready for publication.
 - 7.3 The Director of Strategy, Insight and Governance already chairs a monthly operational programme board to monitor delivery of the UKSPF project, the delivery of the Rural Fund will be added to this meeting to monitor delivery.
 - 7.4 As with UKSPF projects it is proposed that strategic oversight is achieved through the MBC Executive and regular engagement with the MBC Anchor Institutions Group plus Maidstone MPs.
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8. REPORT APPENDICES

The following documents are to be published with this report and form part of the report:

- Appendix 1: Interventions
 - Appendix 2: Draft Application
 - Appendix 3: Draft Matrix
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9. BACKGROUND PAPERS

UK Shared Prosperity Fund, Local Investment Plan Report July 2022 - <http://app07:9080/documents/s82663/UK%20Share%20Prosperity%20Fund%20Local%20Investment%20Plan.pdf>