

MAIDSTONE BOROUGH COUNCIL

RECORD OF DECISION OF THE LEADER OF THE COUNCIL

Decision Made: 21 November 2022

Rural England Prosperity Fund Investment Plan

Issue for Decision

To agree a plan for spending the Rural England Prosperity Fund money which has been allocated to the Council as an addendum to the UK Shared Prosperity Funding received earlier this year.

Decision Made

1. That the Intervention for the Rural England Prosperity Fund, as set out in the Officers' 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.

Reasons for Decision

Background

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.

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

They also relate to two of the Levelling Up White Paper Missions:

- Mission 1 – Living standards; and
- Mission 9 – Pride in place

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.

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

The Government has identified a list of interventions, objectives, outputs, and outcomes attached at Appendix 1 to the Officers' report. 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."

"Investments should demonstrate value for money and additionality. We'll provide materials to help support your assessment of projects and to share best practice."

"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."

"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

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.

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.

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

On reviewing the list of interventions, it has been 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.

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.

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>

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.

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.

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.

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.

A draft template for grant applications can be seen at Appendix 2 to the Officers' report along with an example draft scoring matrix. The scoring matrix has been developed based upon achieving interventions objectives and outcomes.

The scoring matrix will be developed further, and the decision-making process will be finalised before launching the scheme.

Important Dates

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

Consultation Results and Previous Committee Feedback

Policy Advisory Committees 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.

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 decision. An extract from the Minutes of the meeting is attached as Appendix 4 to the Officers' report.

The issue was considered by the Communities, Housing and Environment Policy Advisory Committee at its meeting held on 15 November 2022. The Committee supported the recommendations set out in the Officers' report.

Alternatives Considered and Why Rejected

1. To choose an alternative Intervention as shown at Appendix 1 to the Officers' report or retain the current intervention with an alternative delivery method. This is not considered appropriate given the available funds and the eligibility and spending criteria as set out above.
2. To explore a new project. However, this is not considered appropriate given the timeline and the requirement to engage key stakeholders.
3. To reject entirely. This is not considered appropriate as, by not creating 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.

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.

Background Papers

None

I have read and approved the above decision for the reasons (including possible alternative options rejected) as set out above.

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Leader of the Council – Councillor David Burton

Full details of the report for the decision and any consideration by the relevant Policy Advisory Committee can be found at the following area of the website .

Call-In: Should you be concerned about this decision and wish to call it in, please submit a call-in form signed by any three Members to the Proper Officer by: 5pm 28 November 2022
