



Cabinet

Tuesday, 10 October 2023

UKSPF and REPF Proposed Grant Pots 2024/25

Report of the Director – Development and Economic Growth

Cabinet Portfolio Holder for Business and Growth, Councillor A Brennan

1. Purpose of report

- 1.1. As outlined in previous reports to Cabinet and Scrutiny (July 2022, January 2023 and March 2023), the Council has an allocation of UK Shared Prosperity Funding (UKSPF) and Rural England Prosperity Funding (REPF). This is Government funding that replaces European Structure Investment Funds. The funding is to be spent over three years (2022 to end of March 2025). The Council is currently delivering projects with year two (2023/24) funding, including directly commissioned activity and a grant pot for local communities and businesses.
- 1.2. It is proposed that in year three (April 2024 to end of March 2025) an amount of UKSPF and REPF is allocated for a grant pot to support the delivery of projects across the Borough. This report reflects on lessons learned from the year two grant pot and proposes a grant allocation for year three.
- 1.3. Subject to Cabinet approval, it is proposed that the grant pot be opened in November 2023, to enable projects to start on 1 April 2024 and have a full year of delivery.

2. Recommendation

It is RECOMMENDED that Cabinet:

- a) supports the proposals as outlined in the report for UKSPF and REPF grant pots;
- b) requests a further report to Cabinet in early 2024, outlining proposals for the remaining UKSPF to be spent in 2024/25; and
- c) delegates sign off of grant awards and reallocation of grant funding between priorities (Business Support and Communities and Place) for UKSPF and REPF to the S151 Officer and Director – Development and Economic Growth in consultation with the Cabinet Portfolio Holder for Business and Growth, following officer recommendations based on assessment and moderation.

3. Reasons for Recommendation

In 2022/23, it was agreed by Cabinet that an allocation of UKSPF and REPF was used for a grant pot. This enabled local groups and businesses to progress projects delivering outcomes across the Borough. The grant pot was oversubscribed demonstrating that there is a demand in the Borough. It is recommended therefore that, taking account of lessons learned from the current grant pot, a further allocation of funding is made in 2024/25.

4. Supporting Information

Lessons learned

- 4.1. As approved by Cabinet in February 2023, a grant pot for local community groups and businesses to access was made available through the Council's allocation of UKSPF and REPF. To enable a range of projects to be progressed, the Council kept the application criteria as broad as possible, allowing projects across all Government's identified interventions.
- 4.2. Once the grant pot was open, officers from the Council spoke to all interested parties on a one-to-one basis to discuss project ideas (over 100 organisations). This was to provide advice on eligibility and once agreed that a project was eligible, the application form was issued. After the closing date, all applications received went through a rigorous assessment process, which included a number of stages, including a briefing with the Cabinet Portfolio Holder Business and Growth. Decisions were made by the S151 Officer and Director – Development and Economic Growth, and all grant funding allocated.
- 4.3. For those that were not successful, feedback was offered, and some have taken up this offer. The main reason, which was pointed out to all those who had feedback is that the grant pot was oversubscribed. Some projects that could not be supported in year two therefore could reapply in 2024/25, subject to a grant pot being created.
- 4.4. To review lessons learned from the process, a short survey was circulated to all organisations that were spoken to. This highlighted some areas for further consideration and enhancements to the year three grant pot process including:
 - Review and streamline guidance – the document included a long list of interventions produced by Government, which could be overwhelming for some to identify where their project ideas could fit and some of terminology used was not in plain English.
 - Review the application form to make it simpler where possible.
 - Consider having separate business and communities grant pots as language used made sense to some groups more than others.
 - Business Support Grants – there was a gap for smaller non-high street businesses due to the match requirements requiring a relatively high level of investment (minimum project value was £12,500).

- Allow more time for assessment of applications – this is for officers of the Council to enable the required due diligence to take place, which took longer than anticipated and so this will be built into the timeline.

4.5. Based on the lessons learnt, it is proposed that rather than one grant pot, there are separate pots for community groups and businesses. It is thought this will help both groups and mean guidance/criteria etc can be more tailored to the organisations applying for the grants. The detail of the grant pots is outlined later in the report.

UKSPF and REPF funding year three

4.6. The financial allocation of UKSPF and REPF across the three years was determined by Government. Allocations were weighted to year three (2024/25) reflecting the fact that the people and skills theme was only applicable in year three (this subsequently changed but was not reflected with a change in allocations) and that capital projects supported through REPF can take time to deliver.

4.7. The allocation for year three is therefore larger than previous years and is outlined in the following table:

	Total allocation	Funding already allocated	Remaining funding to allocate
Communities and Place	£679,000		£679,000
Business Support	£605,000	£143,000	£462,000
People and Skills	£350,000	£50,000	£300,000
UKSPF Total	£1,634,000		
REPF	£446,000		£446,000
TOTAL	<u>£2,080,000</u>		<u>£1,887,000</u>

4.8. For reference funding for previous years was:

- Year 1 – UKSPF - £312,071 (REPF was only introduced in year two)
- Year 2 - UKSPF - £624,151 and REPF £150,000

4.9. The allocated funding in the above table is part of joint commissioning done with other districts in Nottinghamshire. The delivery of Business Support has started, led by East Midlands Chamber and final arrangements for the people and skills commission are currently being progressed.

4.10. The allocations in the above table are based on the Investment Plan submitted to Government in 2022. Cabinet should note that funding can be moved between themes (e.g. from Business Support to People and Skills) but anything over 30% (of total allocation over the three years) would need the approval of Government.

Proposal for communities grant pot

4.11. As outlined above, it is recommended that the grant pot be split with separate Communities and Business pots. This will allow guidance and application forms to be more specific and therefore more accessible for the target audience.

4.12. For the Communities Grant Pot it is proposed that there are two pots:

UKSPF and REPF Pot	Smaller Grants Pot
<ul style="list-style-type: none"> • Joint UKSPF and REPF grant pot as interventions are largely the same • Delivered via a call for projects (November 2023 to January 2024) • Grants between £5k and £40k • Projects can be applied for under any of the Government interventions • 30% match funding desirable but this can be in kind (e.g. volunteer time) • Mix of capital and revenue projects (REPF is capital only) 	<ul style="list-style-type: none"> • First come first served grant pot – open from 1 April 2024 • Projects from £1k to £5k
UKSPF allocation - £100,000 REPF allocation - £220,000	UKSPF allocation - £30,000
Total allocation to community grants - £350,000	

4.13. The UKSPF and REPF Pot is the same in terms of eligibility criteria as year two, with the amendments to guidance and application form as informed by the Lessons Learned Review.

4.14. The additional Smaller Grants Pot will enable smaller organisations to access grants and will involve a simpler application and assessment process and allocated on a first come first served basis. This is new for this year but mirrors, in its process, the High Street Grant Pot that was available for businesses in the Borough in this financial year and has proved to be very popular.

Proposal for business support grant pot

4.15. For businesses it is proposed that there are three grant pots:

REPF	UKSPF	High Street Businesses
<ul style="list-style-type: none"> • Delivered via a call for projects (November 2023 to January 2024) • Open for all interventions allowed • £5k to £40k 	<ul style="list-style-type: none"> • Delivered via a call for projects (November 2023 to January 2024) • Target investment priorities/outcomes: <ul style="list-style-type: none"> • Tourism and visitor economy 	<ul style="list-style-type: none"> • First come first served • Funding for: <ul style="list-style-type: none"> • Shop front and premises improvements, • Digital – social media, website etc.

<ul style="list-style-type: none"> • Match requirement 60% from the business and 40% from REPF • Capital only (as specified by Government) • Rural areas only – excludes West Bridgford 	<ul style="list-style-type: none"> • low carbon and energy efficiency • supporting growing businesses • £1k to £40k • Match requirement 60% from the business and 40% from UKSPF • Capital and revenue projects 	<ul style="list-style-type: none"> • low carbon and energy efficiency • Capital and revenue projects • £1k to £5k • 30% match requirement from the business and 70% from UKSPF
Allocation - £226k	Allocation - £50k	Allocation - £50k
Total business grant pot - £326,000		

4.16. As the table sets out there are some changes from the year two grant pot reflecting some of the comments made in the survey responses. This includes:

- Splitting the UKSPF and REPF to allow more targeted and clearer promotion of the offer to rural businesses to encourage more applicants.
- Targeting investment priorities/outcomes so businesses can more easily understand what the grant can be used for and to ensure the awards bring wider benefits to the Borough.
- Reducing the minimum grant amount in UKSPF to £1,000 to make it more accessible to smaller businesses (this has not been done for REPF as this is capital only and so projects are likely to be larger).

Timeline

4.17. As outlined, subject to Cabinet approval, it is intended that the grant pot for year three is launched in November 2023. This will provide time for applications and assessment and ensure that projects can commence from 1 April 2024. As all funding has to be spent by the end of March 2025, it is important projects have as long as possible to deliver:

- November 2023 - Launch of grant pot
- End of January 2024 – grant pot closes
- Mid-March 2024 - notify applicants
- April 2024 – grant funded projects commence
- April 2024 – launch of High Street Grant Pot and Small Community Grant Pot.

4.18. In addition to the grant pot, work is currently underway to identify a long list of projects that could be supported with remaining funding which would be directly commissioned by the Borough Council. This will include the additional people and skills priority which is new in Rushcliffe for year three. The following table sets out proposed grant allocation and amount remaining to be allocated:

	Total to allocate	Proposed Grant pot	Total remaining
Communities and Place	£679,000	£130,000	£549,000
Business Support	£462,000	£100,000	£362,000
People and Skills	£300,000	£0	£300,000
UKSPF Total	£1,441,000		£1,211,000
REPF	£446,000	£446,000	£0
	£1,887,000	£676,000	£1,034,000

4.19. It is proposed that a further report is brought to Cabinet in January 2024, to outline proposals for this remaining allocation and also outlining the recipients of existing grants and the spread of grants throughout the Borough. This will follow an update to either Growth and Development Scrutiny Group and/or a session for all Councillors.

Governance

4.20. Grant applications will be assessed by officers and moderated by members of the internal UKSPF and REPF Project Board. The Cabinet Portfolio Holder for Business and Growth will be consulted as part of the process via monthly briefings. Sign off for all grant awards will sit with the S151 Officer and the Director – Development and Economic Growth.

4.21. Rushcliffe's Strategic Growth Board acts as the Partnership Board, which was required to be established for the purposes of UKSPF. This Board meets quarterly, and it is proposed that at each Board meeting an update on UKSPF/REPF is provided to members.

5. Alternative options considered and reasons for rejection

5.1. There is the option to not have a grant pot in the final year of UKSPF funding. However, having a grant pot enables local groups to bring forward projects across the Borough, bringing wider benefits for all. Whilst it is resource intensive for officers, it is felt this is worth it for the range of initiatives that will be enabled.

5.2. As outlined with REPF, this can only be a Capital Grant Pot.

6. Risks and Uncertainties

6.1. There is a risk that funding will not be spent within required timeframes (end of March 2025). By releasing the grant pot early and through close monitoring of successful projects this risk can be mitigated and funding reallocated if required.

6.2. There is a risk that there will be a limited number of applicants to the grant pot. It is not anticipated this will be a problem due to the response in year two and the pot being oversubscribed. This could be more challenging for the Business

Grants, but by separating the pots, greater promotion and making the guidance simpler, it is expected that this will be mitigated.

7. Implications

7.1. Financial Implications

The grant funding available in year three is outlined in the report. There are no financial implications for Council budgets as all projects will be delivered utilising UKSPF and REPF funding. The UKSPF allows for 4% of the total allocation over three years to be used for management/administration of the grant. Some of this has been used to pay for additional staff to support delivery and the remainder will be used to contribute towards the existing officer resource required to successfully deliver UKSPF. Revenue and capital allocations will be included in the Council's MTFS once finalised as will the previous year allocations.

7.2. Legal Implications

Subsidy Control has been considered and the four-limb test applied in respect of funding under this scheme. In the majority of cases it is felt that the awards will not be caught by the Subsidy Control regime. Where a subsidy has been identified, these are low value and covered by the exemption under Minimal Levels of Financial Assistance. Applicants are required to disclose any previous subsidies they have received in the relevant period (previous three years) and officers are issuing Confirmation Statements, where needed. Officers will continue to monitor, review and consider applications with the Subsidy regime in mind and seek further advice, where required, from Legal Services.

7.3. Equalities Implications

As in year two, all grant applicants will be asked to complete an Equality Impact Assessment to ensure they are considering the impact and opportunity created by their project.

7.4. Section 17 of the Crime and Disorder Act 1998 Implications

There are no crime and disorder implications associated with this report.

7.5. Biodiversity Net Gain Implications

There are no biodiversity net gain implications associated with this report.

8. Link to Corporate Priorities

Quality of Life	The UKSPF and REPF are part of Government's levelling up ambitions and is focused on: <ul style="list-style-type: none">• Communities and place• Business support• People and skills
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	The range of interventions that can be supported means the funding has the potential to bring lots of benefits to many communities and businesses across the Borough
Efficient Services	There are no links to this priority in this report
Sustainable Growth	Business support is a priority for the UKSPF and REPF and an area of focus for the Council is on sustainable/green growth to ensure benefits to businesses will bring wider benefits to the Borough
The Environment	There are no links to this priority in this report

9. Recommendation

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For more information contact:	Catherine Evans Service Manager Economic Growth and Property 0115 914 8552 cevens@rushcliffe.gov.uk
Background papers available for Inspection:	Report to Cabinet in July 2022 Report to Growth and Development Scrutiny Committee in January 2023 Report to Cabinet in March 2023
List of appendices:	None