

Report to: Leader of the Council and Portfolio Holder Strategy, Finance and Performance & Portfolio Holder for Sustainable Economic Development

Decision Date: 4 December 2023

Portfolio Holders: Councillor Paul Peacock and Councillor Matthew Spoors

Director Lead: Matt Lamb, Director of Planning and Growth

Lead Officer: Neil Cuttall, Business Manager (Economic Growth & Visitor Economy)
Sarah Husselbee, Shared Prosperity Fund Programme Manager

Report Summary	
Type of Report	Non-Key Decision
Report Title	The delivery of UK Shared Prosperity Fund and Rural England Prosperity Fund (2024-2025)
Purpose of Report	To provide an update on the approach to delivery of UK Shared Prosperity Fund (UKSPF) and Rural England Prosperity Fund (REPF) throughout 2024-2025 (the final year of funding), in accordance with the local programme Investment Plan.
Recommendations	<p>This report proposes the following recommendations to the Leader of the Council and Portfolio Holder, Sustainable Economic Development:</p> <ul style="list-style-type: none"> • To note the 24-25 programme commitments approved by the S151 Officer, in accordance with the Investment Plan interventions, as detailed in Table 3. • To note the appraisal and award process for the delivery of UKSPF and REPF funded grants, approved by the S151 Officer, in accordance with Table 3 and Appendix A. • To approve the addition of £215,309 to the 24-25 capital programme to reflect the additional commitments in this report and in accordance with 1.7. • To note the approach to allocating potential future programme underspends, approved by the S151 Officer, in accordance with 1.8.
Alternative Options Considered	The Council is committed to achieving the outcomes identified within the UKSPF/REPF Investment Plan with funding profiled against three core investment themes and priority interventions. The Council has engaged with key stakeholders in determining the most suitable approach to address local challenges, along with alignment to fund guidance issued by DLUHC and DEFRA, ensuring this is reflected within the proposals. There is the

	option not to proceed with the REPF/UKSPF scheme delivery however this would result in returning funds to DLUHC/DEFRA or withholding the 24-25 allocation, and a loss of funding for historic and existing EU funded schemes, without the ability to re-apply at a later date.
Reason for Recommendation	The recommendations help to ensure best value for money is represented in the allocation of UKSPF/REPF through the use of internal resources where appropriate to deliver interventions, as well as ensuring a fair and transparent process is implemented with the administration of external grant funding.
Decision Taken	As per the Recommendations

1.0 **Background**

- 1.1. Following the submission of our local UK Shared Prosperity Fund (UKSPF) Investment Plan in July 2022, the council was allocated £3.29m to deliver the objectives, outputs and outcomes defined within the approved plan. In November 2022, the council submitted an addendum to our Investment Plan to secure a further £891k of capital funding through Rural England Prosperity Fund (REPF), and since received confirmation of the additional funds in April 2023. Table 1 demonstrates the council's total UKSPF and REPF allocations, per year, over the lifetime of the programme.

Table 1. Total UKSPF/REPF Newark and Sherwood Allocation Per Year

Financial Year	N&S UKSPF Allocation	N&S REPF Allocation
2022-2023	£399,360	n/a
2023-2024	£798,720	£445,708
2024-2025	£2,092,646	£445,708
Total	£3,290,726	£891,416

- 1.2. The UKSPF Programme Manager, delivery partners and project leads continue to collate a variety of data sets in relation to intervention level outcomes and beneficiaries to capture programme achievements and inform future strategic decision making through further local understanding. This includes a combination of in-house projects, procured and commissioned services and support to partner organisations through the provision grant funding. Local programme delivery partners include a range of voluntary and community groups and charities, FE colleges and training providers, neighbouring authorities, and specialist consultancy services. A programme update report will be produced towards the end of current financial year to demonstrate the impact of investment to date, as well upon scheme completion after March 2025.
- 1.3. The full UKSPF and REPF allocation for 23-24 is committed to projects currently in delivery, in addition to a proportion of the 24-25 allocation, a demonstrated in Table 2.

Table 2. Current UKSPF/REPF Commitments 24-25

	REPF	UKSPF
24-25 Existing Commitments	n/a	£1,003,037
24-25 Uncommitted	£445,708	£1,089,609

24-25 Total Allocation	£445,708	£2,092,646
------------------------	----------	------------

1.4. Funding is profiled to interventions within the Investment Plan, as listed below:

- Funding for community led volunteering or social action projects with a focus on health and wellbeing, cost of living and environmental sustainability.
- Investment in town centre projects to 'Design out crime'.
- Investment in town centre growth and regeneration projects, supporting the local wider levelling up-agenda.
- Funding for bespoke skills development opportunities for targeted community cohorts aged 11+, or communities at risk of becoming, or already considered NEET.
- Funding to up-skill those in employment to address local skills gaps and to progress within the workforce.
- Capital grants for heritage and tourism projects to support the visitor economy.
- Capital grants for rural projects that help connect communities and provide access to social, physical, or cultural opportunities.
- Capital grants to small and micro enterprises in rural areas to support the development of the rural economy.

1.5. In accordance with the Cabinet report dated 4th October 2022, delegated authority is granted to the S151 Officer, in consultation with the Portfolio Holder, Sustainable Economic Development to approve programme commitments at both project and intervention level, in alignment with the approved and developed Investment Plan objectives. Wider and overarching strategic input was sought from both Newark and Sherwood Community Partnership and other key stakeholders in developing our local plans, and this influence is continued throughout programme delivery. In particular, over recent months, the UKSPF Programme Manager has engaged with a range of stakeholders to determine the most effective method to delivering the approved UKSPF and REPF Investment Plan interventions during the final programme year.

1.6. The planned approach to delivery throughout 24-25 adopts a combination of in-house projects, commissioning, and procurement of specialist services, as well as grant funding opportunities required for local organisations. This includes funding to enhance existing priority projects as well as strategically emerging schemes that align to the UKSPF/REPF objectives. The full list of the 24-25 programme commitments, approved by the S151 Officer, are detailed below in Table 3.

Table 3. UKSPF/REPF Commitments 24-25

Scheme	Summary	Match Funding (other sources committed)	UKSPF Revenue 24-25	UKSPF Capital 24-25	REPF Capital 24-25

Sherwood Avenue Play Park Scheme	Funding contribution towards the Sherwood Avenue Play Park Scheme, led by Environmental Services. An additional report will be taken to Cabinet to seek approval to add the scheme to the capital programme and approve the use non-UKSPF funds towards project delivery.	£270,395		£250,000	
St Marys Remembrance Gardens, Newark Lighting Scheme	Funding to provide a permanent source of lighting to St Mary's Garden, Newark Town Centre, led by Public Protection.		£10,000	£90,000	
Newark Cultural Heart Programme	Funding to contribute towards the NHC events and resource budget, following an identified shortfall within the existing budget. Led, by Economic Growth and Visitors.	£2.1m	£55,000		
Boughton Community Hub Pilot Scheme	Funding to cover 12-month pilot hub running expenses, led by Housing and Estates Management.		£11,500		
Ollerton Town Centre Regeneration Feasibility	Funding to support the existing Ollerton Town Centre Regeneration Levelling-Up scheme, led by Economic Growth and Visitors.	£50,000	£100,000		
GRT Skills Development Scheme	Funding to deliver a bespoke, multi-agency skills development programme, for economically inactive/NEET members of the GRT community, led by Community Development.		£100,000		
Newark and Sherwood Community Grant Scheme Top-Up	Funding to increase the existing grant scheme budget to provide funding capacity to enable support to further voluntary/community groups and address the current scheme oversubscription. The additional funding will be awarded, and process delivered in accordance with the schemes current approved arrangements, ensuring alignment to UKSPF and led by Community Development.	£100,000	£50,000		
Rural Business Investment Grants Round 2	Funding to deliver a second round of the grant scheme introduced and approved through REPF throughout 23-24. The scheme provides match-funded capital grants of up to £50,000 to small and micro rural businesses to support rural economic growth. The grant criteria,	£50,000			£125,000

	appraisal and award process will be delivered in accordance with the existing arrangements approved throughout 23-24.				
Business Decarbonisation and Energy Saving Grants	Funding to increase the existing business grant budget, committed through UKSPF to provide pilot and themed grant funding for small and micro businesses. The 24-25 criteria, appraisal, and award process are detailed in Appendix A. *£50k existing 24-25 budget, resulting in revised total budget of £75k.	£7,500	£25,000*		
Call for Projects 24-25	Funding to deliver a 'call for projects' to community organisations, Parish and Town councils and education providers in accordance with local UKSPF/REPF objectives. Further details, including the criteria, appraisal, and award process are detailed in Appendix A.	£71,000	£195,000	£203,109	£320,708
Existing 24-25 Programme Commitments			£703,037	£300,000	
Updated Total 24-25 Programme Commitments			£1,249,537	£843,109	£445,708

1.7 DLUHC specify that a minimum of 20% of the overall UKSPF 24-25 allocation must be committed as capital expenditure in addition to the full REPF allocation. In order to support the above schemes, it is suggested that approximately 40% of the 24-25 UKSPF award is used as capital expenditure (£843,109), as detailed in the table above. This will require an increase in the capital programme of £215,309, from the previously forecasted value, in turn reducing the revenue allocation.

1.8 Any underspends for any financial year that may occur following an initial commitment to interventions are pre-approved to be re-directed into alternative in-house projects or grant schemes detailed within this report where there is an identified funding shortfall, or otherwise presented to the S151 Officer in writing for approval. Any changes will also be monitored and managed against change control procedures implemented by DLUHC, ensuring any potential amendments to programme allocations comply with funding criteria.

2.0 Recommendations

2.1 This report proposes the following recommendations to the Leader of the Council and Portfolio Holder, Sustainable Economic Development:

- To note the 24-25 programme commitments approved by the S151 Officer and in accordance with the Investment Plan interventions, as detailed in Table 3.
- To note the appraisal and award process for the delivery of UKSPF and REPF funded grants approved by the S151 Officer, in accordance with Table 3 and Appendix A.

- To approve the addition of £215,309 to the 24-25 capital programme to reflect the additional commitments in this report and in accordance with 1.7.
- To note the approach to allocating potential future programme underspends, approved by the S151 Officer, in accordance with 1.8.

3.0 Implications

- 3.1 In writing this report and in putting forward the recommendations, officers have considered the following implications: Data Protection, Digital and Cyber Security, Equality and Diversity, Financial, Human Resources, Human Rights, Legal, Safeguarding and Sustainability, and where appropriate they have referred to these implications and added suitable expert comment.
- 3.2 An Equal Opportunities Assessment will be undertaken throughout the funding allocation process.
- 3.3 There are no sustainability implications within this report, however, the guidance for UKSPF and REPF seeks to support projects that contribute towards the sustainability agenda therefore the project selection and appraisal process will reflect this, with the Environmental Projects Officer included as a key representative on associated grant panels, where possible.

4.0 Financial Implications (FIN23-24/3364)

- 4.1 The 2024/25 UKSPF allocation at table 2 shows a total of Revenue and Capital funding of £2,092,646. This is currently split £1,464,846 Revenue and £627,800 Capital. This report proposes to reduce the revenue allocation to £1,249,537 and increase the Capital budget to £843,109.
- 4.2 The Capital Programme for 2024/25 currently includes the budgets detailed below shown alongside the proposed increase of £215,309 as per paragraph 1.8 above.

	2024/25 Current	2024/25 Proposed
Rural England Prosperity Fund (REPF)	446,000	446,000
	2024/25 Current	2024/25 Proposed
UK Shared Prosperity Fund (UKSPF)	327,800	543,109
UK Shared Prosperity Fund – 32 Stodman Street	300,000	300,000
UK Shared Prosperity Fund (SPF) Sub Total	627,800	843,109

- 4.3 At table 3, the new commitments to UKSPF include:
- Sherwood Avenue Play Park Scheme - this scheme total budget is £520,400 and will therefore be brought to Members in a separate report to seek approval for including the budget along with the funding sources in the Capital Programme.
 - St Marys Remembrance Gardens, Newark Lighting Scheme – this scheme is 100% funded by UKSPF, and therefore will be managed through the budget above of £543,109.
 - The existing commitment of £300,000 is shown above for 32 Stodman Street.

- 4.4 The existing £446,000 budget for REPF is available for the commitment for Rural Business Investment Grants round 2 proposed at table 3.
- 4.5 This leaves the uncommitted capital values of £321,000 REPF and £203,109 UKSPF for additional grants in addition to £195,000 UKSPF revenue.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- REPF Prospectus [Rural England Prosperity Fund: prospectus - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/108444/Rural_England_Prospersity_Fund_prospectus.pdf)
- UKSPF [UK Shared Prosperity Fund: prospectus - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/108444/UK_Shared_Prospersity_Fund_prospectus.pdf)
- 4th October 2022 Cabinet Report; Shared Prosperity Fund

Appendix A – Grant Criteria, Appraisal and Award Process

Business De-carbonisation and Energy Saving Grants			
<p>Background:</p> <p>Funding to provide grants of £1-£5,000 to small and micro businesses to improve their environmentally sustainability, reduce their Co2 emissions and/or energy related overheads such as, but not limited to:</p> <ul style="list-style-type: none">• Installation of LED lights throughout the business property• Installation of energy efficient heating and cooling systems• Installation of insulation/double glazing• Installation of solar panels• Installation of EV charge units• Replacement of inefficient boiler to a modern, efficient boiler• Upgrading to energy efficient equipment <p>(Excludes repairs and maintenance and any expenses classified as stock, bills, rent or other running expenses).</p>			
<p>Criteria:</p> <ul style="list-style-type: none">• Businesses will be required to contribute a 10% match financial contribution to the total project costs.• Improvements to residential/domestic properties will be considered in-eligible and all projects must be delivered at sites registered for commercial use in Newark and Sherwood.• Businesses have no more than 49 FTE and must have been trading for at least 12 months, with their address in Newark and Sherwood.• Applicants will be required to evidence planning permission upon application, where applicable as well quotes (using local suppliers where possible).• Minimum grant awards of £1,000 will be awarded, with a maximum of £5,000 per business. Businesses that were awarded funding in 23-24 may apply, but the total combined award must not exceed £5,000. <p>The full grant guidance and eligibility criteria, including in-eligible requests in accordance with the UKSPF/REPF prospectus will be produced and shared publicly at the time of fund launch.</p>			
<p>Application and Award Process:</p> <p>All applications would be formally appraised by an internal and impartial panel of Officers, comprising a minimum of 2 colleagues within the Economic Growth and Visitor Economy Business Unit and the Environmental Projects Officer. The table below provides an overview of how the Panel will score and assess applications. Each aspect of the application will be scored 0-5 based on the quality and content of the answers provided, and how well the applicant demonstrates the points below, providing an overall application score out of 100.</p>			
Theme	Component	Weight	Calculation
Justification of funding	The opportunity for the business to improve the sustainability of their operations/the energy related challenges are clearly demonstrated.	20%	Score 0-5 x 4

Strategic Fit	The project clearly helps to address the challenges or opportunities identified including demonstration of the long-term benefits of investment.	30%	Score 0-5 x 6
	The businesses wider commitment to reducing environmental impact where possible and protecting the natural environment is clearly demonstrated.	20%	Score 0-5 x 4
Match-funding	10% or more – 1 (minimum) 20% or more – 2 40% or more – 3 60% or more – 4 80% or more – 5	10%	Score 0-5 x 2
Deliverability	It is clear how outputs and outcomes will be captured, measured, and evaluated.	10%	Score 0-5 x 2
	It is clear how risk will be managed and mitigated including delivery on time and in budget.	10%	Score 0-5 x 2

Awards will be made to applications that score the highest. Where applications may tie on scores, the council at its discretion will determine additional assessment criteria to undertake further moderation and will re-mark applications in the first instance. Following the assessment of applications by the Panel, recommended awards will be presented in writing to the Business Manager, Economic Growth and Visitor Economy for formal approval, within the internal contract procedure limit of a combined value of £75k. Grant agreements will be issued following completion of due diligence checks and monitored by the UKSPF Programme Manager.

Call for Projects (Tourism/Rural Communities and People and Skills)

Background:

Grants between £20k-£100k for projects that align to one or more of the following three themes:

- Projects that enable residents to access to social, physical, or cultural opportunities in **rural areas**, including new and improved community indoor and outdoor spaces, such as village halls, libraries, sports facilities and community centres/gardens. This includes environmental, accessibility, flood resilience or digital upgrades.
- Projects that support the district's visitor economy, encouraging people to explore local places, including investment in visitor centres, heritage or tourism attractions.
- Projects that deliver targeted volunteering or enrichment for people aged 11+, or communities at risk of becoming, or already considered NEET/isolated (People & Skills)
- Projects that provide tailored support for local employers to up-skill their workforce to progress within employment or address local in work skills gaps (People & Skills).

Criteria:

Excludes repairs, maintenance and overheads. Capital projects must demonstrate additionality and offer something new or significantly improved. We will not support projects that the applicant has a statutory duty to fund

A minimum 10% match-funded contribution would be required, with the following organisations considered eligible:

- Parish/Town Councils

- Registered Charities and Community Organisations
- FE Colleges/Higher Education Providers (People and Skills projects only)

The full grant guidance and eligibility criteria, including in-eligible requests in accordance with the UKSPF/REPF prospectus will be produced and shared publicly at the time of fund launch.

Application and Award Process:

The key stages and indicative timeline are detailed in the table below, to be led by the UKSPF Programme Manager:

Phase	Indicative Timeline
Expression of Interest (EOI) Opens - essential phase for any potential applicants	December 2024
Formal Application Opens and EOI Closes - applicants invited following successful EOI only	January/February 2024
Appraisal and Award Period – as detailed below	February/March 2024
Funding Period - monitoring and evaluation	April 2024 - March 2025

All applications would be formally appraised by an internal and impartial panel of Officers, comprising a minimum of 3 colleagues within the Community Development and Economic Growth and Visitor Economy Business Unit's.

The table below provides an overview of how the Panel will score and assess applications. Each aspect of the application will be scored 0-5 based on the quality and content of the answers provided, and how well the applicant demonstrates the points below, providing an overall application score out of 100.

Theme	Component	Weight	Calculation
Justification of funding	The local social, economic or physical challenges are clearly demonstrated.	20%	Score 0-5 x 4
Strategic Fit	The project clearly helps to address the challenges identified including demonstration of long-term benefits of investment for the community/economy, with key links to the Economic Growth Strategy/Community Plan objectives.	30%	Score 0-5 x 6
	Environmental sustainability is considered as a key aspect of the project/environmental implications addressed where possible.	5%	Score 0-5 x 1
	Potential equality and diversity implications are recognised and addressed.	5%	Score 0-5 x 1
Match-funding	10% or more – 1/ 20% or more – 2/ 40% or more – 3 / 60% or more – 4/ 80% or more - 5	10%	Score 0-5 x 2

Deliverability	It is clear how outputs and outcomes will be captured, measured, and evaluated.	10%	Score 0-5 x 2
	It is clear how risk will be managed and mitigated including delivery on time and in budget.	20%	Score 0-5 x 4

Awards will be made generally to applications that score the highest with consideration of the capital/revenue funding available. A minimum of £100k must be awarded to People and Skills initiatives, and £320,708k to rural capital projects in accordance with the UKSPF/REPF investment plan and government prospectus. Where applications may tie on scores, the council at is discretion will determine additional assessment criteria to undertake further moderation and will re-mark applications in the first instance. Partial awards may be granted due to funding availability and the suitability of this for each project will be captured within the application form.

Following the assessment of applications by the Panel, recommended awards will be presented in writing to the S151 Officer for formal approval. Grant agreements will be issued and ongoing monitoring and evaluation undertaken by the UKSPF Programme Manager. Any recommended applications following the appraisal stage must pass due-diligence checks prior to issuing a grant funding agreement and confirmation of an award. This includes engagement with NSDC Planning, Finance, Legal and other Business Units as applicable.