



Report to: Cabinet Meeting: 18 February 2025

Portfolio Holder: Councillor Paul Peacock - Strategy, Performance & Finance  
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Report Summary	
<b>Type of Report</b>	Open Report / Non-Key Decision
<b>Report Title</b>	UK Shared Prosperity Fund 2025/26
<b>Purpose of Report</b>	To provide an update on the regional, and local delivery of UK Shared Prosperity Fund (UKSPF) and Rural England Prosperity Fund (REPF), from April 2025.
<b>Recommendations</b>	<p>That Cabinet:</p> <ul style="list-style-type: none"> <li>a) note the contents of the report, including the updates associated with the UK Shared Prosperity Fund (UKSPF) and Rural England Prosperity Fund (REPF);</li> <li>b) approve the proposed UKSPF revenue commitments detailed in Table 3 of this report, subject to; a) separate Cabinet approval of the budget of £433,000 required in 2025/2026, b) formal confirmation of the Council’s funding allocation, and c) any necessary funding due-diligence checks, including from the East Midlands Combined County Authority (EMCCA);</li> <li>c) note the ‘in-principle’ capital commitment of £912,487, detailed in Table 3 of this report, subject to; a) a future Cabinet report relating to the relevant project to seek approval to commit the funding within the Council’s Capital programme, b) formal confirmation of the Council’s 2025/2026 UKSPF allocation, and c) any required due-diligence checks from EMCCA; and</li> <li>d) approve the proposed underspend and change control process, as outlined in 1.15 of this report.</li> </ul>

<p><b>Alternative Options Considered</b></p>	<p>There is the option for the Council not to accept any future UKSPF allocation and decide not to participate in delivery of the scheme. This is not recommended as it represents a missed opportunity to deliver impactful priority projects, that deliver the Councils community plan objectives.</p> <p>There is also the option not to commit funding to existing priorities identified within the current UKSPF programme. This approach is not recommended as it would likely fail to recognise the strategic investment priorities identified by the Council, and key stakeholders. This would also result in the withdrawal of valued support programmes for businesses and residents, linked to core services and mainstream skills provision.</p>
<p><b>Reason for Recommendations</b></p>	<p>The recommendations in this report are presented to enable continued delivery of the UKSPF strategic priorities identified by community partners, focussing on the commitment of funding towards projects that deliver the Council’s Community Plan objectives, the UKSPF sub-themes as set out by MHCLG, and to avoid gaps in community, skills and business support provision.</p>

## 1.0 Background

### Current UKSPF/REPF Programme (2022 - 2025)

- 1.1 In July 2022, the Government introduced the ‘UK Shared Prosperity Fund’ (UKSPF) as the intended replacement for former EU structural funding. UKSPF committed three financial years of grant to Local Authorities, from April 2022 to March 2025, comprising both capital and revenue funds. UKSPF programme investment is designed to sit across three themes of Communities in Place, People and Skills and Supporting Local Businesses, with an overarching fund objective of ‘increasing life chances and improving pride in place’.
- 1.2 Following the announcement of UKSPF, the Government launched Rural England Prosperity Fund (REPF) in October 2022, referred to as a capital ‘top-up’ to UKSPF, for eligible rural areas. REPF aims to support unique challenges faced by rural communities and economies, with a focus on social isolation, rural economic growth and tourism, and access to opportunity. Both UKSPF and REPF are monitored and reported in a combined approach, however REPF is administered by the Department for Environment, Food and Rural Affairs (DEFRA), with UKSPF led by the Ministry of Housing, Communities and Local Government (MHCLG). In addition, REPF is an entirely capital grant scheme, initially announced for 2 financial years (2023-2025), and must be invested only in areas determined to be rural, by DEFRA.
- 1.3 In 2022, following approval from Cabinet, the Council submitted investment proposals to Government, in order to successfully draw down our pre-determined allocation of funding for Newark and Sherwood. The existing local UKSPF and REPF allocation, up to March 2025, is summarised in Table 1 below.

**Table 1. Existing UKSPF and REPF Newark and Sherwood Allocation (2022-2025)**

	<b>2022/2023</b>	<b>2023/2024</b>	<b>2024/2025</b>	<b>Total</b>
<b>UKSPF</b>	£399,360	£798,720	£2,092,626	£3,290,706
<b>REPF</b>	n/a	£445,708	£445,708	£891,416

- 1.4 Whilst the Council acts as the Accountable Body for the fund, the development of delivery plans followed consultation with strategic and community partnerships to determine local priorities for investment. This included the use of existing platforms such as the local Employment and Skills Board, N2 Economic Growth working group, as well as additional targeted engagement with rural partners such as RCAN, NFU and CLA, for the purpose of REPF. The programme is overseen at a strategic level by a UKSPF Community working group, enabling bi-annual high-level consultation and engagement relating to local investment priorities. These priorities cross over a variety of UKSPF themes and interventions and are summarised below.

**Table 2. Existing Local UKSPF/REPF Priorities (2022-2025)**

<b>Local UKSPF Priorities</b>	<b>UKSPF Theme</b>	<b>NSDC Community Plan Objective</b>
Funding to support businesses to start-up, scale-up, innovate and improve sustainability including business advice, specialist services and grants.	Supporting Local Businesses	Objective 3,6
Funding for strategic regeneration schemes and improvements to community assets, including capital and feasibility investment.	Communities and Place	Objective 7
Funding for social action and volunteering projects including supporting ASB, health and wellbeing and environmental sustainability.	Communities and Place	Objective 1,4,5,7
Funding to support the visitor economy including improvements and events in town centres, or investment in tourism and heritage sites.	Supporting Local Businesses/Communities and Place	Objective 4,7
Funding to support residents in employment to upskill within the workforce and address local skills gaps.	People and Skills	Objective 3
Funding to support those furthest away from the labour market to develop skills and gain employment including economically inactive residents and young people at risk of, or already considered NEET.	People and Skills	Objective 3

- 1.5 In October 2022, Cabinet provided delegated authority to the S151 Officer and Director of Resources to approve UKSPF project commitments, in consultation with the Portfolio Holder for Sustainable Development, in accordance with the Investment Plan. A significant proportion of the funding was then awarded as grants to organisations within Newark and Sherwood, following competitive, themed funding calls, that aligned to the priorities identified. This is in addition to projects delivered directly by the Council, utilising in-house teams or through procurement and commissioning.
- 1.6 The Council has collected and continues to evaluate a significant amount of data and case studies regarding initial programme successes, and the local impact of investment. Example high-level achievements of the fund as recorded to date, are listed below, with further information to be available upon programme completion and evaluation.
- 342 businesses supported
  - 91 jobs safeguarded
  - 24 jobs created
  - 28 businesses decarbonisation plans developed
  - 63 businesses with improved sustainability
  - 85 businesses with improved productivity
  - 6 new businesses created
  - 266 residents gaining life skills
  - 42 economically inactive residents newly in job searching
  - 162 residents completing training courses or obtaining qualifications
  - 653 residents volunteering
  - Over 3000 trees planted
  - 120 community events delivered
  - 15 community facilities created or improved

#### **Future UKSPF/REPF Programme (2025-2026)**

- 1.7 In October 2024, the Government announced a one-year extension to the UKSPF programme for the delivery year 2025/2026, whilst longer-term funding plans are developed and considered. Following this, some minor amendments were made to the fund prospectus in order to reflect the latest Government Missions, and alignment to new 'sub themes' and reporting metrics, however the principle aim and purpose of the fund, remains as known to date.
- 1.8 It is important to note that in line with the 2022 East Midlands Devolution Deal, the Council will no longer act as the lead recipient for any future UKSPF allocation from April 2025 onwards. Instead, a regional UKSPF sum of £25m has been allocated to the East Midlands Combined County Authority (EMCCA) to administer for the 2025/2026 financial year. It should also be recognised that overall, UKSPF will be reduced nationally by 40%, therefore this award reflects a lower figure than the collective sum of regional funding received to date.
- 1.9 EMCCA recently proposed to adopt a 'matrix' approach to delivery throughout 2025/2026, passporting their 12-month UKSPF budget to Local Authorities, with additional funding set aside to facilitate regional commissioning. This includes a UKSPF allocation for Newark and Sherwood of £1.345m from April 2025, with a requirement to spend by March 2026. This excludes any future REPF that may be granted to the area,

as an extension or replacement, beyond March 2025, is unconfirmed by Government, at this stage. The proposals set out by EMCCA, provide Local Authorities with the ability to continue to invest flexibly in their interventions across the three priorities of Communities and Place, People and Skills and Supporting Local Businesses.

- 1.10 The Government are not requesting that places submit revised Investment Plans for delivery throughout 2025/2026, and instead refer to the 12-month extension as a 'transition year', to allow the continuation of activity alongside the development of devolution related planning. It is therefore suggested that the Council continues to prioritise the existing local interventions detailed in Table 2, for programme delivery throughout 2025/2026. In addition, the selected fund priorities demonstrate alignment to corporate Community Plan objectives and have the proven ability to achieve substantial outcomes for local communities and businesses. In agreeing this approach, it should also be considered that the withdrawal of funding for these initiatives, would result in failure to deliver priorities identified by key stakeholders, and the termination of a number of key support schemes valued by communities, residents and businesses. Many of these activities were previously funded through European Structural Funds, are linked to core services such as DWP, and have existed in some form for many years.
- 1.11 As a result of the overall reduction in budget, it will not be possible for all projects currently supported through UKSPF, to receive funding from April 2025. It should, however, be noted that a significant number of projects have now completed, or short-term funding was allocated to build community capacity, undertake feasibility, or pilot activity to demonstrate impact and build longer term financial sustainability. Additionally, some activity relating to business start-up, innovation, and inward investment will be procured on a regional basis by EMCCA from April 2025. When streamlining activity, it is suggested that projects falling within these categories, are firstly excluded from the local funding proposals for 2025/2026.
- 1.12 Both financial sustainability, and match funding were considered as a key factor throughout the original project proposal process, however some projects, due to their participant base, and non-for-profit nature, are reliant on some form of funding to ensure the service is not withdrawn. This is particularly applicable to projects that are designed to address local gaps identified within the mainstream skills offering, or services provided by the voluntary sector. It is therefore recommended that several projects are selected for one year of additional funding, based on their ability to meet the following principles:
  - 1) Delivery of a local UKSPF priority intervention, as summarised in Table 2.
  - 2) Proven ongoing community, skills or business services, that require funding to avoid withdrawal, OR; existing corporate priority projects with known outstanding match requirements.
- 1.13 With the above in mind, Table 3 below, sets out the proposed local UKSPF financial commitments for throughout 2025/2026, and the associated 'UKSPF sub-theme' in accordance with the latest Government guidance. Recommended commitments or grant offers will include match funding where possible and will be subject to all associated due-diligence processes, including with EMCCA.

**Table 3. UKSPF 2025/2026 Proposed Local Commitments**

<b>Project</b>	<b>Delivery Approach</b>	<b>Proposed Commitment</b>	<b>UKSPF Sub-Theme</b>
<p><b>Small Business Grant Scheme</b> Grants to support small business productivity and sustainability.</p>	Grant application, appraisal, and monitoring process to be led by Economic Growth.	£100,000 Revenue	Advice and support to businesses
<p><b>NSDC Business Advice Service</b> Bespoke specialist advice and guidance for businesses across the district.</p>	Extension of an existing Service Level Agreement with Nottinghamshire County Council.	£25,000 Revenue	Advice and support to businesses
<p><b>LUF 3 Sherwood Capital Programme</b> Contribution towards the Clipstone/Ollerton Town Centre regeneration scheme, addressing known match funding requirements, subject to a separate report to Cabinet relating to the projects.</p>	Direct delivery, led by Economic Growth and Regeneration.	£912,487 Capital	High streets and town centre improvements  Inclusive communities, bringing communities together
<p><b>Alternative Education &amp; Skills Development Project</b> Following pilot in 24/25, the provision of a bespoke skills development scheme, supporting targeted communities that are disengaged, or unable to access mainstream AEB or UKSPF funded skills provision, through bespoke learning and engagement solutions.</p>	Direct delivery, led by Community Development.	£50,000 Revenue	Support for people to progress towards in employment.  Support for young people considered, or at risk of being NEET.
<p><b>Community Tree Nursery Scheme</b> Dedicated resources to coordinate the district wide tree planting, community volunteering and educational/environmental programme, through the tree nursery known as 'Sherwood Seedbank'.</p>	Grant award to the Sherwood Forest Trust Charity.	£40,000 Revenue	Inclusive communities, bringing communities together

<b>'Re-New' Project</b> Educational opportunities and adult learning courses for eligible economically inactive residents across the district, such as ESOL, Maths, English, IT, and creative activities.	Grant award to Inspire, Culture and Learning.	£49,000  Revenue	Support for people to progress towards in employment
<b>'Grow' Project</b> Traditional employment support for eligible economically inactive residents across the district including jobs searching, CV writing, interview prep, volunteering, signposting, key-worker referrals, advice and guidance.	Grant award to Framework Housing Association.	£45,000  Revenue	Support for people to progress towards in employment
<b>'Boosting' Project</b> Employment and skills support for residents in employment, including access to bespoke training solutions and courses to help employees progress within the workplace.	Grant award to Lincoln College Group.	£50,000  Revenue	Employment related skills
<b>'Golden Thread' Project</b> Continued delivery of the youth volunteering project, working with local schools and community groups to support young people at risk of, or considered NEET, to access volunteering.	Grant award to Newark and Sherwood CVS	£20,000  Revenue	Support for young people considered, or at risk of being NEET.
<b>M&amp;E (4% fixed)</b> Management and evaluation budget to support resourcing, programme monitoring, and government reporting, marketing, evaluation and other operational costs required to deliver the programme. Fixed 4% allocation set by MHCLG/EMCCA.	Managed by Economic Growth and Visitor Economy.	£54,000  Revenue	N/A
<b>Total = £1,345,487</b> (£433,000 Revenue/£912,487 Capital)			

1.14 In accordance with the Government Grants Functional Standard, all grants awarded to external organisations should be competitive by default, unless direct awards are justified by exception. The proposed five grants detailed within Table 3 of this report would be awarded on a direct basis, however only as an extension to existing grant funded activity, previously awarded through a robust competitive application process. The justification of a direct award approach acknowledges the potential negative impact an additional

competitive funding process may have upon delivery of programme activities and key resident services, following the late notice of funding confirmation and requirement for spend by March 2026. This includes expected loss of resource from partners, due to the absence of, or uncertainty of funding, as well as market disruption and in some cases, a bottleneck of referrals whilst provision is paused and time is taken to prepare, appraise and award grants via an open call (estimated up to four months). Likewise, it is likely that new projects would require several months lead in time to establish effective delivery and referral mechanisms, reducing the 12-month activity period further and subsequent value for money associated with skills and volunteering projects. It is therefore reasonable to conclude that on this occasion, the cost of approaching the market through a competition would likely exceed the benefit to be gained from competition between applicants.

- 1.15 To enable flexible and responsive delivery, it is recommended that any underspends or required changes to commitments that may occur, are pre-approved to be re-directed into alternative projects detailed within Table 3, as required, and up to the collective value of £50,000, or otherwise presented to the S151 Officer, for approval, where this limit may be exceeded.

## **2.0 Implications**

In writing this report and in putting forward recommendations, officers have considered the following implications: Data Protection; Digital & Cyber Security; Equality & Diversity; Financial; Human Resources; Human Rights; Legal; Safeguarding & Sustainability and where appropriate they have made reference to these implications and added suitable expert comment where appropriate.

### **Legal Implications (LEG2425/6848)**

- 2.1 The Localism Act 2011 under section 1 gives the Council the "power to do anything that individuals generally may do", and may do it "for, or otherwise than for, the benefit of the authority, its area or persons resident or present in its area". These powers give the Council the power to award extended grant funding to deliver projects such as those outlined in this report.
- 2.2 The original grants were awarded following a competitive process and therefore complied with the requirement that the grant award process be open and transparent. Whilst the extensions have not been subject to a competitive process, they were unforeseen at the time and amount to individual awards below £50,000. There are compelling and legitimate (and auditable) economic reasons outlined within this report explaining why it would be inappropriate to seek a further competition and accordingly there is a legitimate and justifiable basis to award the grant extensions.
- 2.3 All grant funding will continue to be subject to grant funding agreements between the Council and Recipient to ensure both compliance with UKSPF grant requirements and that any risks are identified and mitigated and that all legal compliance required by the Recipient is made explicit.
- 2.4 The Council has obtained advice relating to Subsidy Control to ensure proposals are compliant with the UK Subsidy Control Regime. All grant recipients will be required to confirm all grant activity remains compliant with the UK Subsidy Control Regime, prior to award of grant.



2.5 Cabinet is the appropriate body to consider the content of this report.

**Financial Implications (FIN24-25/4451)**

2.6 The Council have been awarded £1,345,487 for UKSPF in 2025/26, assumed by EMCCA to be split £589,492 Capital and £755,995 Revenue based on minimum Capital threshold to be met, however it is possible to amend these allocations, providing minimum capital thresholds are met.

2.7 It is therefore proposed to use £912,487 Capital and the remaining £433,000 Revenue in line with the Table 3 above. A budget of £433,000 covered in a separate report on this agenda, will be available (fully funded by the grant) in 2025/26 to facilitate the proposed commitments.

2.8 Use of the £912,487 Capital will be subject to separate future reports to Cabinet on individual schemes reporting a need for additional budget.

**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.

Levelling Up White Paper, 2022

Levelling Up Fund Prospectus and Guidance, 2022

Sherwood Levelling Up Bid, July 2022

Cabinet Report, Levelling Up Submission and UK Shared Prosperity Fund, June 2022

Cabinet Report, Sherwood Levelling Up, Long Term Plan for Towns Fund and UKSPF / UKRPF Fund Update, November 2024

Government Grants Functional Standard

<https://www.gov.uk/government/publications/grants-standards/5-competition-for-funding-html>