



<b>Report to:</b>	Cabinet 5 <sup>th</sup> December 2023
<b>Lead Cabinet Member:</b>	Cllr Peter McDonald – Economic Development
<b>Lead Officer:</b>	Anne Ainsworth- Chief Operating Officer
<b>Key Decision:</b>	Yes  The key decision was first published in the November 2023 Forward Plan.

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## Rural England Prosperity Fund

### Executive Summary

1. South Cambridgeshire District Council has been awarded an allocation of £1,168,135.00 from the [Rural England Prosperity Fund \(REPF\)](#).
2. Cabinet is asked to review the proposal for the delivery of the fund.
3. This report outlines the proposal for a capital projects programme of works, and a proposed grant scheme.
4. This paper outlines the operational delivery options specifically for the grant scheme, which includes;
  - proposed grant funding levels for the grant scheme.
  - match funding requirements.
  - governance arrangements.

### Recommendations

5. Cabinet is asked to consider the following recommendations and give authority to proceed with proposal of fund delivery.
  - i) Allocate £292,034 of the fund to a series of capital projects within the district in the current financial year (2023/24)
  - ii) Allocate £876,101 of the fund to a Grant scheme available for communities and businesses to apply for in financial year 2024/25

- ii) Agree governance arrangement, grant funding level, and match funding levels outlined in the report.

## Details

6. SCDC has a REPF funding allocation of £1,168,135.00.
7. The CPCA is the lead authority for delivering the [UK Shared Prosperity Fund \(UKSPF\)](#) in Cambridgeshire and Peterborough. The REPF is an addendum to the UKSPF. A [paper](#) was taken to the Combined Authority Business Board to approve the REPF Addendum on 10<sup>th</sup> July 2023.
8. The fund is applicable to two Investment Priorities **Supporting Rural Business** and **Supporting Rural Communities**.
9. The fund will support **business** interventions such as funding for small scale micro and small enterprises for diversification, start up or scale up and for growing the local social economy and supporting innovation.
10. The fund will support **community** interventions such as digital infrastructure, capacity buildings and infrastructure, local rural green spaces, cultural, historic and heritage institutions, active travel enhancements, rural circular economy projects and volunteering and social action projects. Interventions can be viewed in more detail [here](#).
11. For Rural Fund purposes, the definition of a rural area is: towns, villages and hamlets with populations below 10,000 and the wider countryside and 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. A [map](#) has been provided by DEFRA to identify eligible areas, this indicates that unfortunately, the following parishes are excluded from the funding in whole or in part as they have populations over the 10,000, south Girton, Milton, Orchard Park & Kings Hedges, Fulbourn, Stapleford & Great Shelford. We are in the process of verifying why these are excluded, but it has been indicated that proximity to Cambridge City excludes them from the Rural definition.
12. The scheme is for CAPITAL expenditure only.
13. The spending of the fund is profiled over two years. 25% is allocated for the first financial year (23/24) and 75% in financial year 24/25.

Year 1 (23/24)	Year 2 (24/25)	Total
£292,034.00	£876,101.00	£1,168,135.00

14. The recommendation is that the Council invest Year 1 (23/24) funds into Capital Projects which are ready to be delivered and Year 2 (24/25) funds into a Grant scheme, which will be open for Businesses and Communities to apply for grants aligning with business and community interventions outlined in the table below.

Capital Projects	Year 1 (23/24)
Greenspaces (linked SPF project)	£21,334.38
South Cambs Hall Ground Floor project	£50,000.00
Northstowe Café and Gym	£100,000.00
Cambourne Footpath Accessibility project	£120,669.62
	<b>£292,034.00</b>
Open Grants Scheme	Year 2 (24/25)
Grant schemes open to businesses and communities	<b>£876,101.00</b>

15. This will enable the funds to be spent on Capital Projects with an already identified need in this financial year, whilst retaining the majority of the funding for a local Grant scheme led by applications from local businesses and communities.

16. The grant scheme will be open from April 2024, and we endeavour to have it open sooner. This will be dependent on having a Grant Funding Agreement in place with the CPCA as the lead authority prior to launching the grant scheme. (We still do not have this agreement)

17. The grant scheme will be open to community groups and businesses to apply for funding for projects which align with the funds [interventions](#).

18. The proposed operational delivery of the grants scheme is as follows:

- i) Will consist of a Policy Criteria (Appendix 1)
- ii) Will consist of an Expression of Interest Form (EOI) (Appendix 2)
- iii) All applicants be asked to submit a EOI in the first instance, regardless of the value of the project, to avoid unnecessary time spent completing a full application by ineligible applicants or if the funding is oversubscribed quickly.
- iv) Will proceed to a full Application Form. (Appendix 3)
- v) An Officer Panel with Lead Cabinet Member will review eligibility of every application using a scoring matrix. Once deemed eligible, applications will then be submitted to the Grants Advisory Committee.
- vi) The Grants Advisory Committee will then review and recommend applications to the Lead Cabinet Member (grants under £25k) or Lead Cabinet Member and Lead Finance Member (grants between £25k & £125k) for final determination.

- vii) Where appropriate we will take advice from external organisations who may be related to either the project, or type of project proposed.(e.g., Connecting Cambridgeshire, Cambs Acre).These organisations would not have an official governance position, but would be advisory as required.
- viii) There will be a proposed maximum grant level up to £100k, to allow communities and business to apply for impactful projects. The funding criteria does not state upper limits and Local Authorities can make the decision. Various examples have been adopted by other local authorities ranging from £5000- £150,000. (Appendix 4)
- ix) We will look for a proposed match funding/intervention rates outlined in the table below.

Business	Less than £25,000	No match funding requirement
	£25,001- £50,000	25%*
	£50,001-£100,000	50%*
Community	less than £25,000	No match funding requirement
	£25,001-£50,000	10%*
	£50,001-£100,000	20%*

- x) The guidance states that there is no requirement for match funding, however, it is to be encouraged. Various examples have been adopted by other authorities ranging from no requirement to 60% dependant on the type and value of the project. (Appendix 4 ). Match funding at level set out in table above would be the preferred option, as this limits the number of applications, ensures commitment, and leverages additional funding into community and business initiatives. \*However, we do recognise that currently with cost of living and inflation it may be difficult for community groups and smaller businesses to find this level of match funding depend on the nature of the project. Therefore, we will reserve the right to consider each project on its own merit, and the level of match funding involved depending on the organisation and project proposed.
- xi) Due diligence will be carried out on all applications and will include a range of fraud checks, ensuring businesses are registered on Companies House and are registered and operate in South Cambridgeshire. We are also working with colleagues from the internal audit and fraud teams to ensure that all due diligence is carried out on both business and community group applications.

## Reasons for Recommendations

19. Due to delays on receiving clear guidelines on how local authorities are able to spend the funds, dividing the funding across a programme of capital projects in 23/24 and a grant scheme programme in 24/25 will allow us to allocate and spend funds within the specified timeframes set out by DLUHC.
20. On the 17<sup>th</sup> of November 2023 the Department for Levelling Up Housing and Communities (DLUHC) indicated that there is an opportunity for spend to be rolled over into the financial year, however, this may impact access to next financial year funding. It would be the preferred option to proceed with projects as soon as possible. (Appendix 5)

## Options

1. To proceed with Capital project and grants scheme as outlined in the report.
2. Do not accept outlined proposal, and not proceed with the REPF.
3. Do not proceed with Capital Projects and risk lose funding for financial year 23/24 and proceed with grants scheme for 24/25.
4. Propose other capital projects that are ready to start and could spend the REPF before the end of March 2024 to add to the capital projects list.

## Implications

1. In the writing of this report, taking into account financial, legal, staffing, risk, equality and diversity, climate change, and any other key issues, the following implications have been considered:-
  - i) Financial implications - the Council is obligated to spend the funds and to claim retrospectively the funding from the CPCA as the lead authority.
  - ii) Legal implications- currently we do not have any Grant Funding Agreement in place with the CPCA, however SCDC are awaiting one imminently.
  - iii) Time constraints - there is a year-end spending deadline. Funds can be rolled over into next financial year, but this may impact access to next financial years allocation of funding. Therefore, there is a risk that this funding would be lost to our local area.
  - iv) Reputation Implications – If the Council cannot spend the funding required within this financial year, it may impact on the reputation of the Council to deliver this and similar funding streams through the Combined Authority.

## **Consultation responses**

Cambs Acre carried out a survey on behalf of the CPCA on announcement of the REPF. The responses gathered from this survey have informed the interventions submitted.

## **Alignment with Council Priority Areas**

### **Growing local businesses and economies**

The REPF will support objective 2 & 4 'We will support start-ups and small businesses to set up and grow' and 'We will work with partners to promote skills development opportunities to businesses'

### **Being green to our core**

This funding does not set out to support Green to our Core priority specifically however we would expect applications for funding to align with some of the targets of the SCDC Zero Carbon and Doubling Nature Strategies.

## **Background Papers**

[Levelling Up](#)

[Rural England Prosperity Fund](#)

## **Appendices**

Appendix 1: Draft REPF Policy Criteria

Appendix 2: Draft Rural England Prosperity Fund EO

Appendix 3: Draft Stage 2 Application Form

Appendix 4: Local Authority Comparison Data

Appendix 5: DLUHC Letter

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