

RURAL ENGLAND PROSPERITY FUND

1. INTRODUCTION

- 1.1 The UK Shared Prosperity Fund (UKSPF) is the government's domestic replacement for the European Structural and Investment Programme (ESIF) which the UK continues to participate in until 2023.
- 1.2 In August 2022 the Council, along with other local authorities in England, submitted its investment plans for UKSPF to the UK Government.
- 1.3 The Rural England Prosperity 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.
- 1.4 The Rural England Prosperity Fund is referred to as the 'Rural Fund' in this document
- 1.5 To access funding under the Rural Fund, Local Authorities are asked to provide specific additional information as an addendum to their UKSPF Investment Plan. The Rural Fund addendum submissions window closes on 30 November 2022
- 1.6 This Portfolio Holder Decision is in respect of the proposed Rural Fund addendum to the Council's UKSPF Investment Plan.

2. BACKGROUND

- 2.1 Rural areas often face specific challenges including lower productivity rates, poorer connectivity and poorer access to key services
- 2.2 The Rural Fund supports the aims of the government's Levelling Up White Paper and Future Farming Programme. It funds capital projects for small businesses and community infrastructure. This will help to improve productivity and strengthen the rural economy and rural communities.
- 2.3 The Rural Fund is integrated into the UKSPF which supports productivity and prosperity in places that need it most. For eligible local authorities, the Rural Fund is a rural top-up to UKSPF allocations. It supports activities that specifically address the particular challenges rural areas face.
- 2.4 The Rural Fund objectives sit within the UKSPF investment priorities for:
 - Supporting Local Business
 - Community and Place
- 2.5 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

- 2.6 Funding allocations are determined at local authority level, dependant on the area defined as 'rural' and is for the financial years 2023 to 2024 and 2024 to 2025. The allocation for the New Forest is £540,115.
- 2.7 This funding should not replace funding plans for rural areas under the UKSPF. It is a top-up to help address the extra needs and challenges facing rural areas.

3. RURAL FUND ADDENDUM PROPOSALS

- 3.1 The New Forest Rural Fund proposes that capital funding is used 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
- 3.2 The New Forest allocation will be split 60/40 between projects to support businesses and those supporting community infrastructure.

4. CONCLUSIONS

- 4.1 The New Forest Rural Fund Addendum Proposals will support productivity and prosperity in the rural areas of the New Forest and activities that specifically address the particular challenges faced by the rural areas in the district.
- 4.2 The proposals are complementary to funding used to support rural areas under the UKSPF.
- 4.3 Details of the eligibility criteria that the capital funding for rural businesses and support for new and improved community infrastructure will be worked up in the period between the bid submission and the award of funding scheduled for Q2 2023.

5. FINANCIAL IMPLICATIONS

- 5.1 The Rural Fund allocation is to support capital investment for businesses and communities. There is no separate revenue funding for the administration of the Rural Fund capital grants programme. These costs are to be met from the administration budget aligned to the main UK Shared Prosperity Fund.
- 5.2 The administration budget aligned to the main UK Shared Prosperity Fund is 4% of the allocation (£1 million) i.e. £40,000 to undertake necessary fund administration for both UKSPF and the Rural Fund for the funding period: April 2022 to March 2025. This includes project assessment, contracting, monitoring and evaluation and ongoing stakeholder engagement.

6. CRIME & DISORDER IMPLICATIONS

- 6.1 None

7. ENVIRONMENTAL IMPLICATIONS

7.1 The Rural Fund Addendum Proposals outline 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

7.2 Projects that deliver the greatest economic, environmental and social benefits will be prioritised.

8. EQUALITY & DIVERSITY IMPLICATIONS

8.1 The Rural Fund recognises disparity between urban and rural parts of the district.

9. RECOMMENDATIONS

9.1 That the proposals outlined in the Rural Fund Addendum be approved.

10. PORTFOLIO HOLDER ENDORSEMENT

I have agreed to the recommendation of this report.

Sign: Cllr Michael Harris

Date: 22 November 2022

For further information contact:

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Background Papers:

Cabinet report 29th July 2022

Date on which notice given of this Decision – 22 November 2022

Last date for call in – 29 November 2022