

PORTFOLIO: PLANNING AND ECONOMY

PLACE AND SUSTAINABILITY PANEL – 22 NOVEMBER 2023

RURAL ENGLAND PROSPERITY FUND: INVESTMENT PLAN FOR COMMUNITY INFRASTRUCTURE IMPROVEMENTS

1. RECOMMENDATIONS

1.1 That the Scrutiny Panel considers the report and:

- Supports the process for allocating Community projects through the Rural Fund and:
- Recommends to Cabinet that they follow the process set out below to award funding to community projects and, where possible, to signpost unsuccessful bidding organisations to alternative funding sources for further review.

2. INTRODUCTION

2.1 The Rural England Prosperity Fund (REPF or 'The Rural Fund') is a top-up to the UK Shared Prosperity Fund (UKSPF) and is available to eligible local authorities in England. Funding allocations were determined at local authority level, dependant on the area defined as 'rural' and are for the financial years 2023/24 and 2024/25. The total allocation for the New Forest is £540,115 and funding is to be spent by 31 March 2025.

2.2 The Rural Fund is a capital grant programme supporting business growth and improvements to community infrastructure, it will not fund revenue costs such as running costs, staffing or promotional activities. In November 2022 following a Portfolio Holder Decision, the allocation was split 60/40 between projects to support businesses and those supporting community infrastructure. This means that £216,046 is available to support community projects. Should insufficient projects come forward for funding through the business support fund, it is possible that additional resources could be made available for additional community projects.

2.3 In relation to community projects, the Rural Fund provides capital funding to support new and improved community infrastructure, providing essential community services and assets for local people and businesses to benefit the local economy. The objective of the fund is to: *'strengthen our social fabric and foster a sense of local pride and belonging through investment in activities that enhance physical, cultural and social ties and amenities'*. This includes community infrastructure, local green space and community-led projects. The fund can also support capital grants for provision of net zero infrastructure for rural communities. Importantly, all projects must be fully completed by March 2025. This deadline makes the deliverability of projects an important consideration in making funding decisions and the use of the Rural Fund over other potential funding routes.

- 2.4 Projects must be within the Rural Fund area, as determined by Defra (Department for Environment Food & Rural Affairs), the Managing Authority for the scheme. A map of the Rural Fund area is at Appendix 1.
- 2.5 At its meeting of 1 March 2023, Cabinet agreed the following recommendation:
- That the Cabinet agree that an Investment Plan be prepared for Cabinet approval to allocate the Community Infrastructure Improvements.
- 2.6 It is proposed that Cabinet consider the Investment Plan at its meeting on 6 December 2023.

3. PROCESS FOR DETERMINING RURAL FUND PROJECTS

- 3.1 The Rural Fund is one of a number of sources of funding which could be made available to community projects in the current year. Other funds include the Council's Capital Grants for Community and the Community Infrastructure Levy.
- 3.2 The Capital Grants for Community Fund is a discretionary grant to support a range of voluntary and community organisations to carry out projects and provide activities to benefit local people in support of the Council's priorities. It is an annual fund which is designed to support local community projects. Bids are submitted in the autumn and considered by a Task and Finish Group. In February 2023, Cabinet awarded £129,600 of revenue grants and £92,000 in capital grants. A similar process will be followed for a decision early in 2024.
- 3.3 In addition, on 4 October 2023 Cabinet agreed to release £1m of funding from the Community Infrastructure Levy to support local infrastructure projects. Cabinet instructed officers to report back by the end of 2024 with a review of the allocation. The bidding process for CIL is currently underway.
- 3.4 To simplify the process for applicants, the Rural Fund Community Grants, the focus of this report, and the Council's Capital Grants for Communities, were combined into one application process called 'The Community Grants Scheme'. This was launched on 1 August 2023. Except for the requirement for Rural Fund projects to be within the specified Rural Fund area (see map at Appendix 1), eligibility criteria for both funds were broadly similar – however, the deadline of March 2025 for completion of Rural Fund projects makes readiness and deliverability particularly important considerations for the Rural Fund.
- 3.5 The scheme was publicised via direct emails to members, town and parish councils and community organisations and supported by press releases and social media activity. In total 30 applications have been received by the combined fund.
- 3.6 There was no upper limit on grant requests and although applicants were encouraged to match fund their project from other sources, this was not essential for the Rural Fund.

- 3.7 The process of identifying those projects which can be supported through the Rural Fund (and those that should be considered in the usual way by the Community Grants Task and Finish Group) is now underway.
- 3.8 Community Grant applicants were asked to provide:
- details of their organisation and proposed project,
 - how their application would meet the needs of, and benefit, residents within the district
 - details of the project costs
 - the start and completion date of the project (Rural Fund projects must be completed and grant monies claimed by 01 Dec 2024)
 - the funding already secured, or grants applied for (if applicable)
 - the number of paid employees whose jobs would be safeguarded by the project.
 - if planning permission is required,
 - the outputs and outcomes from the project.
- 3.9 Following the closing date of 31 October, officers from Economic Development, (responsible for administration of the Rural Fund) and Revenues and Benefits, (responsible for administration of the Council's Capital Grants for Communities) are determining the appropriate source of funding for each application, based on its location (ie whether it was within the Rural Fund area), timeframe for delivery and according to the priorities and objectives of each funder.
- 3.10 Applications that meet basic Rural Fund criteria (ie were in the fund area and required capital funding above the minimum grant rate of £5,000) requested total funding of approximately £528,000; more than double the available Rural Fund budget of £216,046.
- 3.11 Given that the fund is oversubscribed, those projects which are better aligned to the Community Infrastructure Levy fund will be signposted to that fund and will not be considered for a Rural Fund allocation. The remaining projects which are assessed as eligible for the Rural Fund will be ranked by four criteria to determine whether this fund is the most appropriate source of funding for their proposals or whether they should be considered with the Task and Finish group of the Council's Capital Grants for Communities. The criteria will be: deliverability in the timeframe; readiness to progress; the degree to which projects would be transformative for the local area; and the breadth of impact in terms of users of the facility. Officers will consult with the Portfolio Holder for Planning and Economy before making recommendations to Cabinet.
- 3.12 A decision to support projects through the Rural Fund is not a final decision on whether to fund or not fund a particular project. Rather, such a decision will allow a number of projects who would normally apply through the Council's Capital Grants for Communities funding to utilise the Rural Fund, thereby allowing more projects to be funded in total. Even taking into account the additional resources available, there is unlikely to be sufficient funding within the Capital Grant for Communities budget to fund all projects and therefore the Task and Finish will still need to prioritise projects in the usual way. Projects will also be advised as to whether it would be appropriate for them to submit a CIL proposal. This is particularly important given the relatively short

window for delivery of the Rural Fund. These alternative funding sources are also administered by the Council. Projects may also become reserve projects for a Rural Fund allocation in the event that additional resources are made available – for example, if the business fund is not fully taken up.

4. FINANCIAL IMPLICATIONS

- 4.1 Any projects awarded as part of the Rural Fund process will be funded by the Rural England Prosperity Fund. As such there are no financial implications for the Council. All funds will need to be spent by 31 March 2025. A proportion of the Shared Prosperity Fund (4%) is available to assist authorities in implementing both the UKSPF fund and the Rural Fund.

5. CRIME & DISORDER IMPLICATIONS

- 5.1 None.

6. ENVIRONMENTAL IMPLICATIONS

- 6.1 The proposed Rural Fund grant awards will enable community organisations to improve the energy efficiency and resilience of community buildings.

7. EQUALITY & DIVERSITY IMPLICATIONS

- 7.1 The Rural Fund will support organisations within the rural areas of the district to support, engage and benefit our communities and residents.

8. DATA PROTECTION IMPLICATIONS

- 8.1 None.

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Background Papers:

Business, High Streets & Tourism Portfolio Holder
Decision – 21 November 2022

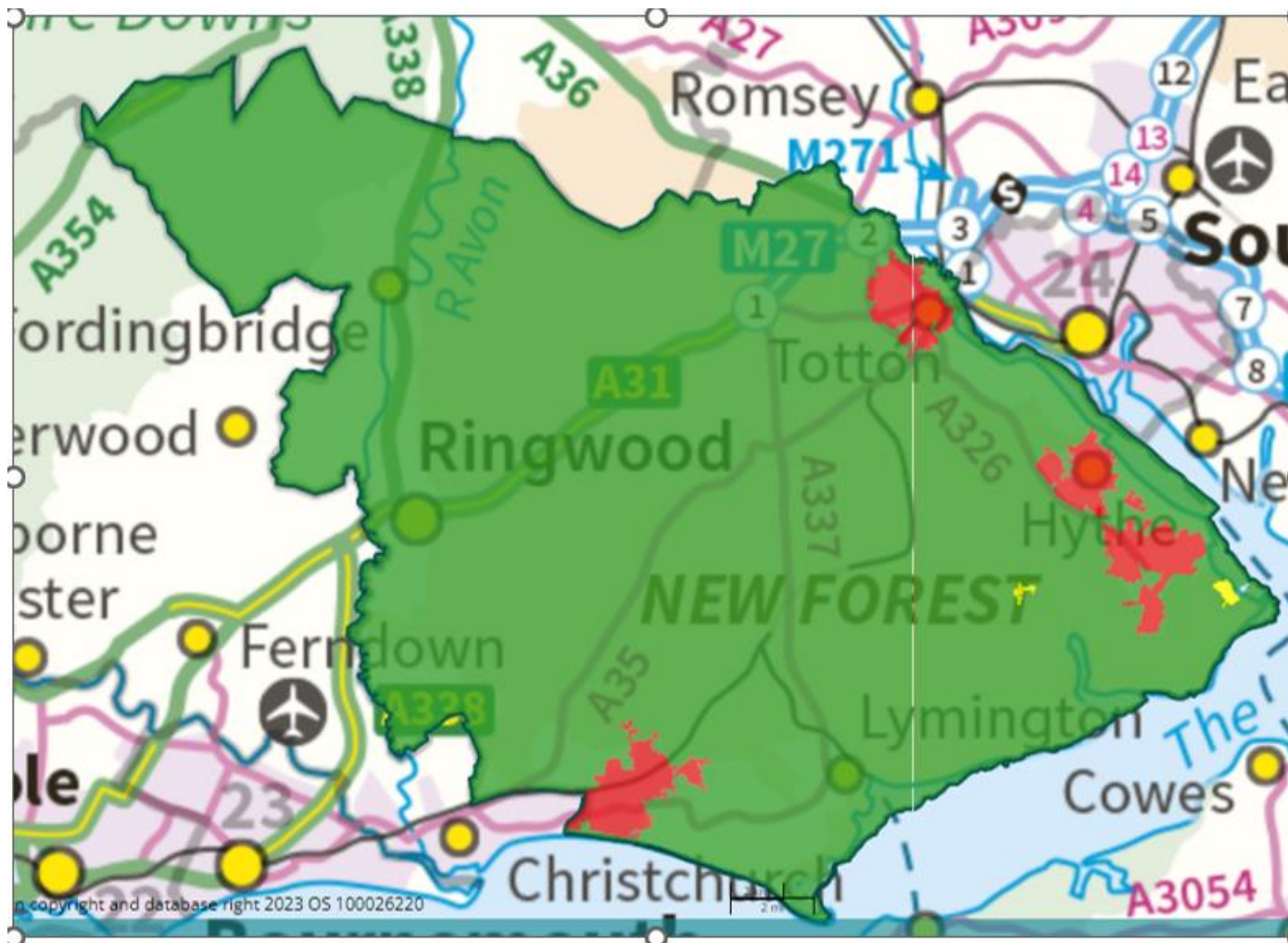
Cabinet Report: UK Shared Prosperity Fund - 29
July 2022

Cabinet Report: Rural England Prosperity Fund
Wednesday, 01 March 2023

Cabinet Report: Rural England Prosperity Fund
Wednesday, 05 July 2023

Rural England Prosperity Fund: prospectus
Published 3 September 2022 available at
<https://www.gov.uk/government/publications/rural-england-prosperity-fund-prospectus>

Appendix 1: Map of New Forest Rural Fund Area



Key

Green = Area covered by REPF

Red = urban area not eligible for REPF

Yellow = area needing confirmation of eligibility