

Business Board		Agenda Item
10 July 2023		3.4
Title:	UK Shared Prosperity Fund – Rural England Prosperity Fund	
Report of:	Louisa Simpson, Strategic Funds Programme Lead	
Lead Member:	Interim Chair of the Business Board, Andy Neely	
Public Report:	Yes	
Key Decision:	No	
Voting Arrangements:	A simple majority of all Members present and voting	

Recommendations:

A	Recommend that the Combined Authority Board approves the Rural England Prosperity Fund (REPF) Addendum, Appendix 2
B	Recommend that the Combined Authority Board delegates authority to Executive Director for Economy & Growth to approve in consultation with local authority partners, the Chief Finance Officer & Monitoring Officer Minor Changes as set out in Appendix 1a & 1b.
C	Recommend that the Combined Authority Board delegates authority to Executive Director for Economy & Growth to approve the terms of Grant Funding Agreements associated with the delivery proposal (as set out in the REPF Addendum, Appendix 2) in consultation with the Chief Finance Officer & Monitoring Officer and the subsequent execution of such Grant Funding Agreements.
D	Note the proposed projects set out in 2.1.

Strategic Objective(s):

The proposals within this report fit under the following strategic objective(s):

X	Achieving ambitious skills and employment opportunities
X	Achieving good growth
X	Enabling resilient communities

1. Purpose

1.1	The paper is an update on the UK-Shared Prosperity Fund (SPF), specifically the addition of the Rural England Prosperity Fund Addendum to the UK-SPF agreed formally by DLUHC on the 30th May 2023 with the issuing of the Memorandum of Understanding from DLUHC to the Combined Authority.
1.2	Business Board are asked to consider the contents of the paper, endorse the REPF Addendum and recommend to the Combined Authority for delegated authority to approve and implement delivery of the REPF.

2. Proposal

2.1 The REPF is an addendum to the UK-SPF and is specifically targeting rural economies with capital funding. There are 4 local authorities As who have been allocated REPF in the CPCA area:

- South Cambridgeshire District Council
- Fenland District Council
- Huntingdonshire District Council
- East Cambridgeshire District Council

We have worked with the local authorities and rural partners to develop the addendum; the local authorities are taking through their proposals through their internal assurance & governance frameworks. The local authorities will be delivering the projects which are grant schemes, and 3 distinct projects. This is set out in Appendix 2.

There has been ongoing work with partners to develop the delivery mechanism for the scheme, each local authority has set out the process and governance structure they will have or are putting into place. Two local authorities have already identified specific projects they wish to deliver utilising REPF:

District	Project	Value	Remaining REPF
East Cambridgeshire	Littleport Project	£652,511.00	£0.00
South Cambridgeshire	Community Gardens	£85,338.50	
South Cambridgeshire	Rural Hub Development	£60,000.00	
South Cambridgeshire		£145,338.50	£1,022,796.50

The proposed changes will be formally agreed once finalised utilising the delegated processes as set out in this paper and Appendix 1. The REPF sits within the UK-SPF management framework as per the amended single MOU signed with DLUHC and is reported to DLUHC through the existing UK-SPF reporting structures. There are 2 principles of the REPF that are not reflected in SPF, those are:

- Money cannot be moved out of REPF or between years
- CPCA cannot create bespoke interventions that are not already within the prescribed list

There are also additional requirements in terms of reporting for example grants to farms, whereby all grants must be singularly listed in the reporting/monitoring returns to DLUHC, this is due to trading requirements of the World Trade Organisation (WTO).

The REPF Addendum will be presented to the following groups:

- Business Board – 10th July 2023 – for update and recommendation to CA Board of the Addendum.
- CA Board – 26th July 2023 – for approval of delegated authority for final sign off and implementation.

2.2 The REPF will meet a number of strategic objectives through the issuing of grants and through the delivery of projects in rural communities:

- Achieving ambitious skills and employment opportunities – the capital grants will be linked to job growth
- Achieving good growth – through business growth/diversification
- Enabling resilient communities – through the projects being delivered there is a focus on community support

3. Background

3.1 The Combined Authority approved the UK Shared Prosperity Fund (SPF) Local Investment Plan (LIP) on 27 July 2022, the Local Investment Plan had been developed in partnership with the district and unitary councils and was co-ordinated through the Cambridgeshire & Peterborough Public Services Board (CPPSB). The LIP was submitted to Department for Levelling Up, Housing and Communities (DLUHC) on 29 August 2022 and approved by DLUHC on 5 December 2022.

3.2 On 3 September 2022 Department for Environment, Food & Rural Affairs (DEFRA) in partnership with DLUHC launched the Rural England Prosperity Fund (REPF) a capital fund scheme and requested

	lead authorities work with eligible local authorities to develop an Addendum to the UK-SPF Local Investment Plan to address how they would 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.																				
3.3	<p>The table below sets out the allocations for the relevant local authorities:</p> <table><tr><th>District</th><th>Year 1</th><th>Year 2</th><th>Total</th></tr><tr><td>East Cambridgeshire</td><td>£163,127.75</td><td>£489,383.25</td><td>£652,511.00</td></tr><tr><td>Fenland</td><td>£109,178.50</td><td>£327,535.50</td><td>£436,714.00</td></tr><tr><td>Huntingdonshire</td><td>£239,447.00</td><td>£718,341.00</td><td>£957,788.00</td></tr><tr><td>South Cambridgeshire</td><td>£292,033.50</td><td>£876,100.50</td><td>£1,168,135.00</td></tr></table> <p>NB – there is no administration fee associated with this fund.</p>	District	Year 1	Year 2	Total	East Cambridgeshire	£163,127.75	£489,383.25	£652,511.00	Fenland	£109,178.50	£327,535.50	£436,714.00	Huntingdonshire	£239,447.00	£718,341.00	£957,788.00	South Cambridgeshire	£292,033.50	£876,100.50	£1,168,135.00
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3.4	<p>The REPF investment priorities are:</p> <ul style="list-style-type: none">Supporting Local BusinessCommunity & Place <p>With capital funds to:</p> <ul style="list-style-type: none">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 streamsSupport new and improved community infrastructure, providing essential community services and assets for local people and businesses to benefit the local economy																				
3.5	<p>The Addendum was completed in partnership with the relevant local authorities and submitted to DLUHC on the 30th November 2022, following sign off by the relevant authority Chief Executives and Council Leaders. The Addendum is included at appendix 2 to this report. The four District Council partners agreed to prioritise the following areas listed below in 3.6 and 3.7.</p>																				
3.6	<p>Supporting Local Business</p> <ul style="list-style-type: none">Capital grant funding for small scale investment in micro and small enterprises in rural areasCapital grant funding for growing the local social economy and supporting innovationCapital grant funding for developing and promoting the visitor economyCapital grant funding for small scale investment in micro and small enterprises in rural areasCapital grant funding for growing the local social economy and supporting innovationCapital grant funding for developing and promoting the visitor economy																				
3.7	<p>Supporting Local Business</p> <ul style="list-style-type: none">Capital grant funding for investment and support for digital infrastructure for local community facilitiesCapital grant funding for investment in capacity building and infrastructure support for local civil society and community groupsCapital grant funding for creation and improvements to local rural green spacesCapital grant funding for existing cultural, historic and heritage institutions that make up the local cultural heritage offerCapital grant funding for local arts, cultural, heritage and creative activitiesCapital grant funding for active travel enhancements in the local areaCapital grant funding for rural circular economy projectsCapital grant funding for impactful volunteering and social action projects to develop social and human capital in local placesCapital grant funding for investment and support for digital infrastructure for local community facilitiesCapital grant funding for investment in capacity building and infrastructure support for local civil society and community groupsCapital grant funding for creation and improvements to local rural green spaces																				

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3.8	The Combined Authority received formal written approval from DLUHC on the 30th May 2023 that the Addendum to the LIP was agreed and this written notice also included an amended Memorandum Of Understanding (MOU) to reflect inclusion of the REPF funding to be paid to the Combined Authority. This was signed and returned to DLUHC on the 19 th June 2023.

4. Appendices

4.1	Appendix 1a & 1b – REPF outline delivery and change request process
4.2	Appendix 2 – REPF Addendum

5. Implications

Financial Implications

5.1	The financial split for REPF is set out above in 2.1, it is a capital fund that DEFRA have over 23-24 and 24-25. The funds are paid upfront to the CPCA but allocated out to the partners retrospectively against actual spend.
5.2	The Addendum has been through an internal process within each local authority with Chief Executive and council Leader agreeing the content for their respective local authority.
5.3	The CPCA retains responsibility for the delivery of the REPF programme and will be required to submit regular updates to DLUHC on performance and spend. This is in line with the revised MOU.

Legal Implications

6.1	The draft Grant Funding Agreements that will be in place with each local authority are currently being developed they will reflect the terms set out in the amended MOU.
6.2	Local Authorities are currently developing the assurance and governance framework that will support the grant scheme, which the Combined Authority will need to agree before issuing Grant Funding Agreements to the four Local Authorities.

Public Health Implications

7.1	There are no specific public health implications for the SPF and REPF programme, although a number of projects within it may impact on public health as a by-product of their focused work.
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Environmental & Climate Change Implications

8.1	There are no specific environmental & climate change for the SPF and REPF programme, although a number of projects within it will impact on the environment & climate as a result of projects focused work.
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Other Significant Implications

9.1	The REPF was consulted on with the relevant local authority partners, and Cambs ACRE who had been responsible for delivery of the previous European funded LEADER programme in the region.
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Background Papers

10.1	UKSPF Investment Plan - CA Board 27 July 2022 UKSPF Implementation Plan - CA Board 22 March 2023
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