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| Council name | COTSWOLD DISTRICT COUNCIL |
| Name and date of Committee | CABINET 17TH JULY 2023 |
| Subject | RURAL ENGLAND PROSPERITY FUND |
| Wards affected | All |
| Accountable member | Cllr Tony Dale, Cabinet Member for Economy and Council Transformation Email: tony.dale@cotswold.gov.uk |
| Accountable officer | Claire Locke, Assistant Director (Property and Regeneration) Email claire.locke@cotswold.gov.uk |
| Report author | Paul James, Economic Development Lead Email: paul.james@cotswold.gov.uk |
| Summary/Purpose | To inform Cabinet of the approval of the Council's Rural England Prosperity Fund submission and to endorse the approach the Council is taking to allocating the funding. |
| Annexes | None |
| Recommendation(s) | <p><i>That Cabinet resolves to:</i></p> <ul style="list-style-type: none"><i>a) note the approval of the Council's submission to the Government for the Rural England Prosperity Fund (REPF);</i><i>b) note that the first year allocation of £191,073 has been approved, with the second year allocation of £573,219 approved subject to compliance with the Government's Memorandum of Understanding;</i><i>c) endorse the approach to allocating the funding as set out in section 4.</i><i>d) delegate authority to the Chief Executive to agree the details of the REPF grant schemes and to make final decisions on funding in consultation with the Cabinet Member for Economy and Council Transformation, having regard to the recommendations of the Assessment Panel.</i><i>e) delegate authority to the Chief Executive in consultation with the Cabinet Member for Economy and Council Transformation to</i> |



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| | <i>agree arrangements and enter into a contract with a third party provider for administering the grant schemes and providing support to businesses, community groups and Town and Parish Councils in delivering their projects.</i> |
| Corporate priorities | <ul style="list-style-type: none">● Responding to the challenges presented by the climate crisis● Helping residents and communities access the support they need for good health and wellbeing● Supporting businesses to grow in a green, sustainable manner, and to provide high value jobs |
| Key Decision | YES |
| Exempt | NO |
| Consultees/ Consultation | Gloucestershire Rural Community Council, Cotswold National Landscape, Cotswold Economic Advisory Group, Farm491, Royal Agricultural University. |

I. EXECUTIVE SUMMARY

- I.1 In September 2022, the Government allocated capital funding to rural councils through what is known as the Rural England Prosperity Fund (REPF). This Council's provisional allocation was £764,292 subject to approval of a submission to Government setting out how the Council planned to use the funding. This was approved in April 2023, during the 'pre-election period' meaning there has been some delay to being able to move this forward.
- I.2 This report sets out how the Council intends to operate the grant schemes for the various elements of the REPF, both for business and community-related applicants, and how the Council proposes to resource the promotion and administration of the grant schemes. In both respects, Officers have been in discussion with the other rural district councils in Gloucestershire to agree, as far as possible, a common approach to the grants across the County and a shared resource for promoting and administering the grants. Cabinet is asked to endorse the proposed approach and delegate authority to the Chief Executive in consultation with the Cabinet Member for Economy and Council Transformation to agree the final details and enter into contracts to deliver the scheme.



2. BACKGROUND

- 2.1 On 3rd September 2022, the Government published its prospectus for the Rural England Prosperity Fund (REPF). Cotswold District Council was given an indicative allocation of £764,292 over two years, starting in April 2023. Following a report to Cabinet in November 2022, the Council made a submission to Government setting out how it intended to use this funding. The submission was approved on 6th April 2023.
- 2.2 This fund is intended to be complementary to the UK Shared Prosperity Fund (UKSPF), which has previously been reported to Cabinet. Whereas the UKSPF is a mix of revenue and capital, the REPF is purely capital. It is intended to succeed EU funding programmes LEADER and the Growth Fund, which were part of the Rural Development Programme for England (RDPE).
- 2.3 The fund is designed to address the specific rural challenges of lower productivity, poorer connectivity and access to key services. The funding is provided to support new and existing small businesses to develop new products and facilities that will be of benefit to the local economy and to provide new and improved community infrastructure. The whole of the Cotswold District is eligible for funding.
- 2.4 As with the UKSPF, spending from the REPF has to be aligned to 'interventions' with associated outputs and outcomes as set out in the relevant document published on the gov.uk website - see https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1101590/Rural_England_Prosperty_Fund_interventions_objectives_outputs_and_outcomes_list.pdf

3. STAKEHOLDER ENGAGEMENT

- 3.1 Officers consulted with a range of stakeholders prior to submitting the proposal to Government and worked with colleagues at Forest of Dean District Council to arrange a half day workshop on this subject on 21st October 2022 at Hartpury College/University. This was opened up to all four District Councils in Gloucestershire who have received an indicative allocation under this fund and other stakeholders. This event attracted a number of partners who discussed local needs and opportunities for using the funding.



3.2 A 'Call for Projects' was issued in October 2022 via a special Business Matters newsletter, to Town and Parish Councils and other stakeholders and details were also posted on the Business Support page of the Council's website. This asked interested parties to submit details of potential projects which could help shape our submission to the Government. By the closing date for the 'Call for Projects', over 60 responses had been received from a variety of organisations, indicating the nature of funding needs in our District and that there is likely to be no shortage of applications once we open the process for bids.

4. THE COUNCIL'S SUBMISSION AND THE PROPOSED APPROACH TO ALLOCATING FUNDING

- 4.1 The Council's submission, in line with the prospectus guidance, was based on the needs of the area. Officers undertook an analysis of a wide range of data, noting that the District scores well on most indicators but performs relatively poorly in terms of 'Barriers to Housing and Services' - a reflection of long travel time to access services and high property prices/relatively low wages. The District also has a relatively older population and has seen significant population growth, highlighting the need for adequate community infrastructure.
- 4.2 The Council's submission earmarked £410,000 of the funding for grants to business and £354,292 for community-related projects, made up of £100,000 for active travel, £150,000 for heritage buildings (in particular The Old Station in Cirencester) and £104,292 for grants to village halls and community buildings.
- 4.3 The Cabinet report in November set out a preference to work jointly across the four rural authorities in Gloucestershire creating a common application form, timetable and, if possible, a common or at least similar assessment framework and rules in relation to minimum and maximum grants and the amount of match funding required from applicants.
- 4.4 Discussions between Officers and counterparts in the other rural districts have been taking place in order to agree on a similar approach across the county. In addition, the REPF was discussed at April's meeting of the Cotswold Economic Advisory Group (CEAG). The CEAG were supportive of a common approach where feasible. It has not been possible to achieve a standard set of guidelines for the size of grants, largely because the amount of funding allocated to each district varies from £400,000 to £764,292. However, it is still the intention to work towards a shared application form, assessment framework and timetable.



- 4.5 In Cotswold District Council's case, the CEAG felt that the minimum grant for businesses should be £5000 and the maximum £50,000 and that applicants for business grants should be required to contribute match funding so that they have some 'skin in the game'. A match funding level of 50% is felt to be reasonable for business grants and would be consistent with the requirements of LEADER funding, which the REPF is designed to replace. This is the approach recommended by Officers.
- 4.6 The CEAG also recommended that the Council should go out for applications in a single round, particularly given the requirement to achieve spend before 31st March 2025, and go out for a second round only if insufficient applications of the necessary quality were received. Again, Officers support this approach.
- 4.7 In relation to the community elements of the scheme, it is recommended that a slightly different set of criteria is applied. For the £100,000 allocated for improvements to digital connectivity and energy efficiency at village halls and community buildings, it is recommended that a minimum grant of £2,000 and maximum grant of £10,000 is used. Again, it is felt that some level of match funding would be desirable and it is recommended that a level of 20% is required, with applicants encouraged to use Crowdfund Cotswolds where appropriate. Our decisions on these applications should be informed by a countywide Village Hall Digital & Energy Audit to be undertaken by Gloucestershire Rural Community Council to which the Council has been asked to contribute £2120, funded from UKSPF.
- 4.8 In relation to the sums earmarked for heritage and cultural buildings and active travel schemes, it is recognised that these will be fewer in number and, by their nature, be larger and more expensive projects. It is therefore recommended that the minimum grant should be £10,000 and maximum grant should be £50,000 with a minimum match funding requirement of 20%. For all of the grant schemes, it is recommended that the ability exists to award above the recommended maximum grant level in exceptional circumstances if available funding allows and, in particular, when the proposed projects deliver against a number of the REPF interventions, outputs and outcomes. It is recommended that authority is delegated to the Chief Executive, in consultation with the Cabinet Member for Economy and Council Transformation, to agree the final details of the grant schemes.
- 4.9 The report in November referred to the establishment of an Assessment Panel similar to that being used for the UK Shared Prosperity Fund. As well as a Cabinet Member, CDC Retained Officer, and other Publica officers, the panel will include external stakeholders. It



is recommended that there are different external stakeholders used as members of the Assessment Panel for business grants and for community-related projects.

- 4.10 The UKSPF funding provides a 4% administration fee to cover the costs of managing the programme of activities, which is being used to fund the UKSPF Project Manager role jointly with Forest of Dean and West Oxfordshire Councils. Under the terms of the UKSPF Memorandum of Understanding with the Government, it is possible to use UKSPF funding to administer REPF grants. While the UKSPF Project Manager and the Council's Economic

Development Lead will be involved in delivering aspects of the REPF programme, some additional resource will be required to support and administer all the individual grants to businesses and community groups that would be involved. Applications would need to be evaluated, approvals issued, work agreed and funding monitored. It is felt that there are economies of scale to be achieved by administering the grant schemes across a number of district councils. Discussions have been taking place with the other rural district councils and Cotswold, Forest of Dean and Tewkesbury Councils have agreed to jointly seek tenders for administration of the REPF scheme in the three districts. Separate tenders are being sought for the business and community grant schemes, recognising that likely bidders will have expertise in one or other area, rather than both.

- 4.11 It is recommended that authority is delegated to the Chief Executive, in consultation with the Cabinet Member for Economy and Council Transformation, to agree arrangements for the promotion and administration of the schemes and enter into contracts to deliver them. This activity would be funded through the UKSPF.

5. CONCLUSIONS

- 5.1 The Rural England Prosperity Fund is a welcome source of funding to support rural businesses and communities. The 'Call for Project Ideas' run last Autumn indicates there will be strong demand for the funding available. Administering such a grant scheme is a significant task and the Council needs to ensure there are sufficient resources available to do so efficiently and effectively.
- 5.2 There is a desire to see a grant scheme with a common application process, common timetable and, as far as possible, common rules and guidelines across Gloucestershire and Officers are working with colleagues across the four rural district authorities to try to achieve this. In terms of the administration of the scheme, the Council is seeking tenders jointly with Forest of Dean District Council and Tewkesbury Borough Council.



- 5.3 It is intended to open up applications for the REPF as soon as details are agreed and arrangements are in place, running a single application process for both 2023/24 and 2024/25 given the need to spend all monies by the end of March 2025. Discussions with the

other councils indicate it is likely that the application process for the REPF will open in September/October 2023. It is recommended that applications to the REPF run alongside applications to the UKSPF for 2024/25 funding which would assist those projects which need both revenue and capital funding as it would enable them to apply to both funds simultaneously. Due to the need to commit funds by the end of March 2024, UKSPF applications for 2023/24 will open ahead of this. If REPF funds remain after the initial call for projects, a further application process can be opened up at a later date.

6. FINANCIAL IMPLICATIONS

- 6.1 There are no direct financial implications at this stage. Projects agreed will be included in the capital programme and be funded from the REPF. Any allocation unspent would need to be returned to the Government at the end of each financial year. However, schemes will be managed to reduce the risk of this occurring. The cost of administering the scheme will be met from the UK Shared Prosperity Fund. Regular monitoring of spend and reporting to Government will be undertaken by the UKSPF Project Manager in conjunction with the Economic Development Lead and other relevant Officers.

7. LEGAL IMPLICATIONS

- 7.1 There are no legal implications arising directly from this report. The Council will require project promoters to enter into a legal agreement with the Council and the Council will need to undertake due diligence before grants are awarded. The Council will also need to ensure that grants are awarded in line with rules on Subsidy Control (formerly State Aid).

8. RISK ASSESSMENT

- 8.1 Each project will be assessed in terms of risks and managed using the Project Management Framework.

9. EQUALITIES IMPACT



9.1 Each project supported by the REPF will be assessed for its equalities impact.

10. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS

10.1 The REPF prospectus states that Councils should consider how any investments from the Fund contribute to nature recovery and Net Zero objectives, including reaching Net Zero by 2050, resilience to natural hazards and the 25 Year Environment Plan.

11. ALTERNATIVE OPTIONS

11.1 Having been allocated the Rural England Prosperity Funding and had its submission to Government approved, the Council is obligated to deliver a grant scheme in accordance with the Fund's rules. The Council has considered various options in relation to the size of grant, requirement for match funding etc and has concluded that the proposals set out in this report are the best way forward. The Council could also have decided to act in isolation in respect of how its grant scheme is structured and delivered, but it is felt that working with the other Gloucestershire rural district councils offers the best way to provide clarity for potential applicants and to realise any economies of scale in the administration of the scheme.

12. BACKGROUND PAPERS

12.1 The following documents have been identified by the author of the report in accordance with section 100D.5(a) of the Local Government Act 1972 and are listed in accordance with section 100 D.1(a) for inspection by members of the public:

None.

These documents will be available for inspection online at www.cotswold.gov.uk or by contacting democratic services democratic@cotswold.gov.uk for a period of up to 4 years from the date of the meeting.

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