

Rural England Prosperity Fund

For Cabinet on 17 November 2022

Summary

Lead Member: Justine Rutland, Cabinet Member for Tunbridge Wells Town and Local Areas, Nancy Warne, Cabinet Member for Rural Communities

Lead Director: Lee Colyer, Director of Finance, Policy and Development

Head of Service: David Candlin, Head of Economic Development & Property

Report Author: Hilary Smith, Economic Development Manager

Classification: Public document (non-exempt)

Wards Affected: All

Approval Timetable	Date
Management Board	25 October 2022
Portfolio Cabinet Member	30 September 2022
Communities and Economic Development Cabinet Advisory Board	9 November 2022
Cabinet	17 November 2022

Recommendations

Officer / Committee recommendations as supported by the Portfolio Cabinet Member:

1. That Cabinet endorse the Tunbridge Wells Rural England Prosperity Fund (REPF) addendum.
2. Delegate to the Head of Economic Development & Property in liaison with the Cabinet Member for Tunbridge Wells Town and Local Areas and Cabinet Member for Rural Communities to approve any necessary minor changes to the REPF prior to submission, for the purpose of presentation or improving clarity.
3. Authorise the Head of Legal Services to complete all legal formalities, agreements, deeds and other documents as are necessary and/or incidental to the recommendations.

1. Introduction and Background

1.1 The Rural England Prosperity Fund (REPF) is part of the Government's Levelling Up agenda and has been launched as an addendum to the UK Shared Prosperity Fund (UKSPF). The REPF fund was launched on 3 September with engagement sessions with local authorities during September. As with the UKSPF the REPF is an allocation and not a competition. Under the formula established by the Government Tunbridge Wells Borough Council (the Council) has been allocated £443,604.

1.2 The REPF is to run over two financial years 2023/24 – 2024/25 with the funding profile heavily weighted to the final year of the programme with 75% of the funding being available in the 2024/25 financial year. Funding can only be spent on capital (assets – building or equipment) and as an addendum to the UKSPF programme there is no budget for administration. The table below sets out the funding profile in each year.

	2023/24	2024/25	Total
Capital Allocation per year	£110,901	£332,703	£443,604

1.3 The REPF succeeds EU funding from LEADER and the Growth Programme which were part of the Rural Development Programme for England. The Council through the West Kent Partnership has run two successful LEADER programmes over the last 15 years.

1.4 The REPF supports the aims of the Government's Levelling Up White Paper and Future Farming Programme. The objectives of the REPF sit within the UKSPF investment priorities for:

- Supporting Local Business
- Community and Place

1.5 As a result, the interventions, objectives, outputs and outcomes are mostly the same as the UKSPF however there are two additional interventions providing funding for small scale investment in micro and small enterprises in rural areas and rural circular economy projects.

1.6 Projects must be in a rural area. For REPF purposes, rural areas are:

- towns, villages and hamlets with populations below 10,000 and the wider countryside or

- 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.
- 1.7 The funding does not replace funding plans for rural areas under the UKSPF, rather it is a top-up to help address the extra needs and challenges facing rural areas. The REPF will provide capital funding 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; and
 - support new and improved community infrastructure, providing essential community services and assets for local people and businesses to benefit the local economy.
- 1.8 REPF addendum submissions must be made to Government by 30 November 2022. Government will then assess the REPF submissions with approval anticipated in January 2023 and first payments to local authorities expected in April 2023.
- 1.9 As with UKSPF the role of the local authority will be to be responsible for deciding how to award grants. This includes:
- managing local project calls for selecting projects in line with approved plans
 - approving applications
 - contracting with successful applicants
 - making payments
 - day-to-day monitoring
- 1.10 It is expected that due diligence will be undertaken and that REPF beneficiaries will have robust business plans which demonstrate the predicted viability and success of projects. The Council will be responsible for ensuring that there is no duplication of funding. Projects that have had funding from other DEFRA schemes cannot be funded through the REPF. This includes:
- [The Farming in Protected Landscapes Programme](#)
 - [The Farming Investment Fund](#)
 - [The Platinum Jubilee Village Hall Improvement Grant Fund](#)
- 1.11 In addition, projects and costs where there is a statutory duty to provide them cannot be supported.

2 West Kent Approach

- 2.1 The Council intends split its REPF funding between the delivery of a specific green energy project in 2023/24 and in terms of its 2024/25 budget engage across West Kent building on the successful delivery of the West Kent LEADER Programmes between 2007-2013 and 2014-2020, it is proposed that the three West Kent

authorities (Tunbridge Wells, Sevenoaks and Tonbridge & Malling) collaborate on the allocation and spend of their REPF funding (addendum to the UK Shared Prosperity Fund).

- 2.2 The West Kent-wide rural grants scheme be delivered in 2023/24 and 2024/25 that focuses on supporting both rural businesses and rural communities to deliver capital projects. TWBC will make its 2024/25 budget (75% of our pot) available for this joint West Kent working. The benefits of undertaking this approach are that:
- In an environment where public sector resources are stretched, running one grant scheme across West Kent as opposed to three separate schemes offers considerable efficiency savings. This is especially the case given that Government is not allowing any of this particular funding to be top sliced to cover administration costs.
 - There is considerable experience across the three local authorities of running rural grant programmes such as West Kent LEADER, especially within Sevenoaks District Council (who acted as the Accountable Body).
 - Aligning across West Kent will reduce potential confusion amongst prospective applicants, as the criteria and timing of calls for proposals will be uniform across the area.
- 2.3 Collaborating across West Kent does not mean that each local authority area will be throwing their funding into one pot for applicants to access. Instead, by ring-fencing the allocations given to each area, there will be no danger of funding allocated for one local authority going to a project elsewhere in West Kent. For information based on the Government funding formula Sevenoaks has been allocated £501,308 and Tonbridge & Malling £447,450. With both authorities working together in both 2023/24 and 2024/25 financial years.
- 2.4 In anticipating a replacement for LEADER the West Kent Partnership has a reserve budget for rural support which will be used for a co-ordinator (Rural Officer) to centrally manage the West Kent REPF approach across both years.
- 2.5 The West Kent approach would include regular calls for proposals, with information about the scheme, guidance notes and an application form accessible via a host page (with signposting via other local authority sites). Applications would be received centrally and assessed by the Rural Officer. The applications would be shared with the Economic Development Officers for any comments. Once comments have been received, the Rural Officer will then make a recommendation for each application to the panel.
- 2.6 The majority of the borough will be eligible. Whilst DEFRA is still to provide mapping to show the eligible rural area, it is envisaged that this will likely be similar to the previous West Kent LEADER programme, which included all of the borough except for the greater Royal Tunbridge Wells urban area. It is proposed that:
- Specific Infrastructure investment at the Weald Leisure Centre.

- Wider grants awarded be a maximum of £25,000 (in line with FETF (Farming Equipment and Technology Fund) which is up to £25k) with a standard grant intervention level of up to 50% (that could rise to up to 80% in exceptional circumstances for community projects).
- This standard rate is higher than the 40% provided in the previous West Kent LEADER scheme as it is felt match-funding may be more challenging given the current difficult economic conditions. However, it will still ensure value for money.

2.7 The scheme would be promoted via:

- Local authority business networks and social media
- Parish Councils and Rural Borough Councillors
- Business representative organisations – NFU, KICC, FSB etc

2.8 It is proposed that the Panel should be based on the existing WK LEADER ELAG (Executive Local Action Group) and could include the following Members:

- Rural Business Representatives
- Action with Communities in Rural Kent
- Produced in Kent
- Kent Downs & High Weald AONBs
- A Cabinet Member representative from each local authority (SDC, TMBC and TWBC)
- KALC
- Visit Kent

2.9 The panel would consider all the applications and Rural Officer recommendations and allocate funding from ring-fenced local authority pots accordingly.

2.10 It is proposed that this REPF scheme follows a similar approach to the West Kent LEADER Programme, including interventions relating to both business and communities. However, in order for the scheme to be clear, simple and targeted (and easier to programme manage) it is suggested that the number of interventions is kept to a minimum, focussing on those that are slightly more general in scope. If initially focussing on too many different interventions (many of which seem to overlap), there would be far too many small pots per district to manage. Interventions can be reviewed during the process with alterations West Kent wide as appropriate.

Supporting Rural Business:

Intervention	Capital Grant Funding	Initial View
1.1	Small Scale Investment in Micro and Small Enterprises in Rural Areas	Supporting a wide range of small rural businesses (farm diversification, tourism, leisure etc) this is a good catch all intervention to provide cross-sectoral support.
1.2	Growing the Local Social Economy & Supporting Innovation	This has a narrow focus. Though could support a range of innovative community-based projects in our rural communities.

1.3	Developing and Promoting the Visitor Economy	Focussed on boosting rural tourism (even on a small-scale) and helping to build upon some initial collaborative work on tourism at a West Kent level.
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Supporting Rural Communities:

Intervention	Capital Grant Funding	Initial View
2.1	Investment and Support for Digital Infrastructure for Local Community Facilities	There are other pots of funding that are available that can be used to support tackling this issue (e.g. Project Gigabit). Could potentially use up a sizeable portion of the fund in its own right.
2.2	Investment in Capacity Building and Infrastructure Support for Local Civil Society and Community Groups.	This intervention lacks clarity as the indicative outputs all relate to community/green energy, but the examples provided in guidance are much broader.
2.3	Creation and Improvements to Local Rural Green Spaces	A number of fledgling Natural Flood Management and community green space improvement projects currently being developed. This could be a useful resource to support them.
2.4	Existing Cultural, Historic and Heritage Institutions that make up the Local Cultural Heritage Offer	Covering applications relating to a wide range of community facilities this provides a more 'general' intervention.
2.5	Local Arts, Cultural, Heritage and Creative Activities	Potential need for funding amongst local arts, culture and creative groups is likely to be revenue funding rather than capital. These organisations could be supported through intervention 2.4.
2.6	Active Travel Enhancements in the Local Area.	Support for an area that clearly needs investment in order to encourage better use of the countryside.
2.7	Rural Circular Economy Projects	Potential to enhance the 'sustainability' credentials of the programme. As an additional intervention introduced will sit well with DEFRA.
2.8	Impactful Volunteering and Social Action projects to develop Social and Human Capital in Local Places.	The benefit to projects of this type would seemingly be more revenue focussed rather than capital.

2.11 From an initial review at a West Kent level, it is suggested that the following Capital Grant Funding Interventions should be the initial focus of this scheme:

Supporting Rural Business

- 1.1 Small Scale Investment in Micro and Small Enterprises in Rural Areas
- 1.3 Developing and Promoting the Visitor Economy

Supporting Rural Communities

- 2.3 Creation and Improvements to Local Rural Green Spaces
- 2.4 Existing Cultural, Historic and Heritage Institutions that make up the Local Cultural Heritage Offer

- 2.6 Active Travel Enhancements in the Local Area.
- 2.7 Rural Circular Economy Projects
- 2.12 In addition to facilitate the specific infrastructure investment at the Weald Leisure Centre the Council will also focus in 2023/24 on this intervention:
- 2.2 Investment in Capacity Building and Infrastructure Support for Local Civil Society and Community Groups.

Potential Outcomes and Outputs

Intervention	Output	Outcome
1.1	Number of businesses supported	Number of businesses experiencing growth
1.3	Number of businesses supported	Number of businesses increasing their turnover
2.2	Number of community energy projects funded	Improved perception of facilities
2.3	Amount of green or blue space created or improved	Increased footfall Increased visitor numbers
2.4	Number of organisations receiving grants	Increased footfall Increased visitor numbers
2.6	Amount of new or improved cycleways or paths	Improved perception of facilities or amenities.
2.7	Number of organisations receiving grants	Number of community-led programmes as a result of support

Funding Split:

- 2.13 It is proposed that the funding is split in the following way:

Intervention	2023/24		2024/25		Total	
1.1			15%	£66,540.60	15%	£66,540.60
1.3			20%	£88,720.80	20%	£88,720.80
2.2	25%	£110,901.00	0%	0.00	25%	£110,901.00
2.3			15%	£66,540.60	15%	£66,540.60
2.4			5%	£22,180.20	5%	£22,180.20
2.6			15%	£66,540.60	15%	£66,540.60
2.7			5%	£22,180.20	5%	£22,180.20
Total	25%	£110,901.00	75%	£332,703.00	100%	£443,604.00

- 2.14 A copy of the draft Rural England Prosperity Fund Addendum is attached as Appendix A. This sets out the rural challenges and opportunities alongside the proposed approach outlined in the report.

3 Options Considered

- 3.1 There are only a few options to consider related to the REPF. The first option is to manage the REPF directly, identifying and allocating additional Council financial resources to enable this to be managed and administered in house. The selection of interventions could then be focussed solely on Council requirements although in reality they would be along the lines of West Kent anyway.

- 3.2 The second option is to adopt a West Kent model as outlined in the report utilising resources already within West Kent to manage and administer the programme across the three authorities.
- 3.3 A potential third option is to not submit a proposal to REPF and miss out on the £443,604 allocated to the Council.

4 Preferred Option and Reason

- 4.1 The preferred option is for Cabinet to approve a West Kent wide REPF approach and the interventions outlined in the report enabling the REPF to be submitted by 30 November 2022. Submission by the due date will enable Government to consider and approve the plan releasing the investment for the Council over the next two years. While the period of engagement has been quite short the priorities identified are aligned with the Councils priorities and Focus on Five. The interventions that have been selected to provide some flexibility over the course of the REPF.

5 Consultation on Options

- 5.1 The period for detailed engagement has been very short given the REPF process. Through West Kent Partnership we have started to engage with businesses formally engaged in LEADER ELAG regarding the proposals and approach. As a result, engagement with groups and stakeholders has been more restricted than we would have wished.
- 5.2 Recommendation from Cabinet Advisory Board
- 5.3 The Communities and Economic Development Cabinet Advisory Board were consulted on 9 November. Comment from the Cabinet Advisory Board will be provided to Cabinet.

6 Implementation

- 6.1 On approval by Cabinet the REPF plan will be submitted to Government before the 30 November 2022 deadline. Formal response from Government on REPF is expected in January 2023. In the interim, the West Kent Panel would be established, initial year one promotion will be planned and systems set up so that an operational scheme is ready when Government approval is received.

7 Appendices and Background Documents

- Appendix A: TWBC REPF Plan

8 Cross Cutting Issues

A. Legal (including the Human Rights Act)

The granting of public subsidies to private enterprise is now regulated by the Trade and Cooperation Agreement (UK-EU TCA). The current “de minimis” threshold is £350,000 over a three-year period. It will be important to ensure the REPF funding as implemented adopts and follows the subsidy control rules in any payments to projects.

Internal rules relating to Grants and procurement (in line with the Public Contracts Regulations 2015 which remain in force) will also need to be followed.

Lucinda MacKenzie-Ingle, Team Leader, Contracts and Commissioning 17 October 2022

B. Finance and Other Resources

A budget of £443,603 has been allocated to Tunbridge Wells by Government to implement the REPF scheme. The release of this allocation is dependent upon the Council approving the REPF, delivering it to Government by 30 November 2022 and it subsequently being approved by them.

The allocation will be paid over two financial years commencing 2023/24 and will be paid in advance of expenditure. The projects in the REPF will need to demonstrate that there are either no ongoing costs beyond 2024/25 or that they can be funded from existing budgets.

While organised on a West Kent basis the Council will be expected to report expenditure on projects, along with their outputs and outcomes on a regular basis throughout the term of the scheme.

Report Author, 11 October 2022

C. Staffing

The REPF is proposed to be managed at a West Kent level. However, it will still need the Council to input staff time to the overall management and delivery of REPF. With no administration budget identified the West Kent approach will enable a small centrally held West Kent budget to provide a post to manage the programme with additional support from existing staff across all three authorities. The development, appraisal and approval of projects as well as managing payments to projects will be managed at a West Kent level. Resources will need to be reviewed on an annual basis; the project is expected to last two years.

Anita Lynch, HR Manager, 17 October 2022

D. Risk Management

Guidance published by the Government sets out the core criteria for the REPF scheme and as an addendum to the UKSPF scheme. The report sets out the responsibilities of the Council in managing the grant including the eligibility, delivery and monitoring process. Risks include over demand, capacity of staff to process and the manage the process in the timescales. Other risks include fraud however through a robust application process projects can be assessed before grant is distributed. West Kent has a successful record of managing and delivering LEADER over fifteen years and the REPF will build on these processes.

Report Author, 11 October 2022

E. Environment (inc. Biodiversity) and Sustainability

A Climate Emergency Impact Assessment was undertaken regarding the UKSPF. As an addendum an impact assessment had been carried out on the REPF. The interventions set out what is expected to be delivered but does not commit to the projects or delivery mechanism. Without identified projects and with the Council not directly responsible for the delivery, there are not direct carbon reduction benefits to the Council. However, the contribution by intervention to meeting the Council's climate emergency goals for the borough will be sought from project promoters in submissions for the funding over the two years. While it is expected that some interventions will be neutral, others will contribute positively to the wider borough goals. Project promoters will be asked to provide evidence of the longer-term sustainability.

Report Author, 11 October 2022

F. Community Safety

The REPF is an addendum to UKSPF and provides a broad spectrum of interventions including those related to community safety. Projects that are not specifically tailored to improve community safety are not expected to have a negative impact.

Report Author, 11 October 2022

G. Equalities

Under s.149 Equality Act 2010 (the "Public Sector Equality Duty") the Council should have regard to eliminate discrimination, harassment, victimisation and any other conduct prohibited under the Act, advance equal opportunity and foster good relations between those that have relevant protected characteristics and persons who do not. The REPF identifies interventions at this stage and not individual projects. All project proposals in appraisal will review the assessment (EqIA) impact and whether they have a positive or neutral impact on the three aspects of the duty.

Report Author, 11 October 2022

H. Data Protection

There are no specific data protection issues related to the report in the approval of the REPF. West Kent and the three districts will put in place processes to manage the approval and distribution of the grant taking into account any personal data that is required to facilitate the process. In the establishment of the West Kent Panel and appointment of representatives the obligations related to data protection will be highlighted.

Report Author, 11 October 2022

I. Health and Safety

There are no specific health and safety issues related to the report and the approval of the REPF.

Report Author, 11 October 2022

J. Health and Wellbeing

The objectives of the REPF are outlined in the report which will help support health and wellbeing in the rural area.

Report Author, 11 October 2022