

DATE:	31 st May 2023
SUBJECT:	Award of Round Two UK Shared Prosperity and Rural Prosperity Funding: Lincolnshire Community Foundation and Lincolnshire YMCA
PURPOSE:	To detail the decision to award UK Shared Prosperity Funding and Rural Prosperity Funding to the Lincolnshire Community Foundation (LCF) and Lincolnshire YMCA, in line with commitments made through East Lindsey District Council's submitted Investment Plan for UK Shared Prosperity and Rural Prosperity Funding.
KEY DECISION:	<i>Yes</i>
PORTFOLIO HOLDER:	Councillor Steve Kirk (Coastal Economy) Councillor Adam Grist (Rural Economy)
REPORT OF:	Michelle Sacks – Deputy Chief Executive (Growth)
REPORT AUTHOR:	Saul Farrell – Senior Programme Manager (UK Shared Prosperity Fund)
WARD(S) AFFECTED:	All
EXEMPT REPORT?	<i>No</i>

SUMMARY

This paper details the delegated decision taken to award funds of £759,923 to the Lincolnshire Community Foundation (£645,750) and Lincolnshire YMCA (£114,173) under both the UK Shared Prosperity Fund and Rural Prosperity Fund Programmes. This award is to two projects that support the disbursement of grant funding to parish councils, community buildings, village halls and rural community projects. The stated aim is to ringfence the amount of funding allocated to these objectives within the local investment plan and to generate a model which maximises the amount of external (private, public and third party) investment attracted by these projects and generates a longer term, viable future pipeline of projects for East Lindsey District. This award is to two projects that directly meet many of the objectives expressed within East Lindsey's UK

Shared Prosperity and Rural Prosperity Fund Investment Plan, including increased visitor numbers, increased volunteer numbers, improved perception of place, increased community engagement, increased web searches for places and investments in rural communities. This investment, with its focus on our community organisations, parishes and local communities, will ensure that the District is able to attract substantial inward investment, enable more people to participate in community life and ensure that the distribution of UK Shared Prosperity Fund and Rural Prosperity Fund is equitable, benefiting all in our local area.

RECOMMENDATIONS

- 1) To award funds of £645,750 to Lincolnshire Community Foundation and £114,173 to Lincolnshire YMCA for the GRASSroots and Empowering Rural Communities projects respectively.

REASONS FOR RECOMMENDATIONS

Considerations and conclusions for this investment are made within the text of this report, including the options appraisal below.

OTHER OPTIONS CONSIDERED

Option 1 - Proceed as per the recommendation of this Report

Under this option, establishing a community space, village hall and parish council grant aid and advisory support programme will be implemented. This will support the realisation of the benefits as set out within the report below.

Option 2 – Do nothing

Under this option, the recommendations are not taken forward and neither the business grants and advisory scheme, nor the community space, village hall and parish council grant aid and advisory support programme, will be taken forward. Consequently, the benefits as set out within the report will not be realised.

1. BACKGROUND

- 1.1 Launching at the end of January 2023, East Lindsey District has been awarded a significant allocation of UK Shared Prosperity and Rural Prosperity Funding (£5.8m, less administration). This allocation was based on an Investment Plan which was submitted in the preceding year to the Department for Levelling Up, Housing and Communities (DLUHC), which was itself based on an extensive consultation with local communities and elected Members.

1.2 In line with our approved Investment Plan and DLUHC guidance, funding has been split equally across three themes:

- Communities and Place – Supporting pride in place, improving residents’ experiences of their communities
- Supporting Local Businesses – Supporting local businesses to grow and local productivity, supporting employment growth
- People & Skills – Reducing economic activity, supporting employment growth and improving the skills of adult learners (to be principally delivered in Financial Year 2023-4).

1.3 Rural Prosperity Funding (RPF) has been allocated by the Department for Environment, Food and Rural Affairs. This funding focusses on supporting rural businesses and communities, who have been historically underrepresented in the allocation of regeneration funding across the United Kingdom. This fund is entirely capital. As there is no allowance for administration within RPF, the two Programmes are administered concurrently by the same Programme Team across the South and East Lincolnshire Councils Partnership.

1.4 The expectation, legally embodied within our contract (Memorandum of Understanding) for funding from DEFRA and DLUHC, is that investments made by Local Authorities directly address the contracted outcomes within the agreed Investment Plan. They must also generate additionality – new activity in the local area rather than the replication of pre-existing service provision. They also stipulate that all projects commissioned must be delivered by the end of March 2025.

1.5 The allocation of funding of both UKSPF and RPF received for East Lindsey District, less administration (currently at 7.1%, which is within DLUHC guidelines for administration), is as follows:

Category	Capital	Revenue
Communities and Place	£1,134,720	£1,317,949
Supporting Local Business	£1,134,720	£1,317,949
People & Skills	£89,849	£800,500

1.6 In line with DLUHC guidance, which requested that we undertake to invest allocated 2022-3 funds as rapidly as possible, the council has sought to mobilise a small number of ‘quick to deliver’ projects in late FY 22-23/early FY 23-24 (‘Round One’), These projects represent a small proportion of available funding but were adjudged to be Value for Money and likely to deliver on the contracted outcomes.

1.7 Since the launch of the Prospectus, the Council has recruited a Programme Team (March 2023), held Assessment Panels and conducted the first Theme and locality-based Partnership Groups

(April/May 2023). The membership of these groups involves subject-matter experts and community representatives respectively, drawn from organisations and communities in the District. This has resulted in recommendations for the following:

- The appointment of two Delivery Partners for Community & Parish Grants, with one (Lincolnshire Community Foundation) charged with the assessment and distribution of grant aid and another (Lincolnshire YMCA) charged with advisory support for current and future grant aid, as well as community development.

2. DETAILS OF THE PROJECT

2.1. A key priority, expressed both by elected Members and by communities upon extensive consultation, is ensuring that UKSPF/RPF funding supports communities that have been historically under-represented in the provision of public investment. This includes many rural communities in our District. While there is a limit, dictated by both the agreed Investment Plan and the outcomes in our contract with Central Government, on the amount of investment that we are able to contribute to community and parish projects, we wish to ensure that this funding is both protected and maximised.

2.2. There has been significant demand in this area, over half of the 130 Expressions of Interest received for the fund across the Partnership have concerned community and parish projects. These expressions of interest range from immediately investable projects, projects that still require further development, and ideas for the future. The fund is significantly over-subscribed in this area at this stage of delivery, with requests for capital funding far exceeding the amounts available for these outcomes. Therefore, the recommendation is that the SELCP explores a means through which immediately investable projects can be supported with grant funding, projects that require further support are given that support, and guidance is provided to applicants who are currently at the ideas stage. Specifically, the following is sought in terms of the features of any model

- Where the opportunity presents itself, to seek to maximise the funding available and leverage more money into these communities by supporting them to attain 'match' funding from third party funders (including bodies like the Arts Council, National Lottery Heritage Fund and private investors).
- Where project proposals from community and parish council applicants are not currently in a position to invest UKSPF funds by March 2025, to ensure that support is on hand to enable applicants to develop their projects so that they would be viable candidates for future funding. This is to support in developing a pipeline of projects that will ensure that these communities are not underrepresented in funding for regeneration in the long-term) to maximise our UKSPF investment, and to support projects which contribute significantly towards our contracted outcomes.

2.3. The scale of many of the requests means that the contracting process would be not manageable with the current resource available to the council (taking the administration spend beyond the allowance for the UKSPF/RPF Programme agreed with DLUHC). Similarly, the council is not well placed to provide specialist fundraising support to small community organisations. Therefore, if these grant awards were to be delivered internally it is inevitable that smaller community organisations would be disadvantaged compared the support that could be provided with other potential models, the fund would not leverage significant additional investment into these communities and there would be no concerted development of a future 'pipeline' of viable regeneration projects, thus disadvantaging these communities in the long-term. Therefore, officers recommend the appointment of a delivery Partner to administer grant aid and to provide specialist, advisory support for fundraising and community development.

2.4. The Council has received a proposal from Lincolnshire Community Foundation to administer the grant aid in this area on behalf of the council and the wider SELCP, which will earmark an amount proportionate to our contracted outcomes in this area for small grants to communities (£575,000), with an allowance for administration, marketing and technical assistance (£70,750). In terms of policy, the Council views this allocation of funds as an initial down-payment to funding parishes, with the expectation that this funding could be augmented if the model works effectively in the first year. Furthermore, the Council intends to fund further community-based projects concurrently. These factors mean that the UKSPF/REPF Programme is offering a generous, attractive programme of support to local parishes and community organisations.

2.5. LCF are an experienced grant-making organisation with a track record in distributing grant aid within Lincolnshire and an experienced staff already on-hand to manage the Programme. They have distributed over £19m across Greater Lincolnshire and have most recently managed a significant number of grants through the Household Support Funding Programme. They are supporting other Local Authorities in the county with the management of their UKSPF/RPF Programme.

2.6. Administration and marketing costs are broadly comparable to the cost of administering a scheme of small grants internally, yet LCF already have the grant-making processes and team in place. Therefore, the lead-in time for the determination of grant aid for these projects will be significantly shorter (4-6 weeks) than if this activity was undertaken 'in house'. Given that many of the initial Expressions of Interest are strong, we would anticipate that the first awards will occur by the end of June 2023.

2.7. It is our intention, therefore, to refer the existing communities Expressions of Interest to LCF, upon appointment, for rapid determination and award, with the expectation that the first awards in this area should take place in the early summer (before the end of June 2023).

2.8. Complimenting this process, the intent is to offer support to applicants to enable them to develop high quality projects with significant match funding. The intent is also to support community organisations to become more financially resilient and to diversify their membership where possible, to enable a greater number of people within our communities to participate in social and cultural activities. We have received an Expression of Interest from the YMCA to fulfil this function, who have bid for £237,222 across the Partnership (£114,173 in East Lindsey District). The Council recommends that this proposal is successful.

2.9. The expectation is that this package of support, offered by LCF and the YMCA in combination will enable the District to achieve its core contracted outcomes in key areas such as: increasing the number of volunteers in the District; increasing visitor numbers to the District; increasing community engagement with arts, culture and heritage; improving residents' perceptions of place and reducing perceptions of crime.

CONCLUSION

3.1 Recommendation: To proceed upon the basis of awarding £645,750 to the Lincolnshire Community Foundation and £114,173 to the Lincolnshire YMCA through the UK Shared Prosperity and Rural Prosperity Fund for the purposes of delivering the 'GRASSroots' and Empowering Rural Communities Projects respectively.

EXPECTED BENEFITS TO THE PARTNERSHIP

These recommendations will allow the Partnership to meet the commitments that it has given to DLUHC through the UK Shared Prosperity Fund. It will also meet the key political commitment of ensuring that funding is distributed equitably and widely across the Partnership area, with a particular focus in this case on rural and under-represented communities.

IMPLICATIONS

SOUTH AND EAST LINCOLNSHIRE COUNCILS PARTNERSHIP

None

CORPORATE PRIORITIES

None

STAFFING

None

CONSTITUTIONAL AND LEGAL IMPLICATIONS

This is a Delegated decision, made by the Deputy Chief Executive (Growth) in consultation with the relevant Portfolio Holder and in this specific case, the Leader of the Council. The funding for the scheme has already been provided by Central Government and accepted by the Council, and forms part of the councils approved budget.

DATA PROTECTION

The council will ensure that the grants administered under this scheme are managed in accordance with all relevant data protection requirements and legislation. We have been liaising closely with the delivery partners and internal specialists to ensure that the 'handover' of Expressions of Interest is compliant with data protection legislation and that external delivery partners are registered with the Information Commissioners Office (ICO).

FINANCIAL

The combined allocation of £759,923 in UK Shared Prosperity Funding from the 'Communities and Place' Theme.

RISK MANAGEMENT

Risk management shall be undertaken within the context of the contract management process. The applicant produced a risk register at the point of Full Application and this is being kept under review. The three key risks are as follows:

- Low interest from applicants – While interest to date in UKSPF/RPF has shown that this risk has been of low probability, we are funding both organisations to undertake intensive community engagement and marketing to support organisations in bringing forward high quality applications with substantial match funding.
- Inability to commit the required funding by the end of March 2025, as required by the contract (Memorandum of Understanding) with DLUHC – This will be managed closely through the contract management process.
- Some communities not receiving funding through the scheme – While it is inevitable that not every community will receive a grant through the scheme (due to the size of the allocation the District has received), the provision of universal advisory support and community development will mean that even if they do not, they will have free-at-the-point-of-delivery wraparound support in the development of their project and advice on obtaining other sources of grant funding. In this sense, this is a 'something for everyone'

model and allows the funding that we have received to 'go further' than may have initially been anticipated through potentially attracting significant additional investment.

- **STAKEHOLDER / CONSULTATION / TIMESCALES**

These projects have been assessed between April and June 2023 through the agreed UKSPF/RPF Assessment process. This has included the following:

- Processed at Expression of Interest and full application stage through the internal Assessment Panel of Officers
- Consultation within the relevant Theme Group of specialists (Communities and Place)
- Consultation within the East Lindsey UKSPF/RPF Partnership Sub-Group of the Town Deal Board
- Consultation with the relevant Portfolio Holder
- Consultation with the Leader of the Council
- Consultation with Senior Leadership Team within the South and East Lincolnshire Councils Partnership

REPUTATION

No specific reputational risks arising in this case. However, there is a substantial reputational risk associated with not committing UKSPF/RPF funding in a timely manner and to high quality projects that meet the outcomes that the Local Authority has committed to within the UKSPF/RPF Investment Plan, such as this one. At a project level, under-delivery is likely to carry substantial reputational risk and this will be managed closely through the contract management process.

CONTRACTS

The project will be managed through a UKSPF/RPF Grant Funding Agreement, commissioning a Delegated Authority (in the case of LCF) and a standard Grant Funding Agreement (in the case of Lincolnshire YMCA), which will be managed by a designated grant funding contract manager within the Local Authority, situated within the UKSPF/RPF Programme Team. In these two cases, the contract manager will be the same.

CRIME AND DISORDER

None

EQUALITY AND DIVERSITY/ HUMAN RIGHTS/ SAFEGUARDING

The council has considered equalities, diversity and inclusion in formulating this recommendation, including compliance with relevant legislation. This includes protected characteristics under the 2010 Equalities Act and subsequent amendments. It is the view of the author that there are no implications in this regard in respect of this report recommendation. The proposed grant funding and advisory support shall be open to all within our local community and there shall be reasonable adjustments for those facing barriers to access. This shall be monitored through the contract management process.

HEALTH AND WELL BEING

None arising at the macro-level, though individual benefits may be realised through projects grant-aided by the scheme on a delegated basis.

CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

None

LINKS TO 12 MISSIONS IN THE LEVELLING UP WHITE PAPER

MISSIONS	
This paper contributes to the follow Missions outlined in the Government’s Levelling Up White paper.	
Skills	By 2030, the number of people successfully completing high-quality skills training will have significantly increased in every area of the UK. In England, this will lead to 200,000 more people successfully completing high-quality skills training annually, driven by 80,000 more people completing courses in the lowest skilled areas.
Wellbeing	By 2030, well-being will have improved in every area of the UK, with the gap between top performing and other areas closing.
Pride in Place	By 2030, pride in place, such as people’s satisfaction with their town centre and engagement in local culture and community, will have risen in every area of the UK, with the gap between the top performing and other areas closing.

ACRONYMS

DLHUC – Department for Levelling Up, Housing and Communities

APPENDICES	
None	
<i>APPENDIX A</i>	<i>(Title of document)</i>
<i>APPENDIX B</i>	<i>(Title of document)</i>
<i>APPENDIX C</i>	<i>(Title of document)</i>

BACKGROUND PAPERS	
<i>(If none then insert the working ‘No background papers as defined in Section 100D of the Local Government Act 1972 were used in the production of this report.’ Also delete the below text/boxes.)</i>	
Background papers used in the production of this report are listed below: -	
Document title	Where the document can be viewed
UKSPF Prospectus	https://www.e-lindsey.gov.uk/article/23065/UK-Shared-Prosperity-Fund

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CHRONOLOGICAL HISTORY OF THIS REPORT

A report on this item has not been previously considered by the Council.

REPORT APPROVAL

Report author:	Saul Farrell Senior Programme Manager – UK Shared Prosperity Fund/Rural Prosperity Fund
Signed off by:	Michelle Sacks (Delegated Decision) Deputy Chief Executive - Growth
Approved for publication:	N/A

CHECKLIST - DELETE BEFORE SUBMISSION TO DEMOCRATIC SERVICES

S151 Officer consulted on financial implications:	Yes / No / NA
Monitoring Officer consulted on legal and constitutional implications:	Yes / No / NA
Portfolio Holder consulted:	Yes / No / NA
Ward Member consulted:	Yes / No / NA