

REPORT TO:	Executive Board 8 th May
REPORT OF:	Cllr Steve Kirk and Cllr Adam Grist
SUBJECT:	Investment to support villages, parishes and market towns across East Lindsey
PURPOSE:	To consider a package of initiatives to strengthen financial support for villages, parishes and market towns across East Lindsey.
KEY DECISION:	Yes
PORTFOLIO HOLDER:	Councillors Steve Kirk and Adam Grist
REPORT AUTHOR:	Matthew Hogan – Assistant Director Strategic Growth and Development
WARD(S) AFFECTED:	All
EXEMPT REPORT?	<i>No</i>

SUMMARY

This proposal is to;

- To create a Community Loan facility, to be made available to parish councils and to be aligned with the administration of the existing UK Shared Prosperity Fund (UKSPF) and the Rural Prosperity Fund Programmes (REPF) for East Lindsey District Council.
- Bolster the grant funds available to communities across East Lindsey district, by extending the current GRASSRoots programme and Communities and Place investment theme under UKSPF, therefore offering further grant support for community, parish and market town development projects
- This is with a view to offer a coherent, unified financial offer for communities and parishes, establishing a longer-term 'single point of contact' for these organisations to receive advice and support on securing third party (public, private and third sector), parish reserve loans, and UKSPF/RPF grant funding. The proposed reconfigured UKSPF & RPF Service would offer expertise on the Community Loan fund, and will administer the

remaining grant funding over an extended period of delivery, enabling a rapid and substantial expansion of the number of community projects delivered in East Lindsey's parishes.

- The above reflects a total £870,000 investment in support for community projects, funded through the recently established Corporate Priority Reserve.

RECOMMENDATIONS

- 1) To allocate £620,000 from the Corporate Priority Reserve to support the expansion of (and administration of) the successful LCF GrassROOTs scheme, alongside increased investment in Communities and Place projects (parish, village hall and market town development projects).
- 2) To delegate authority to the s151 in conjunction with the AD Strategic Growth and Development to agree the final split of resources required as an addition to the budget in respect of revenue and capital.
- 3) To allocate a further capital sum of £250,000 to be added to the Capital programme as a Community Loan Facility financed from the Corporate Priorities Reserve and note that the administration of this will be undertaken as part of the UK Shared Prosperity Fund and Rural Prosperity Fund Programmes.

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 there will be the creation of a loan fund, coupled with an expansion of the successful LCF GRASSroots grant funding scheme, leading to an increased number of Communities and Place projects delivered locally, resulting in greater investment in rural communities, augmented pride in place and longer term, sustainable support to community buildings. The risks associated with the upcoming end of the UK Shared Prosperity Fund Programme shall also be partially ameliorated. 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, with the opportunity to expand the level of support offered to parish, village hall and community projects not realised and the wider benefits of the report detailed below will also not be realised.

1. BACKGROUND

- 1.1 The South and East Lincolnshire Councils Partnership has been awarded a significant allocation of UK Shared Prosperity and Rural Prosperity Funding (£12.15m, less administration). In East Lindsey Council, this allocation totals £6.14m. Launching in January 2023, the Programme delivers an Investment Plan agreed with the Department for Levelling Up, Housing and Communities (DLUHC), 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.
- 1.3. Members and the wider community, upon extensive consultation, have highlighted investment in parishes and market towns as a strategic priority. This priority is embodied within SELCP’s emerging Growth and Prosperity Plan. This is why the UK Shared Prosperity Fund Programme has invested a major proportion of its available funds into initiatives that support this, both through the main Programme (for example, through investment in the Old Bolingbroke Gas House and the transformation of Wainfleet Market Place) and through a substantial (£645,750, inc. administration), ringfenced fund for small grants (up to £24,999) to parish councils, village halls and community projects – LCF GRASSroots.
- 1.4. The GRASSroots scheme, administered by the Lincolnshire Community Foundation, has been a major success, investing over £725,000 in community assets across the Partnership area in only nine months, with positive reviews and at a low administrative cost to the taxpayer (comparing favourably with delivering ‘in house’). Examples of projects supported in East Lindsey District include:
- Woodhall Spa Cricket Club – New cricket nets (£19,842)
 - Skegness Sports Association – A new boiler and replacement furniture for the Club House (£24,999)
 - Horncastle Town Council – A series of community events and improving signage and the public realm in Horncastle (£17,207)
 - The Coastal Eco Centre – A Programme of arts and crafts events for local residents (£17,086).
 - Aby with Greenfields Parish Council – Renovations to Aby Village Hall (£16,000)
 - Spilsby Town Council – New play equipment (£21,000).
- 1.5. The funding source for these interventions is the UK Shared Prosperity Fund and Rural England Prosperity Fund. This is UK Government funding, which is currently time limited until March 2025. The future beyond March 2025 is unclear, due to the requirement for a

national decision on the future of UKSPF/REPF funding. This means that these community projects must be delivered in completion by March 2025. It also means that the support offered to these community groups ends abruptly at this point, with time-limited provision for supporting project sustainability or future project development.

- 1.6. The success of this scheme has also meant that demand far outstrips the supply of funding available, with only £228,000 remaining to distribute. It is therefore likely that the scheme will close before the end of the UKSPF Programme (March 2025). The next Round (to be determined in April 2024) has £279,131 in Applications, currently being processed. There is a risk that the Fund will close in the early Summer without additional support.
- 1.7. The proposed Community loan facility would be a ringfenced fund offered by the District Council which offers a loan fund for Parish Councils to support capital projects, which can then be paid back through the Parish precept process. The proposal is to offer loans at the Bank of England Base Rate plus +1% and is a simpler, easier process that can be offered at a smaller scale than a more complex Public Works Loan Board loan application. The Parish can also choose the duration of their loan from 5, 10 and 15 years. This builds upon a model used elsewhere within the wider South and East Lincolnshire Councils Partnership.
- 1.8. A Community Loan application may be more appropriate for a parish than a UKSPF grant in the following circumstances:
 - The application does not meet the outcomes required by the UKSPF Communities and Place Prospectus or the GRASSroots grant criteria. A number of applications have been submitted to the UKSPF/RPF Programme which meet this definition.
 - The application is of a value above £24,999 (the maximum value of a GRASSroots grant) or cannot be delivered in multiple phases below £50,000 - £75,000.
 - The project cannot be delivered in full prior to March 2025 (i.e. the end of the UKSPF/RPF Programme).

There is an opportunity to create a comprehensive 'single point of contact' for funding parishes, communities and market towns to facilitate and maximise available grant and loan funding available from both the Council and third-party funding sources.

2. PROPOSAL

- 2.1. The proposal is to build on the successes of the Communities and Place UKSPF Strand and to resolve some of the inherent risks associated with the impending end of the UKSPF Programme through investment from Corporate Priority Reserve, bringing together a Community loan facility with the UKSPF/RPF Programme.
- 2.2. An immediate additional investment of £870,000 would enable the expansion of the current investment in communities through the UKSPF programme, coupled with additional support through a loan facility. These Funds will be invested in accordance with the principles of the Council's existing UKSPF Investment Plan (as well as the emerging SELCP Growth and Prosperity Plan) and in so doing, will count as 'Leveraged Additional Investment' to the UKSPF Programme. Resource will also be allocated to extend the contract management arrangements for Communities and Place projects and the LCF Contract (for an additional nine months beyond the current UKSPF Programme). This has

the benefit of giving communities additional time to deliver, certainty for the contract delivery team and supporting a greater number of projects across a wider range of geographies within East Lindsey District.

- 2.3. The financial implications of this resourcing strategy, assuming a non-continuation of UKSPF funding post March 2025, are as below:

Budget Line	Proposed Allocation
1. Additional Resource – Parish Precept, Community Loan and additional Community Grants (Dedicated Officer – 1FTE)	£50,000
2. Nine Month ‘In Principle’ extension of relevant contract management officers within the UKSPF/RPF Programme Team (3FTE)	£170,000 (If UKSPF renewed, this allocation will move to line 5)
3. Additional Allocation of Funds to LCF GRASSroots in East Lindsey District to support Parishes, Village Halls and Community Groups	£250,000
4. Initial proposed community loan funding	£250,000
5. Additional Allocation of Funds – Strategic projects to support rural communities and Market Towns	£150,000
Total Cost	£870,000

Should UKSPF be extended, the resourcing implications of this approach would be reviewed further, likely resulting in an even greater allocation of funds to parishes and Market Towns.

- 2.4. In conjunction with this, to bring about an alignment of the proposed Community Loan with the UKSPF/RPF programme, so as to offer a combined, long-term grant funding and loan funding mechanism to parish and town councils. This will be supported by a dedicated officer, who will also have responsibility (alongside the external partners delivering the YMCA ‘Empowering Rural Communities’ project) for encouraging non-precepting parishes to form meetings (so as to enable them to become bodies that may bid for and access funding, commencing a process of addressing historic imbalances in third party funding for rural communities). This resource will also be available to the other two Districts in the Partnership, recharged to ELDC on an ‘as needed’ basis (with recharge funds utilised for additional grant distribution). This will create a comprehensive ‘single point of contact’ for funding parishes, communities and market towns to facilitate and maximise the available grant and loan funding available from both the Council and third-party funding sources.

3. EXPECTED BENEFITS TO THE PARTNERSHIP

- 3.1 These recommendations will allow the council 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 to businesses within the council area, as well a commitment to support local economic growth, pride in place, growth in visitor numbers and improvements in community assets and facilities. Principally, the focus here will be on increasing the number of community projects

delivered and improvements to community facilities (including sports facilities, village halls, community centres and parks).

IMPLICATIONS

SOUTH AND EAST LINCOLNSHIRE COUNCILS PARTNERSHIP

This project will be contract managed by the UK Shared Prosperity/Rural Prosperity Fund team, with additional resource to support delivery, with a dedicated contract manager for the LCF GRASSroots scheme and each individual community project funded through the main Programme. The Community Loan advisory resource will also be available to the other two Districts in the Partnership, recharged to ELDC on an 'as needed' basis (with recharge funds utilised for additional grant distribution).

CORPORATE PRIORITIES

The recommendations align with the four priorities for the SELCP, as defined within the South East Lincolnshire Councils Partnership Sub Regional Strategy. Those priorities are Growth and Prosperity, Healthy Lives, Safe and Resilient and Environment.

STAFFING

The recommendations will lead to the extension of existing fixed term contracts for the UKSPF team, to support with delivery of community facility investment across the District until January 2026.

CONSTITUTIONAL AND LEGAL IMPLICATIONS

Use of Corporate Priorities Reserve, in-line with the priorities approved as part of the 2024/25 Budget Setting process, is delegated to the Executive Board

DATA PROTECTION

None

FINANCIAL

The combined allocation of £870,000 in Corporate Priority Reserve funds to the UK Shared Prosperity Fund and Rural Prosperity Fund from the Corporate Priorities Reserve

RISK MANAGEMENT

Risk management shall be undertaken within the context of the contract management process. The applicant has produced a project-specific risk register, and this is being kept under review. The three key risks are as follows:

- **Programme over-subscription** - This will be mitigated through utilising specialist resource to direct applicants to the most appropriate source of funding, whether this is UKSPF Main Programme, UKSPF GRASSroots, Community Loan or other, third-party funding. Applicants' expectations will be managed through the competitive process, including effective Programme communications.
- **The impact of a delayed announcement on UKSPF renewal** – Due to the likely late date of a General Election in 2024, this risk has a high likelihood. The high level of uncertainty so close to the end of the Programme would risk staff attrition and a loss of organisational

memory/expertise. The additional resource provided by this proposal will assist in terms of providing increased capacity for planning future, additional Programmes, as well as reducing the impact of a late renewal announcement on any future Programme.

- **Communities' capacity to deliver on their proposals for funding** – Many of the 'quick to deliver' projects have been funded through the current Programme and so intensive work through the YMCA Empowering Rural Communities is currently being undertaken to build a pipeline of projects (this will be supported by a dedicated bid writer to support proposals). The extension of contract management capacity will assist in the provision of intensive support to these groups, as will the extended time to deliver.

STAKEHOLDER / CONSULTATION / TIMESCALES

None

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 standard UKSPF/RPF Grant Funding Agreements, as with all UKSPF/RPF projects that are externally contracted. This will be managed by a dedicated contract manager within the service, with further oversight provided by senior leadership within the Growth Directorate.

CRIME AND DISORDER

The report recommendations propose a increase in investment across East Lindsey District; investments which will bring about community initiatives that will directly and indirectly support crime prevention, anti-social behaviour and community cohesion.

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

The report recommendations propose a increase in investment across East Lindsey District; investments which will bring about community initiatives that will directly and indirectly support health and wellbeing.

CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

The report recommendations propose a increase in investment across East Lindsey District; investments which will bring about community initiatives that will directly and indirectly support the environment.

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.	
Living Standards	By 2030, pay, employment and productivity will have risen in every area of the UK, with each containing a globally competitive city, with the gap between the top performing and other areas closing.
Research and Development	By 2030, domestic public investment in Research & Development outside the Greater South East will increase by at least 40% and at least one third over the Spending Review period, with that additional government funding seeking to leverage at least twice as much private sector investment over the long term to stimulate innovation and productivity growth.
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.

ACRONYMS

DLHUC – Department for Levelling Up, Housing and Communities

APPENDICES
None

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

CHRONOLOGICAL HISTORY OF THIS REPORT
A report on this item has not been previously considered by the Council.

REPORT APPROVAL	
Report author:	Matthew Hogan Assistant Director (Strategic Growth and Development)
Signed off by:	Councillors Steve Kirk and Adam Grist Joint Portfolio Holders - UKSPF
Approved for publication:	Christine Marshall, Deputy Chief Executive – Corporate Development