



REPORT TO:	Officer Decision
REPORT OF:	Matthew Hogan – Assistant Director (Strategic Growth and Development)
SUBJECT:	Award of Round Five UK Shared Prosperity Funding to the Lincolnshire Community Foundation (additional funding to the LCF GRASSroots project)
PURPOSE:	To detail the decision to award additional funds through UK Shared Prosperity Funding and Rural Prosperity Funding to the Lincolnshire Community Foundation (LCF) for the 'GRASSroots' Fund, which ringfences the funding available to parishes, village halls and community groups, in line with commitments made through South Holland District Council's submitted Investment Plan for UK Shared Prosperity and Rural Prosperity Funding.
KEY DECISION:	Yes
PORTFOLIO HOLDER:	Councillor Paul Redgate - Portfolio Holder for Finance, Commercialisation, UKSPF and Levelling Up
REPORT AUTHOR:	Saul Farrell – Senior Programme Manager (UK Shared Prosperity Fund)
WARD(S) AFFECTED:	All
EXEMPT REPORT?	No

SUMMARY

This paper details the delegated decision taken to award additional funds of £350,000 to the Lincolnshire Community Foundation 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 South Holland District. This award builds upon the success of the current LCF GRASSroots project to allocate further funding to parishes, village halls and community spaces.

The project meets many of the objectives expressed within South Holland District'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 £350,000 to the Lincolnshire Community Foundation (LCF) for the GRASSroots project.

REASONS FOR RECOMMENDATIONS

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

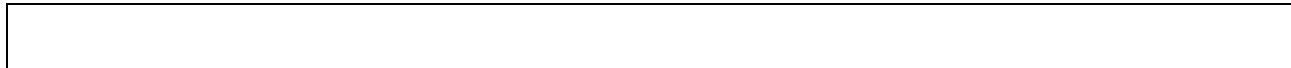
OTHER OPTIONS CONSIDERED

Option 1 - Proceed as per the recommendation of this Report

Under this option, additional funds will be allocated to the LCF GRASSroots project, enabling further grants to be given to Parish Councils, Village Halls and Community Spaces. This will allow for the continuation of the grant scheme throughout calendar year 2024, as well as the disbursement of grant funding to a minimum of 13 additional community projects. This will allow successful projects to bring forward additional delivery in local communities and for additional communities to receive support from UKSPF/REPF.

Option 2 – Do nothing

Under this option, the GRASSroots scheme shall continue to operate as agreed in June 2023 without any additional funding or support. Given the level of commitment, it is likely that the Fund would close before Summer 2024, with fewer community, parish and village hall projects supported. The UKSPF Fund would have to seek alternative means of distributing these Funds, which would likely be less efficient and a risk of Programme underspend in Communities and Place would emerge. Consequently, the benefits as set out within the report will not be realised.



1. BACKGROUND

- 1.1 Launching at the end of January 2023, South Holland District Council has been awarded a significant allocation of UK Shared Prosperity and Rural Prosperity Funding (£3.2m, 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 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 South Holland District Council, less administration (currently at 7.1%, which is within DLUHC guidelines for administration), is as follows:

Category	Capital	Revenue
Communities and Place	£531,765	£802,659
Supporting Local Business	£531,765	£802,659
People & Skills	£54,003	£486,025

- 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 on a quarterly basis since then, awarding grants in five Rounds of funding. The membership of these groups involves subject-matter experts and community representatives respectively, drawn from organisations and communities in the District. January 2024 represents the final Round of funding to be awarded in the main, non-ringfenced Programme for Supporting Local Business and Communities and Place, as well as the first Round of funding for People & Skills. The recommendations emerging from this Round has resulted in the following proposal:
- The allocation of an additional £350,000 of capital and revenue funding (split equally, less a an 8% administration charge, apportioned to revenue) to the Lincolnshire Community Foundation for distribution as grant aid to parishes, village halls and community projects through the pre-existing LCF GRASSroots project.

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 as far as is practicable.

2.2. There has been significant demand in this area, a significant proportion (around half) of the 206 Expressions of Interest received for the fund across the Partnership to January 2024 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 decision to open LCF GRASSroots to these applications on a delegated basis (to process applications for funds on behalf of the Council) has been broadly proven to be a successful one, with a range of high-quality projects that meet UKSPF outcomes being approved through this route.

2.3. To administer the Scheme, LCF adopt a short-form single application form for applicants and have appointed a dedicated Grant Manager, who has led on the scheme from inception and provides a single point of contact for applicants seeking funding in South Holland for parish, community and Village Hall projects (occasionally buttressed by support from the UKSPF/RPF Programme Team where technical advice on the UKSPF Programme is required and/or where a matter is referred directly to the Council). Feedback to the Council on the process and support provided from applicants has generally been highly positive.

2.4. The Grants Panel, which consists of representatives of the public, private and third sector, drawn from across the South and East Lincolnshire Partnership area, has worked well. The Panel has always been quorate and participants have remarked upon the quality of discussion, with comprehensive papers and minutes being produced in support of each. Panels have generally met quarterly. With the increased allocation proposed in this paper, it is anticipated that they shall meet slightly more frequently to service the requirement for an increased rate of grant disbursement.

2.5. Over the course of six months, the GRASSroots Programme has successfully committed and/or distributed the vast majority of funding initially allocated for South Holland. Of the £360,620 initially allocated, only £83,997 now remains in the Fund (as of 24/1/24). The quality of applications has been particularly strong, with projects supported including Gosberton Youth Centre, Lutton Parish Council, Tydd St. Mary Parish Council and Boxes of Hope. Without additional support, it is highly probable that the Fund would have to close for applications at the end of the Financial Year.

2.6. The performance of the UKSPF and REPF Programme more widely in relation to Communities and Place/REPF outcomes has allowed for these additional funds to be allocated to this activity without a negative impact on the District's agreed Investment Plan.

2.7. Similarly, the GRASSroots scheme has also been successful in encouraging Parish and Community projects to raise additional funding in support of their project, with the average grant intervention rate across the Partnership being around 70%, thus making a positive contribution towards the UKSPF Programme's target for leveraged additional investment. In South Holland, intervention rates have generally been slightly higher (closer to 80%) and as a consequence, a focus of the expanded scheme will be to work with parishes, village halls and community groups to encourage them to raise additional match funding to improve this even further.

2.8. The cost of scheme administration has been slightly less than the comparable cost of administering these grants 'in house' and has allowed the UKSPF/RPF core Programme team to focus on grant appraisal and the management of larger projects and contracts. The cost of administering any expansion of the GRASSroots scheme, charged at a flat rate of 8% of any increase, represents outstanding value for money to the taxpayer and with the scale of the proposed expansion, takes the total cost of delivering this scheme significantly below the cost of administering this scheme within the Council.

2.7. The expectation is that this additional package of support, offered by LCF and the Council 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 £350,000 to the Lincolnshire Community Foundation through the UK Shared Prosperity and Rural Prosperity Fund for the purposes of expanding the delivery of the 'GRASSroots' grant scheme for parish councils, village halls and community projects.

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 Assistant Director (Strategic Growth and Development) in consultation with the relevant Portfolio Holder (Finance, Commercialisation and UKSPF). The funding for the scheme has already been provided by Central Government and accepted by the Council, forming part of the councils approved budget.

DATA PROTECTION

None

FINANCIAL

The combined allocation of £350,000 in UK Shared Prosperity Funding and Rural 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 – Through a combination of intensive marketing support, a dedicated UKSPF comms officer and close working between LCF and the Council, we will ensure that the steeper curve of grant distribution is addressed through wider, tailored communication to potential recipients and marketing of the GRASSroots scheme.
- 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 through the complimentary YMCA contract (also UKSPF funded) 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**

This extension has been processed through the agreed UKSPF/RPF Assessment process for Communities and Place. This has included the following:

- Processed through an internal Panel of Economic Development Officers, including the UK Shared Prosperity Fund Programme Team.

- Consultation with the relevant Contract Manager for the Lincolnshire Community Foundation and with representatives of the Lincolnshire Community Foundation.
- Consultation within the relevant Theme Group of specialists (Communities and Place)
- Consultation within the South Holland Locality Partnership Group.
- Consultation with the relevant Portfolio Holder
- 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 revision (contract variation) to the current UKSPF/RPF Grant Funding Agreement with the Lincolnshire Community Foundation, which will be managed by a designated grant funding contract manager within the Local Authority, situated within the UKSPF/RPF Programme Team.

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 shall be open to all within our local community and there shall be reasonable adjustments for those facing barriers to access. There will be a particular focus on under-represented groups and communities. 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

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:	Matthew Hogan Assistant Director – Strategic Growth and Development
Approved for publication:	N/A