

Economy and Property Committee	
Meeting Date	9 th April 2025
Report Title	UK Shared Prosperity Fund and the Rural England Prosperity Fund 2025/26 - Delivery
EMT Lead	Emma Wiggins, Director of Regeneration and Neighbourhoods
Head of Service	Joanne Johnson, Head of Place
Lead Officer	Kieren Mansfield, Strategic Programmes and Asset Manager
Classification	Open
Recommendations	<ol style="list-style-type: none"> 1. To agree the outline scheme of delivery for projects through the 2025/26 allocation of the UK Shared Prosperity Fund and Rural England Prosperity Fund, as set out at Appendix I. 2. To agree that a Prosperity Fund Member Working Group is continued, as per the updated terms of reference at Appendix II. 3. That the Head of Place is given delegated authority to <ul style="list-style-type: none"> • approve grants to third parties (following an application and assessment process) • make changes to the programme as required. This will be in consultation with the Prosperity Fund Member Working Group where these are material changes as defined by Government and where individual projects cannot proceed or are to be significantly reduced in scale by more than 50%.

1 Purpose of Report and Executive Summary

- 1.1 This report sets out proposals for the management of funding allocated, or to be allocated, to Swale Borough Council for 2025/26 through the UK Shared Prosperity Fund (UKSPF) and the Rural England Prosperity Fund (REPF). The proposals have been informed by discussion with the existing Prosperity Fund Member Working Group.
- 1.2 At the time of writing the Council awaits confirmation as to the value and terms of funding allocated to Swale Borough Council through the Rural England Prosperity

Fund (REPF). This is a fund specific to identified rural communities identified by DEFRA, but with management and monitoring aligned to the UKSPF.

2 Background

- 2.1 The UK Shared Prosperity Fund (UKSPF) and the Rural England Prosperity Fund (REPF) were established by Government in 2022/23 and, broadly, are replacements for European Structural and Investment Funds. Swale Borough Council received initial funding allocations from both funds of £1,169,496 and £502,995 respectively for the period 2022- 2025.
- 2.2 Funding received for 2022-2025 had to be spent and projects delivered by 31 March 2025. There was no provision for the rollover of funds into 2025-26. At the time of writing, remaining funds were negligible.
- 2.3 The Government announced the extension of support available through the UKSPF in December 2024. Swale Borough Council's UKSPF allocation for 2025/26 is £554,150, to be used to support investment in activities from 1 April 2025 to 31 March 2026. Of this, a minimum of £70,639 must be used for capital. Funding.
- 2.4 It has also been confirmed that that REPF funding is also to continue, with an allocation received at the end of March for £150,886. This is for capital investment only and will have geographical limitations, excluding urban Sittingbourne.
- 2.5 Unlike the previous 3-year funding allocations, Government does not require local authorities to submit an investment plan. Instead, it has asked for an update on plans to be provided alongside the monitoring report to be submitted by the 1st May 2025. The Council has received an updated Memorandum of Understanding, to be followed by a grant determination letter, including a payment schedule, at the beginning of the 2025-26 financial year.
- 2.6 The government has amended the guidance for the funding, including an updated list of outputs and outcomes that has been recently published. Overall, these changes have made only very limited change to the eligible activity that funds can be spent on. Projects remain under three headline investment priorities; Communities and Place, Supporting Local Business and People and Skills.
- 2.7 Based on what will be submitted in May, the published guidance requires Government approval to be sought where a 'material change' to the programme is needed. This is defined as a single reprofiling of funding from one UKSPF investment priority to another, of more than 30%.
- 2.8 The table at appendix I sets out a list of recommended projects for inclusion within the UKSPF and REPF programme for 2025/26. This has been derived from a wider list based on suggestions that have come forward through service areas of the Council and approaches made to the Council from outside organisations.

- 2.8 The projects and funding identified in the list looks to take account of the (assumed) available funding; the geographical balance of how specific projects are distributed (where not Borough-wide) and a set of principles discussed and agreed by the cross-party Prosperity Fund Member Working Group, which included
- Supporting agreed Corporate Priorities
 - Contribution to Pride in Place
 - Continuity benefits:
 - building on the lessons and achievements of the previous programme.
 - creating a community legacy, and looking to the next funding period
- 2.9 For the programme operating from 2022-2025, management of the Swale UKSPF and REPF funded programmes has been through delegated authority to the Head of Place, supported by a Prosperity Fund Member Working Group. This has focused on monitoring and provides input on material changes to the programme, both as defined by Government (as at 2.7) and where individual projects cannot proceed or are likely to be significantly reduced in scale, by more than 50%.
- 2.10 These arrangements have to date worked well and maintained a level of flexibility that has allowed the Council to respond to changes in circumstances, within a time limited funding programme.

3 Proposals

- 3.1 To agree the outline scheme of delivery for projects through the 2025/26 allocation of the UK Shared Prosperity Fund, as set out at Appendix I.
- 3.2 To agree that a Prosperity Fund Member Working Group is continued, as per the updated terms of reference at Appendix II
- 3.3 To agree that the Head of Place is given delegated authority to
- approve grants to third parties (following an application and assessment process)
 - make changes to the programme as required. This will be in in consultation with the Prosperity Fund Member Working Group where these are material changes as defined by Government and where individual projects cannot proceed or are to be significantly reduced in scale by more than 50%.

4. Alternative Options

- 4.1 The value of projects put forward exceeds the value of the (assumed) funding available and there are a range of configurations for a programme that could be

made within this. The choices presented reflect the views of officers and the Member Working Group as a set of deliverables that are the most advantageous and that meet the requirements of the funding.

- 4.2 Do not involve members in the management of the programme. This is not recommended. The Prosperity Fund Member Working Group input through the 2022-25 programme has provided a clear political steer where needed, particularly in respect of material changes to the programme.
- 4.3 Do not form a Prosperity Fund Member Working Group and make decisions through the Economy and Property Committee. This is not recommended as this would not provide the agility to respond to issues in a timely fashion, given the time limits on use of the funding available.

5 Consultation Undertaken or Proposed

- 5.1 The UKSPF and REPF project proposals were derived from internal consultation across service areas of the Council in line with the Corporate Plan and reflect approaches that have been made by outside organisations. These have been reviewed by the established Prosperity Fund Member Working Group.

6 Implications

Issue	Implications
Corporate Plan	The Corporate Plan identifies delivery of economic development through the UK Shared Prosperity Fund (UKSPF) and the Rural England Prosperity Fund (REPF) as a priority action. Individual projects cut across many of the Corporate Plan Priorities
Financial, Resource and Property	<p>The UKSPF does not require any match funding, but implementation of this and REPF will require significant officer time across a number of service areas. The funding allocated to support this has been increased within the proposed programme for 2025/26, seeking full cost recovery for a key post in its co-ordination and monitoring. This will be contained within the existing staff resource, making use of the knowledge and experience gained in the previous funding period.</p> <p>Whilst the funding allocations have been made there may be some delay in its receipt during 2025/26.</p> <p>Projects would need to be monitored for any potential overrun on spend and managed within the confines of the agreed funding allocation within the programme.</p>
Legal, Statutory and Procurement	All activity identified within the proposed programme of activity is non-statutory but with Prosperity Funds seeking to add value to core activity.

	<p>It may be necessary to undertake procurements to deliver the priorities. Any procurement, whether by an outside body or directly through Swale Borough Council, will need to comply with Contract Standing Orders and are anticipated to be of a value that falls within officer delegations.</p> <p>Compliance with subsidy control will be required and where required legal advice will be sought. Grant programmes will need to ensure recipients declare their position in respect of receipt of other public funds, subsidy control, and other relevant regulatory considerations. Claw back provisions will be made in grant agreements with third parties, where proportionate.</p>
Crime and Disorder	Some projects within the proposed programme provide specific benefits to reducing crime and the fear of crime.
Environment and Climate/Ecological Emergency	The UKSPF prospectus indicates that overall investment should demonstrate contribution to net zero and nature recovery objectives. Specific interventions within the UKSPF Programme will support this
Health and Wellbeing	Specific interventions within the proposed UKSPF Programme will support this
Safeguarding of Children, Young People and Vulnerable Adults	None identified at this stage
Risk Management and Health and Safety	<p>The primary risks are associated with the management of budgets, outputs and outcomes within the funding that has been made available, up to the deadline of March 31st 2026. It is anticipated that there will be no opportunity to roll funds into the following financial year.</p> <p>The Council will be required to provide detailed monitoring reports on spend, outputs and outcomes to government every 6 months. Monitoring and project management will identify the need to accelerate or make makes changes within the programme of activity.</p> <p>Compliance with subsidy control and any procurement and other rules set around the funding will also be necessary.</p> <p>Grant funding to third parties will have agreements that specify the rules that will need to be adhered to and the expectations in terms of outputs, outcomes, data collection and reporting. Grant agreements will make provision for the recovery of money where delivery has not take place.</p>
Equality and Diversity	None identified at this stage
Privacy and Data Protection	None identified at this stage.

7 Appendices

7.1 The following documents are to be published with this report and form part of the report:

- **Appendix I** – UK Shared Prosperity Fund and Rural England Prosperity Fund outline proposals for 2025/26
- **Appendix II** – Draft Terms of Reference for the Prosperity Funds Member Working Group

8 Background Papers

- UK Shared Prosperity Fund Prospectus [UK Shared Prosperity Fund: prospectus - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/111111/UK_Shared_Prosperty_Fund_prospectus.pdf)
- Rural England Prosperity Fund Prospectus [Rural England Prosperity Fund: prospectus - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/111111/Rural_England_Prosperty_Fund_prospectus.pdf)
- Report to Regeneration and Property Committee, UK Shared Prosperity Fund, July 2022
- Report to Regeneration and Property Committee, Rural England Prosperity Fund, September 2022
- Report to Regeneration and Property Committee, UK Shared Prosperity Fund and Rural England Prosperity Fund Delivery, January 2023