

# **Guildford Borough Council**

Report to: Executive Committee

Date: 18 April 2024

Ward(s) affected: All Wards

Report of Director: Strategic Director of Place

Author: Abi Lewis, Joint Exec Head of Regeneration and Planning Policy

Tel: 01483 444001

Email: [abi.lewis@guildford.gov.uk](mailto:abi.lewis@guildford.gov.uk)

Lead Councillor responsible: Cllr Tom Hunt

Tel: 07495040978

Email: [tom.hunt@guildford.gov.uk](mailto:tom.hunt@guildford.gov.uk)

Report Status: Open

## **Guildford's UK Shared Prosperity Fund (UKSPF) and Rural England Prosperity Fund (REPF)**

### **1. Executive Summary**

- 1.1 In 2022, Guildford Borough Council was awarded £1 million over three years from the Department for Levelling Up, Housing and Communities' (DLUHC) UK Shared Prosperity Fund (UKSPF). The grant is split between capital and revenue funding with the aim of 'building pride in places and increase life chances' through three investment priorities: Communities, Local Businesses and People and Skills. The People and Skills priority has been added for 2024-25. The Council was also awarded £400,000 grant from the Rural England Prosperity Fund (REPF) to support rural business and communities.
- 1.2 In order to access its UKSPF and (REPF) allocation, the Council submitted an investment plan and addendum, respectively, outlining the opportunities and challenges of the borough, as well as its investment priorities. Both the UKSPF Investment Plan and REPF Addendum were informed by feedback from and discussions with a range of stakeholders. Since submitting its UKSPF Investment Plan,

further discussions with Council Officers and external stakeholders and partners have been conducted to develop the projects.

- 1.3 On 5 December 2022, DLUHC confirmed the validation of Guildford's UKSPF Investment Plan. The Council discussed how it should progress with the projects it has proposed in its Investment Plan via an Executive Report in March 2023. Approval was given.
- 1.4 This report outlines recommendations to the Executive on proposed projects to benefit from the final tranche of UKSPF grant funding for 2024-25.

## **2. Recommendation to Executive**

That the Executive approves:

- 2.1 The revised project allocations of Guildford's UKSPF grant funding for 2024/25, as outlined in this report.
- 2.2 To delegate to the Strategic Director of Place, in consultation with the Lead Councillor for Regeneration, authority to enter into such contracts and legal agreements connected with the UKSPF and REPF as may be necessary in compliance with Procurement Procedure Rules and within the allocated grant funding budget.
- 2.3 To delegate to the Strategic Director, in consultation with the Lead Councillor for Regeneration, authority to reallocate budget across projects as required in order to meet the grant spend deadline.

## **3. Reason(s) for Recommendation:**

- 3.1. The £790,320 total capital and revenue funding Guildford Borough Council has been allocated from the UKSPF for 2024-25 is a significant sum of money that could have a positive impact on the borough's local communities and businesses.
- 3.2. The projects put forward align with the borough's local priorities and we intend to leverage collaboration with the Council's partners to maximise value for money.

## **4. Exemption from publication**

No.

## **5. Purpose of Report**

This report outlines the revised proposed interventions for Guildford's UKSPF allocation for 2024-25 outlining any proposed changes to projects and project spend since the submission of Guildford's original UKSPF Investment Plan in August 2022.

## **6. Strategic Priorities**

6.1 The proposed projects for Guildford's UKSPF and REPF spend address a number of the Council's Corporate Priorities under Homes and Jobs, Environment and Community:

- Support our business community with expert advice and opportunities to learn how to increase productivity. Attract new inward investment.
- Engage visitors and residents with events that appeal to all ages. Promote our heritage sites and increase footfall and spend in local businesses.
- Maximise opportunities for digital infrastructure improvements and smart places technology.
- Engage with residents and businesses to encourage them to act in more environmentally sustainable ways through their waste, travel and energy choices.
- Work with partners to make travel more sustainable and reduce congestion.
- Work with communities to support those in need and local children.
- Work to make improvements to the town environment and green spaces.

## **7. Background**

### **UK Shared Prosperity Fund**

7.2 On 13 April 2022, the Government launched the UK Shared Prosperity Fund as part of its Levelling Up Agenda with the overall aim to 'build pride in places and increase life chances'. As a central pillar of the Levelling Up Agenda, the UKSPF provides funding to empower places to identify and build on their own strengths and needs by focusing on three Investment Priorities:

- a. Communities and Place
  - b. Supporting Local Businesses
  - c. People and Skills (2024-25 only)
- 7.3 As a Lead Local Authority, Guildford Borough Council has been given £1 million to spend over three years on capital and revenue projects. Lead Local Authorities can choose from a 'menu of interventions' in line with the UKSPF's investment priorities (councils can also put forward ideas for bespoke projects which will require approval from DLUHC).
- 7.4 Work has been underway to deliver the projects profiled for 2022/23 and 2023/24, that were agreed by Executive at its meeting on 23 March 2023. These include:
- Business support for start-up and expanding businesses.
  - Funding Crowdfund Guildford activity, supporting local community projects.
  - E-bike hire scheme with SCC and University of Surrey.
  - Work with Visit Surrey to promote the borough to visitors.
  - Feasibility study on Local Walking & Cycling Plan for the borough.
- 7.5 The detail on projects proposed to be funded in 2024/25 - including profile spend, capital and revenue split - can be found in Appendix 1: Proposed Interventions for Guildford's UKSPF.

### **Rural England Prosperity Fund**

- 7.7 In addition to the UKSPF, the Department of Environment, Food and Rural Affairs' (DEFRA) launched the Rural England Prosperity Fund (REPF) in 2023 which allocated Guildford £400,000 to spend on capital grants to support rural businesses and communities from 2023-24 (£100,000) to 2024-25 (£300,000). The grant aims to help address the extra needs and challenges facing businesses and communities in rural areas. The funding is split across the following priorities:

<b>Investment Priorities</b>	<b>Allocation Year 1 (2023-24)</b>	<b>Allocation Year 2 (2024-25)</b>	<b>Total REPF Allocation</b>
Grant funding for micro and small businesses	£100,000	£100,000	£200,000
Grant funding for growing the local social economy and supporting innovation		£100,000	£100,000
Funding for investment and support for digital infrastructure for local community facilities		£100,000	£100,000
	<b>Year 1 Total</b>	<b>Year 2 Total</b>	<b>Total</b>
	£100,000	£300,000	£400,000

7.8 In October 2023, Surrey County Council (SCC) started work to deliver the REPF on behalf of Guildford Borough Council, Waverley Borough Council and Tandridge District Council. Each Council has allocated £50K of its UKSPF revenue allocation to pay SCC to deliver the scheme. A funding agreement has been entered into between GBC and SCC to document this arrangement. The process is well underway and the first panel to assess applicants and their projects was held in February 2024. The first few GBC projects have been awarded grant funding.

## **8. Consultations**

- 8.1. In developing the proposed revised interventions for 2024/25, Officers have engaged with the Joint Management Team and informal Executive. Dialogue has also continued with recipients of grant funding from the first two years to discuss how delivery is progressing in relation to output targets.
- 8.2. The Council is also continuing to promote the services we are supporting i.e., Crowdfund Guildford, Visit Surrey and Incuhive

business advice, via social media and comms, the Council's website and promotions such as the quarterly Business E-Bulletin.

## **9. Key Risks**

- 9.1. There is an expectation that all grant funding will be spent by the end of March 2025 and there is an indication that unspent grant will have to be paid back to DLUHC. The proposed revised list of UKSPF interventions takes account of this time restriction and seeks to ensure that the grant will be spent and utilised by the deadline, whilst addressing the outcomes required by DLUHC.
- 9.2. Staffing capacity across the services delivering the UKSPF projects is challenging. Projects either underway or those proposed complement existing ongoing activity at the Council. Where possible, grant funding is being provided to external parties to deliver community projects directly. Regular liaison with these organisations is in place, with ongoing monitoring commitments around spend and project progress.

## **10. Financial Implications**

- 10.1. Guildford Borough Council has been allocated £1 million from the UKSPF to spend from financial years 2022/23 to 2024/25 on both capital and revenue projects. On 5 December 2022, the Council received confirmation that its UKSPF Investment Plan had passed DLUHC's validation and from then on regular reporting has been required and is ongoing throughout the life of the fund. The most recent report was submitted to DLUHC in January 2024 and has since been approved. The next report will be due in April 2024.
- 10.2. The amount of funding Guildford receives during the funding years, including the proposed capital and revenue split, is set out below:

<b>Funding sources</b>	<b>Year 1 (2022-23)</b>	<b>Year 2 (2023-24)</b>	<b>Year 3 (2024-25)</b>	<b>Total</b>
Total UKSPF allocation	£69,893	£139,787	£790,320	£1,000,000
Capital allocation	£50,000	£50,000	£560,000	£660,000
Revenue allocation	£19,893	£89,787	£230,320	£340,000

10.3. The grant funding for 2024-25 is expected to be £790,320 but, with a new threshold-based sliding scale recently introduced for the next financial year, it may be that the Council will receive less up-front grant than expected, with the remainder paid in arrears and the outstanding balance settled after April 2025.

10.4. The Council's level of spend for 2022-2024 will be taken into consideration and, if 100% of the grant has not been spent in those two years, the total up-front grant funding for 2024-25 will be reduced according to the threshold-based sliding scale. The UKSPF up-front grant could reduce to around 66% of original level. In this circumstance, the Council would be paid in arrears with the shortfall being settled after April 2025.

## **11. Legal Implications**

11.1. The full obligations of Lead Local Authorities can be found in [DLUHC's Additional Information page](#). Some of the Council's main obligations include:

- Ensuring all procurements achieve best value for money.
- Ensuring that all public facing documents comply with branding requirements (logos, digital content etc).
- Ensuring we comply with monitoring requirements, complete questionnaires, case studies and making compliant monitoring returns to DLUHC.
- Ensuring that we provide quarterly qualitative updates to the DLUHC, and every 6 months provide formal reporting detailing how our use of the funding is progressing.

- Ensuring that we meet assurance requirements by providing an assurance statement every 6 months.
- 11.2. Annually completing a Statement of Grant outlining GBC's plans for the next year.
  - 11.3. The assurance and performance management for the UKSPF sit alongside Lead Local Authorities' existing statutory duties and rules to use public money well.
  - 11.4. The Council's Legal team reviewed and approved the MOU with DLUHC which was signed by the Section 151 Officer on 15 December 2022.
  - 11.4. The Council has entered into legal agreements with service providers for the various projects commenced in 2023/24. A number of further contracts may be required for projects that start in 2024/25 – this will be resourced through the internal legal team.

## **12. Human Resource Implications**

- 12.1. Services across the Council will play a key role in the delivery of the UKSPF and REPF as the projects proposed cut across a range of the Council's objectives and priorities.
- 12.2. As funding for each financial year is conditional upon the submission of reporting requirements and review of performance, staff resourcing requirements (both internal and outsourced) have been considered to ensure the timely and satisfactory collection of data.
- 12.3. The Executive Head of Regeneration and Planning Policy is the senior responsible owner for the UKSPF projects. In the absence of an Economic Development Officer, the Project Support Officer in the Corporate Programmes team has been supporting the day-to-day delivery of the funds, coordinating procurement activity, working with teams across the Council and partner organisations to achieve the objectives set out. They are also undertaking monitoring work and reporting to DLUHC as required.



- 12.4. UKSPF allows for 4% of the overall allocation to be used for administration and implementation costs (e.g. project assessment, contracting, monitoring, stakeholder engagement). This will be used to cover some staffing costs.

### **13. Equality and Diversity Implications**

- 13.1 The Council has a statutory duty under section 149 of the Equality Act 2010 which provides that a public authority must, in exercise of its functions, have due regard to the need to (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it. The relevant protected characteristics are: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

- 13.2 An Equalities Impact Assessment (EIA) has been completed considering the projects put forward in the UKSPF Investment Plan and REPF Addendum. The EIA does not identify any equality and diversity implications arising from the proposed recommendations.

### **14. Climate Change/Sustainability Implications**

- 14.1. The Council formally declared a climate emergency in 2019 and set a goal for the borough to reach net zero emissions by 2030. The Council is committed to reducing emissions, particularly from vehicles, energy use and construction processes.
- 14.2. Guildford's UKSPF Investment Plan and REPF addendum proposes projects which work towards a net-zero / low carbon borough, particularly:

#### **UKSPF:**

Working with Surrey County Council and other Local Authorities on a Decarbonisation Loan Scheme to help businesses across the borough

implement energy efficiency and other low carbon technologies to reduce their carbon emissions.

Working with Surrey County Council and the University of Surrey to extend the E-Bike hire scheme to Guildford town centre and other urban sites in the borough to promote active and low carbon travel. To be delivered in May 2024.

**REPF:**

Working with Surrey County Council, Waverley Borough Council and Tandridge District Council to offer a grant programme for rural businesses and communities. For Guildford businesses, this includes capital grant funding for small scale investment in micro and small enterprises in rural areas, including funding to undertake net zero infrastructure projects.

## **15. Summary of Options**

OPTION 1: The Executive could decide not to approve the proposed revised interventions for Guildford's UKSPF grant for 2024-25. However, this would result in a high likelihood that the Council would not be able to use the grant within the funding availability period and would therefore have to repay a proportion of it to the DLUHC. This would also mean that the Council would be unable to advance the proposed projects and make use of the grant allocated within the prescribed timescales to empower our local businesses and communities.

OPTION 2 (Recommended): The Executive could approve the proposed revised changes to the interventions for Guildford's UKSPF. This would enable projects to commence and address local priorities, in alignment with the funding requirements.

## **16. Conclusion**

The Council's UKSPF proposed interventions have the potential to deliver major benefits to the borough, addressing a range of local business and community priorities. Approval of the recommendations set out in this report will ensure that the Council maximises the opportunity linked to the grant available.

## **17. Background Papers**

Executive meeting 20/03/2023 – Item 7: [Agenda for Executive on Monday, 20th March, 2023, 7.00 pm - Guildford Borough Council](#)

[UK Shared Prosperity Fund Prospectus](#)

[UK Shared Prosperity Fund: Additional Information](#)

[Rural England Prosperity Fund Prospectus](#)

## **18. Appendices**

Appendix 1 – list of proposed interventions for 2024-25.

Appendix 2 – spreadsheet of project costs 2024-25.