



James Ellis
Head of Legal and Democratic Services

MEETING : EXECUTIVE
VENUE : COUNCIL CHAMBER, WALLFIELDS, HERTFORD
DATE : TUESDAY 10 JANUARY 2023
TIME : 7.00 PM

MEMBERS OF THE EXECUTIVE

- | | |
|--------------------------------|---|
| Councillor Linda Haysey | - Leader of the Council |
| Councillor Peter Boylan | - Executive Member for Neighbourhoods |
| Councillor Eric Buckmaster | - Executive Member for Wellbeing |
| Councillor George Cutting | - Executive Member for Corporate Services |
| Councillor Jan Goodeve | - Executive Member for Planning and Growth |
| Councillor Jonathan Kaye | - Executive Member for Communities |
| Councillor Graham McAndrew | - Executive Member for Environmental Sustainability |
| Councillor Geoffrey Williamson | - Executive Member for Financial Sustainability |

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<https://www.youtube.com/user/EastHertsDistrict>

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- must not participate in any vote taken on the matter at the meeting;
- must disclose the interest to the meeting, whether registered or not, subject to the provisions of section 32 of the Localism Act 2011;
- if the interest is not registered and is not the subject of a pending notification, must notify the Monitoring Officer of the interest within 28 days;
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AGENDA

1. Apologies

To receive any apologies for absence.

2. Leader's Announcements

3. Minutes - 6 December 2022 (Pages 5 - 17)

To approve as a correct record the Minutes of the meeting held on 6 December 2022.

4. Declarations of Interest

To receive any Member(s) declaration(s) of interest.

5. Asset Management Plan - 'To Follow'

'report to follow'

6. Annual Treasury Management Review 2021/22 (Pages 18 - 47)

7. East Herts UK Shared Prosperity Fund and Rural Prosperity Fund (Pages 48 - 119)

8. Urgent Business

To consider such other business as, in the opinion of the Chairman of the meeting, is of sufficient urgency to warrant consideration and is not likely to involve the disclosure of exempt information.

MINUTES OF A MEETING OF THE
EXECUTIVE HELD IN THE COUNCIL
CHAMBER, WALLFIELDS, HERTFORD ON
TUESDAY 6 DECEMBER 2022, AT 5.00 PM

PRESENT: Councillor L Haysey (Leader)
Councillors P Boylan, E Buckmaster,
G Cutting, J Goodeve, J Kaye and
G Williamson.

ALSO PRESENT:

Councillors B Crystall, A Curtis, C Redfern,
P Ruffles and N Symonds.

OFFICERS IN ATTENDANCE:

Richard Cassidy	- Chief Executive
James Ellis	- Head of Legal and Democratic Services and Monitoring Officer
Steven Linnett	- Head of Strategic Finance and Property
Katie Mogan	- Democratic Services Manager
Helen Standen	- Deputy Chief Executive

253 APOLOGIES

An apology for absence was submitted by Councillor

McAndrew.

254 LEADER'S ANNOUNCEMENTS

The Leader welcomed Members, Officers and those watching on the Council's YouTube page to the meeting.

The Leader asked the Executive Member for Communities to give an update on extra government funding. Councillor Kaye said that East Herts had been allocated £213,000 under the UK Shared Prosperity Fund to help fund small organisations across the District for community grants and small projects.

The Leader asked the Executive Member for Planning and Growth to give an update. Councillor Goodeve said that the council had received £34,000 to refurbish two playgrounds in Sacombe Road and Watermill Lane in Bengeo.

255 MINUTES - 22 NOVEMBER 2022

Councillor Goodeve proposed, and Councillor Kaye seconded a motion that the Minutes of the meeting held on 22 November 2022 be approved as a correct record and be signed by the Leader. On being put to the meeting and a vote taken, the motion was declared CARRIED.

RESOLVED – that the Minutes of the meeting held on 22 November 2022 be approved as a correct record and signed by the Leader.

256 DECLARATIONS OF INTEREST

There were no declarations of interest.

257 BUDGET 2023/24 AND MEDIUM TERM FINANCIAL PLAN
2023/24 - 2027/28

The Executive Member for Financial Sustainability presented the Budget and Medium Term Financial Plan. He said that the Executive were previously asked to endorse recommendations and assumptions to provide a base for Officers to work on the budget. He said that the revised report took into account the revised position on the council's forecasts and implications of the Autumn Statement.

Councillor Williamson said that the Executive had agreed to increase Council Tax to the highest threshold without triggering a referendum which was the highest of £5 or 2%. However, he said the Chancellor had allowed greater flexibility for councils to increase their council tax rates up to 3% which meant an increase of £5.53 on a Band D property raising £33,000 revenue.

Councillor Williamson said that the budget gap had been revised to £822,000 and £866,000 savings had been identified and were listed at paragraph 1.20 which delivered a balanced budget for 2023/24. He said the situation for years past 2024 was extremely difficult with a further £6.4m needing to be saved between 2024 – 2027.

Councillor Williamson said the report proposed using the reserves to fund the largest budget gaps. He said

he was cautious about using the reserves and they would be paid back towards the end of the Medium Term Financial Plan when the savings targets had been eased.

Councillor Williamson said that the capital programme had been looked at and any lower priority capital spending had been moved into approved but not committed category so do not need to allow for the financing of these items in the Medium Term Financial Plan and provided a further saving.

Councillor Buckmaster said that he felt the recommendations were sensible and was pleased to see a judicious use of reserves. He said that many councils would be increasing their Council Tax to the maximum threshold and he was also pleased to see that the council could continue to help its communities through the UK Shared Prosperity Fund.

Councillor Haysey said that the report noted that the council's IT outage had meant the finance team lost six days in producing the budget. She thanked the Head of Strategic Finance and Property and his team for putting the report together. She said that the council had to legally produce a balanced budget or it would be declared bankrupt. She said that the council still had the ability to find savings from within its Transformation Programme and still provide residents with quality services but said that there would be difficult decisions to take in future years.

Councillor Curtis referred to recommendation (D) in the report. He asked for clarification on the term

'smooth the delivery'.

Councillor Williamson said that the Medium Term Financial Plan savings were loaded towards 2024/25/26 so it was proposed that the council use money from reserves so the savings target was reduced. He said that the money would be paid back into reserves so the net position would be unchanged.

Councillor Curtis asked if the Executive Member could be confident that this money could be repaid and not be needed for future expenditure.

Councillor Williamson said that the council could only work on what information they have at the time and it was difficult to anticipate unknowns but he believed it was a prudent use of the reserves.

Councillor Curtis referred to recommendation (E) and asked if the Executive Member was confident that the £400,000 from the New Homes Priority Spend Reserve could be repaid.

Councillor Williamson referred to his response to the previous question. He said this was a further example of using reserves to smooth the delivery of future savings. He said the council could only plan for the years that the Medium Term Financial Plan covered.

Councillor Curtis asked where the £400,000 would come from to repay the reserve fund.

Councillor Buckmaster said that the Transformation Programme would further reduce costs and increase

revenue. He said that it was not possible to be exact from where the money would come but it was being worked towards.

Councillor Haysey said that the savings and opportunities were listed in the budget report.

Councillor Curtis referred to recommendation (I) which said powers would be delegated to the Head of Strategic Finance and Property in consultation with the Executive Member for Financial Sustainability. He asked for confirmation that the Executive Member would be making the decision.

Councillor Williamson said that he could confirm that he would be making the decisions. He said that the council should receive further information later in the month about its settlement payment and Officers will then amend the report as necessary for consideration by the Audit and Governance Committee.

Councillor Williamson proposed, and Councillor Buckmaster seconded a motion supporting the recommendations in the report. On being put to the meeting and a vote taken, the motion was declared CARRIED.

RESOLVED – that (A) the proposed budget should make use of the flexibility from Government to increase Council Tax by 3%, which will increase Council Tax revenue by £33,813 a year and will result in a Band D Council Tax increase of £5.53 which is 53 pence a year more than the planned £5 increase

included in the Medium Term Financial Plan;

(B) Leadership Team proceed with the savings plan for 2023/24 for changes under delegated authority and that do not directly impact residents or all of local businesses;

(C) Request Audit and Governance Committee consider the savings items reserved for Member decision and to advise Executive of any significant adverse impact on the district of recommending to Council these savings are implemented;

(D) In order to smooth the delivery of the substantial savings targets over the Medium Term Financial Plan that the General Reserve and the Interest Equalisation Reserve are used as reported;

(E) A temporary use of £400k of the New Homes Priority Spend Reserve, repayable in 2027/28 and 2028/29, may be used to assist with smoothing the delivery of savings as reported;

(F) The pausing of non-essential capital schemes to prioritise completion of the major projects be agreed; provide essential capital financing for the purchase of food waste caddies and changes to Buntingford Depot as part of the new contract fuel and energy strategy;

(G) The pausing of the £9.6 million of capital

spend will
reduce revenue costs of Minimum Revenue
Provision and
interest by £719k per annum on rebased capital
financing
charges using current interest rates be noted;

(H) Note that the savings requirements, that
will need to be delivered to balance the budget
in the Medium Term, the delivery profile of
which has been smoothed using earmarked
reserves, are:

2023/24 £822k
2024/25 £2,170k
2025/26 £2,192k
2026/27 £2,053k
2027/28 £567k.

(I) Delegate to the Head of Strategic Finance
and Property, in consultation with the Deputy
Leader and Executive Member for Financial
Sustainability, the ability to amend the budget
and Medium-Term Financial Plan to reflect the
Local Government Finance Settlement and other
emerging information, so that Audit and
Governance Committee can consider the most
complete and up to date information when they
scrutinise the budget at their meeting on 24
January 2023; and

(J) Note that the level of budget reductions
required to balance the budget in the medium
term is beyond further efficiency measures

alone and instructs Leadership Team to commence preparations for the Reconciling Policy, Performance and Resources exercise that the new Council, elected in May 2023, will need to undertake alongside the new Corporate Plan, to balance the budget over the medium term.

258 DRAFT CAPITAL STRATEGY AND MINIMUM REVENUE PROVISION POLICY 2023/24 ONWARDS AND DRAFT STRATEGIC ASSET MANAGEMENT PLAN

The Executive Member for Financial Sustainability presented the report. He said that this was the fifth edition of the report attached at Appendix A. He said that changes in the economic climate and the increase in interest rates need to ensure that the capital programme remained affordable. He said that lower priority capital spending would be moved to the not committed category which means that the delivery of those items would be paused until the finance becomes available.

Councillor Williamson said that the Draft Asset Management Plan looked at the council's operational and non-operational property assets. He said that the strategy would propose an evaluation of all the council's assets to determine whether it was in the council's interest to retain or dispose of it. The capital receipts from any such disposals would support the capital programme or offset borrowing requirements. He said the strategy was not available for this meeting and would be presented at the January meeting so proposed an amendment to recommendation (A) in the report to remove the words "Draft Asset

Management Plan”.

Councillor Boylan seconded the amendment to the recommendation. On being put to the meeting and a vote taken, the motion was declared CARRIED.

RESOLVED – To amend recommendation (A) as follows: That the Draft Capital Strategy and Minimum Revenue Provision policy 2023/24 onwards for scrutiny by Audit and Governance Committee be approved.

Councillor Curtis asked if the Executive Member could confirm if the evaluation would include revenue generating assets or future generating assets.

Councillor Williamson said it could include revenue generating assets but only where the revenue return was below an acceptable threshold.

Councillor Curtis asked if there would be an opportunity to increase the return on some of these assets.

Councillor Williamson said that it would be looked at as part of the evaluation.

Councillor Curtis asked for confirmation that each asset would be looked at for revenue potential before a decision was made to sell it.

Councillor Williamson confirmed that this would be part of the process.

Councillor Curtis referred to the savings within the Transformation Programme and said it would be better to increase the revenue on the council's assets instead of selling them off to raise money.

Councillor Buckmaster said that many the council's assets were not capable of generating further income and so should be considered for disposal.

Councillor Haysey said the requirements were laid out in detail on page 21.

The Head of Strategic Finance and Property said the evaluation would look at assets for disposals. He said that any assets that did not contribute to the Corporate Plan or would not appreciate in capital or generate income should not be held onto by the council. He said there was potentially £2.4million value in the surplus assets. He said many of the assets were surplus to requirements and it would be a Member decision as to what assets were disposed of.

Councillor Curtis asked how the council kept track of its assets and asked when the last review was taken place.

Councillor Williamson said property assets were valued every year for the Statement of Accounts.

Councillor Curtis asked if costs for capital projects could be reduced instead of sacrificing savings in other services.

Councillor Haysey said that all the capital projects have

been reviewed frequently and some had been moved from approved but not committed.

Councillor Williamson proposed and Councillor Cutting seconded a motion supporting the amended recommendations. On being put to the meeting and a vote taken, the motion was declared CARRIED.

RESOLVED – That (A) the Draft Capital Strategy and Minimum Revenue Provision policy 2023/24 onwards for scrutiny by Audit and Governance Committee be approved;

(B) The principle of selling assets to raise capital receipts to reduce the revenue costs of the capital and authorise officers to prepare an initial list and marketing strategy for assets for sale for approval by Executive be endorsed; and

(C) The Head of Strategic Finance and Property, in consultation with the Executive Member for Financial Sustainability, be authorised to make any changes to these documents as are necessary to reflect the impact of the local government finance settlement and other emerging information, such as the impact of the business rates revaluation, so that Audit and Governance Committee can scrutinise the most up to date financial position.

259 TEMPLATE TO CALCULATE FULL COST RECOVERY UNDER THE FEES AND CHARGES POLICY

The Executive Member for Financial Sustainability

presented the report. He said this was a technical piece of work that had been developed to enable calculations to be made easily and more consistent.

Councillor Haysey said this was a good piece of work and thanked Officers for the report.

Councillor Williamson proposed and Councillor Kaye seconded a motion supporting the recommendations in the report. On being put to the meeting and a vote taken, the motion was declared CARRIED.

RESOLVED – That (A) The template and methodology to calculate full cost recovery under the Fees and Charges Policy be approved; and

(B) When charges are calculated using the template, then a copy of the calculation should be made available as part of the budget papers for the 2023/24 financial year.

260 URGENT BUSINESS

There was no urgent business.

The meeting closed at 5.35 pm

Chairman
Date

Agenda Item 6

East Herts Council Report

Date: 10 January 2023

Report by: Councillor Geoffrey Williamson, Deputy Leader and Executive Member for Financial Sustainability

Report title: Annual Treasury Management Review 2021/22

Ward(s) affected: All

Summary

- The report reviews the Council's treasury management activities for 2021/22, including the prudential indicators and identifies the associated impact on the 2021/22 treasury management strategy.

RECOMMENDATIONS FOR EXECUTIVE:

(A) That Executive recommend to Council the approval of the Annual Treasury Management Review 2021/22 and the outturn Prudential Indicators

1.0 Proposal(s)

1.1 That Members examine and comment on the Treasury Management Activity and Prudential Indicators for 2021/22 **(Appendix A)**.

2.0 Background

2.1 Treasury management is defined as: 'The management of the Council's investments and cash flows, its banking arrangements, money market and capital transactions; the

effective control of the risks associated with these activities; and the pursuit of optimum returns consistent with the Council's risk management policy for treasury management.'

- 2.2 This activity is supported by the council's appointed independent advisors – Link Asset Services.
- 2.3 This report has been written in accordance with the requirements of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (revised 2017).
- 2.4 This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).
- 2.5 This report was considered by Audit and Governance Committee at its meeting on 15 November 2022. There were no comments on the report.

3.0 Reason(s)

- 3.1 This Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2021/22.

4.0 Options

- 4.1 Members can suggest amendments or additions to the Annual Treasury Management Review 2021/22.

5.0 Risks

- 5.1 Risk management is embedded in treasury management operations through the adoption of the CIPFA Treasury

Management Code. Credit ratings, other market intelligence and counterparty limits assist to assess and mitigate risk.

6.0 Implications/Consultations

6.1 No.

Community Safety

No

Data Protection

No

Equalities

No

Environmental Sustainability

No

Financial

Yes.

The costs of treasury operations, debt management expenses and investment income are included in the 2021/22 Budget Outturn.

Health and Safety

No

Human Resources

No

Human Rights

No

Legal

The Local Government Act 2003 and supporting regulations requires the Council to 'have regard to' the CIPFA Prudential Code for Capital

Finance in Local Authorities 2017 Edition and to set Prudential Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable. The Council also has to 'have regard' to the MHCLG's Guidance on Local Government Investments 3rd Edition effective for financial periods commencing on or after 1st April 2018, and to CIPFA's Treasury Management in the Public Services: Code of Practice 2017 Edition and Guidance Notes for Local Authorities 2018 Edition.

Specific Wards

No

7.0 Background papers, appendices and other relevant material

7.1 Appendix A – Annual Treasury Management Review 2021-22

Contact Member

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East Herts District
Council Annual
Treasury
Management
Review 2021/22
Outturn Report 2021/22

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ABBREVIATIONS USED IN THIS REPORT

This is an optional area which clients may wish to include in their report if they feel that members would appreciate having this list of abbreviations and definitions.

ALMO: an Arm's Length Management Organisation is a not-for-profit company that provides housing services on behalf of a local authority. Usually an ALMO is set up by the authority to manage and improve all or part of its housing stock.

CE: Capital Economics - is the economics consultancy that provides Link Group, Treasury solutions, with independent economic forecasts, briefings and research.

CFR: capital financing requirement - the council's annual underlying borrowing need to finance capital expenditure and a measure of the council's total outstanding indebtedness.

CIPFA: Chartered Institute of Public Finance and Accountancy – the professional accounting body that oversees and sets standards in local authority finance and treasury management.

CPI: consumer price index – the official measure of inflation adopted as a common standard by countries in the EU. It is a measure that examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food and medical care. It is calculated by taking price changes for each item in the predetermined basket of goods and averaging them.

ECB: European Central Bank - the central bank for the Eurozone

EU: European Union

EZ: Eurozone -those countries in the EU which use the euro as their currency

Fed: the Federal Reserve System, often referred to simply as "the Fed," is the central bank of the United States. It was created by the Congress to provide the nation with a stable monetary and financial system.

FOMC: the Federal Open Market Committee – this is the branch of the Federal Reserve Board which determines monetary policy in the USA by setting interest rates and determining quantitative easing policy. It is composed of 12 members--the seven members of the Board of Governors and five of the 12 Reserve Bank presidents.

GDP: gross domestic product – a measure of the growth and total size of the economy.

G7: the group of seven countries that form an informal bloc of industrialised democracies--the United States, Canada, France, Germany, Italy, Japan, and the United Kingdom--that meets annually to discuss issues such as global economic governance, international security, and energy policy.

Gilts: gilts are bonds issued by the UK Government to borrow money on the financial markets. Interest paid by the Government on gilts is called a coupon and is at a rate that is fixed for the duration until maturity of the gilt, (unless a gilt is index linked to inflation); while the coupon rate is fixed, the yields will change inversely to the price of gilts i.e. a rise in the price of a gilt will mean that its yield will fall.

HRA: housing revenue account.

IMF: International Monetary Fund - the lender of last resort for national governments which get into financial difficulties.

LIBID: the London Interbank Bid Rate is the rate bid by banks on deposits i.e., the rate at which a bank is willing to borrow from other banks. It is the "other end" of the LIBOR (an offered, hence "ask" rate, the rate at which a bank will lend). These benchmarks ceased on 31st December 2021 and have, generally, been replaced by SONIA, the Sterling Overnight Index Average.

MHCLG: the Ministry of Housing, Communities and Local Government - the Government department that directs local authorities in England.

MPC: the Monetary Policy Committee is a committee of the Bank of England, which meets for one and a half days, eight times a year, to determine monetary policy by setting the official interest rate in the United Kingdom, (the Bank of England Base Rate, commonly called Bank Rate), and by making decisions on quantitative easing.

MRP: minimum revenue provision - a statutory annual minimum revenue charge to reduce the total outstanding CFR, (the total indebtedness of a local authority).

PFI: Private Finance Initiative – capital expenditure financed by the private sector i.e. not by direct borrowing by a local authority.

PWLB: Public Works Loan Board – this is the part of H.M. Treasury which provides loans to local authorities to finance capital expenditure.

QE: quantitative easing – is an unconventional form of monetary policy where a central bank creates new money electronically to buy financial assets, such as government bonds, (but may also include corporate bonds). This process aims to stimulate economic growth through increased private sector spending in the economy and also aims to return inflation to target. These purchases increase the supply of liquidity to the economy; this policy is employed when lowering interest rates has failed to stimulate economic growth to an acceptable level and to lift inflation to target. Once QE has achieved its objectives of stimulating growth and inflation, QE will be reversed by selling the bonds the central bank had previously purchased, or by not replacing debt that it held which matures. The aim of this reversal is to ensure that inflation does not exceed its target once the economy recovers from a sustained period of depressed growth and inflation. Economic growth, and increases in inflation, may threaten to gather too much momentum if action is not taken to 'cool' the economy.

RPI: the Retail Price Index is a measure of inflation that measures the change in the cost of a representative sample of retail goods and services. It was the UK standard for measurement of inflation until the UK changed to using the EU standard measure of inflation – Consumer Price Index. The main differences between RPI and CPI is in the way that housing costs are treated and that the former is an arithmetical mean whereas the latter is a geometric mean. RPI is often higher than CPI for these reasons.

SONIA: the Sterling Overnight Index Average. Generally, a replacement set of indices (for LIBID) for those benchmarking their investments. The benchmarking options include using a forward-looking (term) set of reference rates and/or a backward-looking set of reference rates that reflect the investment yield curve at the time an investment decision was taken.

TMSS: the annual treasury management strategy statement reports that all local authorities are required to submit for approval by the full council before the start of each financial year.

VRP: a voluntary revenue provision to repay debt, in the annual budget, which is additional to the annual MRP charge, (see above definition).

Annual Treasury Management Review 2021/22

Purpose

This Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2021/22. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management, (the Code), and the CIPFA Prudential Code for Capital Finance in Local Authorities, (the Prudential Code).

During 2021/22 the minimum reporting requirements were that the full Council should receive the following reports:

- an annual treasury strategy in advance of the year (Council 02/03/2021)
- a mid-year, (minimum), treasury update report (Council 01/03/2022)
- an annual review following the end of the year describing the activity compared to the strategy, (this report)

The regulatory environment places responsibility on members for the review and scrutiny of treasury management policy and activities. This report is, therefore, important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by members.

This Council confirms that it has complied with the requirement under the Code to give prior scrutiny to all of the above treasury management reports by the Audit & Governance Committee before they were reported to the full Council. Member training on treasury management issues was undertaken during the year on 09/11/2021 in order to support members' scrutiny role.

Executive Summary

During 2021/22, the Council complied with its legislative and regulatory requirements. The key actual prudential and treasury indicators detailing the impact of capital expenditure activities during the year, with comparators, are as follows:

Prudential and treasury indicators	31.3.21 Actual £m	2021/22 Original £m	31.3.22 Actual £m
Capital expenditure	31.5	45.8	25.2
Capital Financing Requirement	6.1	42.2	29.2
Gross borrowing	1.5	26.0	21.5
Investments			
• Longer than 1 year	20.0	20.0	20.0
• Under 1 year	12.4	5.7	20.2
• Total	32.4	25.7	40.2
Net borrowing	(30.9)	0.03	(18.7)

Capital expenditure was significantly lower than estimated, due to delays in major projects.

Under 1 year investment balance was higher than expected at year end, due to short term borrowing completed at the end of March 2022 to fund major project spend in 2022/23.

Other prudential and treasury indicators are to be found in the main body of this report. The Head of Strategic Finance also confirms that borrowing was only undertaken for a capital purpose and the statutory borrowing limit, (the authorised limit), was not breached.

The financial year 2021/22 continued the challenging investment environment of previous years, namely low investment returns.

Recommendations

The Council is recommended to:

1. Approve the actual 2021/22 prudential and treasury indicators in this report
2. Note the annual treasury management report for 2021/22

Introduction and Background

This report summarises the following:-

- Capital activity during the year;
- Impact of this activity on the Council's underlying indebtedness, (the Capital Financing Requirement);
- The actual prudential and treasury indicators;
- Overall treasury position identifying how the Council has borrowed in relation to this indebtedness, and the impact on investment balances;
- Summary of interest rate movements in the year;
- Detailed debt activity; and
- Detailed investment activity.

1. The Council's Capital Expenditure and Financing

The Council undertakes capital expenditure on long-term assets. These activities may either be:

- Financed immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions etc.), which has no resultant impact on the Council's borrowing need; or
- If insufficient financing is available, or a decision is taken not to apply resources, the capital expenditure will give rise to a borrowing need.

The actual capital expenditure forms one of the required prudential indicators. The table below shows the actual capital expenditure and how this was financed.

General Fund	31.3.21 Actual £m	2021/22 Budget £m	31.3.22 Actual £m
Capital expenditure	31.5	45.8	25.2
Financed in year	(6.9)	(4.8)	(2.0)
Unfinanced capital expenditure	24.6	41.0	23.2

2. The Council's Overall Borrowing Need

The Council's underlying need to borrow for capital expenditure is termed the Capital Financing Requirement (CFR). This figure is a gauge of the Council's indebtedness. The CFR results from the capital activity of the Council and resources used to pay for the capital spend. It represents the 2021/22 unfinanced capital expenditure (see above table), and prior years' net or unfinanced capital expenditure which has not yet been paid for by revenue or other resources.

Part of the Council's treasury activities is to address the funding requirements for this borrowing need. Depending on the capital expenditure programme, the treasury service organises the Council's cash position to ensure that sufficient cash is available to meet the capital plans and cash flow requirements. This may be sourced through borrowing from external bodies, (such as the Government, through the Public Works Loan Board [PWLB], or the money markets), or utilising temporary cash resources within the Council.

Reducing the CFR – the Council's underlying borrowing need (CFR) is not allowed to rise indefinitely. Statutory controls are in place to ensure that capital assets are broadly charged to revenue over the life of the asset. The Council is required to make an annual revenue charge, called the Minimum Revenue Provision – MRP, to reduce the CFR. This is effectively a repayment of the General Fund borrowing need. This differs from the treasury management arrangements which ensure that cash is available to meet capital commitments. External debt can also be borrowed or repaid at any time, but this does not change the CFR.

The total CFR can also be reduced by:

- the application of additional capital financing resources, (such as unapplied capital receipts); or
- charging more than the statutory revenue charge (MRP) each year through a Voluntary Revenue Provision (VRP).

The Council's 2021/22 MRP Policy, (as required by DLUHC Guidance), was approved as part of the Treasury Management Strategy Report for 2021/22 on 02/03/2021.

The Council's CFR for the year is shown below, and represents a key prudential indicator. It includes PFI and leasing schemes on the balance sheet, which increase the Council's borrowing need. No borrowing is actually required against these schemes as a borrowing facility is included in the contract.

CFR: General Fund	31.3.21 Actual £m	2021/22 Budget £m	31.3.22 Actual £m
Opening balance	(18.5)	6.1	6.1
Add unfinanced capital expenditure (as above)	24.6	35.0	23.1
Less MRP/VRP	0	0	0
Less PFI & finance lease repayments	0	0	0
Closing balance	6.1	41.1	23.1

Borrowing activity is constrained by prudential indicators for gross borrowing and the CFR, and by the authorised limit.

Gross borrowing and the CFR - in order to ensure that borrowing levels are prudent over the medium term and only for a capital purpose, the Council should ensure that its gross external borrowing does not, except in the short term, exceed the total of the capital financing requirement in the preceding year (2021/22) plus the estimates of any additional capital financing requirement for the current (2022/23) and next two financial years. This essentially means that the Council is not borrowing to support revenue expenditure. This indicator allowed the Council some flexibility to borrow in advance of its immediate capital needs in 2021/22. The table below highlights the Council's gross borrowing position against the CFR. The Council has complied with this prudential indicator.

	31.3.21 Actual £m	2021/22 Budget £m	31.3.22 Actual £m
Gross borrowing position	1.5	26.0	21.5
CFR	6.1	42.2	23.1
Under / over funding of CFR	(4.6)	(16.2)	(1.6)

The authorised limit - the authorised limit is the “affordable borrowing limit” required by s3 of the Local Government Act 2003. Once this has been set, the Council does not have the power to borrow above this level. The table below demonstrates that during 2021/22 the Council has maintained gross borrowing within its authorised limit.

The operational boundary – the operational boundary is the expected borrowing position of the Council during the year. Periods where the actual position is either below or over the boundary are acceptable subject to the authorised limit not being breached.

Actual financing costs as a proportion of net revenue stream - this indicator identifies the trend in the cost of capital, (borrowing and other long term obligation costs net of investment income), against the net revenue stream.

	2021/22 £m
Authorised limit	160.0
Maximum gross borrowing position during the year	21.5
Operational boundary	50.0
Financing costs as a proportion of net revenue stream	0.67%

3. Treasury Position as at 31st March 2022

The Council's treasury management debt and investment position is organised by the treasury management service in order to ensure adequate liquidity for revenue and capital activities, security for investments and to manage risks within all treasury management activities. Procedures and controls to achieve these objectives are well established both through member reporting detailed in the summary, and through officer activity detailed in the Council's Treasury Management Practices. At the end of 2021/22 the Council's treasury, (excluding borrowing by PFI and finance leases), position was as follows:

DEBT PORTFOLIO	31.3.21 Principal £m	Rate/ Return	Average Life yrs	31.3.22 Principal £m		Rate/ Return	Average Life yrs
Fixed rate funding:							
-PWLB	1.5	8.875%		1.5		8.875%	
-Market	0.0			20.0		0.875%	
Variable rate funding:							
-PWLB	0.0			0.0			
-Market	0.0			0.0			
Total debt	1.5			21.5			
CFR	6.1			23.1			
Over / (under) borrowing	(4.6)			(1.6)			
Total investments	32.4			40.2			
Net debt	30.9			(18.7)			

The maturity structure of the debt portfolio was as follows:

	31.3.21 Actual £m		31.3.22 Actual £m
Under 12 months	0.0		20.0
12 months and within 10 years	0.0		0.0
Over 10 years	1.5		1.5

INVESTMENT PORTFOLIO	31.3.21 Actual £m	31.3.21 Actual %	31.3.22 Actual £m	31.3.22 Actual %
Treasury investments				
Banks	6.8	21.0%	12.6	31.0%
Building Societies - rated	-	-	5.5	13.5%
Building Societies – unrated	-	-	-	-
Local authorities	-	-	-	-
DMADF (H M Treasury)	-	-	-	-
Total managed in house	6.8	21.0%	18.1	44.5%
Bond funds				
Property funds	20.0	61.7%	20.0	49.1%
Cash fund managers	5.6	17.3%	2.6	6.4%
Total managed externally	25.6	79.0%	22.6	55.5%
TOTAL TREASURY INVESTMENTS	32.4	100%	40.7	100%

Non Treasury investments				
Third party loans	0.1	0.5%	0.1	0.7%
Subsidiaries				
Companies	4.9	35.0%	4.9	34.5%
Property	9.1	64.5%	9.2	64.8%
TOTAL NON TREASURY INVESTMENTS	14.1	100%	14.2	100%

Treasury investments	32.4	69.7%	40.7	74.1
Non Treasury investments	14.1	30.3%	14.2	25.9
TOTAL OF ALL INVESTMENTS	46.5	100%	54.9	100%

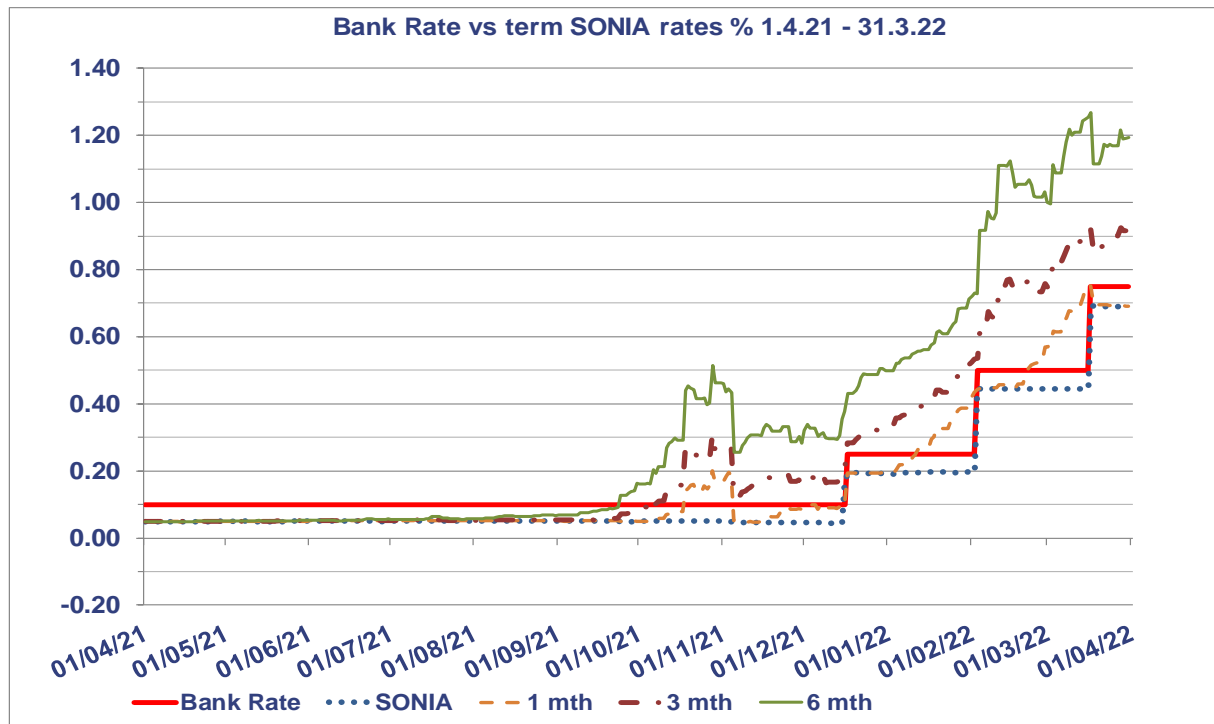
The maturity structure of the investment portfolio was as follows:

	31.3.21 Actual £m	31.3.22 Actual £m
Investments		
Longer than 1 year	20.0	20.0
Up to 1 year	<u>12.4</u>	<u>20.7</u>
Total	32.4	40.7

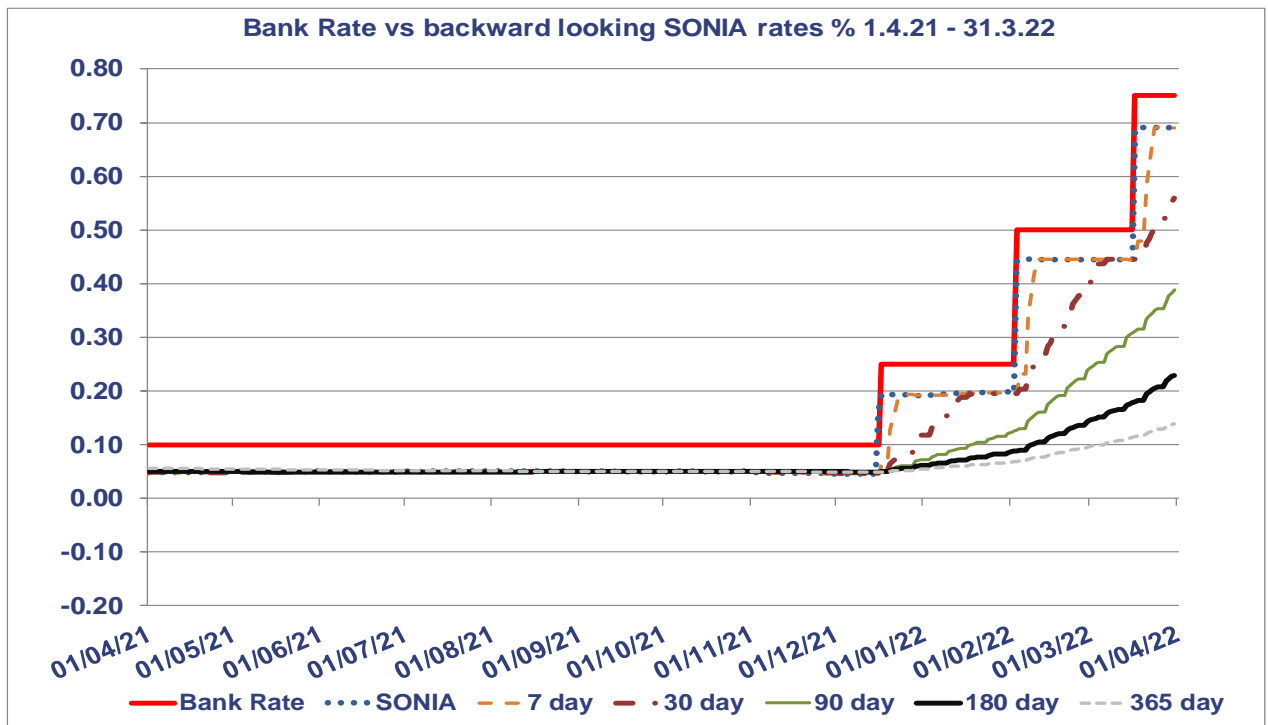
4. The Strategy for 2021/22

4.1 Investment strategy and control of interest rate risk

Investment Benchmarking Data – Sterling Overnight Index Average 2021/22



	Bank Rate	SONIA	1 mth	3 mth	6 mth
High	0.75	0.69	0.75	0.93	1.27
High Date	17/03/2022	18/03/2022	16/03/2022	28/03/2022	17/03/2022
Low	0.10	0.05	0.05	0.05	0.05
Low Date	01/04/2021	15/12/2021	10/11/2021	14/04/2021	09/04/2021
Average	0.19	0.14	0.17	0.24	0.34
Spread	0.65	0.65	0.71	0.88	1.22



	Bank Rate	SONIA	7 day	30 day	90 day	180 day	365 day
High	0.75	0.69	0.69	0.56	0.39	0.23	0.14
High Date	17/03/2022	18/03/2022	25/03/2022	31/03/2022	31/03/2022	31/03/2022	31/03/2022
Low	0.10	0.05	0.05	0.05	0.05	0.05	0.05
Low Date	01/04/2021	15/12/2021	16/12/2021	16/12/2021	16/12/2021	07/06/2021	13/12/2021
Average	0.19	0.14	0.13	0.12	0.09	0.07	0.06
Spread	0.65	0.65	0.65	0.51	0.34	0.18	0.09

Investment returns remained close to zero for much of 2021/22. Most local authority lending managed to avoid negative rates and one feature of the year was the continued growth of inter local authority lending. The expectation for interest rates within the treasury management strategy for 2021/22 was that Bank Rate would remain at 0.1% until it was clear to the Bank of England that the emergency level of rates introduced at the start of the Covid-19 pandemic were no longer necessitated.

The Bank of England and the Government also maintained various monetary and fiscal measures, supplying the banking system and the economy with massive amounts of cheap credit so that banks could help cash-starved businesses to survive the various lockdowns/negative impact on their cashflow. The Government also supplied huge amounts of finance to local authorities to pass on to businesses. This meant that for most of the year there was much more liquidity in financial markets than there was demand to borrow, with the consequent effect that investment earnings rates remained low until towards the turn of the year when inflation concerns indicated central banks, not just the Bank of England, would need to lift interest rates to combat the second-round effects of growing levels of inflation (CPI was 6.2% in February).

While the Council has taken a cautious approach to investing, it is also fully appreciative of changes to regulatory requirements for financial institutions in terms of additional capital and liquidity that came about in the aftermath of the financial crisis. These requirements have provided a far stronger basis for financial institutions, with annual stress tests by regulators evidencing how institutions are now far more able to cope with extreme stressed market and economic conditions.

Investment balances have been kept to a minimum through the agreed strategy of using reserves and balances to support internal borrowing, rather than borrowing externally from the financial markets. External borrowing would have incurred an additional cost, due to the differential between borrowing and investment rates as illustrated in the charts shown above and below. Such an approach has also provided benefits in terms of reducing counterparty risk exposure, by having fewer investments placed in the financial markets.

4.2 Borrowing strategy and control of interest rate risk

During 2021/22, the Council maintained an under-borrowed position. This meant that the capital borrowing need, (the Capital Financing Requirement), was not fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow was used as an interim measure. This strategy was prudent as investment returns were very low and minimising counterparty risk on placing investments also needed to be considered.

A cost of carry remained during the year on any new long-term borrowing that was not immediately used to finance capital expenditure, as it would have caused a temporary increase in cash balances; this would have incurred a revenue cost – the difference between (higher) borrowing costs and (lower) investment returns.

The policy of avoiding new borrowing by running down spare cash balances has served well over the last few years. However, this was kept under review to avoid incurring higher borrowing costs in the future when this authority may not be able to avoid new borrowing to finance capital expenditure and/or the refinancing of maturing debt.

Against this background and the risks within the economic forecast, caution was adopted with the treasury operations. The Head of Strategic Finance therefore monitored interest rates in financial markets and adopted a pragmatic strategy based upon the following principles to manage interest rate risks:

- if it had been felt that there was a significant risk of a sharp FALL in long and short term rates, (e.g. due to a marked increase of risks around relapse into recession or of risks of deflation), then long term borrowings would have been postponed, and potential rescheduling from fixed rate funding into short term borrowing would have been considered.
- if it had been felt that there was a significant risk of a much sharper RISE in long and short term rates than initially expected, perhaps arising from an acceleration in the start date and in the rate of increase in central rates in the USA and UK, an increase in world economic activity or a sudden increase in inflation risks, then the portfolio position would have been re-appraised. Most likely, fixed rate funding would have been drawn whilst interest rates were lower than they were projected to be in the next few years.

Interest rate forecasts expected only gradual rises in medium and longer-term fixed borrowing rates during 2021/22 and the two subsequent financial years until the turn of the year, when inflation concerns increased significantly. Internal, variable, or short-term rates, were expected to be the cheaper form of borrowing until well in to the second half of 2021/22.

Forecasts at the time of approval of the treasury management strategy report for 2021/22 were as follows: -

Link Group Interest Rate 8.3.21												
	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
BANK RATE	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
3 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
6 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
12 month ave earnings	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20
5 yr PWLB	1.20	1.20	1.20	1.20	1.20	1.20	1.30	1.30	1.40	1.40	1.40	1.40
10 yr PWLB	1.60	1.60	1.60	1.70	1.70	1.70	1.80	1.80	1.90	1.90	1.90	1.90
25 yr PWLB	2.10	2.10	2.20	2.30	2.30	2.30	2.40	2.40	2.50	2.50	2.50	2.50
50 yr PWLB	1.90	1.90	2.00	2.10	2.10	2.10	2.20	2.20	2.30	2.30	2.30	2.30

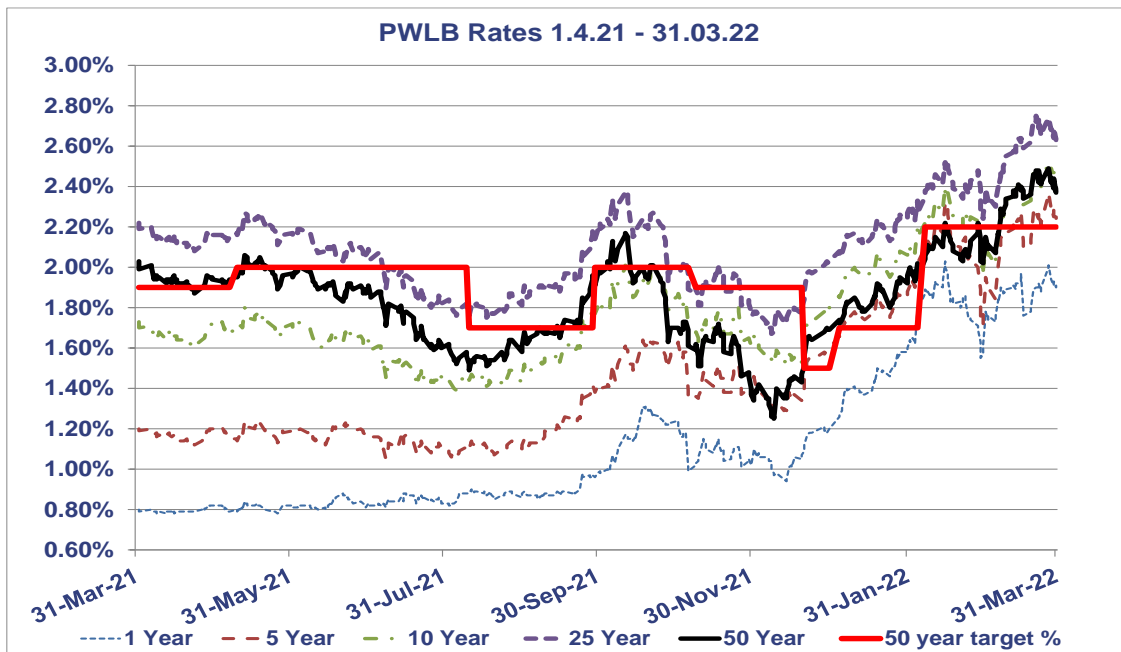
For information purposes, the tables below, show how interest rate forecasts changed during 2021/22: -

Link Group Interest Rate View 10.5.21											
	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
BANK RATE	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.25	0.25	0.25
3 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.30	0.30	0.30
6 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.20	0.30	0.40	0.40	0.40
12 month ave earnings	0.20	0.20	0.20	0.20	0.20	0.30	0.30	0.40	0.50	0.50	0.50
5 yr PWLB	1.20	1.30	1.30	1.30	1.40	1.40	1.40	1.40	1.50	1.50	1.50
10 yr PWLB	1.70	1.70	1.80	1.80	1.90	1.90	1.90	2.00	2.00	2.00	2.00
25 yr PWLB	2.20	2.30	2.40	2.40	2.40	2.50	2.50	2.50	2.50	2.50	2.60
50 yr PWLB	2.00	2.10	2.20	2.20	2.20	2.30	2.30	2.30	2.30	2.30	2.40

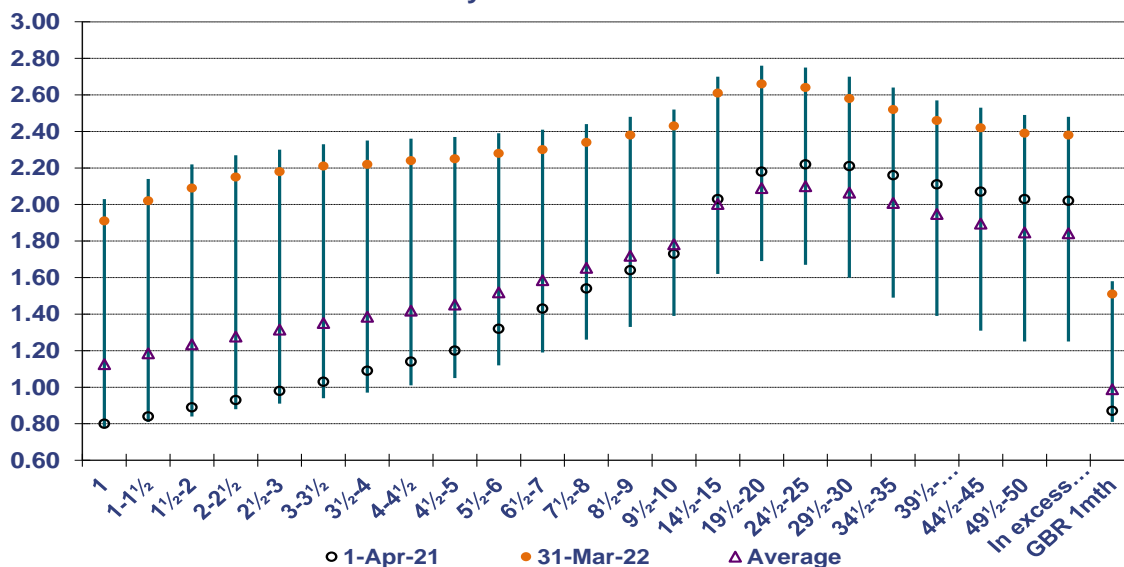
Link Group Interest Rate View 8.11.21														
	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25
BANK RATE	0.25	0.25	0.50	0.50	0.50	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.25
3 month ave earnings	0.30	0.40	0.50	0.50	0.50	0.60	0.80	0.90	1.00	1.00	1.00	1.00	1.00	1.00
6 month ave earnings	0.40	0.50	0.60	0.60	0.70	0.80	0.90	1.00	1.10	1.10	1.10	1.10	1.10	1.10
12 month ave earnings	0.50	0.60	0.70	0.70	0.80	0.90	1.00	1.10	1.20	1.20	1.20	1.20	1.20	1.20
5 yr PWLB	1.50	1.50	1.60	1.60	1.70	1.70	1.70	1.80	1.80	1.80	1.90	1.90	2.00	2.00
10 yr PWLB	1.80	1.90	1.90	2.00	2.00	2.10	2.10	2.20	2.20	2.20	2.30	2.30	2.30	2.40
25 yr PWLB	2.10	2.20	2.30	2.40	2.40	2.40	2.50	2.50	2.60	2.60	2.60	2.60	2.70	2.70
50 yr PWLB	1.90	2.00	2.10	2.20	2.20	2.20	2.30	2.30	2.40	2.40	2.40	2.40	2.50	2.50

Link Group Interest Rate View 7.2.22													
	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25
BANK RATE	0.75	1.00	1.00	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
3 month av. earnings	0.80	1.00	1.00	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20
6 month av. earnings	1.00	1.10	1.20	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30
12 month av. earnings	1.40	1.50	1.60	1.70	1.70	1.60	1.60	1.50	1.40	1.40	1.40	1.40	1.40
5 yr PWLB	2.20	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30
10 yr PWLB	2.30	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40
25 yr PWLB	2.40	2.50	2.50	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60
50 yr PWLB	2.20	2.30	2.30	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40

PWLB RATES 2021/22



PWLB Certainty Rate Variations 1.4.21 to 31.3.2022

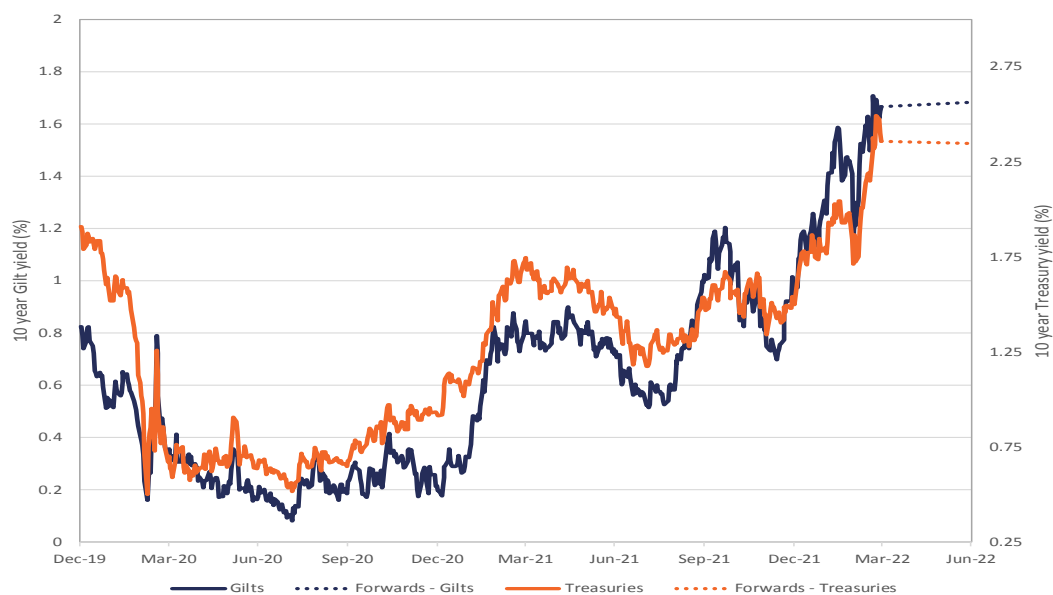


HIGH/LOW/AVERAGE PWLB RATES FOR 2021/22

	1 Year	5 Year	10 Year	25 Year	50 Year
01/04/2021	0.80%	1.20%	1.73%	2.22%	2.03%
31/03/2022	1.91%	2.25%	2.43%	2.64%	2.39%
Low	0.78%	1.05%	1.39%	1.67%	1.25%
Low date	08/04/2021	08/07/2021	05/08/2021	08/12/2021	09/12/2021
High	2.03%	2.37%	2.52%	2.75%	2.49%
High date	15/02/2022	28/03/2022	28/03/2022	23/03/2022	28/03/2022
Average	1.13%	1.45%	1.78%	2.10%	1.85%
Spread	1.25%	1.32%	1.13%	1.08%	1.24%

PWLB rates are based on gilt (UK Government bonds) yields through H.M.Treasury determining a specified margin to add to gilt yields. The main influences on gilt yields are Bank Rate, inflation expectations and movements in US treasury yields. Inflation targeting by the major central banks has been successful over the last 30 years in lowering inflation and the real equilibrium rate for central rates has fallen considerably due to the high level of borrowing by consumers: this means that central banks do not need to raise rates as much now to have a major impact on consumer spending, inflation, etc. This has pulled down the overall level of interest rates and bond yields in financial markets over the last 30 years. We have seen, over the last two years, many bond yields up to 10 years in the Eurozone turn negative on expectations that the EU would struggle to get growth rates and inflation up from low levels. In addition, there has, at times, been an inversion of bond yields in the US whereby 10 year yields have fallen below shorter term yields. In the past, this has been a precursor of a recession. Recently, yields have risen since the turn of the year on the back of global inflation concerns.

Graph of UK gilt yields v. US treasury yields



Gilt yields fell sharply from the spring of 2021 through to September and then spiked back up before falling again through December. However, by January sentiment had well and truly changed, as markets became focussed on the embedded nature of inflation, spurred on by a broader opening of economies post the pandemic, and rising commodity and food prices resulting from the Russian invasion of Ukraine.

At the close of the day on 31 March 2022, all gilt yields from 1 to 5 years were between 1.11% – 1.45% while the 10-year and 25-year yields were at 1.63% and 1.84%.

Regarding PWLB borrowing rates, the various margins attributed to their pricing are as follows: -

- **PWLB Standard Rate** is gilt plus 100 basis points (G+100bps)
- **PWLB Certainty Rate** is gilt plus 80 basis points (G+80bps)
- **PWLB HRA Standard Rate** is gilt plus 100 basis points (G+100bps)
- **PWLB HRA Certainty Rate** is gilt plus 80bps (G+80bps)
- **Local Infrastructure Rate** is gilt plus 60bps (G+60bps)

There is likely to be a further rise in short dated gilt yields and PWLB rates over the next three years as Bank Rate is forecast to rise from 0.75% in March 2022 to 1.25% later this year, with upside risk likely if the economy proves resilient in the light of the cost-of-living squeeze. Medium to long dated yields are driven primarily by inflation concerns but the Bank of England is also embarking on a process of Quantitative Tightening when Bank Rate hits 1%, whereby the Bank's £895bn stock of gilt and corporate bonds will be sold back into the market over several years. The impact this policy will have on the market pricing of gilts, while issuance is markedly increasing, is an unknown at the time of writing.

5. Borrowing Outturn

Loans were drawn to fund the net unfinanced capital expenditure and naturally maturing debt.

The loans drawn were:

Lender	Principal	Type	Interest Rate	Maturity
Market – Inter Local Authority	£5m	Fixed interest rate	0.80%	6 months
Market – Inter Local Authority	£5m	Fixed interest rate	0.85%	6 months
Market – Inter Local Authority	£5m	Fixed interest rate	0.85%	6 months
Market – Inter Local Authority	£5m	Fixed interest rate	1.00%	9 months

Borrowing in advance of need

The Council has not borrowed more than, or in advance of its needs, purely in order to profit from the investment of the extra sums borrowed.

Rescheduling

No rescheduling was done during the year as the average 1% differential between PWLB new borrowing rates and premature repayment rates made rescheduling unviable.

Repayments

No repayments were made during the year.

6. Investment Outturn

Investment Policy – the Council's investment policy is governed by DLUHC investment guidance, which has been implemented in the annual investment strategy approved by the Council on 2nd March 2021. This policy sets out the approach for choosing investment counterparties, and is based on credit ratings provided by the three main credit rating agencies, supplemented by additional market data, (such as rating outlooks, credit default swaps, bank share prices etc.).

The investment activity during the year conformed to the approved strategy, and the Council had no liquidity difficulties.

Resources – the Council’s cash balances comprise revenue and capital resources and cash flow monies. The Council’s core cash resources comprised as follows:

Balance Sheet Resources (£m)	31.3.21	31.3.22
Balances	£9.2m	£18.2m
Earmarked reserves	£23.9m	£21.3m
Usable capital receipts	£0.2m	£0.2m
Total	£33.3m	£39.7m

Investments held by the Council

- The Council maintained an average balance of £14.8m of internally managed funds.
- The internally managed funds earned an average rate of return of 0.09%.
- The comparable performance indicator is 1 month LIBID uncompounded, which was 0.0796% or 1 month LIBID compounded monthly, which was 0.0457% .
- Total investment income was £798.6k.

Investments held by fund managers

The Council approved the use of property funds up to a value of £20m, at the time of investment. Working with our advisors Link Asset Services, two funds were chosen, Lothbury Property Trust and Hermes Property Unit Trust. Both funds had waiting lists to invest. The invitation to invest in the Lothbury fund arose in June 2015 and the Hermes fund in December 2015. The performances of these funds for 2021/22 are detailed below:

Fund Manager	Investments Held	Net Return
Lothbury Property Trust	£10.0m	17.5%
Hermes Property Unit Trust	£10.0m	21.1%
Total	£20.m	38.6%

7. The Economy and Interest Rates

UK. Economy. Over the last two years, the coronavirus outbreak has done huge economic damage to the UK and to economies around the world. After the Bank of England took emergency action in March 2020 to cut Bank Rate to 0.10%, it left Bank Rate unchanged at its subsequent meetings until raising it to 0.25% at its meeting on 16th December 2021, 0.50% at its meeting of 4th February 2022 and then to 0.75% in March 2022.

The UK economy has endured several false dawns through 2021/22, but with most of the economy now opened up and nearly back to business-as-usual, the GDP numbers have been robust (9% y/y Q1 2022) and sufficient for the MPC to focus on tackling the second-round effects of inflation, now that the CPI measure has already risen to 6.2% and is likely to exceed 8% in April.

Gilt yields fell towards the back end of 2021, but despite the war in Ukraine gilt yields have shot higher in early 2022. At 1.38%, 2-year yields remain close to their recent 11-year high and 10-year

yields of 1.65% are close to their recent six-year high. These rises have been part of a global trend as central banks have suggested they will continue to raise interest rates to contain inflation.

Historically, a further rise in US Treasury yields will probably drag UK gilt yields higher. There is a strong correlation between the two factors. However, the squeeze on real household disposable incomes arising from the 54% leap in April utilities prices as well as rises in council tax, water prices and many phone contract prices, are strong headwinds for any economy to deal with. In addition, from 1st April 2022, employees also pay 1.25% more in National Insurance tax. Consequently, inflation will be a bigger drag on real incomes in 2022 than in any year since records began in 1955.

Average inflation targeting. This was the major change in 2020/21 adopted by the Bank of England in terms of implementing its inflation target of 2%. The key addition to the Bank's forward guidance in August 2020 was a new phrase in the policy statement, namely that "it does not intend to tighten monetary policy until there is clear evidence that significant progress is being made in eliminating spare capacity and *achieving the 2% target sustainably*". That mantra now seems very dated. Inflation is the "genie" that has escaped the bottle, and a perfect storm of supply side shortages, labour shortages, commodity price inflation, the impact of Russia's invasion of Ukraine and subsequent Western sanctions all point to inflation being at elevated levels until well into 2023.

USA. The flurry of comments from Fed officials following the mid-March FOMC meeting – including from Chair Jerome Powell himself – hammering home the hawkish message from the mid-March meeting, has had markets pricing in a further 225bps of interest rate increases in 2022 on top of the initial move to an interest rate range of 0.25% - 0.5%.

In addition, the Fed is expected to start to run down its balance sheet. Powell noted that the rundown could come as soon as the next meeting in May.

The upward pressure on inflation from higher oil prices and potential knock-on impacts on supply chains all argue for tighter policy (CPI is estimated at 7.8% across Q1), but the hit to real disposable incomes and the additional uncertainty points in the opposite direction.

More recently, the inversion of the 10y-2y Treasury yield spread at the end of March led to predictable speculation that the Fed's interest rate hikes would quickly push the US economy into recession. Q1 GDP growth is likely to be only between 1.0% and 1.5% annualised (down from 7% in Q4 2021). But, on a positive note, the economy created more than 550,000 jobs per month in Q1, a number unchanged from the post-pandemic 2021 average. Unemployment is only 3.8%.

EU. With euro-zone inflation having jumped to 7.5% in March it seems increasingly likely that the ECB will accelerate its plans to tighten monetary policy. It is likely to end net asset purchases in June – i.e., earlier than the Q3 date which the ECB targeted in March. And the market is now anticipating possibly three 25bp rate hikes later this year followed by more in 2023. Policymakers have also hinted strongly that they would re-start asset purchases if required. In a recent speech, Christine Lagarde said "we can design and deploy new instruments to secure monetary policy transmission as we move along the path of policy normalisation."

While inflation has hit the headlines recently, the risk of recession has also been rising. Among the bigger countries, Germany is most likely to experience a "technical" recession because its GDP contracted in Q4 2021, and its performance has been subdued in Q1 2022. However, overall, Q1 2022 growth for the Eurozone is expected to be 0.3% q/q with the y/y figure posting a healthy 5.2% gain. Finishing on a bright note, unemployment fell to only 6.8% in February.

China. After a concerted effort to get on top of the virus outbreak in Q1 of 2020, economic recovery was strong in the rest of the year; however, 2021 has seen the economy negatively

impacted by political policies that have focussed on constraining digital services, restricting individual freedoms, and re-establishing the power of the One-Party state. With the recent outbreak of Covid-19 in large cities, such as Shanghai, near-term economic performance is likely to be subdued. Official GDP numbers suggest growth of c4% y/y, but other data measures suggest this may be an overstatement.

Japan. The Japanese economic performance through 2021/22 is best described as tepid. With a succession of local lockdowns throughout the course of the year, GDP is expected to have risen only 0.5% y/y with Q4 seeing a minor contraction. The policy rate has remained at -0.1%, unemployment is currently only 2.7% and inflation is sub 1%, although cost pressures are mounting.

World growth. World growth is estimated to have expanded 8.9% in 2021/22 following a contraction of 6.6% in 2020/21.

Deglobalisation. Until recent years, world growth has been boosted by increasing globalisation i.e. countries specialising in producing goods and commodities in which they have an economic advantage and which they then trade with the rest of the world. This has boosted worldwide productivity and growth, and, by lowering costs, has also depressed inflation. However, the rise of China as an economic superpower over the last 30 years, which now accounts for 18% of total world GDP (the USA accounts for 24%), and Russia's recent invasion of Ukraine, has unbalanced the world economy. In addition, after the pandemic exposed how frail extended supply lines were around the world, both factors are now likely to lead to a sharp retrenchment of economies into two blocs of western democracies v. autocracies. It is, therefore, likely that we are heading into a period where there will be a reversal of world globalisation and a decoupling of western countries from dependence on China (and to a much lesser extent Russia) to supply products and vice versa. This is likely to reduce world growth rates.

Central banks' monetary policy. During the pandemic, the governments of western countries have provided massive fiscal support to their economies which has resulted in a big increase in total government debt in each country. It is therefore very important that bond yields stay low while debt to GDP ratios slowly subside under the impact of economic growth. This provides governments with a good reason to amend the mandates given to central banks to allow higher average levels of inflation than we have generally seen over the last couple of decades. Both the Fed and Bank of England have already changed their policy towards implementing their existing mandates on inflation, (and full employment), to hitting an average level of inflation. Greater emphasis could also be placed on hitting subsidiary targets e.g. full employment before raising rates. Higher average rates of inflation would also help to erode the real value of government debt more quickly.

Appendix 2: Graphs

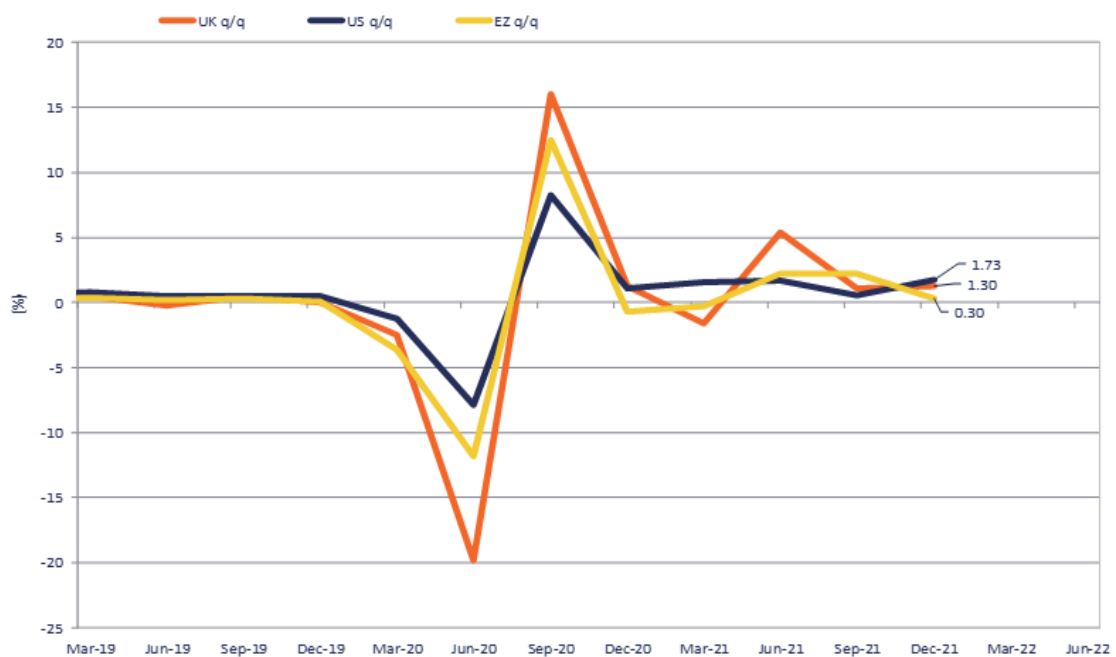
Please find below graphs which clients may wish to use.

Market Expectations for Future Increases in Bank Rate (6th April 2022)

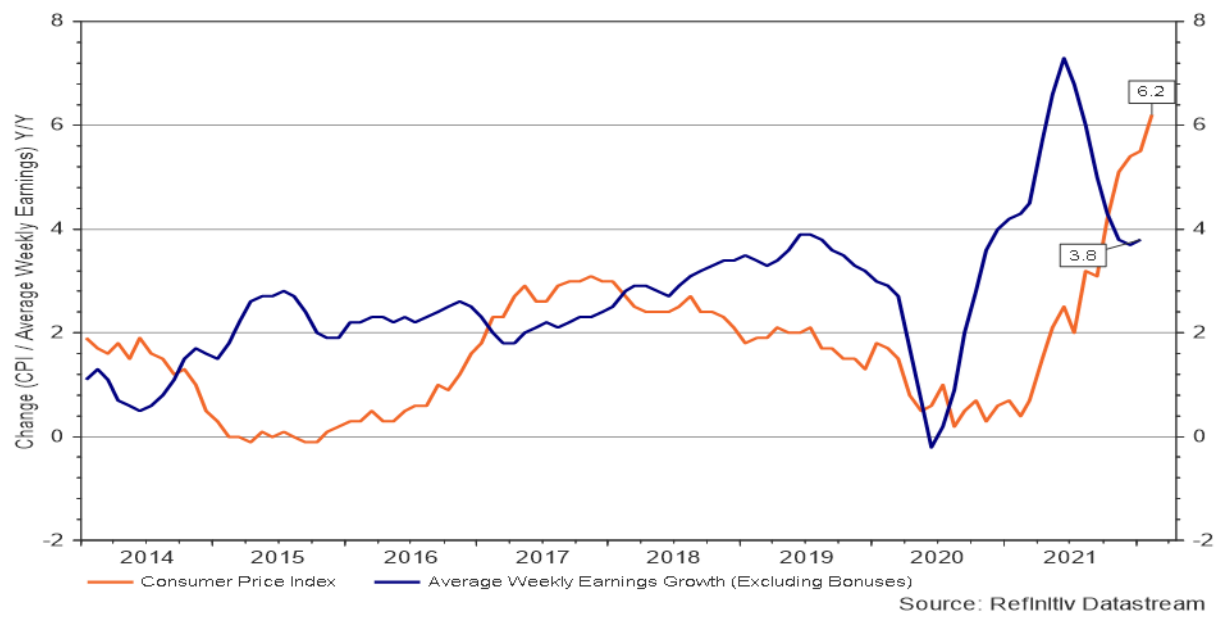


*MD0 = Change in Bank Rate expected at MPC meeting to be held May 2022, MD1 = Jun-22, MD2 = Aug-22, MD3 = Sep-22, MD4 = Nov-22, MD5 = Dec-22, MD6 = Feb-23

UK, US and EZ Quarterly GDP



CPI v Average Weekly Earnings Growth



Appendix 3: Approved countries for investments as at 31.3.22

AAA

- Australia
- Denmark
- Germany
- Luxembourg
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

AA+

- Canada
- Finland
- U.S.A.

AA

- Abu Dhabi (UAE)
- France

AA-

- Belgium
- Hong Kong
- Qatar
- **U.K.**

Agenda Item 7

East Herts Council Report

Executive

Date of meeting: 10th January 2023

Report by: Councillor Linda Haysey – Leader of the Council

Report title: East Herts UK Shared Prosperity Fund and Rural Prosperity Fund

Ward(s) affected: All

Summary

- This paper recommends spending proposals for East Herts allocation of the UK Shared Prosperity Fund and Rural Prosperity Fund, representing a total investment of £2,245,977 in the district between 2022/23 – 2024/25.

RECOMMENDATIONS FOR EXECUTIVE:

- (A)** to meet the objectives in **Appendix B**, the following amounts from the East Herts UK Shared Prosperity Fund (UKSPF) and the Rural Prosperity Fund (RPF) be recommended to Council:
- up to £290,000 allocated from the UKSPF for delivery of the Cultural Strategy
 - up to £566,000 allocated from the UKSPF for delivery of the Climate Change Strategy
 - up to £630,000 allocated from the UKSPF and up to £236,421 from the RPF for delivery of town and village centre improvements

- up to £287,000 allocated from the UKSPF and up to £236,421 from the RPF for delivery of business support activity

(B) that it is recommended to Council that the award of UKSPF and RPF funded grants and/ or contracts to deliver:

- Cultural Strategy objectives be delegated to the Head of Housing and Health acting in consultation with the Executive Member for Communities
- Climate Change Strategy objectives be delegated to the Head of Housing and Health acting in consultation with the Executive Member for Environmental Sustainability
- Town and village centre objectives be delegated to the Head of Communications, Strategy and Policy acting in consultation with the Executive Member for Planning and Growth
- Business support objectives be delegated to the Head of Communications, Strategy and Policy acting in consultation with the Executive Member for Planning and Growth.

(C) That it is recommended to Council that this year's (2022-23) UKSPF allocation of £215,186 be allocated to the projects set out in **Appendix B**.

1.0 Proposal(s)

1.1 That Executive recommend to Council how East Herts' UK Shared Prosperity Fund is allocated

1.2 That Executive recommend to Council how East Herts' Rural Prosperity Fund is allocated

2.0 Background

- 2.1 As early as 2017 the UK Shared Prosperity Fund (UKSPF) was referenced in various government statements and briefing papers as a “replacement” for EU Structural Funding after Brexit. No further information was provided until pre-guidance was released on the same day as the Levelling Up White Paper on 2nd February 2022. Further details were released in the summer on the allocations for each “delivery geography” and the process for accessing and allocating the funds.
- 2.2 In two-tier areas districts/ boroughs are the lead authority. This means each district gets an individual allocation from the overall fund (2.6bn over 3 years from 22/23 to 24/25). East Herts allocation is £1,773,136. No district area has got less than £1m and East Herts’ allocation is much more generous than first anticipated and indeed the highest in the county.
- 2.3 As expected, generally areas outside of the South East have fared better with their allocations, however analysis by some areas have raised concerns that UKSPF allocations are actually less than received under previous EU structural funding rounds. This does need to be set in the overall context of the £4.8bn set aside for Levelling Up, of which the UKSPF is just one element. Authorities are able to bid into this scheme for different projects and DLUHC have allocated priority categories to help determine likelihood of receiving funding. East Herts is a priority 3 area (out of 3) meaning the chances of successfully bidding for funding are slim. The UKSPF is therefore likely to be the only direct source of support East Herts can expect from Levelling Up funding.
- 2.4 There are 3 overall investment priorities as follows:
- Community and place

- Local business
- People and skills

- 2.5 These investment priorities are designed to support delivery of 7 of the 12 Levelling Up “Missions”. For each priority, there is a set of sub-objectives, clarity on which Mission will be impacted, suggested interventions (ie. Projects or activities) along with suggested outcomes and performance measures.
- 2.6 It is important to note that these interventions are not just examples or illustrations – they are prescribed activities that are permissible within the scheme. The investment plan, which sets out how we will use the funding, has to demonstrate how Levelling Up outcomes will be achieved. The UKSPF will be a vehicle to help deliver this overall agenda and encourage consistent use of measures and data as highlighted in the Levelling Up White Paper.
- 2.7 The focus for the 2022/23, 2023/24 and 2024/25 years will be on people and place and local business. The people and skills theme is *not* expected to be a focus until 2024/25 when current EU funding on skills and employability interventions is fully wound down. At this time, no skills related activities have been identified by East Herts however this can be reviewed towards the final year of delivery.
- 2.8 The guidance also actively encourages us to look at cross district, county and sub-regional collaboration where appropriate. DLUHC have also emphasised the investment plans need to have wide ranging support from stakeholders (including local MPs) and evidence will be required of this this process and their role in on-going delivery.
- 2.9 The general theme is that UKSPF is money for the place as oppose to money for the lead authority. East Herts essentially needs to be facilitating the process of spending rather than

using the funds to deliver its core priorities (these are not mutually exclusive however). Where local MPs or stakeholders do not agree to the investment plan, DLUHC have indicated this will not prevent their sign off, but an explanation will be needed as to why agreement does not exist.

2.10 Guidance indicates 4 types of ways the money can be allocated or spent and that any organization which is a registered legal entity can receive funding:

- grant to public or private organisations
- commissioning third party organisations
- procurement of service provision
- in-house provision

2.11 Initial spend profiles were to be 15% allocation within 22/23 (reflecting the fact that we are already in-year) with broadly even allocations for the remaining amount over 23/24 and 24/25. There is also a minimum capital element which increases from 10% in year 1 to 20% in year 2. These were subsequently revised to focus the majority of spending in 24/25 with allocations as follows:

	2022-23	2023-24	2024-25
Revenue (£)	193,668	374,424	902,061
Capital (£)	21,518	55,948	225,515
Total allocation (£)	215,186	430,373	1,127,577

East Herts priorities:

2.12 A number of ‘principles’ for underpinning the East Herts approach were considered when the scheme first launched, as follows:

- Our starting point is to look at existing partnership-based strategies/ areas of work that meet Levelling Up objectives, where additional funding could accelerate delivery or result in better outcomes. This allows us to easily meet the UKSPF requirements of identifying an existing need, identify priorities and consult with stakeholders as this work has already been undertaken.
- We wish to leverage as much additional investment as possible. Therefore for any grant process, match funding from the applicant(s) is likely to be a requirement.
- All applicants will also be asked to consider how their projects are financially sustainable/ provide a legacy beyond the initial 3 years of the UKSPF funding
- The majority of the fund will be aimed at the smaller towns and parishes in the district who may not hitherto have benefitted from the level of investment in towns such as Hertford and Bishop's Stortford

2.13 We have identified 4 areas as a starting point to underpin our approach to the UKSPF:

2.14 **The Cultural Strategy**, adopted by Council in the Summer of 2021, following consultation and engagement with the public and many partners in the voluntary sector. There is a multi-agency steering group overseeing delivery of the strategy composed of 12 different organisations. The strategy was developed on the basis that there would be limited resources to deliver so the UKSPF enables the group to accelerate many of the objectives, which fit neatly under the "Communities and Place" investment priority of the UKSPF.

2.15 **The Climate Change strategy**, adopted by Council in the Summer of 2022 which sets out a range of objectives working alongside partners and stakeholders for being carbon neutral by 2030. This has been developed through partnership working via the East Herts Environmental and Climate Change

Forum and has been shared with the public for consultation. Many of the objectives align with the “Communities and Place” investment priority of the UKSPF.

- 2.16 **Town and village centres**, some of which have jointly agreed improvement plans but few resources to make an impact. For towns like Bishop’s Stortford there have always been strong governance arrangements in place (eg. Shaping Stortford and the Business Improvement District) however for many of the other towns and larger villages there have been a variety of agencies working on town centre improvements but sometimes in isolation. Building on the work undertaken during delivery of the Re-Opening High Streets Safely Fund and then the Welcome Back fund, we will support the development of joint town centre action plans across the district and then their implementation.
- 2.17 **Business support** schemes at a start up and ‘second stage’ growth phase at a countywide and district level (where there is a proven track record of delivery). This will be a combination of building on East Herts existing economic development projects (eg. New premises grants) and working alongside the Local Enterprise Partnership on well established business support programmes.
- 2.18 Over the Summer of 2022 East Herts the above principles and themes were developed into priorities and possible investment areas. Discussions were also had with a range of partners via a series of meetings with the town councils, town and parish council annual conference, the Herts LEP, Herts Economic Development Officers Group, Harlow and Gilston Garden Town and the Innovation Corridor. We also held an all partner engagement event 23 June at Fletcher’s Lea in Ware where workshop discussions took place on priority areas and possible projects. The event was attended by 49 people representing town councils, parish councils, the business

sector and the voluntary sector. Some great ideas and feedback emerged from that event which were used to inform East Herts Investment Plan. We are also minded to run a similar event each year to enable stakeholders to input into any variations and be updated on progress.

2.19 The initial timetables for submission of the investment plan were 1 August with first payments following in the Autumn. The East Herts investment plan was duly submitted on 29 July (see **Appendix A**).

2.20 Following the change of Prime minister's and changes of Secretary of State for DLUHC, the scheme was subsequently put on hold. Plans to allocate this year's funded were also suspended. The November budget statement announcement by the Chancellor made no mention of the UKSPF however in early December DLUHC confirmed our investment plan had been agreed.

Delivery proposals:

2.21 **Cultural Strategy grant scheme:** The Cultural Strategy Steering Group have identified a series of key actions and deliverables within their strategy. They are:

- An arts trial in at least three localities (to be identified with at least one being a rural area/group of villages)
- Expanding the East Herts Pride event
- Young Curators group
- Inclusive Theatre project
- Intergenerational arts and cultural activities
- Digital inclusion project
- Asset mapping exercise

2.22 These form the basis of the outcomes/ deliverables we would wish to see through a grants programme. Although in theory

any organisation will be able to bid for the funds, those connected to the Cultural Strategy (eg. through the delivery or steering group) will be pro-actively invited to do so. It is anticipated that local partners who have been involved in developing the strategy are best placed to oversee implementation of key actions. Match funding will also be a requirement in order to leverage as much investment as possible. Wider details on the Cultural Strategy can be found here: [East Herts Cultural Strategy \(2021 to 2025\) | East Herts District Council](#)

- 2.23 More details about each of the above projects, including expected outcomes and outputs, can be found at **Appendix B**. Please note the interventions, outcomes and outputs are prescribed by DLUHC and we are required to demonstrate how our plans will impact these national measures.
- 2.24 Officers have assessed the range of projects and estimated that the total investment in the Cultural Strategy over the lifetime of the UKSPF will be up to £290,000 (out of £1,773,136 available), all of which will be revenue. Executive are asked to recommend to Council that an amount up to this level is allocated from the UKSPF.
- 2.25 Subject to Council approval, the grant scheme will launch in February 2023, with a deadline for applications of 31 March. In April, officers will shortlist applications for final consideration in consultation with the Cultural Strategy Steering Group. It is recommended that a final decision on awarding of individual grants be delegated to the Head of Health and Housing in consultation with the Portfolio Holder for Communities.
- 2.26 **Climate change projects:**
- 2.27 The following actions have been identified as key deliverables within the Climate Change Strategy (adopted by Council in

2022) and supported by the East Herts Climate Change and Sustainability Forum.

- Installation of solar canopies
- Pilot Community heat pump
- Training of surveyors and installers for green energy infrastructure
- Sustainable development (potentially a community build scheme along passivhaus principles)
- Tree planting/ more greening of the district
- Small grants for hyper local interventions

2.28 We expect the total investment in Climate Change Strategy related activities to be in the region of £566,000 over the lifetime of the UKSPF (out of £1,773,136 available over the two years). Executive are asked to recommend to Council that an amount up to this level is allocated from the UKSPF. More details on the schemes can be found in Appendix B. Wider information can be found within the Climate Change Strategy itself: [Climate Change Strategy 2022-2026 | East Herts District Council](#)

2.29 The commissioning process for these projects will begin in January 2023 with contract award expected from late March. The East Herts Climate Change and Sustainability Forum will advise on the specifications. It is recommended that a final decision on awarding of individual contracts be delegated to the Head of Health and Housing in consultation with the Portfolio Holder for Environmental Sustainability.

2.30 **Town and village centre improvement project funding:**

2.31 Our approach is to directly fund projects in towns/ villages that have been identified as key projects or improvements in collaboration with stakeholders (eg. Through the production

of a formal improvement plan). This is to ensure all funding is directed towards projects that have a wide mandate.

- 2.32 The towns that already have such plans include Bishop's Stortford (Shaping Stortford), Ware (Town Centre Steering Group) and Hertford (however a priority list of actions from Hertford has yet to be agreed). Sawbridgeworth and Buntingford agreed some joint plans to support re-opening of businesses following Covid and only a small amount of work is required to update these. It is unknown at this stage how many of the 37 parishes have equivalent plans.
- 2.33 We expect the total investment in Town Centre related activities to be in the region of £630,00 over 2023/24 over the lifetime of the UKSPF (out of £1,773,136 available over the two years). It is expected that funds will be allocated to relevant lead organisations (eg. Parish councils) as grants and some of it will be capital. Executive are asked to recommend to Council that an amount up to this level is allocated from the UKSPF. More details can be found in **Appendix B**.
- 2.34 It is proposed that some funding is set aside to support towns and parishes with updating or developing plans (see 2.42). Submissions from towns and villages will be invited from 1 April with grant awards from May onwards. It is recommended that a final decision on awarding of individual grants be delegated to the Head of Communications, Strategy and Policy in consultation with the Portfolio Holder for Planning and Growth.
- 2.35 **Business Support programmes and grants:**
- 2.36 This theme will consist of two elements. Firstly support for countywide business support programmes led by the Local Enterprise Partnership (LEP) but with enhanced support for East Herts. Many other districts are also choosing to support

these programmes as 'top ups' to existing, well established activities. These include:

- The Growth Hub
- Start up and Enterprise programme
- The Herts film office

2.37 Secondly we will have a locally led and administered grant scheme for businesses. Part of this will replicate the former 'new premises grant' scheme aimed at encouraging new businesses to open up premises or existing businesses to expand their premises. Grant amounts will be up to £5,000 and have to be match funded by the business.

2.38 Alongside this will be another grant programme where businesses can apply for support to develop new products or services (eg. purchasing new equipment, developing new products or expanding their infrastructure), entering new markets (post Brexit) and to support decarbonisation. These grants will be larger in size with expected values of between £10,000 - £50,000, much of which is likely to be capital.

2.39 All applicants will be required to provide match funding (50%) and the programme will be "facilitated", meaning we provide hands on support for the grant application process. The process will be on a first come, first serve basis. Applications will open from February 2023 with awards from April onwards. This approach has been tested through the previous rural development programme and new business premise grant scheme. Demand for business grants can be unpredictable in terms of volumes. Often with the larger, capital grants the challenge is supporting businesses with coming up with enough viable applications. Should demand exceed supply this can be reviewed.

2.40 We expect the total investment in Business Support related activities to be in the region of £287,000 over the lifetime of the UKSPF (out of £1,773,136 available over the two years). Of this, £140,000 will be required to support LEP schemes and £110,000 will be available for grants. Executive are asked to recommend to Council that an amount up to this level is allocated from the UKSPF. More details can be found in **Appendix B**.

2.41 It is also recommended that a final decision on awarding of individual contracts and grants be delegated to the Head of Communications, Strategy and Policy in consultation with the Portfolio Holder for Planning and Growth. In order to assist and inform grant decision making, a business advisory panel will be set up, composed of business infrastructure organisations (such as the FSB and local Chambers of Commerce) to shortlist applications.

Projects this year (2022/23)

2.42 For this year's allocation we are required to have allocated and spent £215,186 by 31 March 2023 (with 10% of this as capital). Due to delays as outlined in (2.21) and confirmation only arriving in December, we have a very short window in which to spend these funds. DLUHC have indicated there will be little flexibility in this approach and that funds cannot be transferred between years. In other words we need to 'use it or lose it'. We therefore need to consider some oven ready projects that fit in with the 4 themes above but which can be delivered swifly. A number of feasible projects have considered which can at least start by 31 March (if not fully delivered) and which fit with most of the UKSPF outcomes. These are:

- An asset mapping exercise to identify and map all cultural assets in the district.

- Creation of a local cycling and walking infrastructure plan (LCWIP) to underpin delivery of the Climate Change Strategy
- Creation of 'community influencer' roles to enable delivery of the Climate Change Strategy.
- Creation of town/ village centre improvement plans to help towns/ villages apply for funding
- An inward investment programme aimed at increasing the investment in film/ creative industries in the county.
- Development of Sawbridgeworth Jubilee gardens.
- Bishop's Stortford town centre parking virtual signage (VMS).
- Hertford Theatre listening project
- Digital inclusion project
- New premises business grants
- HUQ footfall monitoring and manual surveys

2.43 More details on each scheme can be found at **Appendix B**. Executive are asked to recommend to Council that this year's allocation of £215,186 be allocated to the objectives above and that final decisions on awarding the individual contracts be delegated to the Head of Communications, Strategy and Policy in consultation with the Leader of the Council.

Rural Prosperity Fund

2.44 On 3rd September the government announced a further £110m fund for Rural Prosperity (the RPF) linked to Levelling Up. Further details can be found [here](#). This fund largely follows the previous ESIF and LEADER EU projects whereby funding is entirely capital and can only be spent on improving services/ technology/ infrastructure for rural businesses. East Herts has strong experience in this field, having being the accountable body for 3 previous rounds of EU rural development funding from 2007 – 2020 over an area known as the 'Eastern Plateau'. There is however slightly more

flexibility with how grants can be given (eg. There no longer has to be a 40% intervention rate) and the funds can also be directed towards physical infrastructure in towns/ villages with populations under 30,000 (the previous ceiling was <5000) rather than just business grants. East Herts allocation is £472,841 over the next two years with a 25/75 split as follows:

	2023-24	2024-25
Capital (£)	118,210.25	354,630.75

- 2.45 Given the RPF can be used to support business grants and town centre improvements this fits nicely into the current UKSPF investment plan which has a theme on town centres (see 2.30 – 2.34) and another on business support (see 2.35 – 2.41). With the exception of Bishop’s Stortford and Hertford, all the towns and villages in the district are eligible. All businesses are also eligible to apply for grants unless located in Bishop’s Stortford or Hertford. It is recommended funding is therefore channelled through the existing themes and used to ‘top up’ the amounts available.
- 2.46 As with the UKSPF, we are required to submit a plan outlining how we intend to use the RPF, the outcomes it will achieve against prescribed Levelling Up missions and details of whom we have consulted to arrive at conclusions. The addendum, submitted to DLUHC on 30th November is attached at **Appendix C**.
- 2.47 It is recommended that of the £472,841 available to East Herts, half of this is directed towards the town and village centre improvement theme and the other half towards the business support theme (with the caveat that businesses based in Hertford or Bishop’s Stortford are ineligible for support). This bring the total investment in the town and village centres to £765,395.50 over 2023/24 and 2024/25 and the total investment in business support to £484,420.50. In

terms of numbers of grants to businesses that we are able to give out over the lifetime of the UKSPF and RPF, this will depend on the level of demand and availability of match funding from the applicant. However a reasonable estimate would be between 5 – 10 new business premise grants and 2 – 3 larger grants in 2023/24 followed by 10 – 15 new business premise grants and 5 – 8 larger grants in 2024/25.

3.0 Reason(s)

3.1 The UKSPF and RPF funds need to be allocated and spending plans' agreed so we can move ahead with delivery.

4.0 Options

4.1 N/A

5.0 Risks

5.1 There are no direct risks to receiving the funding as it is an allocation as oppose to an amount we need to bid for. There are risks if we do not spend against this allocation in each year as amounts cannot be transferred and DLUHC have indicated underspends will be reclaimed. At the time of writing not all of the monitoring and evaluation requirements are known however these will need to be addressed by the Economic Development Service which is overseeing delivery of the UKSPF and RPF.

6.0 Implications/Consultations

6.1 Consultation with stakeholders has taken place as detailed at **Appendix A and Appendix C**

Community Safety

No

Data Protection

No

Equalities

Yes – impact assessment attached

Environmental Sustainability

Yes – funding is directed in part towards delivering the Climate Change Strategy

Financial

Yes – this represents an investment of over £2m in the district

Health and Safety

No

Human Resources

No

Human Rights

No

Legal

No

Specific Wards

No

7.0 Background papers, appendices and other relevant material

7.1 **Appendix A** – Investment Plan submission to DLUHC for the UKSPF (submitted 28 July 2022)

- 7.2 **Appendix B** – Proposed spending priorities for East Herts
- 7.3 **Appendix C** – RPF Addendum submitted to DLUHC 30th November
- 7.4 Equalities Impact Assessment
- 7.5 Overall guidance on UKSPF: [UK Shared Prosperity Fund: prospectus - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/671112/UKSPF_prospectus.pdf)
- 7.6 Overall allocations for UKSFP: [UKSPF allocations - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/671112/UKSPF_allocations.pdf)
- 7.7 RPF guidance: [Rural England Prosperity Fund: prospectus - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/671112/Rural_England_Prosperty_Fund_prospectus.pdf)

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UK Shared Prosperity Fund

Investment Plan Drafting Template

Version 2
May 2022

Your location

East Hertfordshire

Your details

Benjamin Wood, Head of Communications, Strategy and Policy

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East Hertfordshire Council

Local challenges and opportunities

In this section, we will ask you:

- If you've identified any challenges or opportunities, you intend to support
- Which of the UKSPF investment priorities these fall under

ARE THERE ANY LOCAL CHALLENGES YOU FACE WHICH FALL UNDER THE COMMUNITIES AND PLACE INVESTMENT PRIORITY?

(If yes) Describe these challenges, give evidence where possible

The Halifax Quality of Life Survey (2020) announced that East Herts is the best place to live in the UK, thanks to school achievement, high life expectancy, excellent health and happiness scores, and high average earnings. The district also has a strong and distinct character, based on its popular market towns along with great access to parks and green spaces as well as larger conurbations such as London and Cambridge. For East Herts, Levelling Up is about continuing to invest in our success whilst also ensuring no one is left behind.

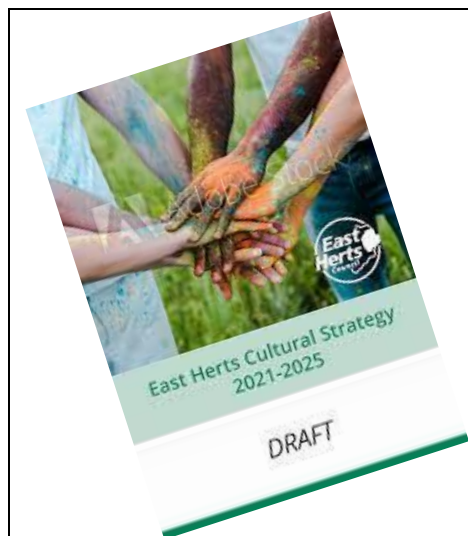
The challenges we face under the Communities and Place investment priority have been anticipated by three strands of existing cross-collaborative work in the district, as follows:

- The East Herts Cultural Strategy, adopted by Council in 2021
- The East Herts Climate Change Strategy, adopted by Council in July 2022
- Town Centre co-ordination and improvement which has been accelerated through covid recovery collaboration

The Cultural Strategy:

The district has a distinct cultural heritage reflecting its market towns and countryside, including its rural and agricultural landscape. The district is home to a number of cultural and creative industries, museums, heritage sites, arts centres, performance companies, sculpture and craft retail, individual craft makers and designers, giving residents a place to relax and enjoy a wonderful range of cultural activities. There are also over 120 parks and open spaces, providing valuable places for all people to play, exercise, meet one another, and hold public events and festivals.

The Cultural Strategy was the result of collaboration with various public and voluntary organisations in the district to understand the challenges and agree priorities for the future. We want to make East Herts a place where:



- truly extraordinary things happen throughout the district, all year round
- strong partnerships result in a resilient cultural infrastructure that offers our diverse communities a wide range of cultural opportunities
- residents along with the public, private and voluntary sectors support each other to encourage entrepreneurial and innovative cultural practitioners to invest, live and work in East Herts
- investment in arts and culture contributes to tangible gains in health and wellbeing outcomes, economic resilience and environmental sustainability
- sustainability is at the heart of our cultural infrastructure and activities
- our achievements are recognised far beyond our district's boundaries

The strategy can be found here: [East Herts Cultural Strategy 2021-2025 \(onwebcurl.com\)](https://www.onwebcurl.com/east-herts-cultural-strategy-2021-2025)

The Climate Change Strategy:

For the year 2020/21, the council’s annual own net carbon emissions stood at 2,565 tonnes CO2e, while total district-wide net emissions stood at 630.5 kilo tonnes CO2e. Both figures are falling but there is clearly still much to do.

The Council has working on a wider sustainability agenda for some time (illustrated by the first priority within the Corporate Plan of “Sustainability at the Heart of Everything We do”) however this work increased in profile at the Council meeting of 24th July 2019, where a Climate Change Declaration was unanimously agreed.

Consultation was undertaken with members of the public in early 2022 and the issues raised most frequently of areas of concern were:

- active, greener transport, including public transport, walking, cycling and promotion of low emission and e-vehicles
- domestic energy efficiency in both new and existing homes
- biodiversity and wildlife protection
- waste reduction and maximising recycling
- using planning policies to tackle climate change
- involving individuals and community groups



The climate change strategy sets out the approach we will take, working in partnership with other organisations to achieve the national target of net zero by 2030. The strategy can be found here: [East Herts Climate Change Strategy 2022 2026 - Appendix A greener east Herts ccs 2022 to 2026.pdf](#)

We also plan to work with key partners on the Harlow and Gilston Garden Town project to ensure the 10,000 new dwellings and new communities created are fully sustainable.

Town Centres:

East Hertfordshire’s five market towns of Hertford, Ware, Bishop’s Stortford, Sawbridgeworth and Buntingford all have a distinct character, as do the other 100 villages and hamlets that make up the district.

Our high streets have not been immune to global changes in shopping behaviours and much of this was exposed through Covid. At the same time, we have seen an overall loss of commercial and retail space in our town and their centres due to housing developments/ needs.



The challenge is for our town and village centres to remain relevant as destinations and with overall offers which move away from traditional retail towards more social, leisure and hospitality.

That said our towns are in no way unviable with low vacancy levels. Through work which started with the Re-opening High Streets Safely fund and then the Welcome Back Fund, focusing on covid recovery, we have seen greater collaboration between all tiers of local government, the police and businesses. We want to build on this work to ensure all towns have a clear vision for improvement which is backed by local stakeholders with a set of deliverable actions which meet UKSPF interventions.

Overall

In East Herts we had already begun working on joint activities which would align with the Levelling Up agenda. In most cases however no direct funding to any actions had been agreed. The UKSPF allows us to accelerate our vision by offering investment against key actions which will galvanise support across stakeholders and deliver the best outcomes for our communities.

ARE THERE ANY LOCAL OPPORTUNITIES UNDER THE COMMUNITIES AND PLACE INVESTMENT PRIORITY THAT YOU INTEND TO SUPPORT?

(If yes) Describe these opportunities, give evidence where possible

Cultural Strategy:

A number of actions have been identified through the Cultural Strategy Delivery Group, as follows:

- map out the current landscape of cultural assets and activities across the district
- Support development of a cultural offer which takes on board the changing population profile and ensures a widening range of activities that meet the needs of all our residents
- Embed arts and culture within new neighbourhoods and garden towns in the district, creating cultural opportunities for residents
- Support the development of affordable cultural opportunities for East Herts residents especially the over 50s and 12-24 year old young people
- Promote opportunities to access Community Grants supporting the development of cultural activities in areas of relative deprivation
- Support the development of local, cultural opportunities, working with local community groups and village halls, to minimise the cost of and/or the need to travel to participate in cultural activities. Including dementia friendly cinema screenings
- Work with colleagues from Community Safety to engage with residents and communities to safeguard people, property and individuals
- Support initiatives to promote a high quality Night time Economy in East Herts, for example, by supporting the use of the Police's Community Voice engagement tool

The best means of supporting these projects will be to invite grant applications from local organisations best placed to deliver them, with monitoring of evidence and data against relevant UKSPF indicators and interventions.

Climate change:

The strategy which was adopted on 27 July 2022 has 3 strategic aims:

- making changes to the council's own premises and the services we deliver
- using our regulatory powers to promote action by others
- influencing and encouraging others to do things

Delivery against the last two aims will meet Levelling Up priorities. For “using our regulatory powers” the council’s own emissions only account for around 0.4% of emissions across the whole district. Thus, everyone living in, working in or visiting East Herts has an important role to play in helping as part of a collective effort to achieve carbon neutrality across the district as a whole. We will use our regulatory powers to promote action by others. This includes our planning powers and duties regarding the development of new homes and commercial buildings as well as conversion or extension of existing buildings; our duties regarding the licensing of the taxi trade, in particular the setting of standards for vehicles that are used as taxis in the district and our environmental health powers regarding standards in the private housing sector.

With regards to involving and influencing everyone, a key strand of our efforts to reduce carbon emissions across East Herts is based on influencing, encouraging and making it as easy as possible for our residents and businesses to take action that will enhance sustainability. We recognise that community groups are ideally placed to ‘spread the word’ and act as credible communicators throughout their networks. Over the lifetime of this strategy, we anticipate new ideas and groups emerging and we see the East Herts Environmental and Climate Forum as the ideal way to marshal a joint effort across the district which is far greater than the sum of its parts.

The best means of supporting these projects will be to produce a commissioning framework which outlines what climate change and UKSPF objectives are being prioritised. A procurement process will then follow to ensure the outcomes are met.

Within Harlow and Gilston Garden Town we are also keen on maximising modal shift and sustainable transport.

Town Centres:

During the covid crisis, we took the opportunity to support stakeholders in two of our five towns to conduct baseline surveys of residents and businesses, identifying joint positive and negative characteristics and views on how they would like to see their town centre evolve. The approach used the method outlined in the LGA’s “revitalising town centres’ toolkit (based on the work of the High Streets Taskforce). We want to continue developing the improvement plans for Hertford and Ware and replicate the process in the towns of Sawbridgeworth and Buntingford, as well as extend this offer to our smaller villages. We want to ensure every town has an action plan where local stakeholders agree the priorities and are involved in governance and delivery. Please note our largest town, Bishop’s Stortford, already has a joint action plan in place through its multi-agency, Shaping Stortford group.

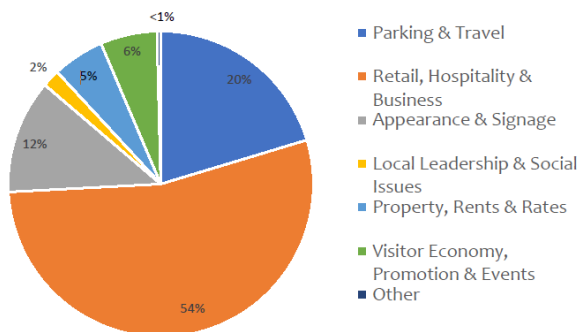
Priorities for our town centres include the following:

Improving appearance, accessibility and activity of streetscape and public realm

There are opportunities and a desire in both Hertford and Ware to make it easier and more appealing to get into and around the town centres. The evidence for such opportunities comes from the review of existing urban design assessments for each town centre, the 2022 stakeholder surveys showing a need to better match parking and travel options to customer needs; the experience and extension of experimental traffic orders and outdoor seating licenses during and beyond the pandemic; evolving sustainable travel plans for the towns; new footfall monitoring technology used by East Herts Council and proposals for new edge of town housing developments in some of the towns.

Ware

Respondents' Priorities for Ware Town Centre

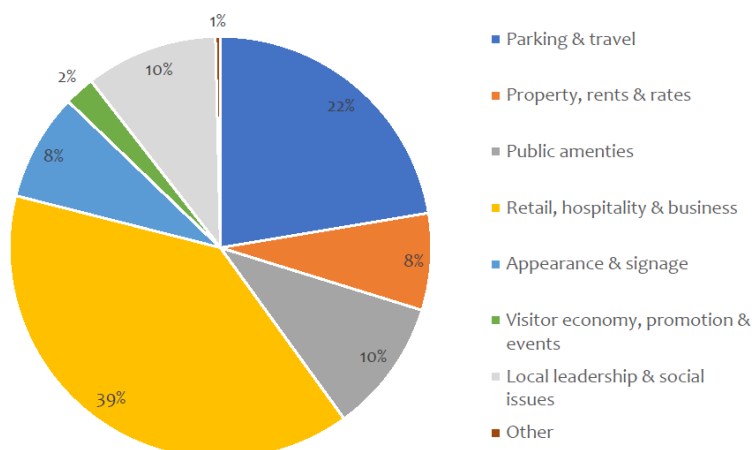


Sustaining and diversifying the mix of town centre businesses and services

There is a strong desire amongst stakeholders and a series of opportunities to sustain and diversify the mix of town centre businesses and services in each of the East Herts towns. The evidence for such opportunities comes from the 2022 surveys where this issue topped stakeholder priorities benchmarking and analysis of the existing business mix in each town; varying vacancy rates in each of the towns; existing analysis in the Local Plan, evidence of impacts of changing use class policies at the national level; related Levelling Up policies such proposed High Street Rental Auctions; experience of the business impacts of experimental traffic orders and outdoor seating licenses; new footfall monitoring technology used by East Herts Council; proposals for new edge of town housing developments that will lead to increased footfall in some of the towns.

Hertford

Users|Town Centre Priorities by Category



Campaigns promoting the offer of East Herts town centres to residents and visitors

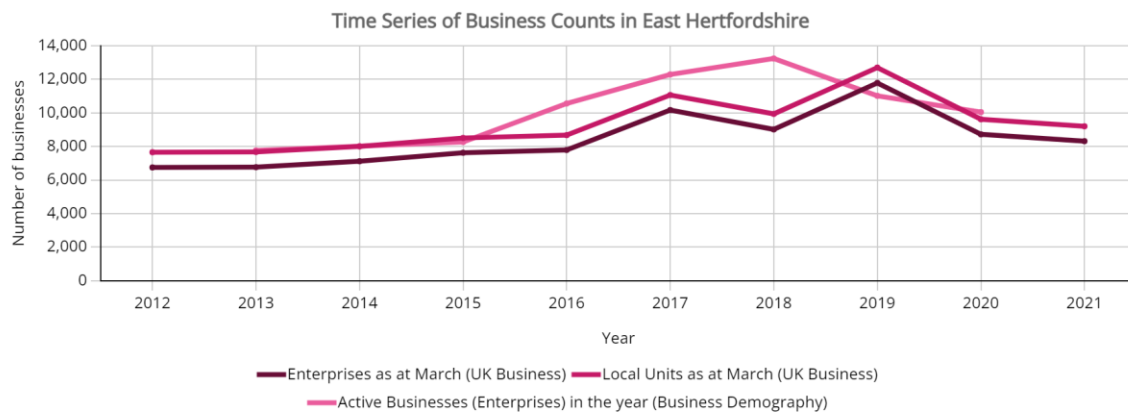
There are opportunities for developing and delivering campaigns promoting the culture /heritage /leisure/visitor offer of the town centres to residents and visitors. The evidence for such opportunities comes from the 2022 stakeholder surveys especially in Ware where events were cited as a priority by 28% of businesses, including the already acknowledged value heritage and leisure as a motivation for visits alongside varying perceptions of the visitor experience and appeal to tourists. Part of this also involves community safety and ensuring a viable night time economy, with our largest town (Bishop's Stortford) eager to obtain purple flag status.

Increasing community engagement from improved local coordination and communication

There are varying opportunities in the towns to enable increased community engagement from improved local coordination and communication through the formation and operation of town centre partnerships. The evidence for such opportunities comes from the 2022 stakeholder surveys indicating variable levels of civic pride and faith in partnerships across the towns; Ware already functions effectively with the Town Council taking the lead and local stakeholders providing positive input where required. Hertford has a more mixed approach with various groups looking at specific issues (development, nighttime economy). Bishop’s Stortford has a long-standing partnership group called Shaping Stortford which has set a vision for the town centre. In our smaller towns of Buntingford and Sawbridgeworth, the Town Councils tend to take the lead. In June 2002 the High Streets Task Force assessed that *“in 59% of places visited by our experts, long-term investment plans were compromised by the absence of, or poor quality of, local networks and partnerships.”* We want to ensure all our local towns have strong governance arrangements in place.

**ARE THERE ANY LOCAL CHALLENGES YOU FACE WHICH FALL UNDER THE SUPPORTING LOCAL BUSINESS INVESTMENT PRIORITY?
(If yes) Describe these challenges, give evidence where possible**

The district has just over 8300 enterprises and has seen steady growth since 2013/14. However, this number is down from its pre-pandemic peak of 12,000 with a series of closures 2020.



Source: ONS, UK Business; activity, size and location / ONS, Business Demography To view or download this data, click on the grid icon to the right -->

Although covid has undoubtedly made an impact on the number of businesses in the district there had been fluctuations beforehand. We are aware that several hundred businesses are registered to just a few single addresses in Hertford and Sawbridgeworth for people often working in the ‘gig’ economy and operating outside of the district (e.g., Deliveroo drivers). These addresses in the district, often simple business registration and post box services, had a tendency to cause overall fluctuations in business numbers. However, continuing to grow the number of businesses in the district to pre-pandemic levels is a major local challenge for East Hertfordshire.

East Herts has for many years been a favoured destination of people looking to move residence out of London, often to start families. Many of these people continue to work for organisations based in London although daily commuting is less popular following the pandemic and the advent of home working. This is reflected in the residential weekly wage of £763 against the Average local job of £630. This brings benefits to the district but does risk an over reliance on our residents commuting for work, re-enforcing the need for a sustainable local economy.

The district has strong business start-up rates. Our business demography is dominated by small and micro sized companies. The most dominant sectors are professional, scientific and technical followed by construction however within these categories there are no obvious dominant areas or industries. This diversity adds to the resilience of the local economy in periods of low growth.

Enterprises by Employment Size Band as at March 2021					
Area	Micro Enterprises (0 to 9 employees)	Small Enterprises (10 to 49 employees)	Medium-sized Enterprises (50 to 249 employees)	Large Enterprises (250+ employees)	Total Enterprises
Broxbourne	4,005	295	45	20	4,370
Dacorum	7,430	555	115	40	8,140
East Hertfordshire	7,585	590	120	20	8,315
Hertsmere	7,045	520	100	30	7,700
North Hertfordshire	5,815	540	105	15	6,475
St Albans	8,160	580	105	35	8,880
Stevenage	2,900	250	45	10	3,215
Three Rivers	4,965	340	55	25	5,385
Watford	4,735	385	80	35	5,235
Welwyn Hatfield	4,655	395	75	35	5,160
Hertfordshire	57,305	4,460	845	260	62,870

Source: ONS, UK Business; activity, size and location. To view and download this data, click on the cloud icon on the right-->

Source: ONS, UK Business; activity, size and location. To view or download this data, click on the grid icon to the right -->

Count of Local Units by Broad Industry Group	
Industry Group	East Hertfordshire
Agriculture, forestry & fishing (A)	235
Mining, quarrying & utilities (B,D and E)	85
Manufacturing (C)	410
Construction (F)	1,275
Motor trades (Part G)	260
Wholesale (Part G)	350
Retail (Part G)	885
Transport & storage (inc postal) (H)	235
Accommodation & food services (I)	485
Information & communication (J)	635

Source: ONS, UK Business; activity, size and location, March 2021. To download this data, click on the cloud icon.

Count of Local Units by Broad Industry Group	
Industry Group	East Hertfordshire
Financial & insurance (K)	195
Property (L)	385
Professional, scientific & technical (M)	1,695
Business administration & support services (N)	915
Public administration & defence (O)	55
Education (P)	225
Health (Q)	325
Arts, entertainment, recreation & other services (R,S,T and U)	545
Total Local Units	9,200

Source: ONS, UK Business; activity, size and location, March 2021. To download this data, click on the cloud icon.

Alongside our first major challenge of continuing to provide general business support for start-up is the need to accommodate “second stage growth”. Due to the popularity of the area and loss of employment area to housing, there is virtually no spare vacant capacity or liquidity in the commercial property market. Furthermore, much of our stock is outdated and requires new investment to ensure compliance with environmental standards. We will look to encourage owners to make better use of, upgrade and to expand the commercial stock of space to accommodate these companies locally and thereby retain the wealth and prosperity.

ARE THERE ANY LOCAL OPPORTUNITIES UNDER THE SUPPORTING LOCAL BUSINESS INVESTMENT PRIORITY THAT YOU INTEND TO SUPPORT?

(If yes) Describe these opportunities, give evidence where possible

There are opportunities to address challenges within East Herts through increasing the number of businesses using the Hertfordshire Local Enterprise’s Growth Hub services (1312 over the most recent 3 years), with a corresponding up-lift in jobs safeguarded and created. Increasing the number of participants on start-up programmes would bring benefits through engaging with more clients (200+ p.a.) and creating more businesses per year (currently circa 50).

Hertfordshire Growth Hub’s mission is to deliver growth across Hertfordshire – by making it easier to support and grow a business, creating a sustainable and inclusive local economy. This free at access and impartial service acts as a gateway to other broader and more detailed business support provision. The core service provides for a face-to-face and online/telephone based advisory support alongside an online information service. Additional funding would enable delivery of an enhanced offer to SMEs in East Hertfordshire.

The Growth Hub has a track record of delivery in our area, supporting (on average per annum) 1624 businesses and creating or safeguarding 140 jobs and has historically been funded via EU and UK Government sources.


We also wish to support the Local Enterprise’s Start-up/Get Enterprising countywide programme. This provides free at access start-up and early-stage business support, acting as a gateway to other broader and more detailed business service provision.


Over the past five years, 5,279 individuals across the county received support, 304 jobs were created or safeguarded, and 1,365 new businesses were started and supported.

Creative & Screen Industries is one of the fastest growing sectors in Hertfordshire and in the wider south-east. Just over half of the new studio space being planned and delivered in London and the south-east is coming to Hertfordshire, confirming its pre-eminence in the UK film and TV world. If all the studio floorspace being planned for Hertfordshire is delivered, then in time the area of sound stages in Hertfordshire will exceed that of Hollywood.

In order to support this growth and exploit the opportunities it brings to the benefit of the wider Hertfordshire economy; it has been proposed that all Hertfordshire districts/boroughs would benefit from creating a film office service for Hertfordshire. This has been supported by the Hertfordshire Growth Board sector panel and East Herts Council.

Alongside these countywide schemes we also have a strong track record of in-house delivery for business support.

<p>We want to encourage and nurture small businesses to bring growth, wealth and investment to the area. Our “new premises grant”, offering support for businesses looking to expand or set up in new premises in the district was launched in October 2021 and ceased earlier due to the funding running out much sooner than expected. It was highly successful, with 51 businesses accessing support (totalling close to £200,000) in just 6 months.</p>	
	<p>The Launchpad 2 project is a 3 year ERDF match funded business support and grant scheme, delivered by East Herts Council</p>

	<p>through a contract with Deyton Bell. The scheme provides advice, support and match funded finance for businesses in specific sectors including bioscience, airport maintenance, repair and operations and social enterprise. So far 16 businesses have accessed support for developing new products and services. This scheme comes to an end in summer 2023 when the ERDF match funding expires.</p> <p>The UKSPF will enable us to continue both schemes, business growth and leveraging additional investment</p>
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ARE THERE ANY LOCAL CHALLENGES YOU FACE WHICH FALL UNDER THE PEOPLE AND SKILLS INVESTMENT PRIORITY? (In Scotland, Wales, and Northern Ireland this should also include challenges relating to Multiply)

(If yes) Describe these challenges, give evidence where possible

At this stage we have not identified any local challenges under this investment priority. However, we are aware that some residents, especially in the more rural communities, struggle with digital skills and digital access. We will be considering this challenge in the run up to the final year of the UKSPF.

ARE THERE ANY LOCAL OPPORTUNITIES UNDER THE PEOPLE AND SKILLS INVESTMENT PRIORITY THAT YOU INTEND TO SUPPORT? (In Scotland, Wales, and Northern Ireland this should also include challenges relating to Multiply)

(If yes) Describe these opportunities, give evidence where possible

In conjunction with our partners on the Hertfordshire and Essex Digital Innovation Zone, we will be considering the implementation of a digital skills programme for delivery in 2024/25. The DIZ is an informal partnership between different local authorities, further education sector and private sector in Hertfordshire in Essex. It has a successful track record of joining up digital activities across the sub-region. More details can be found here:

[DIZ – The Digital Innovation Zone](#)

Interventions

In this section, we will ask you about:

- Interventions you've chosen for each year of funding
- Outcomes you want to deliver
- Any interventions that are not listed here
- How these interventions fall under the UKSPF investment priorities, and your rationale for them
- Interventions not included in our list will be assessed before being approved, where you will need to show a clear rationale, how the intervention is value for money, what outcomes it will deliver and how you will monitor and evaluate the intervention. This may include a theory of change or logic chain.

WHAT ARE THE OUTCOMES YOU WANT TO DELIVER UNDER THE COMMUNITIES AND PLACE INVESTMENT PRIORITY? SELECT ALL THAT APPLY.	
Outcome	Tick if applicable
Jobs created	
Jobs safeguarded	
Increased footfall	X
Increased visitor numbers	X
Reduced vacancy rates	
Greenhouse gas reductions	X
Improved perceived/experienced accessibility	X
Improved perception of facilities/amenities	X
Increased number of properties better protected from flooding and coastal erosion	
Increased users of facilities / amenities	X
Improved perception of facility/infrastructure project	
Increased use of cycleways or paths	
Increase in Biodiversity	
Increased affordability of events/entry	
Improved perception of safety	X
Reduction in neighbourhood crime	
Improved engagement numbers	
Improved perception of events	X
Increased number of web searches for a place	
Volunteering numbers as a result of support	
Number of community-led arts, cultural, heritage and creative programmes as a result of support	X
Increased take up of energy efficiency measures	X
Increased number of projects arising from funded feasibility studies	
Number of premises with improved digital connectivity	
None of the above	

AND:

Increased amount of low or zero carbon energy infrastructure installed	X
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SELECT THE INTERVENTIONS YOU INTEND TO USE WHICH MEET THE COMMUNITIES AND PLACE INVESTMENT PRIORITY. YOU CAN SELECT AS MANY AS YOU LIKE.

Intervention <i>A full list of nation-specific interventions is available in the relevant annex to the Prospectus.</i>
E1: Funding for improvements to town centres and high streets, including better accessibility for disabled people, including capital spend and running costs.
E2: Funding for new, or improvements to existing, community and neighbourhood infrastructure projects including those that increase communities' resilience to natural hazards, such as flooding. This could cover capital spend and running costs.
E3: Creation of and improvements to local green spaces, community gardens, watercourses and embankments, along with incorporating natural features into wider public spaces
E4: Enhanced support for existing cultural, historic and heritage institutions that make up the local cultural heritage offer
E6: Support for local arts, cultural, heritage and creative activities.
E8: Funding for the development and promotion of wider campaigns which encourage people to visit and explore the local area
E9: Funding for impactful volunteering and/or social action projects to develop social and human capital in local places.?
E10: Funding for local sports facilities, tournaments, teams and leagues; to bring people together.
E11: Investment in capacity building and infrastructure support for local civil society and community groups.
E12: Investment in community engagement schemes to support community involvement in decision making in local regeneration
E13 Community measures to reduce the cost of living, including through measures to improve energy efficiency, and combat fuel poverty and climate change.
E29 Supporting decarbonisation and improving the natural environment whilst growing the local economy. Taking a whole systems approach to invest in infrastructure to deliver effective decarbonisation across energy, buildings and transport and beyond, in line with our legally binding climate target. Maximising existing or emerging local strengths in low carbon technologies, goods and services to take advantage of the growing global opportunity

DO YOU PLAN TO USE ANY INTERVENTIONS NOT INCLUDED IN THE COMMUNITIES AND PLACE LIST?	
State the name of each of these additional interventions and a brief description of each of these	
No.	
Explain how each intervention meets the Communities and Place investment priority. Give evidence where possible, including why it is value money and the outcomes you want to deliver.	
N/A	
Do you consider that any of these interventions may provide a subsidy to potential recipients of the funding under the intervention's planned activity? All bids must also consider how they will deliver in line with subsidy control as set out in the guidance.	
No	
Detail the assessment you undertook to consider whether the intervention is a subsidy and any specific measures you will take to make sure the subsidy is permitted.	
N/A	

HAVE YOU ALREADY IDENTIFIED ANY PROJECTS WHICH FALL UNDER THE COMMUNITIES AND PLACE INVESTMENT PRIORITY?

Describe these projects, including how they fall under the Communities and Place investment priority and the location of the proposed project.

Yes.

There are a series of “enabling” activities and projects which we need to deliver in 2022/23 to facilitate delivery of major interventions in years 2023/24 and 2024/25.

Cultural Strategy:

- An asset mapping exercise which allows us to capture, quantify and review existing cultural assets across the district. This will require an initial build and then on-going maintenance throughout the lifetime of the UKSPF. Completion of this action then unlocks delivery of further actions within the Cultural Strategy. This project will begin in the Autumn of 2022.
- Design of an expanded East Herts community grants programme to deliver cultural strategy objectives that align with the above indicators and interventions. This will enable UKSPF resources to reach a variety of different organisations in the district to enable delivery of key outcomes. The grants programme will be launched in the Autumn of 2022 with delivery focused in the years of 2023/24 and 2024/25

Climate Change Strategy:

- Production of a Local Cycling and Walking Infrastructure Plan. This is an essential piece of work to inform sustainable travel actions across the district and enable many of the green travel interventions listed in the district. We also intend to submit a bid to the Levelling Up Fund in 2023 focusing on a wider cycling route, joining up Stansted Airport to Bishop’s Stortford, Rye House and Hertford
- Introduction of “community influencers”, working with local climate change interest groups, to encourage behaviour change
- Commissioning framework based on the strategy – delivery from 1 April 2023
- Contribution towards a joint sustainable travel officer within the Harlow and Gilston Garden Town project

Town Centres:

- Further development of town centre actions plans. Hertford, Ware and Bishop’s Stortford have these in place and an offer will be made to the other towns and any villages that wish to develop them. It will be a requirement of accessing town centre funding that a joint action plan which is owned by local partners is in place.
- Grant programme to enable town centre improvement – delivery from 1 April 2023 [or delivery programme based on priorities]
- HUQ footfall monitoring systems. We currently have this software in place, paid for by the Welcome Back Fund. It allows us to accurately track footfall in different areas and will be used to evidence the impact of any projects both for town centres and the cultural strategy,
- Perception surveys. Undertaking these will allow us to monitor the impact of any actions in town centres and the climate change strategy.

Do you consider these projects may provide a subsidy to potential recipients of the funding under the proposed planned activity?

All bids must also consider how they will deliver in line with subsidy control as [set out in the guidance](#).

No

Detail the assessment you undertook to consider whether the proposed projects constitute a subsidy and any specific measures you will take to make sure the subsidy is permitted.

All work undertaken in this section will be procured in accordance with the Council's normal procurement protocols. Where the extension of an existing contract is deemed legal, we reserve the right to use the extension to enable continuity of service. No funds will be allocated for existing activity – all grant applications have to be for new projects and activities that meet UKSPF outcomes

WHAT ARE THE OUTCOMES YOU WANT TO DELIVER UNDER THE SUPPORTING LOCAL BUSINESS INVESTMENT PRIORITY? SELECT ALL THAT APPLY.

Outcome	Tick if applicable
Jobs created	X
Jobs safeguarded	X
Increased footfall	
Increased visitor numbers	
Reduced vacancy rates	
Greenhouse gas reductions	
Number of new businesses created	X
Improved perception of markets	
Increased business sustainability	
Increased number of businesses supported	
Increased amount of investment	
Improved perception of attractions	
Number of businesses introducing new products to the firm	X
Number of organisations engaged in new knowledge transfer activity	
Number of premises with improved digital connectivity	
Number of businesses adopting new to the firm technologies or processes	X
Number of new to market products	
Number of R&D active businesses	
Increased number of innovation active SMEs	
Number of businesses adopting new or improved products or services	X
Increased number of innovation plans developed	
Number of early stage firms which increase their revenue following support	
Number of businesses engaged in new markets	
Number of businesses engaged in new markets	
Number of businesses increasing their export capability	
Increased amount of low or zero carbon energy infrastructure installed	
Number of businesses with improved productivity	
Increased number of projects arising from funded feasibility studies	
Increased number of properties better protected from flooding and coastal erosion	
None of the above	

SELECT THE INTERVENTIONS YOU INTEND TO USE WHICH MEET THE SUPPORTING LOCAL BUSINESS INVESTMENT PRIORITY. YOU CAN SELECT AS MANY AS YOU LIKE.

Intervention

A full list of nation-specific interventions is available in the relevant annex to the Prospectus.

E19: Increasing investment in research and development at the local level. Investment to support the diffusion of innovation knowledge and activities. Support the commercialisation of ideas, encouraging collaboration and accelerating the path to market so that more ideas translate into industrial and commercial practices.

E24: Funding for new and improvements to existing training hubs, business support offers, 'incubators' and 'accelerators' for local enterprise (including social enterprise) which can support entrepreneurs and start-ups through the early stages of development and growth by offering a combination of services including account management, advice, resources, training, coaching, mentorship and access to workspace.

E26: Support for growing the local social economy, including community businesses, cooperatives and social enterprises.

E30: Business support measures to drive employment growth, particularly in areas of higher unemployment.

DO YOU PLAN TO USE ANY INTERVENTIONS NOT INCLUDED IN THE SUPPORTING LOCAL BUSINESS LIST?

State the name of each of these additional interventions and a brief description of each of these

No

Explain how each intervention meets the Supporting Local Business investment priority. Give evidence where possible, including why it is value money and the outcomes you want to deliver.

N/A

Do you consider that any of these interventions may provide a subsidy to potential recipients of the funding under the intervention's planned activity? All bids must also consider how they will deliver in line with subsidy control as [set out in the guidance](#).

No

Detail the assessment you undertook to consider whether the intervention is a subsidy and any specific measures you will take to make sure the subsidy is permitted.

N/A

HAVE YOU ALREADY IDENTIFIED ANY PROJECTS WHICH FALL UNDER THE SUPPORTING LOCAL BUSINESS INVESTMENT PRIORITY?

Describe these projects, including how they fall under the Supporting Local Business investment priority and the location of the proposed project.

Yes.

We intend to support the delivery of a number of countywide schemes through the Hertfordshire Local Enterprise Partnership. We also plan to deliver two grant schemes through East Herts Council.

Hertfordshire Local Enterprise Partnership schemes:

- The Herts Growth Hub: In order to enable this service to continue to deliver services at scale and impact, East Herts Council will be co-commissioning this service alongside the 9 other Hertfordshire authorities and the Hertfordshire Local Enterprise Partnership, leveraging our investment of £30k in 2023/24 and 2024/25 against a combined investment of £1.13m.
- Herts Start up/Get Enterprising: The UKSPF support would enable us to recruit additional advisers and deliver additional training/webinar sessions offering both generic and specialist business advice targeted at social enterprises and focused on themes such as sustainability, rural and sector support. Together with events, webinars and information,

this would enable us to deliver an enhanced local support service maintaining similar output activities. In order to enable this service to continue to deliver services at scale and impact, East Herts Council will be co-commissioning this service alongside the 9 other Hertfordshire authorities and the Hertfordshire Local Enterprise Partnership, leveraging our investment of £30k in 2023/24 against a combined investment of £600k

- The Herts Film Office: to provide a one-stop-shop service for a variety of film and TV-related activities across the county. Working closely with Creative England, the Film Office’s activities could include the following services that would benefit the district including promoting film locations and providing the support and interface for those offering and wanting to use locations and promoting and lobbying Hertfordshire as ‘film friendly’ and the ‘home of UK film’ to help secure future investment

Local business support delivered through East Herts Council:

- Design of a grant scheme similar to that of the previous “new premises” grant delivered. This will focus on businesses that wish to move from residential settings to commercial premises or wish to expand existing premises. The previous scheme was highly successful, and a similar format will be followed however there will be a requirement for match funding this time around for the applicant. The proposal is for this to be delivered from 2022/23 onwards.
- Design of a facilitated grant scheme similar to that the current Launchpad 2 programme. This will focus on supporting businesses with developing new services or products and bringing them to market, or for existing businesses to enter new markets (taking advantage of Brexit opportunities). This would be a match funding requirement for this and a maximum intervention rate of 50%. The proposal is for this to be delivered over years 2 and 3, when the current Launchpad 2 scheme finishes.

Do you consider these projects may provide a subsidy to potential recipients of the funding under the proposed planned activity?

All bids must also consider how they will deliver in line with subsidy control as [set out in the guidance](#).

Yes

Detail the assessment you undertook to consider whether the proposed projects constitute a subsidy and any specific measures you will take to make sure the subsidy is permitted.

The Herts LEP has confirmed that they have addressed subsidy control and its predecessor State Aid when procuring the services and in particular the business support offers, the main approach being to apply De Minimis.

We are satisfied with the assurances provided by the LEP. We will continue to monitor these assumptions over the life of the grant funding.

For our local grant programme, we will ensure any organisations receiving financial support do not exceed State Aid levels.

WHAT ARE THE OUTCOMES YOU WANT TO DELIVER UNDER THE PEOPLE AND SKILLS INVESTMENT PRIORITY? SELECT ALL THAT APPLY.

Outcome	Tick if applicable
Number of economically inactive individuals in receipt of benefits they are entitled to following support	
Increased active or sustained participants of UKSPF beneficiaries in community groups [and/or] increased employability through development of interpersonal skills	

Increased proportion of participants with basic skills (English, maths, digital and ESOL)	
Number of people in supported employment [and] number of people engaging with mainstream healthcare services	
Number of people sustaining engagement with keyworker support and additional services	
Number of people engaged in job-searching following support	
Number of people in employment, including self-employment, following support	
Number of people sustaining employment for 6 months	
Increased employment, skills and/or UKSPF objectives incorporated into local area corporate governance	
Number of people in education/training	
Increased number of people with basic skills (English, maths, digital and ESOL)	
Fewer people facing structural barriers into employment and into skills provision	
Increased number of people familiarised with employers' expectations, including, standards of behaviour in the workplace	
Fewer people facing structural barriers into employment and into skills provision	
Number of people gaining a qualification or completing a course following support	
Number of people gaining qualifications, licences, and skills	
Number of economically active individuals engaged in mainstream skills education, and training.	
Number of people engaged in life skills support following interventions	
Number of people with proficiency in pre-employment and interpersonal skills (relationship, organisational and anger-management, interviewing, CV and job application writing)	
Multiply only - Increased number of adults achieving maths qualifications up to, and including, Level 2.	
Multiply only - Increased number of adults participating in maths qualifications and courses up to, and including, Level 2.	
None of the above	

SELECT THE INTERVENTIONS YOU INTEND TO USE WHICH MEET THE PEOPLE AND SKILLS INVESTMENT PRIORITY. YOU CAN SELECT AS MANY AS YOU LIKE.

Intervention

A full list of nation-specific interventions is available in the relevant annex to the Prospectus.

DO YOU PLAN TO USE ANY INTERVENTIONS NOT INCLUDED IN THE PEOPLE AND SKILLS LIST?

State the name of each of these additional interventions and a brief description of each of these

No

Explain how each intervention meets the People and Skills investment priority. Give evidence where possible, including why it is value money and the outcomes you want to deliver.

N/A
<p>Do you consider that any of these interventions may provide a subsidy to potential recipients of the funding under the intervention's planned activity? All bids must also consider how they will deliver in line with subsidy control as set out in the guidance.</p>
No
<p>Detail the assessment you undertook to consider whether the intervention is a subsidy and any specific measures you will take to make sure the subsidy is permitted.</p>
N/A

<p>ENGLAND ONLY: People and Skills interventions can only be used in 2022-2023 and 2023-2024 if you have identified a local voluntary and community provision, previously supported by the European Social Fund, at risk of closure. If you have not identified a suitable provision, you will not be able to select interventions for 2022-2023 and 2023-2024 and your investment plan will not be approved.</p>			
<p>HAVE YOU ALREADY IDENTIFIED ANY PROJECTS for 2024-2025 WHICH FALL UNDER THE PEOPLE AND SKILLS INVESTMENT PRIORITY?</p>			
Yes			
<p>Describe the projects for 2024-25, including how they fall under the People and Skills investment priority and the location of the proposed project.</p>			
<p>We intend to deliver a digital skills programme, in conjunction with partners on the Hertfordshire and Essex Digital Innovation Zone.</p>			
<p>Do you consider these projects may provide a subsidy to potential recipients of the funding under the proposed planned activity? All bids must also consider how they will deliver in line with subsidy control as set out in the guidance.</p>			
No			
<p>Detail the assessment you undertook to consider whether the proposed projects constitute a subsidy and any specific measures you will take to make sure the subsidy is permitted.</p>			
N/A			
<p>HAVE YOU IDENTIFIED A LOCAL VOLUNTARY PROVISION AT RISK AS PART OF YOUR PEOPLE AND SKILLS INVESTMENT PRIORITIES?</p>			
No			
<p>(If Yes) Describe the local voluntary provision at risk and your rationale for supporting it.</p>			
No			
<p>Provide the European Social Fund Project Names and Project References for this voluntary and community provision at risk.</p>			
<p>What year do you intend to fund these projects? Select all that apply.</p>			
<table border="1"> <tr> <td>2022-2023</td> <td>2023-2024</td> <td>2024-2025</td> </tr> </table>	2022-2023	2023-2024	2024-2025
2022-2023	2023-2024	2024-2025	
<p>Describe the projects for 2022-2023 and 2023-2024, including how they fall under the People and Skills investment priority and the location of the proposed project.</p>			
N/A			
<p>Do you consider these projects may provide a subsidy to potential recipients of the funding under the proposed planned activity?</p>			

All bids must also consider how they will deliver in line with subsidy control as set out in the guidance.	
	No
Detail the assessment you undertook to consider whether the proposed projects constitute a subsidy and any specific measures you will take to make sure the subsidy is permitted.	
N/A	

Approach to delivery and governance

In this section, we will ask you about:

- Structures you have in place to support delivery
- Support you have from stakeholders and the local community
- How you've engaged with MPs as part of your investment plan
- Opportunities you have identified to work with other places

Places need to show how MPs that cover the lead local authority have been engaged on the investment plan and whether they support it. More detail on the role of MPs can be found here.

STAKEHOLDER ENGAGEMENT AND SUPPORT

Have you engaged with any of the following as part of your investment plan? Select all that apply.

Public sector organisations	Private sector organisations	Civil society organisations
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Describe how you have engaged with any of these organisations. Give examples where possible.

East Herts no longer has a Local Strategic Partnership, the last meeting of such a group taking place in 2016. Therefore, we needed to start afresh with bringing partners back together, especially in a post Covid context where stakeholder engagement has focused on specific issues or topics as opposed to strategic challenges and opportunities facing the district.

We therefore organised a face-to-face event, held at Fletcher's Lea Conference Centre in Ware, on 23 June.




49 individuals from different organisations joined us for the half day event to discuss UKSPF priorities, led by the Leader of the Council (*left*)

The event focused on stakeholder workshops around the themes of the cultural strategy, climate change strategy, town centres and business support and generated lots of ideas to help inform the investment plan

The event was a success with lots of positive feedback from stakeholders regarding the transparency of priority setting and the opportunity to input into priorities. Although we do not see a need to re-introduce a Local Strategic Partnership there was a strong appetite from stakeholders for a regular event to take place to review progress towards Levelling Up and UKSPF priorities in

the district. We will therefore have an annual engagement event, open to all partners in the district to oversee delivery at a strategic level.

 <p>A screenshot of a Facebook post by Julie Marson MP. The post text reads: "Good to catch up with Council Leader, Linda Haysey, and Chief Executive, Richard Cassidy, at East Herts Council in Hertford today to discuss ongoing local priorities." Below the text is a photograph of two women sitting on a pink sofa. The woman on the left is wearing a yellow jacket, and the woman on the right is wearing a blue patterned top. The post shows 4 comments and is liked by the user and Cllr Rosemary Bolton and 7 others.</p>	<p>Further engagement discussions took place as follows:</p> <ul style="list-style-type: none"> • Town Council Clerks & Chief Executives meeting – 9 June • Town and Parish Council annual conference – 22 June • Cultural Strategy delivery group – 15 June • MP briefings – various dates (see left) <p>There have also been a series of bi-lateral conversations with local organisations including the East Herts & Broxbourne Council for Voluntary Services and Citizens Advice Service.</p> <p>On top of that a series of countywide and sub-regional conversations with the Local Enterprise Partnership, Innovation Corridor, Harlow and Gilston Garden Town and Digital Innovation Zone</p>
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Summarise the governance structures you have in place, including how any advisory panels or associated partnership groups are made up

An annual gathering of East Herts stakeholders, following on from the initial meeting on 23 June, will be the forum in which progress on the previous year is shared and priorities for the next 12 months are agreed. Attendees from this year included:

- 4 town councils
- 13 parish councils
- The Council for Voluntary Services
- The Citizens Advice Service
- Age UK Herts
- Wodson Park Trust
- The Bishop’s Stortford Business Improvement District

This forum will be gathered on annual basis to review UKSPF priorities and progress towards meeting outcomes. The Cultural Strategy Group also has a delivery group composed of:

- Southern Maltings
- Courtyard Arts
- Southmill Arts
- Herts Visual Arts
- Herts Regional College
- Mudlarks
- Centre for Wellbeing
- Age UK Herts

This group will oversee criteria for the grant programme within the Communities and Place investment priority.

The climate change strategy will be delivered through the East Herts Environmental and Climate Forum which is a multi-agency group including:

- East Herts Sustainability Forum
- Hertford climate group
- Bishop's Stortford climate change group
- Hertfordshire Sustainability Forum

The Environment and Climate Change forum will oversee agreement of the commissioning framework for the Communities and Place investment priority.

Current groups involved with delivery of town centre improvements include:

- Shaping Stortford (Hertfordshire County Council, East Herts Council, Bishop's Stortford Town Council, Bishop's Stortford Business Improvement District, private sector, Herts constabulary)
- Bishops Stortford Chamber of Commerce
- Buntingford Chamber of Commerce
- Hertford Hub (representing Hertford businesses)
- Ware Town Centre Steering Group (Ware Town Council, Herts Constabulary, private sector, East Herts Council, Hertfordshire County Council)

The town centre groups will be responsible for implementing their local improvement plans and overseeing any investment of UKSPF monies.

With regards to the Local Business investment priority, this will be delivered through the Hertfordshire Local Enterprise Partnership. This has a board in place to oversee delivery and the Leader of East Herts Council is represented on the board.

For our local business grant schemes, these will be overseen by East Herts Council's Executive Committee.

Confirm all MPs covering your lead local authority have been invited to join the local partnership group.

Yes

Are there MPs who are not supportive of your investment plan?

No

(If Yes) Who are the MPs that are not supportive and outline their reasons why.

N/A

PROJECT SELECTION

Are you intending to select projects in any way other than by competition for funding?

Yes

(If Yes) Describe your approach to selecting projects, and why you intend to do it this way.

The majority of projects will be delivered through either a grant scheme or commissioning / procurement framework as outlined above. All schemes will adhere to the Council procurement and grant giving regulations

A small number of other projects will be commissioned directly with existing providers and existing contracts (e.g., LEP activities)

DO YOU INTEND TO WORK WITH OTHER PLACES ON ANY OF THE INTERVENTIONS WHICH FALL UNDER THE COMMUNITIES AND PLACE INVESTMENT PRIORITY?

Which interventions do you intend to collaborate on? Select all that apply.

Intervention	Tick if applicable
<i>A full list of nation-specific interventions is available in the relevant annex to the Prospectus.</i>	
E1: Funding for improvements to town centres and high streets, including better accessibility for disabled people, including capital spend and running costs.	
E17: Funding for the development and promotion (both trade and consumer) of the visitor economy, such as local attractions, trails, tours and tourism products more generally.	
Describe any interventions not included in this list?	
Who are the places you intend to collaborate with?	
Delivery of the climate change activities will involve working with other places within the county of Hertfordshire, likely to include all districts and the County Council. We will also be working with our Harlow and Gilston Garden Town Partners (Harlow Council, Epping Forest Council, Essex and Hertfordshire County Councils) on joint sustainable travel activities.	

DO YOU INTEND TO WORK WITH OTHER PLACES ON ANY OF THE INTERVENTIONS WHICH FALL UNDER THE SUPPORTING LOCAL BUSINESS INVESTMENT PRIORITY?

Which interventions do you intend to collaborate on? Select all that apply.

Intervention	Tick if applicable
<i>A full list of nation-specific interventions is available in the relevant annex to the Prospectus.</i>	
E17: Funding for the development and promotion (both trade and consumer) of the visitor economy, such as local attractions, trails, tours and tourism products more generally	
E19: Increasing investment in research and development at the local level. Investment to support the diffusion of innovation knowledge and activities. Support the commercialisation of ideas, encouraging collaboration and accelerating the path to market so that more ideas translate into industrial and commercial practices.	
E24: Funding for new and improvements to existing training hubs, business support offers, 'incubators' and 'accelerators' for local enterprise (including social enterprise) which can support entrepreneurs and start-ups through the early stages of development and growth by offering a combination of services including account management, advice, resources, training, coaching, mentorship and access to workspace.	
E26: Support for growing the local social economy, including community businesses, cooperatives and social enterprises.	
Describe any interventions not included in this list?	
N/A	
Who are the places you intend to collaborate with?	

We intend to collaborate with Hertfordshire LEP and Hertfordshire County Council on projects that will run across the 7 districts and boroughs of Broxbourne, East Hertfordshire, Hertsmere, Stevenage, Watford and Welwyn Hatfield

As supporters of the Hertfordshire Growth Board, made up of the County Council (HCC), the 10 district and borough councils and Hertfordshire Local Enterprise Partnership, East Herts is committed to working together to continue joint successes and creating opportunities for businesses and residents.

DO YOU INTEND TO WORK WITH OTHER PLACES ON ANY OF THE INTERVENTIONS WHICH FALL UNDER THE PEOPLE AND SKILLS INVESTMENT PRIORITY?

Which interventions do you intend to collaborate on? Select all that apply.

Intervention	Tick if applicable
<i>A full list of nation-specific interventions is available in the relevant annex to the Prospectus.</i>	

Describe any interventions not included in this list?

N/A

Who are the places you intend to collaborate with?

The Hertfordshire and Essex Digital Innovation Zone

PUBLIC SECTOR EQUALITY DUTY

How have you considered your public sector equality duty in the design of your investment plan?

Yes.

In line with the Public Sector Equality Duty, East Herts Council whilst exercising all their functions, demonstrates giving due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.

The Cultural Strategy has been designed specifically to address challenges around engagement and inclusivity. Delivery of UKSPF objectives that align with the strategy will by definition, address challenges around diversity and inclusion.

All other activities will be monitored in terms of the take up from groups or individuals with protected characteristics.

How will you consider your public sector equality duty when implementing your investment plan, including in the selection of projects?

Once our Investment Plan has been signed off, we will undertake an Equalities Impact Assessment to understand any disproportionate impact we are having on residents and any gaps in data in arriving at that understanding.

The Impact Assessment will be used to refine and adjust delivery accordingly.

RISKS**Have you identified any key risks that could affect delivery, for example lack of staff or expertise?**

Yes

(If Yes) Describe these risks or issues, including the contingency measures you have in place to mitigate them.

- Capacity of staff to administer grant schemes and undertake financial monitoring
- Capacity of local groups to deliver projects (weighted towards years 2 & 3)
- Changes in market/ inflation which may effect costs of delivery for different projects

The Council has a corporate risk relating to resources, that includes staff resources. This was created to reflect the cumulative impact of continuing Covid impacts and more recent challenges around the cost-of-living crisis. This is somewhat mitigated by us using partners and other organisations to deliver a number of the projects and outcomes. We will also add delivery of the UKSPF as a corporate project, which will ensure that progress is monitored.

The above does add a different risk in relation to partners and other organisation's ability to deliver (both in terms of capacity and maintaining the targeted focus), including Hertfordshire LEP. We will mitigate this through agreements on what is to be delivered, regular progress reporting and monitoring meetings.

Have you identified any key fraud risks that could affect UKSPF delivery?

Yes

(If Yes) Describe these risks or issues, including the contingency measures you have in place to mitigate them.

No key fraud risks, as a lot of the activity is similar (in terms of principle) to activity that we already carry out. Therefore, we expect that our extensive current fraud controls will be sufficient.

The exception to this could be the projects delivered through Hertfordshire LEP. Hertfordshire LEP have experience of similar activity which would help to mitigate the risk.

East Herts is part of a Shared Anti-Fraud Service with 6 other local authorities (SIAS). If any risks from the above are identified cases will be referred to SIAS for investigation

Capacity and capability

In this section, we will ask you about:

- The capacity and capability of your team to manage funding
- The resources you have in place for work related to UKSPF

Your answers here will help us know how to support you with delivery. They will not affect the amount of funding you will get.

Answer as honestly as possible.

TEAM RESOURCE	
How many people (FTE) will be put in place to work with UKSPF funding?	
<p>Given we have many of the structures in place there is little need to bring in new staff. However, we are likely to appoint a part time member of staff to oversee the additional work around grant administration, focusing on years 2 and 3. In total the following will be working on the programme:</p> <ul style="list-style-type: none"> • Economic Development Officer – 0.4 FTE (please note this individual is a shared appointment with North Herts and therefore will be undertaking parallel work in that district, creating some efficiencies in the process) • Economic Contracts Officer – 0.1 FTE in 2022/23 rising to 0.8 FTE from 2023/24 onwards • Projects Officer (Community Wellbeing) – 0.2 FTE • Policy and Projects Officer (Environmental Sustainability) – 0.2 FTE • Overall lead – Head of Service, 0.1 FTE <p>In total this means we will have 1.0 FTE in year one, rising to 1.7 FTE in years 2 and 3.</p>	
Describe what role these people will have, including any seniority and experience.	
<ul style="list-style-type: none"> • Economic Development Officer – overall project management • Economic Contracts Officer – day to day monitoring of schemes, returns and monitoring • Policy and Projects Officer – commissioning of climate change work • Overall lead – sponsor for the work 	

- Strong capability: Has extensive experience and/or a proven track record of delivery in this area.
- Strong capacity: High degree of confidence that there is enough staffing/resource to manage funding in this area.
- Some capability: Has previous experience of delivery in this area.
- Some capacity: Confident that there is enough staffing/resource to manage funding in this area.
- Limited capability: Does not have previous experience and/or no track record of delivery in this area.
- Limited capacity: Limited confidence that there is enough staffing/resource to manage funding in this area. Additional resource may be needed to support delivery.

CAPACITY AND CAPABILITY	
How would you describe your team's current experience of delivering funding and managing growth funds?	
Very experienced	
How would you describe your team's current capability to manage funding for procurement?	

Strong capability		
How would you describe your team's current capability to manage funding for procurement?		
Strong capability		
How would you describe your team's current capacity to manage funding for subsidies?		
Strong capacity		

COMMUNITIES AND PLACE CAPACITY AND CAPABILITY

Does your local authority have any previous experience of delivering the Communities and Place interventions you have select?

Yes

How would you describe your team's current capability to manage funding for Communities and Place interventions?

Strong capability

Describe the key capability challenges (if you have any) for delivering Communities and Place interventions. This may include challenges within your local authority and/or your local/regional delivery system.

No challenges aside from the 4% administrative charge not fully covering costs of administering the scheme

Describe what further support would help address these challenges.

An upwards review of the 4%

How would you describe your team's current capacity to manage funding for Communities and Place interventions?

Strong capability

Describe the key capacity challenges (if you have any) for delivering Communities and Place interventions. This may include challenges within your local authority and/or your local/regional delivery system.

No challenges aside from the 4% administrative charge not fully covering costs of administering the scheme

Describe what further support would help address these challenges.

An upwards review of the 4%

SUPPORTING LOCAL BUSINESS CAPACITY AND CAPABILITY

Does your local authority have any previous experience of delivering the Supporting Local Business interventions you have select?

Yes

How would you describe your team's current capability to manage funding for Supporting Local Business interventions?

Strong capability

Describe the key capability challenges (if you have any) for delivering Supporting Local Business interventions. This may include challenges within your local authority and/or your local/regional delivery system.

An upwards review of the 4%

Describe what further support would help address these challenges.

An upwards review of the 4%		
How would you describe your team's current capacity to manage funding for Supporting Local Business interventions?		
Strong capability		
Describe the key capacity challenges (if you have any) for delivering Supporting Local Business interventions. This may include challenges within your local authority and/or your local/regional delivery system.		
An upwards review of the 4%		
Describe what further support would help address these challenges.		
An upwards review of the 4%		

PEOPLE AND SKILLS CAPACITY AND CAPABILITY		
Does your local authority have any previous experience of delivering the People and Skills interventions you have select?		
Yes	No	
How would you describe your team's current capacity to manage funding for People and Skills interventions?		
Strong capability	Some capability	Limited capability
Describe the key capability challenges (if you have any) for delivering People and Skills interventions. This may include challenges within your local authority and/or your local/regional delivery system.		
N/A		
Describe what further support would help address these challenges.		
N/A		
How would you describe your team's current capacity to manage funding for People and Skills interventions?		
Strong capability	Some capability	Limited capability
Describe the key capacity challenges (if you have any) for delivering People and Skills interventions. This may include challenges within your local authority and/or your local/regional delivery system.		
N/A		
Describe what further support would help address these challenges.		
N/A		

SUPPORT TO DELIVERY UKSPF
All lead authorities can use up to 4% of their UKSPF allocation to support the delivery of their chosen interventions but by exception, lead authorities will be able to use more than 4%. Are you planning to use more than 4%?

	No
(If Yes) Explain why you wish to use more than 4%.	
N/A	

Approvals

Before submitting your investment plan, you should have approval from your:

- Chief Executive Officer
- Section 151 Officer
- Leader of your lead authority

Do you have approval from your Chief Executive Officer for this investment plan?

- Yes

Do you have approval from your Section 151 Officer for this investment plan?

- Yes

Do you have approval from the leader of your lead authority for this investment plan?

- Yes

If you do not have approval from any of these people, please explain why this is:

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Additional documents

You will have received an email giving you access to a folder where you will need to upload supporting evidence to your investment plan. All applicants must complete and upload the following spreadsheet to the folder prior to submitting their investment plan:

- UKSPF Expenditure Profile spreadsheet
- UKSPF Indicative Deliverables spreadsheet

Your investment plan submission will be considered incomplete without the required documents.

Have you completed and uploaded the two spreadsheets to the SharePoint folder as requested?

- Yes
- No

Appendix B

Outcomes and Outputs for Each Theme within the East Herts UKSPF Investment Plan

Cultural Strategy objectives					
	Project	Brief description of project	Interventions	Outputs	Outcomes
1	Arts trial in at least three localities (to be identified with at least one being a rural area/group of villages)	Creation of physical and virtual trails in localities linking existing facilities/groups/activities to promote visitors/foot fall in key areas	E4: Enhanced support for existing cultural, historic and heritage institutions that make up the local cultural heritage offer. E6: Support for local arts, cultural, heritage and creative activities.	Number of facilities support/created Number of events/participatory programmes Number of Tourism, Culture or heritage assets created or improved	Increased visitor numbers Increased footfall Improved perception of facilities/amenities Increased users of facilities/ amenities
2	East Herts Pride event	Develop the fledging Pride event in Bishop's Stortford (and potentially roll out to Hertford) to become a larger, annual event with a park-based festival which can provide commercial opportunities for local businesses	E9: Funding for impactful volunteering and/or social action projects to develop social and human capital in local places. E11: Investment in capacity building and infrastructure support for local civil society and community groups	Number of volunteering opportunities supported Number of local events or activities supported	Increased visitor numbers Improved perceived/experienced accessibility Improved engagement numbers (% increase) Volunteering numbers as a result of support
3	Young Curators group	Project with the aim of encouraging young people to participate in shaping the future arts and heritage landscape of the town	E9: Funding for impactful volunteering and/or social action projects to develop social and human capital in local places.	Number of events/participatory programmes Number of local events or activities supported	Improved engagement numbers Volunteering numbers as a result of support

			<i>E11: Investment in capacity building and infrastructure support for local civil society and community groups</i>	<i>Number of volunteering opportunities supported</i>	<i>Improved perception of facilities/amenities Increased users of facilities/ amenities</i>
4	<i>Inclusive Theatre project</i>	<i>Arts and wellbeing project to build confidence, develop skills and give participants and their families memorable, enjoyable life experiences especially for people with special needs</i>	<i>E6: Support for local arts, cultural, heritage and creative activities. E9: Funding for impactful volunteering and/or social action projects to develop social and human capital in local places. E11: Investment in capacity building and infrastructure support for local civil society and community groups</i>	<i>Number of events/participatory programmes Number of local events or activities supported</i>	<i>Improved perception of facilities/amenities Increased users of facilities/ amenities Increased affordability of events/entry Number of new or improved community facilities as a result of support Improved engagement numbers (% increase)</i>
5	<i>Intergenerational arts and cultural activities</i>	<i>Facilitated events specifically bringing residents of different ages together to share experience and perspectives through sporting, arts, cultural activities such as cycling, cooking and the like</i>	<i>E9: Funding for impactful volunteering and/or social action projects to develop social and human capital in local places. E11: Investment in capacity building and infrastructure support for local civil society and community groups</i>	<i>Number of facilities support/created Number of Tourism, Number of events/participatory programmes Improved engagement numbers</i>	<i>Increased visitor numbers Improved perception of facilities/amenities Increased users of facilities/ amenities Improved perceived/experienced accessibility Improved engagement numbers (% increase) Volunteering numbers as a result of support</i>

6.	<i>Digital Inclusion Project</i>	<i>Focused support for older people with accessing the internet safely (building on previous projects delivered by the CDA). Support will be available to all older people in East Herts, although those in the most rural areas would be a priority to help reduce social isolation and loneliness.</i>	<i>E9: Funding for impactful volunteering and/or social action projects to develop social and human capital in local places E11: Investment in capacity building and infrastructure support for local civil society and community groups E15: Investment and support for digital connectivity for local community facilities</i>	<i>Number of people attending training sessions (numerical value) Number of volunteering opportunities supported Number of local events or activities supported</i>	<i>Improved engagement numbers (% increase) Volunteering numbers as a result of support</i>
7.	<i>Asset mapping</i>	<i>Maintenance of a digital asset register of cultural opportunities to enable delivery of the above projects</i>	<i>E6: Support for local arts, cultural, heritage and creative activities.</i>	<i>Number of people reached (numerical value)</i>	<i>Increased number of web searches for a place (% increase) Improved engagement numbers (% increase)</i>

Climate Change Strategy objectives					
	Potential project	Brief description of project	Interventions	Outputs	Outcomes
1	<i>Solar canopies</i>	<i>Installation of solar canopies to increase renewable energy generation at (surface level) key sites</i>	<i>E13: Community measures to reduce the cost of living, including through measures to improve energy efficiency, and combat fuel poverty and climate change. E29: Supporting decarbonisation and improving the natural environment whilst growing the local economy. E3: Creation of and improvements to local green spaces</i>	<i>Amount of low or zero carbon energy infrastructure installed</i>	<i>Greenhouse gas reductions Increased take up of energy efficiency measures</i>
2	<i>Pilot Community heat pump</i>	<i>Installation of community heat pump scheme serving off grid households</i>		<i>Amount of low or zero carbon energy infrastructure installed</i>	<i>Greenhouse gas reductions</i>
3	<i>Training of surveyors and installers for green energy infrastructure</i>	<i>Skills upgrade and training to address limited capacity currently among surveyors and installers for green measures</i>		<i>Number of decarbonisation plans developed Number of households receiving support</i>	<i>Number of businesses adopting new to the firm technologies or processes Increased take up of energy efficiency measures</i>
4	<i>Sustainable development - potentially a community build scheme</i>	<i>Development of sustainable development good practice (eg. Passivhaus properties) on land currently owned by the council, potentially including an element of community build</i>		<i>Amount of low or zero carbon energy infrastructure installed</i>	<i>Greenhouse gas reductions</i>
5	<i>Community chest for hyper-local sustainability projects</i>	<i>Grant scheme linked to community grants</i>		<i>Number of businesses receiving non-financial support Number of households supported to take up</i>	<i>Greenhouse gas reductions Increased take up of energy efficiency measures</i>

				<i>energy efficiency measures</i>	
6	<i>Tree planting/ greening of the district</i>	<i>Projects to encourage more tree planting (carrying on legacy of HCC led Queen's Canopy project) and mor greening (eg. Wildflower planting) in the district</i>		<i>Amount of green or blue space created or improved (m2)</i>	<i>Number of trees planted (numerical value)</i>

Town and Village Centres objectives					
	Project	Brief description of project	Interventions	Outputs	Outcomes
1.	<i>Town and village centre improvement grant scheme</i>	<p><i>Match-funded pot available to towns/ villages that identify projects which meet UKSPF outputs and outcomes.</i></p> <p><i>Projects need to be identified through a jointly agreed local improvement plan or strategy</i></p> <p><i>Please note that for the RPF element of this scheme, Herford and Bishop's Stortford based projects are ineligible</i></p>	<p><i>E1: Improvements to town centres & high streets</i></p> <p><i>E3: Creation of and improvements to local green spaces</i></p> <p><i>E4: Enhancing existing cultural, historic & heritage institutions offer</i></p> <p><i>E7: Support for active travel enhancements</i></p> <p><i>E15: Investment support for digital infrastructure for local community facilities</i></p> <p><i>E17: Development & promotion of visitor economy</i></p>	<p><i>Number of commercial buildings developed or improved (numerical value)</i></p> <p><i>Amount of commercial buildings developed or improved (m2)</i></p> <p><i>Amount of public realm created or improved (m2)</i></p> <p><i>Number of low or zero carbon energy infrastructure installed (numerical value)</i></p> <p><i>Number of Tourism, Culture or heritage assets created or improved (numerical value)</i></p> <p><i>Amount of green or blue space created or improved (m2)</i></p> <p><i>Amount of new or improved cycleways or paths (m2)</i></p>	<p><i>Increased footfall (% increase)</i></p> <p><i>Increased visitor numbers (% increase)</i></p> <p><i>Reduced vacancy rates (% decreased)</i></p> <p><i>Increased number of web searches for a place (% increase)</i></p> <p><i>Number of premises with improved digital connectivity (numerical value)</i></p> <p><i>Improved perception of facility/ infrastructure project</i></p> <p><i>Increased use of cycleways or paths</i></p> <p><i>Improved perception of safety</i></p> <p><i>Reduction in neighborhood crime</i></p>

2.	<i>Monitoring of footfall and perception surveys</i>	<i>Software and manual surveys to support measurement and collection of data to track improvements against UKSPF measures. The data will also be used to measure improvement in other themes as well as town centres</i>	<i>N/A – part of monitoring outcomes and outputs</i>	<i>N/A</i>	<i>N/A</i>
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Business support objectives					
	<i>Project</i>	<i>Brief description of project</i>	<i>Interventions</i>	<i>Outputs</i>	<i>Outcomes</i>
1.	<i>Herts Growth Hub</i>	<i>The Growth Hub, commissioned by Herts LEP offers non-financial support for existing businesses to grow. Traditionally East Herts businesses have a high rate of engagement with the growth hub.</i>	<i>E30: Business support measures to drive employment growth</i>	<i>Number of businesses receiving non-financial support (numerical value)</i>	<i>Jobs created (numerical value) Jobs safeguarded (numerical value)</i>
2.	<i>Start up and Enterprise</i>	<i>The Start Up and Enterprise programme, commissioned by Herts LEP offers advice and support for individuals seeking to start their own businesses. Traditionally we have had high rates of business start ups and entrepreneurial activity and wish to sustain this.</i>	<i>E30: Business support measures to drive employment growth</i>	<i>Number of businesses receiving non-financial support (numerical value) Number of potential entrepreneurs provided assistance to be business ready (numerical value)</i>	<i>Jobs created (numerical value) Number of new businesses created (numerical value)</i>
3.	<i>Film and creative industry inward investment</i>	<i>LEP led initiative to support inward investment around the film industry and related supply chain</i>	<i>E17: Development & promotion of visitor economy</i>	<i>Number of businesses receiving non-financial support (numerical value)</i>	<i>Jobs created (numerical value) Increase in visitor spending (% increase)</i>
4.	<i>Business grants – new premises</i>	<i>Match funded grants for new businesses to open up premises or for existing</i>	<i>E1: Improvements to town centres & high streets</i>	<i>Number of businesses receiving grants (numerical value)</i>	<i>Jobs created (numerical value)</i>

		<i>businesses to expand their premises. Maximum amount available will be £5k</i>	<i>E17: Development & promotion of visitor economy</i>	<i>Number of commercial buildings developed or improved (numerical value) M2 of commercial buildings developed or improved (m2)</i>	<i>Jobs safeguarded (numerical value) Number of new businesses created (numerical value)</i>
5.	<i>Business grants – larger projects</i>	<i>Match funded grants for businesses to develop new products/ services, enter new export markets or diversify business model (eg. By developing/ re-purposing infrastructure) Please note that for the RPF element of this scheme, Herford and Bishop’s Stortford based businesses are ineligible</i>	<i>E19: Investment in research and development at the local level E20: R&D grants supporting innovative product & service development E28: Export Grants to grow overseas trading etc. E29: Supporting decarbonisation whilst growing the local economy</i>	<i>Number of Tourism, Culture or heritage assets created or improved (numerical value) Number of commercial buildings developed or improved (numerical value) M2 of commercial buildings developed or improved (m2) Number of businesses engaged in new markets (numerical value)</i>	<i>Number of businesses introducing new products to the firm (numerical value) Number of premises with improved digital connectivity (numerical value). Number of businesses adopting new to the firm technologies or processes (numerical value) Number of new to market products (numerical value) Increased amount of low or zero carbon energy infrastructure installed (% increase) Number of businesses increasing their export capability (numerical value)</i>

Projects to be delivered/ started in in 2022/23					
	<i>Project</i>	<i>Brief description of project</i>	<i>Interventions</i>	<i>Outputs</i>	<i>Outcomes</i>
1.	<i>Asset mapping</i>	<i>As per (7) in the Cultural Strategy. We will begin procuring this work now so that it can underpin delivery of other objectives</i>	<i>E6: Support for local arts, cultural, heritage and creative activities.</i>	<i>Number of people reached (numerical value)</i>	<i>Increased number of web searches for a place (% increase) Improved engagement numbers (% increase)</i>
2.	<i>Theatre Listening Project</i>	<i>Delivery of the 'Building a Common Framework for Schools' programme (focusing on using drama as a tool for change and mitigating mental health challenges for young people). First phase of work to be in partnership with Sele Secondary School, Millmead Primary School and Herford Regional College SEN learners with the additional asset support of Haileybury ready to begin</i>	<i>E6: Support for local arts, cultural, heritage and creative activities. E9: Funding for impactful volunteering and/or social action projects to develop social and human capital in local places. E11: Investment in capacity building and infrastructure support for local civil society and community groups</i>	<i>Number of events/participatory programmes Number of local events or activities supported</i>	<i>Improved perception of facilities/amenities Increased users of facilities/ amenities Increased affordability of events/entry Number of new or improved community facilities as a result of support Improved engagement numbers (% increase)</i>

3.	<i>Digital Inclusion Project</i>	<i>As per (6) in the Cultural Strategy. This project is ready to begin this financial year</i>	<i>E9: Funding for impactful volunteering and/or social action projects to develop social and human capital in local places E11: Investment in capacity building and infrastructure support for local civil society and community groups E15: Investment and support for digital connectivity for local community facilities</i>	<i>Number of people attending training sessions (numerical value) Number of volunteering opportunities supported Number of local events or activities supported</i>	<i>Improved engagement numbers (% increase) Volunteering numbers as a result of support</i>
2.	<i>LCWIP</i>	<i>Creation of a local cycling and walking infrastructure plan (LCWIP) to underpin delivery of the Climate Change Strategy and any transport interventions outlined by the County Council in LTP4. The plan will be delivered in partnership with the County Council</i>	<i>E14: Relevant feasibility studies</i>	<i>Number of feasibility studies supported (numerical value)</i>	<i>Increased number of projects arising from funded feasibility studies (% increase)</i>
3.	<i>Creation of community influencer roles</i>	<i>Creation of ‘community influencer’ roles to enable delivery of the Climate Change Strategy. These individuals will be employed through the District Council initially and</i>	<i>E29: Supporting decarbonisation whilst growing the local economy</i>	<i>Number of decarbonisation plans developed (numerical value) Number of households receiving support</i>	<i>Increased take up of energy efficiency measures</i>

		<i>can begin working this financial year</i>			
4.	<i>Support for developing town/ village centre improvement plans</i>	<i>In order to access the town/ village centre grant funding an area needs an agreed plan in place which sets out joint priorities agreed by local stakeholders. We will make consultancy support available for any town or village that needs this support. This support could be as simple as providing funding for local stakeholders to have some facilitated workshops to agree priorities or more detailed approaches such as public consultation, putting in place different governance arrangements and agreeing formal strategies.</i>	<i>E14: Relevant feasibility studies</i>	<i>Number of feasibility studies supported (numerical value)</i>	<i>Increased number of projects arising from funded feasibility studies (% increase)</i>
5.	<i>Sawbridgeworth Jubilee Gardens</i>	<i>This is the land adjacent to Bell Street car park owned by East Herts and the project will involve landscaping and change of use to create more</i>	<i>E1: Improvements to town centres & high streets E3: Creation of and improvements to local green spaces</i>	<i>Amount of public realm created or improved (m2) Amount of green or blue space created or improved (m2)</i>	<i>Increased footfall (% increase) Increased visitor numbers (% increase)</i>

		<i>community space. A public consultation has been undertaken and design work commissioned by the Town Council who would lead on this project</i>	<i>E17: Development & promotion of visitor economy</i>	<i>Amount of new or improved cycleways or paths (m2)</i>	<i>Improved perception of facility/ infrastructure project</i>
6.	<i>Bishop's Stortford VMS</i>	<i>Bishop's Stortford town centre parking virtual signage (VMS). This has been a project the BID and HCC have wanted to support for some time in order to help manage traffic flows in Bishop's Stortford. Full installation quotes have been obtained and the project is ready to commission through the parking team with HCC and BID funding alongside UKSPF</i>	<i>N/A – part of monitoring outcomes and outputs</i>		
7.	<i>Film and creative industry inward investment</i>	<i>As per (3) in the business support theme. This project is ready to begin this financial year and has LEP match funding</i>	<i>E17: Development & promotion of visitor economy</i>	<i>Number of businesses receiving non-financial support (numerical value)</i>	<i>Jobs created (numerical value) Increase in visitor spending (% increase)</i>
8.	<i>Monitoring of footfall and perception surveys</i>	<i>As per (2) in the town and village centre theme. Project is ready to deliver this financial year</i>	<i>N/A – part of monitoring outcomes and outputs</i>		

9.	<i>Business grants – new premises</i>	<i>As per (4) in the business support theme. There is a pipeline of businesses who would be eligible to apply for this grant. Should there be a risk that we underspend this financial year on the allocated £216,186 these grants can be awarded quickly to avoid this happening and reduce risk of having to return money to DLUHC</i>	<i>E1: Improvements to town centres & high streets E17: Development & promotion of visitor economy</i>	<i>Number of businesses receiving grants (numerical value) Number of commercial buildings developed or improved (numerical value) M2 of commercial buildings developed or improved (m2)</i>	<i>Jobs created (numerical value) Jobs safeguarded (numerical value) Number of new businesses created (numerical value)</i>
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East Herts Rural Prosperity Funding Addendum – submitted to DLUHC on 30th November

Local context

You have already submitted your UKSPF investment plan. Here, we would like you to provide any additional information about specific rural challenges, market failures, and opportunities for rural businesses or rural communities in your area that you would like us to consider.

East Herts is a district of fairly small towns and an extensive rural area. At the most recent count there are 8110 VAT registered businesses in the district across a variety of sectors, over 90% of which are micro-businesses. While a large proportion of those are located in designated Employment Areas (some of which are at the periphery of towns and villages), there are also many small, independent traders and businesses located either in clusters or isolated units.

Whilst the designated employment areas generally have low vacancy rates the quality of building stock can be poor in terms of facilities, infrastructure (transport and broadband) and energy efficiency. This makes them vulnerable to residential development (through change of use or permitted development) with the resulting loss of employment and re-location of businesses elsewhere. Whilst it is clear that some residential development has been a viable replacement for outdated and redundant commercial stock, there is a risk that our smaller towns and villages find themselves with no local employment space at all. Ensuring these areas remain vibrant, attractive and sustainable is a key challenge for rural prosperity.

East Herts has around 400 agricultural holdings occupying more than 34,000 hectares. Many of these businesses have diversified to generate second income streams however this remains an on-going challenge particularly in terms of generating growth and further diversification. Some diversification schemes, such as those that create visitor attractions, result in the intensification of the rural area but can also act as a means of connecting visitors to the countryside, thereby supporting rural jobs and skills.

In summary there are two main challenges facing rural prosperity in East Herts:

- Ensuring our smaller town centres and villages remain vibrant places where businesses want to locate and trade, continuing to create wealth and retain employment in local areas
- Supporting rural business growth and diversification

Fortunately we have a strong track record of intervention in this area, East Herts having been the accountable body for previous Rural Development Programmes (2008 – 2020) across an area known as the Eastern Plateau (encompassing the rural parts of East Herts, North Herts, Uttlesford and Epping). In the last funding round we delivered the following outcomes:

- £1.6m project spend
- £2.42m private sector match
- 36 projects supported
- 23 micro-enterprises supported
- 5 farm diversifications supported
- 1 reservoir project supported
- 3 tourism projects delivered
- 4 basic services (nursery, village shop, woodland and community radio project) supported
- 67 jobs created

The Rural Prosperity Fund will enable to us to build upon and progress this work. Moreover the above challenges align with two of the four themes identified as priority areas for investment in our UKSPF submission and therefore allows us to amplify our approach to Levelling Up.

Interventions – rural business

Please choose the interventions you wish to use under the rural business investment priority. Select as many options as you wish from the menu. The list of interventions can be viewed [here](#).

- Funding (capital grants) for small scale investment in micro and small enterprises in rural areas. Including capital funding for net zero infrastructure for rural businesses, and diversification of farm businesses outside of agriculture to encourage start up, expansion or scale up of these businesses where this involves converting farm buildings into other commercial or business uses
- Funding (capital grants) for the development and promotion (both trade and consumer) of the
 - visitor economy, such as:
 - local attractions
 - trails
- tourism products more generally

Please explain how the interventions selected will address local rural business challenges, market failures, and opportunities (max 300 words)

Using relationships built up from the delivery of previous rural business grant schemes, we know there are many rural businesses in the district that have an appetite to diversify their operations and invest in new technology/ products or infrastructure. By offering an incentive of match funding this could accelerate their business plans and generate wider returns for the area in terms of investment and creation of jobs.

Interventions – rural communities

Please choose the interventions you wish to use under the rural communities investment priority. Select as many options as you wish from the menu.

- Funding (capital grants) for active travel enhancements in the local area.
- Funding (capital grants) for creation of and improvements to local rural green spaces.
- Funding (capital grants) for investment and support for digital infrastructure for local community facilities.

Please explain how the interventions selected will address local rural business challenges, market failures, and opportunities (max 300 words)

Targeting investment at infrastructure and improvements in rural towns and villages will increase the vibrancy of our local places and make them more attractive as places to locate or retain businesses.

As outlined in our UKSPF submission the process for targeting investment will be done in conjunction with local stakeholders including businesses, community groups and town and parish councils. This will ensure local ownership of any projects.

Interventions outcomes

Please select what outcomes the interventions selected in the rural business investment priority are expected to achieve:

- Jobs created
- Jobs safeguarded
- Number of new businesses created
- Number of businesses adopting new to the firm technologies or processes
- Number of businesses experiencing growth
- Number of businesses increasing their turnover
- Improved perception of facility or infrastructure project
- Improved perception of facilities or amenities

Please select what outcomes the interventions selected in the rural communities investment priority are expected to achieve:

- Increased footfall
- Increased visitor numbers
- Increased use of cycleways or paths
- Improved perception of facilities or amenities
- Increased users of facilities or amenities

Delivery

Please set out the indicative spend profile of your REPF allocation, additional to that of your UKSPF investment plan. Please detail the indicative budgets at investment priority level and at intervention level, for the 2 years of the fund, including if REPF money will be used to complement UKSPF funded projects. (300 words max)

The fund will be divided equally between “rural businesses” and “rural communities” as follows:

	Spending 2023/2024 (£)	Spending 2024/2025 (£)
Rural businesses	59,105.13	177,315.38
<ul style="list-style-type: none"> • Funding (capital grants) for small scale investment in micro and small enterprises in rural areas. Including capital funding for net zero infrastructure for rural businesses, and diversification of farm businesses outside of agriculture to encourage start up, expansion or scale up of these businesses where this involves converting farm buildings into other commercial or business uses • Funding (capital grants) for the development and promotion (both trade and consumer) of the <ul style="list-style-type: none"> ○ visitor economy, such as: ○ local attractions ○ trails • tourism products more generally 	49,105.13	147,315.38
	5,000	15,000
	5,000	15,000

Rural communities	59,105.12	177,315.37
<ul style="list-style-type: none"> • Funding (capital grants) for active travel enhancements in the local area. 	20,000	60,000
<ul style="list-style-type: none"> • Funding (capital grants) for creation of and improvements to local rural green spaces. 	29,105.12	87,315.37
<ul style="list-style-type: none"> • Funding (capital grants) for investment and support for digital infrastructure for local community facilities 	10,000	30,000
Total	118,210.25	354,630.75

Please set out how you intend to select projects to support, detailing including how you will ensure they deliver value for money, including additionality. Please also set out how you will determine that projects cannot be funded by private finance. (500 words max)

Rural businesses: we will align this with the “business support” theme of our UKSPF submission and utilise our significant experience of awarding business grants through previous Rural Development Programmes and more recently through our ERDF funded Launchpad 2 programme.

The grant programme will be marketed through business infrastructure organisations and directly to businesses using existing networks. All applicants will be required to provide match funding (50%) and the programme will be “facilitated”, meaning we provide ‘hands on’ support for the grant application process.

To ensure a robust and effective grant approval process we aim to hold grant panels quarterly. The grant panel will be composed of representatives from East Herts Council and business groups. The panel will make recommendations to the Council’s Executive for final approval. This will ensure adequate transparency of the process for all grants awarded under UKSPF and RPF.

Rural communities: we will align this with “town centre support” theme of our UKSPF submission. Smaller towns and villages will be provided with support to jointly produce an improvement plan with local stakeholders outlining interventions and projects that will meet prosperity fund objectives as well as local needs. All plans will need evidence of stakeholder endorsement and in most cases we expect the relevant town or parish council to lead the process.

Improvement plans will be considered by East Hert Council’s Executive and priority projects identified in consultation with local stakeholders.

Have you identified opportunities to work with other places on specific interventions and/or projects for the rural business interventions?

Not at this stage.

Intervention(s) you intend to collaborate on:

N/A

Place(s) you intend to collaborate with:

N/A

Have you identified opportunities to work with other places on specific interventions and/or

projects for the rural communities interventions?

Not at this stage

Intervention(s) you intend to collaborate on:

N/A

Place(s) you intend to collaborate with:

N/A

Engagement

Further to your UKSPF Investment Plan engagement, have you engaged or consulted with rural stakeholders, or expanded your UKSPF local partnership group, to inform the information you have submitted above? If yes, please give details. You should also use this section to tell us about planned future engagement with rural stakeholders.

Throughout November, ahead of the 30th November submission date intent to consult with the following groups:

- Digital Innovation Zone partners
- Local Chambers of Commerce (representing rural towns) and the County Chamber of Commerce
- The Federation of Small Business
- NFU
- CLA

Are there aspects of your plans to use your REPF allocation that are not supported by rural stakeholders and the rural community? If yes, please provide more detail.

No

Are there MPs who are not supportive of your investment plan? If yes, please list which MPs are not supportive and outline their reasons why.

Equality Impact Analysis Form

1. Equality Impact Analysis (EqIA) Form

Title of EqIA (policy/change it relates to)	UKSPF and RPF	Date	01/12/2022
Team/Department	Communications, Strategy and Policy		
Focus of EqIA What are the aims of the new initiative? Who implements it? Define the user group impacted? How will they be impacted?	<p>Details regarding the UKSPF and RPF can be found in the papers to Executive on 10th January 2023 and Council on the 18th. East Herts Council are the accountable body for administering and monitoring usage of the funds. There will be 4 areas in which it is spent:</p> <ol style="list-style-type: none"> 1. Delivery of Cultural Strategy Objectives 2. Delivery of Climate Change Strategy Objectives 3. Delivery of improvements to town and village centres 4. Delivery of business support programmes <p>Funding will be provided to different organisations – a mixture of voluntary, statutory and private sector – to deliver different projects. These projects will have to meet outcomes and outputs as defined by UKSPF guidance. With regards to each area above:</p> <ol style="list-style-type: none"> 1. The Cultural Strategy was developed in partnership with a range of different organisations in the district and adopted by Council in the summer of 2021. Priorities were based on evidence including census information and consultation. The strategy is designed to better understand our communities, the gaps in the district's cultural offer, the opportunities for growth and the actions we thus need to take. In that sense the Cultural Strategy is fully designed to address gaps in cultural outcomes for people with different protected characteristics. The funding from the UKSPF will help deliver these different projects. Projects such as the Inclusive Theatre, Young 		

- Curators Group and Pride are specifically focused upon those with protected characteristics such as disability, age and sexual orientation.
2. The Climate Change Strategy was developed in partnership with a range of different organisations in the district and was adopted by Council in the summer of 2022. Priorities were based on identifying common challenges across the organisations and consulting with the public. Although there is no specific equalities actions within the strategy, the actions identified are designed to address global challenges. The funding from the UKSPF will help deliver these different projects.
 3. Actions on town and village centres have not yet been defined and will be decided upon in the coming months. However funding will be directed towards improvements in smaller towns and villages. It is anticipated that this will impact more upon rural communities and challenges around inward investment and transport. We do not collect any data on visitors to town or villages however it would be reasonable to assume that local communities and residents are the most frequent visitors to do so.
 4. Business support programmes will take the form of financial and non financial support for individuals who wish to start up a business or expand their existing businesses. Data on protected characteristics of business owners is not routinely collected either by business rates or through other programmes. We do however keep some details of Launchpad users which indicates that 53% of users identify as male, 44% as female, 2% as non binary and 1% as 'other'. 29% are in the 34-43 age bracket and 40% in the 44-53 age bracket and 51% have no caring responsibilities. Although Launchpad users represent just a small fraction of business owners or those self-employed in the district, users are more likely to be a male and between the ages of 34 – 53 when compared to the average population. It is possible therefore that any funding directed to the business community may have a disproportionate impact on gender and age. There is some limited national data on business ownership which is a useful benchmark for comparison.

2. Review of information, equality analysis and potential actions

Please fill in when appropriate to the change. If it does not, please put N/A

Project / Review	Age	Race	Gender Reassignment	Disability	Carers	Religion and Belief	Pregnancy and Maternity	Sex	Marriage and Civil Partnership	Sexual Orientation	Impact after mitigation
Key: ✓ = Potential impact; x = No impact; NK = Not known											
Cultural Strategy	✓	X	✓	✓	x	x	x	x	x	✓	Low
Climate Change Strategy	x	X	X	x	x	x	x	x	x	X	
Town and village centres	X	X	X	x	x	x	x	x	x	x	
Business support	✓	NK	NK	NK	✓	NK	NK	NK	NK	NK	Unknown

Assessment of overall impacts, suggested mitigations

Overall the projects on climate change and town/ village centre improvements will have no little or disproportionate impact on individuals or communities with protected characteristics. Those living in more rural areas are generally likely to see positive benefits in terms of greener technology, greener spaces and digital access.

In terms of the cultural strategy this will be a strong tool to reduce differences in outcomes for individuals or communities with some protected characteristics. The impact of the projects should be monitored so it can be properly quantified. It is recommended that this is reported on during the lifetime of the project.

With regards to business support this will be going directly to individuals in the form of financial or non financial support. We do not know enough about the protected characteristics of business owners in the district to establish if there will be a disproportionate impact. For any grant funding, data should be collected on the recipients so that this analysed. It is recommended that this is reported on (albeit anonymised so as not to identify an individual) during the lifetime of the project so the impact against the general population can be assessed.

3. List detailed data and/or community feedback which informed your EqIA (If applicable)

Title (of data, research or engagement)	Date	Gaps in data	Actions to fill these gaps: who else do you need to engage with?
Cultural Strategy: East Herts Cultural Strategy (2021 to 2025) East Herts District Council	Summer 2021	None	
Climate Change Strategy: Climate Change Strategy 2022-2026 East Herts District Council	Summer 2022	None	
Analysis of diversity in UK business owners: UK diversity in business statistics 2022 money.co.uk	June 2022	Good research on national picture, especially on gender and ethnicity. Little data available on other characteristics (eg. Disability)	Collect meta information on recipients of support from the UKSPF and RPF in order to analyse if there are any disproportionate impacts