

**Teignbridge District Council
Full Council
29 November 2022
Part 1**

Rural England Prosperity Fund

Purpose of Report

To approve submission and implementation of a Rural England Prosperity Fund addendum to our Investment Plan for the UK Shared Prosperity Fund. Two priorities are proposed:

- Rural Business and Communities Fund; and
- Transport and Connectivity Pilot Programme.

Recommendation(s)

The Council RESOLVES to:

- (1) Approve the interventions identified at Section 3 of this report for investment through Teignbridge's allocation of the Rural England Prosperity Fund
- (2) Delegate authority to the Head of Place and Commercial Services to submit a Rural England Prosperity Fund investment plan to Government that reflects the interventions identified at Section 3 of this report.
- (3) Delegate authority to the Head of Place and Commercial Services to implement the Rural England Prosperity Fund investment plan upon it being approved by Government.

Financial Implications

The financial implications to support this funding are detailed in 4.1 and 4.2. There are no additional resources required over and above existing budgets.

Martin Flitcroft, Chief Finance Officer and Head of Corporate Services

Email: martin.flitcroft@teignbridge.gov.uk

Legal Implications

There are no specific legal implications arising out of this report.

Paul Woodhead Head of Legal Services and Monitoring Officer.

Paul.woodhead@teignbridge.gov.uk

Risk Assessment

Please see Section 4 of this report

Fergus Pate, Economy and Delivery Manager
Email: fergus.pate@teignbridge.gov.uk

Environmental/ Climate Change Implications

Environmental and climate change impacts are addressed at Section 4.12.
William Elliott, Climate Change Officer
Email: william.elliott@teignbridge.gov.uk

Report Author

Fergus Pate, Economy and Delivery Manager
Email: fergus.pate@teignbridge.gov.uk

Executive Member

Executive Member for Economy and Jobs, Cllr Nina Jeffries

Appendices

Appendix 1 – Performance of Local Action Group Programmes
Appendix 2 – Letter of support from Dartmoor National Park Authority
Appendix 3 – Letter of support from Rt Hon. Mel Stride MP
Appendix 4 – Equality Impact Assessment

Background Papers

[UK Shared Prosperity Fund Prospectus](#)

[Rural England Prosperity Fund prospectus](#)

[Teignbridge Council Strategy](#)

[Teignbridge Jobs Plan 2021](#)

[Teignbridge Economic Development Plan 2018-23](#)

[Superfast Broadband Programme Evaluation](#)

1. Introduction

- 1.1 The UK Shared Prosperity Fund (UKSPF) has been introduced by the Government with the primary goal of building pride in places and increasing life chances across the UK.
- 1.2 Full Council approved submission of a UKSPF Investment Plan to Government in July 2022. This prioritised:
 - 1) A Green Business Grant
 - 2) Violence prevention against women and girls
 - 3) Business support for clean growth and diversity
 - 4) Markets and town centres promotion and coordination
 - 5) Exhibiting, performing and participating in art

- 1.3 A decision from Government on whether to approve the submitted Investment Plan is expected this Autumn.
- 1.4 A Rural England Prosperity Fund (REPF) was subsequently launched on 3 September 2022 as an addendum to the UKSPF. The REPF is aimed at funding capital projects for small businesses and community infrastructure to improve productivity, strengthen the rural economy and strengthen rural communities.
- 1.5 The Rural Fund represents a top-up to UKSPF allocations. Subject to Government approval, Teignbridge has been allocated £1,639,624 of core UKSPF funding. Through the Rural Fund addendum, an additional £650,332 has been earmarked for Teignbridge over the period April 2023 to March 2025. Please see the following link to the REPF prospectus:
- 1.6 Teignbridge's REPF Investment Plan addendum must be submitted by **30 November 2022**, following engagement with local organisations and stakeholders.
- 1.7 In relation to an item about the Levelling Up White Paper that was considered on 28 April 2022, Full Council resolved as follows:

(3) Further reports on the County deal be advised as it progresses and on the development of an Investment Plan in relation to the Shared Prosperity Fund;

(4) An officer group be set up to put together the Investment Plan this group would be overseen by the Executive Member for Homes and Communities, the Executive Member for Corporate Services and the two Overview and Scrutiny Committee Chairs.

Social and Economic Trends in Teignbridge

- 1.8 Some of the key data and indicators that are relevant to Teignbridge's Rural England Prosperity Fund Investment Plan include:
- The district's proportion of over 50s continues grow. Under 50s now only account for 55 per cent of the population. The England average is 63 per cent (ONS).
 - Productivity in Teignbridge is 15 per cent lower than the national average (ONS)
 - Teignbridge's employment rate fell from 81.7 per cent in 2015 to 72.4 per cent by 2021. By contrast, England's figures increased from 73.8 per cent to 75.1 per cent over the same period (ONS).
 - Unemployment hasn't significantly changed in recent years. Job vacancy rates remain considerably lower than the national average at approximately 2.5 per cent (ONS) but recent forecasts indicate that this figure may start to rise.
 - The proportion of economically active 50 to 64 year olds has fallen from 82 percent in 2019 to 63 per cent (ONS). In many (but not all) cases this was for lifestyle reasons but there are indications that some of this cohort are now looking to return to work.
 - Self-employment rates are almost double the national average but average earnings are around 86 per cent of the Great Britain average (ONS).
 - One in five households do not have access to a vehicle in Teignbridge. That figure reduces to around 1 in 10 for many rural wards (ONS).

- Teignbridge's industrial and commercial greenhouse gas emissions have fallen by almost 50 per cent since 2005 but still represent approximately one quarter of the district's total emissions (BEIS)
- Local suicide rates exceed the national average (ONS).
- The rate of inflation associated with transport costs is currently just below 15 per cent (ONS). The impact of this is often particularly pronounced in rural areas.
- The national proportion of lines receiving broadband speeds below 10Mbps is 7 per cent. For Newton Abbot constituency it is 8.7 per cent and Central Devon is 15.6 per cent (Commons Library)

2. Approach to engagement and prioritising interventions

- 2.1 Whilst the council will be responsible for administering the Rural England Prosperity Fund and reporting to Government, the Fund's prospectus strongly encourages that other organisations and representatives are involved in project development.
- 2.2 Officers have been in contact with a range of organisations, stakeholders and community representatives, seeking their views on interventions to prioritise through Teignbridge's £650,000 allocation.
- 2.3 A rural stakeholders workshop was advertised and held on 24 October 2022 to understand views and evidence on what interventions are considered to be priorities, what the outcomes would be and how those projects would be delivered. A follow-up survey was issued and responses have also informed this report.
- 2.4 It is anticipated that rural stakeholders will reconvene when we reach the REPF implementation stage.
- 2.5 A briefing session with invites sent to all Teignbridge councillors also took place on 2 November 2022. Many of the discussion points from that session are addressed in this report. Noting that all areas of Teignbridge would, in principle, be eligible for REPF support Councillors expressed a preference for more closely defining what 'rural' means. There was general consensus that REPF interventions should, 'predominantly benefit communities and businesses outside of Newton Abbot, Kingsteignton, Dawlish and Teignmouth'.
- 2.6 In addition:
 - The oversight group has met to discuss REPF opportunities
 - Officers from across the Council have met to review possible interventions.
 - Discussions and opportunities to collaborate on joint interventions have been held with other councils across Devon.
 - We have met with Dartmoor National Park Authority officers. A letter of support can be found at Appendix 2.
 - We have held briefings with the local MPs' offices. Anne Marie Morris MP has confirmed her 'full support' for the proposals described in this report and Rt Hon. Mel Stride MP has provided the letter of support that can be found at Appendix 3.
 - Feedback from recent business surveys and community workshops has been reviewed.
 - Devon Association of Local Councils were approached for their input.
 - Previous feedback from UKSPF consultation earlier this year has been reviewed.

3. Recommended Rural England Prosperity Fund Interventions

- 3.1 A summary of the recommended interventions is set out below.

Intervention 1 - Rural Business and Communities Fund ~£300,000

- 3.2 The Rural Business and Communities Fund will be a competitive capital grant programme designed to support the growth of rural businesses and community organisations across Teignbridge.
- 3.3 The focus of this funding will be on enterprise, tourism, rural services, culture and heritage, farming, forestry and addressing loneliness.
- 3.4 In line with Teignbridge's Council Strategy and Jobs Plan, there will be a particular emphasis on clean growth. This could, for example, include funding for growing specialist businesses with skills and expertise in decarbonising Teignbridge's existing housing stock.
- 3.5 Implementation of the Rural Business and Communities Fund will draw on Teignbridge's recent experience of successfully awarding almost £5 million of discretionary Covid 19 Additional Restrictions Grant funding to local businesses.
- 3.6 The fund will also be formulated to broadly reflect the Greater Dartmoor Local Enterprise Action Fund (GD LEAF) and South Devon Coastal Local Action Group (LAG) programmes that Teignbridge supported from 2016. Through these programmes, Teignbridge businesses and communities have benefitted from public investment totalling £1.4 million. This has led to total investment of £3.4 million and the creation of 83 full time equivalent jobs. Further information about the performance of these past programmes is summarised at Appendix 1.
- 3.7 With these previous successes in mind, there are processes that can be carried over and used for the implementation of the Rural Business and Communities Fund. Included are processes associated with the provision of:
- Simple and clear application forms and systems;
 - Working with applicants to develop projects and prepare applications;
 - Processing, checking and appraising applications; and
 - Preparing summary documents for decision making panels.
- 3.8 Whilst there is already local experience and precedent associated with implementing past programmes, there is also scope for the Rural Business and Communities Fund to ensure that council priorities are emphasised through the assessment of applications. Again, it is proposed that a particular emphasis on clean growth and responding to the climate emergency should apply.
- 3.9 During the rural stakeholders' workshop, there was general support for the Rural Business and Communities Fund. Some participants emphasised awarding funds to a limited number of exemplary high profile clean growth projects. Others called for the fund to be accessible to microbusinesses who can sometimes find it difficult to afford time to the application process. If approved by Government, part of the Business Support for Clean Growth UKSPF budget could be used to put this kind of assistance in place.
- 3.10 There may also be scope to coordinate or merge the Rural Business and Communities Fund with the UKSPF Green Business Grant. Full Council approved the principle of a Green Business Grant in July 2022. This will be a competitive grant programme to help businesses invest in decarbonising their assets and operations. It will be similar to Teignbridge's previous Small Firms Employment Fund. The scheme will be supported by independent energy and carbon assessments and applicants will be strongly encouraged to assemble this evidence before submitting a bid to the fund

- 3.11 If the REPF Investment Plan is approved, joining the two schemes together will be a decision for the Head of Place and Commercial Services.

Intervention 2 - Transport and Connectivity Pilot Programme ~£350,000

- 3.12 The transport and connectivity pilot programme will focus on a small number of capital pilot projects aimed at enhancing rural connectivity and access to services. The aim is to implement up to three initiatives. Examples of possible investments include:
- Enhancements to community transport services in order to support access to work. This could involve on-demand or adaptive route management.
 - Provision of a rural transport hub, including possible public car club, e-bike and bus facilities. Consideration could be given to whether Teignbridge owned car parks in rural areas might be used to support this kind of pilot project.
 - Capital funding for rural internet access to at least double existing speeds for businesses and achieve superfast levels (30 Mbps). Funding would only be available in situations where existing funding such as from the Gigabit Broadband Voucher Scheme is not available or viable.

Transport Pilots

- 3.13 As with the Rural Business and Communities Fund, transport funding will need to be provided through a competitive process. This is the Government's preferred route for the deployment of funding schemes like this.
- 3.14 It is anticipated that Devon County Council, as transport authority, could put forward projects but so could others, such as community transport groups. It is expected that around three to five projects will be delivered in total. The focus will be on:
- Serving deprived and isolated rural communities;
 - Facilitating access to work where there are currently barriers to doing so;
 - Bringing forward low-carbon transport opportunities;
 - Leveraging match funding from other sources;
 - Testing and proving an impactful and innovative replicable solution; and
 - Certainty of delivery within the March 2025 spending timescales
- 3.15 This approach to rural transport holds the potential to link with the Western Gateway and Peninsula Transport South West Rural Mobility Strategy, which also identifies opportunities for a series of pilot schemes.

[20220805-South-West-Rural-Mobility-Strategy-v1-0.pdf \(peninsulatrtransport.org.uk\)](https://www.peninsulatrtransport.org.uk/wp-content/uploads/2022/09/20220805-South-West-Rural-Mobility-Strategy-v1-0.pdf)
<https://www.peninsulatrtransport.org.uk/wp-content/uploads/2022/09/20220805-South-West-Rural-Mobility-Strategy-v1-0.pdf>

Hard to reach digital connectivity

- 3.16 Small scale digital connectivity grants of around £500 to £2,000 will be designed to avoid overlapping with existing programmes such as those being implemented by Connecting Devon and Somerset. Instead, this support will target capital grants on very hard to reach small businesses and community facilities to achieve, at the least, superfast connections in instances where other solutions are not viable.

- 3.17 Evidence from last year's Somerset Business Survey found that 37.3 per cent of 1,225 local businesses there considered digital connectivity to be a challenge. Of those surveyed, 62 per cent explained that digital skills were expected to be of increasing importance over the next 5-10 years.

<https://www.connectingdevonandsomerset.co.uk/consultation-response-june-25th-2021/>

- 3.18 The proposed Rural England Prosperity Fund approach has parallels with schemes that have been run in Cornwall. A recent Department for Digital, Culture, Media and Sport consultation highlighted the absence of funding support for non-traditional broadband technologies and the advances that have been made through systems like low-orbit, low-latency satellite broadband.

<https://www.gov.uk/government/consultations/improving-broadband-for-very-hard-to-reach-premises>

4. Implications, Risk Management and Climate Change Impact

Financial

- 4.1 Full Council is being asked to approve submission of a Rural England Prosperity Fund Investment Plan to the Government. If the Investment Plan is approved, funding will be provided to the council, either to directly deliver schemes or to fund other organisations where they will be leading projects. On that basis, the Investment Plan should be cost neutral.
- 4.2 However, there will be more work needed to convert the Investment Plan into operational schemes that are benefitting communities and businesses and there are monitoring requirements associated with reporting expenditure of the fund and its outcomes to the Government. There may be scope to cover some of these costs through the UKSPF administration allowance of £65,000. In addition, there is an existing council budget for economic development consultancy support of £40,000 that can be directed towards REPF implementation.
- 4.3 The initial REPF allocation requires 100 per cent capital expenditure and the proposed interventions reflect this position.

Legal

- 4.4 If the Investment Plan is approved, it is anticipated that a Memorandum of Understanding will need to be completed with Government in order to draw down and spend the funding. There will also be ongoing monitoring requirements.
- 4.5 Legal arrangements will need to be put in place with organisations or businesses that will be making use of the funds. In the case of direct awards to businesses, the council has recent experience of completing funding agreements through its Gap Grants Covid 19 recovery programme. Where another organisation will be providing services to businesses and communities, we will be able to build on existing service level agreement templates to ensure that the necessary outcomes are achieved.
- 4.6 It is proposed to delegate authority to the Head of Place and Commercial Services to complete the necessary agreements associated with Teignbridge's REPF Investment Plan. Implementation of the plan will also need to comply with subsidy control requirements in order to avoid distorting markets.

Equality

- 4.7 An equality impact assessment has been prepared and is included at Appendix 2. Consideration has been given to prioritising projects that will not discriminate against groups with protected characteristics and that will increase opportunities, particularly where there is deprivation and isolation in rural Teignbridge.

Risks

a) Teignbridge's Rural England Prosperity Fund Investment Plan is not approved

- 4.8 Teignbridge's REPF allocation has not yet been secured. Our investment plan needs to be approved by the Government in order to be able to draw down the funds.
- 4.9 If the investment plan is not approved in the first instance, there will be a review process and Government officials will work with Teignbridge Council and partners to reconfigure the plan. If this happens, there will be a delay to receiving and deploying the funds.

b) Inflation and cost increases

- 4.10 At this stage, the proposed interventions for Teignbridge have been assigned indicative costs based on feedback from stakeholders and experience of previous projects. Final budgets for interventions will need to be capped and only enhanced if there is an underspend for another scheme. Agreements with suppliers and service providers delivering any of the interventions will need to be procured at a fixed amount so as to overcome the risk of cost overruns.
- 4.11 If current levels of inflation continue, the proposed grant scheme interventions may not be able to support so many people, businesses and projects but budgets will be managed accordingly.

Environmental / Climate Change Impact

- 4.12 The overall approach to recommending REPF interventions has been to respond to national and local strategies, as well as evidence and feedback from local stakeholders and partners. The climate emergency has been a key consideration, and this is reflected through all of the proposed interventions.

Implementation

- 4.13 It is recommended to delegate authority for submission of the Rural England Prosperity Fund investment plan to the Head of Place and Commercial Services. If the plan is approved by government, implementation will continue in consultation with the oversight group of councillors.

5. Alternative Options

Alternative interventions

- 5.1 The recommended REPF interventions have come about following discussion with a range of rural stakeholders and local councillors. Alternative options considered have included:
- A funding contribution towards delivery of the Teign Estuary Trail
 - Capital commitments to enhance rural respite facilities
 - Direct awards to transport organisations

- 5.2 These options, whilst meritorious, could all present challenges either associated with delivery timescales or in demonstrating proper procurement and deployment of the funds. They are not therefore recommended as stand-alone interventions but may be eligible for support through the REPF schemes that are proposed.

Do nothing

- 5.3 We could decide not to submit a REPF Investment Plan but it is anticipated that the overall programme will be cost neutral for the authority and will benefit businesses and communities across the district. This option is not recommended.

6. Conclusion

- 6.1 The proposed Rural England Prosperity Fund interventions will help to benefit Teignbridge's productivity, access to markets and local communities. With approval from Full Council, the interventions that have been identified in Section 3 of this report will be converted into an Investment Plan and submitted by the deadline of 30 November 2022. If approved, Investment Plan implementation will then be taken forward in consultation with the Executive Member for Economy and Jobs and the Executive Member for Communities and IT.

Performance of Local Action Group Programmes

in Teignbridge since 2016

Return on investment



Every **£1** invested by Teignbridge has resulted in **£29** of project activity









Every **£1,383** invested by Teignbridge has resulted in **a full time job** being created

£114,800

Teignbridge District Council Contribution to
LAG running costs since 2016

By Sector

Priority	Projects	LAG Contribution	FTE Jobs Created
Cultural and Heritage	●	£11k 	0
Farm productivity	●●●●●	£265k 	7
Forestry Productivity	●●●●●	£169k 	6
Rural Services	●●●●●	£208k 	12
SME Support	●●●●●	£749k 	57
Tourism	●	£27k 	1
Grand Total	49	£1.4m	83

In Numbers

83

FTE jobs created

59%

Greater Dartmoor Leaf performance led to 59% additional public funding

£17k

Average project investment per full time job created

42%

South Devon Coastal LAG received 42% additional public funding

49

Projects Supported

Appendix 2



Dartmoor National Park Authority, Parke, Bovey Tracey, Newton Abbot, Devon TQ13 9JQ. T: 01626 832093 E: hq@dartmoor.gov.uk

Fergus Pate
Economy and Delivery Manager
Teignbridge District Council
By email - fergus.pate@teignbridge.gov.uk

Your ref:
Please Quote:
Direct Line: 01626 831066

10 November 2022

Dear Fergus|

Rural England Prosperity Fund

Further to our meetings, I am writing to confirm DNPA's support for the current approach Teignbridge is taking regarding the above fund, and to welcome opportunities to work in partnership in delivering the fund.

The key interventions around a Rural Business and Communities Fund, and the Transport and Connectivity Pilot Programme, have opportunities to align well with actions identified in the Dartmoor Partnership Plan. Teignbridge District Council is a partner in the delivery of that plan, as well as having a duty under the Environment Act 1995 (S62) to have regard to the pursuit of National Park purposes in carrying out its own functions. Within the Partnership Plan (available at www.yourdartmoor.org) there are priorities around developing markets, stimulating green travel, building a resilient economy, and collaboration and knowledge development. As a deeply rural area forming part of the district, there are extensive opportunities to work together to improve productivity, strengthen the rural economy and strengthen Dartmoor's communities.

We discussed also the LAG style governance model you described. Greater Dartmoor LEAF was a highly successful programme and we would agree that, subject to refinements to suit this funding stream, approaching the REPF in this way would be the most appropriate and expedient approach. We would be keen to participate in this.

We look forward to working with the District Council further on this to support our local businesses and communities.

Yours sincerely



Dan Janota
Head of Forward Planning and Economy

Pamela Woods Chair Kevin Bishop PhD Chief Executive (National Park Officer)

The purposes of the Dartmoor National Park Authority are to conserve and enhance the natural beauty, wildlife and cultural heritage of the National Park and to promote opportunities for the understanding and enjoyment of the area's special qualities. In pursuing these purposes the Authority has a duty to seek to foster the economic and social well-being of the local community.

www.dartmoor.gov.uk
 @dartmoorpa
 enjoy dartmoor

Appendix 3

Rt Hon. Mel Stride MP



HOUSE OF COMMONS
LONDON SW1A 0AA

Mr Phil Shears
Teignbridge District Council
Forde House
Brunel Rd
Newton Abbot TQ12 4XX

Teignbridge Rural England Prosperity Fund Application
Date: 15 November 2022

Dear Phil,

I am writing to offer my full support for Teignbridge Council's proposed Rural England Prosperity Fund application. Having reviewed the Council's committee report I am pleased to see the engagement of local stakeholders and the identification of key priorities for investment. These should benefit local communities and businesses in the short term, as well as beginning to establish a lasting legacy of Levelling Up.

The proposed Rural Business and Communities Fund will help rural businesses to start, grow and decarbonise. It also holds the potential to bring forward capital investment in key community locations, leveraging private investment and playing a part in combatting rural isolation.

I understand that there has also been strong local support for the proposed Transport and Connectivity Fund that would see investment in a small number of rural multi-modal transport pilot projects. Again, this will help to demonstrate the possibilities associated with tackling isolation and linking our rural labour force to local jobs.

Broadband connectivity is a particular challenge for my Central Devon constituency. Some of our most disparate communities can't currently hope to benefit from reliable digital connectivity in the near future. Plans for hard-to-reach digital connectivity grants stand to play a part in raising the area's economic horizons.

I wish you success with submission of your Rural England Prosperity Fund Investment Plan and look forward to hearing of the outcome and next steps

Tel: 020 7219 7037 or **Email:** mel.stride.mp@parliament.uk

Rt Hon. Mel Stride MP Privacy Policy: <http://www.melstridemp.com/Privacy>



With best wishes

Yours sincerely



Rt Hon. Mel Stride MP
Member of Parliament for Central Devon

Tel: 020 7219 7037 or **Email:** mel.stride.mp@parliament.uk

Rt Hon. Mel Stride MP Privacy Policy: <http://www.melstridemp.com/Privacy>