

**REPORT OF**     **Head of Communities and Place**

**To:**                 **Full Council**

**Subject:**          **Rural Prosperity Fund submission for Torrridge**

**Date:**             **31<sup>st</sup> October, 2022**

**Reference:**

**PURPOSE OF REPORT:**

- To obtain Member approval for the Torrridge District Council Rural Prosperity Fund investment plan to be submitted to the Department for Environment, Food and Rural Affairs (Defra) by November 30th, 2022.

**1. INTRODUCTION**

The [Rural England Prosperity Fund](#) (REPF) launched on September 3<sup>rd</sup>, by the Department for Environment, Food and Rural Affairs (Defra) and is designed as a top-up to the UK Shared Prosperity Fund. As with the main scheme, the rural top-up is available to eligible local authorities in England. It succeeds EU funding from LEADER and the Rural Growth Programme, which were part of the Rural Development Programme for England.

Torrridge has been allocated £995,347. Within our rural fund addendum, we need to show how we will split this funding over the 2 years of the fund – 2023/24 and 2024/25. Defra have suggested a 25/75% split in the budget over the two years, however, you can submit a different budget allocation if you clearly show in your addendum the ability to spend more than 25% in 23/24.

**2. REPORT**

Overview

The REPF is a capital grant scheme, which focuses on:

- Support new and existing rural businesses to develop new products and facilities that will be of wider benefit to the local economy. This includes farm businesses looking to diversify income streams
- Support new and improved community infrastructure, providing essential community services and assets for local people and businesses to benefit the local economy

Local authorities should also consider how investments contribute to net zero and nature recovery objectives.

Projects must be in a rural area. For REPF purposes, rural areas are:

- towns, villages and hamlets with populations below 10,000 and the wider countryside
  - market or 'hub towns' with populations of up to 30,000\* that serve their surrounding rural areas as centres of employment and in providing services
- \*due to Defra's methodology for calculating these areas, Barnstaple is excluded from this fund, as it was for LEADER funding. Bideford is included in the funding.

Local Authorities should use their UKSPF community partnership to consult on their proposed addendums for the REPF. For the case of Northern Devon this was the Northern Devon Futures Board.

The REPF objectives sit within the UKSPF investment priorities for:

- Supporting Local Business
- Community and Place

There are 2 extra interventions providing funding for:

- Small scale investment in micro and small enterprises in rural areas
- Rural circular economy projects

They also relate to two of the Levelling Up White Paper Missions:

- Mission 1 – Living standards
- Mission 9 – Pride in place

As stated above, the allocation is only for capital spend, with no additional revenue funds allocated to manage this budget. Defra expects any scheme delivered using the REPF to be a 'light touch approach and that the 4% administration allocation under the UKSPF should be used for this delivery. Local authorities are challenging this with Defra.

## Timetable

- 3 September 2022 - Rural Fund launch
- 13 October 2022 – draft Rural Fund addendum reviewed/agreed at NDF Board
- 31 October (TDC) and 23 November (NDC) Rural Fund addendum submitted to Full Council for approval
- 3 October 2022 to 30 November 2022 - Rural Fund addendum submissions window
- November 2022 to January 2023 - Rural Fund assessment period for government
- January 2023 - anticipated date for approval of Rural Fund addendums
- April 2023 - first payments expected to lead local authorities
- April 2023 to March 2025 - funding period

## Torridge focus

1. LEADER-style grant funding programmes, working with North Devon Council, which can focus on;
  - Improving productivity in the rural economy
  - Farms diversifying their business models during the agricultural transition
  - Extending the tourism season
  - Projects that overcome deprivation in rural communities
  - Improving sustainability, with a particular focus on green energy
  - Supporting the creation of higher-skilled, higher-paid employment
  - Strengthening the delivery of culture and leisure / wellbeing

Full scheme details and criteria will need to be drawn up before the launch in April 2023, working with North Devon+.

This would be delivered as small capital grants – with a proposed top-end of £25,000 in exceptional circumstances and with an expected percentage of business/community match – as per the LEADER funding model. The LEADER

2. TDC identified strategic community infrastructure schemes that aid regeneration in our most deprived communities and where no alternative grant funding is likely to be forthcoming and a detailed, deliverable project is already in place;
  - Victoria Park, Bideford- play infrastructure
  - Great Torrington Pannier Market investment

This would be capital funding delivered directly by the local authorities on identified projects – not via an open grants scheme.

Full support for this approach has been given by the Northern Devon Futures Board as the required Local Partnership Board, as per the Shared Prosperity Fund.

Proposed spend breakdown

|  |   |                 |
|--|---|-----------------|
| • LEADER fund                          | = | <b>£650,000</b> |
| • Including 2 ring-fenced pots;        |   |                 |
| • Leisure and infrastructure           | = | £100,000        |
| • Culture                              | = | £50,000         |
| • Community infrastructure investments |   |                 |
| • Victoria Park                        | = | <b>£150,347</b> |
| • Great Torrington Market Hall         | = | <b>£195,000</b> |
| <b>TOTAL</b>                           | = | <b>£995,347</b> |

### **3. IMPLICATIONS**

#### Legal Implications

None at this point

#### Financial Implications

The core financial risk at the moment focuses on the lack of management funding provided by Defra to support the delivery of this scheme. The 4% allocation for admin and management of the SPF will need to be utilised, alongside the £20,000 project development funding for that scheme.

#### Human Resources Implications

The development of this scheme will require significant input from the Economic Development team and North Devon+, with input from Legal where required. Delivery will focus on Estates for Victoria Park and Great Torrington Pannier Market, with both schemes already being well advanced.

#### Sustainability/Biodiversity Implications

A major drive will be to support improvements in business' green sustainability levels, including projects to support the generation of renewable energy.

#### Equality/Diversity

The Rural Prosperity Fund will support businesses and communities across the district in accordance with the funders' terms and conditions.

#### Risk Management

Detailed risk assessments will be put together for each funding strand. North Devon+ has significant experience of delivering LEADER-style grants.

The lack of revenue funding included in the Rural Prosperity Fund allocation from Defra creates a significant risk. Investigations will be undertaken as to how the 4% allocation from the Shared Prosperity Fund, along with the £20,000 admin fee for that fund, can be utilised to manage both funds. Having a significant volume of lower grants will create additional administration costs. As such, a minimum grant of £2,500 is proposed.

## Compliance with Policies and Strategies

This project delivers upon a significant range of local and national strategies:

- **The North Devon and Torridge Local Plan, 2018 - 2031** stipulates:
  - “Within northern Devon, high-value jobs in business, education and research, those supporting a low carbon economy and other key growth sectors will be encouraged in sustainable locations”.
- The **Torridge District Council Strategic Plan, 2020-23** (Annex 18), which states as the first objective an ambition to “promote aspiration and growth to create a vibrant culture and thriving economy with quality jobs”
- The **Northern Devon- A Road to recovery** prospectus (May, 2021) contains 4 core strands which are all enhanced through the proposals- Innovation and Ideas, Skills and aspirations, Business environment and Connected Communities.
- **Northern Devon Social Equality Plan** (March 2022) through delivering interventions to create stronger life opportunities for all
- The **Team Devon Covid-19 Economy and Recovery Prospectus** seeks support for businesses, for the people and workforce who drive our economy forward and for towns and rural communities- again, all delivered through a focus on skills and higher quality, sustainable employment.
- **The HotSWLEP Build Back Better Plan** also has a focus on skill development for “People and Ideas”, supporting training and development of a more vibrant “Business Environment”.
- The **Heart of the South West LEP’s Strategic Economic Plan 2014-2030** by (a) “creating conditions for growth”, “(b) maximising productivity & employment” and “(c) capitalising on our distinctive assets”.
- Crucially these proposals seek to further the ambitions and local profile of the **Torridge District Climate Emergency declaration** (2019), with the drive to further the Net Zero ambition locally, regionally and internationally at the heart of the ambition.
- The **One Northern Devon, 10 Year Quality of Life Strategy – 2020-2030**, New Devon CCG, delivering the vision that “aspirations are achieved through equal access to the best education & employment”.

## Data Protection (GDPR) Implications

No personal data is being collated / collected.

### Lead Member Views

Date of Consultation- 17.10.22

Right now it is right that a significant chunk of our allocation go straight out to our local businesses to support them to overcome the huge range of extreme challenges they face, but also to encourage increased productivity and the green-ing of our economy. However, our communities are at the heart of our work and so it is also important that this funding provide an opportunity to invest in towns and what matters to people across the district.

### Council Leader Views

Date of Consultation- 17.10.22

LEADER gave our businesses a real shot in the arm to support them to diversify and flourish. I am hopeful that this Rural Prosperity Fund scheme will also achieve a similar set of outcome, but connected to the right kind of green and skilled growth for our district. Community infrastructure is also critical to ensure that we create a great place to live for our residents, even in these challenging financial times for us all, so I am delighted that we can actively invest in places such as Victoria Park and the Pannier Market in Great Torrington.

## **4. CONCLUSIONS**

The Rural Prosperity Fund addendum will require additional planning in order to enact as quickly as possible in April 2023. However, plans are already well-developed for Victoria Park and Great Torrington Pannier Market, and North Devon+ and both Torridge District Councils have significant successful experience in delivering LEADER-style schemes which should be able to progress rapidly post-addendum confirmation.

## **5. RECOMMENDATIONS**

That Members:

- Approve the Rural Prosperity Fund Addendum plan for Torridge District Council to be submitted before 30th November, 2022.
- Agree for ND+ to be identified as the preferred delivery partner for a LEADER-style scheme and request further costing details be provided to understand management costs and implications to TDC / Shared Prosperity Fund management budgets.
- Add the Great Torrington Market Hall and Victoria Park projects to the Capital programme for delivery.

## **SUPPORTING INFORMATION**

Consultations:            Date of Consultation – 11.10.22  
                                 Officers Consulted – Chief Executive, Head of  
                                 Communities and Place, Head of Legal and Governance,  
                                 S151 Officer

Contact Officer:            Economic Development Officer  
                                 Major Projects Manager