

Report to: **Hub Committee**

Date: **21st November 2023**

Title: **UK Shared Prosperity Fund & Rural England Prosperity Fund Update**

Portfolio Area: **Economy & Jobs**

Wards Affected: **All**

Urgent Decision: **N** Approval and clearance obtained: **Y / N**

Date next steps can be taken: N/A

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RECOMMENDATIONS:

That the Hub Committee:

- 1. agrees to convene an all-Member Briefing session to take place at the earliest opportunity so that Members can further explore the work being delivered through the UKSPF programme;**
- 2. agrees to disseminate and promote the work of the UKSPF programme to their local communities; and**
- 3. supports the Rural England Prosperity Fund Grant Policies.**

1. Executive summary

- 1.1 In 2022, the Government Department for Levelling-Up, Housing and Communities (DLUHC) awarded West Devon Borough Council (WDBC) £1 million of funding through the UK Shared Prosperity Fund (UKSPF). To access this funding, WDBC needed to develop a detailed 3-year investment plan, recognising local business and community needs and challenges, and pulling together a programme of activity that would meet these challenges.
- 1.2 Through allocating funding directly to local authorities, the Government introduced a level of flexibility to UKSPF which hadn't been seen with previous programmes. As a result of this flexibility, our UKSPF programme consists of a collection of projects designed to help our strategically important sectors to lead the way nationally on advancing decarbonisation activities, developing sustainable food and drink production methods, ensuring the

resilience of our rural communities, and creating a testbed for new technologies. The approach to developing our UKSPF programme has enabled us to move away from generic support projects, and towards bespoke activities which will focus on delivering quality over quantity, having a positive impact on business productivity, innovation, and resilience.

1.3 The investment plan was submitted at the start of August 2022 and the funding was awarded in December 2022. It was developed by officers in the Place and Economy team, in consultation with Members, businesses, community groups and business sector specialists. The investment plan aligned local priorities with wider Government strategic objectives, resulting in a golden thread of “clean growth and decarbonisation” running through our entire delivery programme. Projects within the investment plan were split into 3 key themes:

- Active and Inclusive Travel - £500,000 (includes a £120,000 contribution to the West Devon Transport Hub)
- Agri-Tech and Regenerative Farming - £265,000
- Business and Community Support - £195,000

1.4 Since the awarding of UKSPF a variety of projects have been contracted to delivery partners, with several additional projects expected to go live over the next 6 months. A full breakdown of the projects can be found in the Programme Detail section of this report, below.

1.5 Projects are reviewed and monitored on a quarterly basis and discussed at a partnership meeting. The first partnership meeting took place at the beginning of September 2023 (after originally being scheduled for July), with the next taking place at the end of October 2023. These meetings include members of the Place and Economy Team from WDBC, the economy portfolio holders from WDBC and South Hams District Council, all project delivery partners and Devon County Council (DCC). It is also suggested that an all-member briefing be arranged to give members the opportunity to meet with delivery partners and to find out more about specific projects and their beneficiaries.

1.6 UKSPF programme progress is reported to Government on a 6 monthly basis. The latest Government return was submitted at the end of October 2023. Funding is received annually with the most recent funding, for the 2023/24 financial year, received in July 2023. The programme ends in March 2025.

2. Programme Detail

2.1 Below is a summary of all of the projects currently being delivered through the UKSPF programme:

Theme	Active and Inclusive Travel
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Project	Local Cycling and Walking Infrastructure Plan (LCWIP)
Contract Value	£60,000
Contractor	Phil Jones Associates, working with Sustrans
Summary	<p>This project will see our consultants develop a comprehensive infrastructure (LCWIP) and behaviour change strategy focused on supporting and encouraging active and inclusive travel activities. It will identify and prioritise key locations to deliver infrastructure improvements which will have the biggest positive impact in encouraging people to use active and inclusive modes of transport. The key active travel routes have now been identified following in-depth analysis of travel movements and substantially audited to identify any barriers along these roads. The next steps are to prioritise the improvements in terms of which would have the greatest positive impact.</p> <p>On the behaviour change side, the survey received 1,500 responses and was followed by in-depth interviews which have been analysed to identify the main barriers and enablers to active and inclusive travel in our rural landscape. The project will now pull the learnings from the research to recommend behaviour change initiatives to encourage active travel, which should be aligned to the outcomes of the infrastructure improvements. These could include “quiet lanes” schemes (stretches of road where non-car users are given priority), electric bike hubs, car sharing programmes, and other activities.</p> <p>Some of these projects will be delivered through the remaining UKSPF funds, and some through a separate pot of funding called the Rural England Prosperity Fund. Other, more significant infrastructure improvements will likely require further funding to be secured, but the LCWIP will provide an evidence base to put the Council in the strongest possible position to secure such funds.</p> <p>The plan is being developed in consultation with officers from a range of council services, members, community organisations and other specialist local groups. The contract was agreed in June 2023 and the plan will be completed by the end of the 23/24 financial year.</p>
Key Deliverables	1 LCWIP – which contains a series of short, medium and long term active and inclusive travel projects
Theme	Active and Inclusive Travel

Project	Contribution towards the West Devon Transport Hub
Contract Value	£120,000
Contractor	Devon County Council
Summary	In the summer of 2022, WDBC agreed to allocate £120,000 of match funding towards a £13.2 million West Devon Transport Hub as part of a bid to the Government's Levelling Up Fund. This would originally have been provided through the Council's reserves, but with the successful securing of UKSPF, the active and inclusive travel funding allocation can be used and will ensure that the West Devon Transport Hub delivers a range of measures to maximise its accessibility through cycling, wheeling and walking.
Key Deliverables	WDBC's match funding requirements will be met for the West Devon Transport Hub. A range of cycling and walking infrastructure will be included in the development as a result of this funding being provided to the project.

Theme	Agri-Tech and Regenerative Farming
Project	Agri-Tech Innovation Project
Contract Value	£160,000
Contractor	Devon County Council
Summary	<p>"Agri-tech" refers to the range of technologies used in the agricultural sector, to support farming, land management, and food and drink production activities.</p> <p>Over the past 3 years, Devon County Council has developed a growing consortium of organisations called the Devon Agri-Tech Alliance. The Alliance currently consists of over 120 Devon farms and agricultural support organisations, including the NFU, Rothamstead Research, the Apricot Centre and the Universities of Exeter and Plymouth.</p> <p>Through this project, the alliance is working with West Devon farms to create a test-bed for new and emerging technologies to be piloted on site, linking them with tech development organisations and businesses.</p> <p>An example of this would be a dairy farm adopting robotic milking devices which allow the cows to choose when they want to be milked, removing the manual elements of the process, and creating a system which is much better for the health of the herd. The milk can be analysed in real time and the diet of the cow can be</p>

	adjusted over time, based on the feedback from the robot, to maximise the quality of milk being produced.
Key Deliverables	<p>Knowledge Transfer Partnerships between tech developers and the agricultural sector</p> <p>New products and services within the agricultural sector being brought to market</p> <p>Events to share learning among the agricultural community</p> <p>Over 40 agricultural businesses receiving intensive support from specialist organisations</p>

Theme	Agri-Tech and Regenerative Farming
Project	Regenerative Farming Support
Contract Value	£72,500
Contractor	The Apricot Centre
Summary	<p>“Regenerative farming” is a process which sees farms move away from the use of pesticides and fertilisers, and towards a soil quality focused approach to farming. Through focusing on soil quality, a farm is able to reduce carbon emissions, enhance the biodiversity on and in their land, improve water retention (high quality soil is better able to absorb water) and improve crop yields. The lack of fertiliser is a significant cost saving to a farm, reducing their outgoings, while greater yields also improve their productivity, helping to make them more profitable.</p> <p>The Apricot Centre is a working example of a successful regenerative farm. The team who created the centre are experts in regenerative farming practices and have used their site at Dartington to measure and monitor the benefits that the approach can have for a farm.</p> <p>They have found that since transitioning to regenerative farming processes, their earth worm populations have increased by 300%, their yields have significantly increased, and the site is far more resilient than other farms. For example, in the summer of 2022, during a prolonged dry period, most farm fields were dry, and their crops had browned. The Apricot Centre was one of the few sites where the soil had retained water, helping to keep their crops alive.</p> <p>Through this project, farmers and farm workers learn about regenerative farming processes and get to put them into practice, both at the Apricot Centre, and on their own farms. They are provided with up to 1 year of support to begin the journey of becoming a regenerative</p>

	<p>farm. The process takes approximately 7 years for the soil to be restored to its optimum quality, but land benefits can be seen within the first couple of years.</p> <p>The project has already met the majority of its targets for this financial year, and their success is being recognised at a national level. They have recently won an award through the NFU for their work, had articles published in the Guardian newspaper, and the project has seen our local authority being approached by authorities in other parts of the country to learn about setting up similar projects in their areas.</p>
Key Deliverables	<p>Farmers and agricultural workers receiving up to a year of support to help them begin transitioning their farms towards regenerative farming practices</p> <p>Greenhouse gas emission reductions within our farming community</p> <p>People reached (through inviting community-based groups to visit and learn about local farms and regenerative farming practices)</p> <p>Farmers and workers supported onto wider training courses (funded through Department for Education contracts)</p>

Theme	Agri-Tech and Regenerative Farming
Project	Land Management Consultancy
Contract Value	£30,000
Contractor	The Apricot Centre
Summary	<p>The work being delivered through this project takes a master-planning approach to farms and their land, identifying areas where the use can be changed to maximise its productivity, particularly where land is not being used for any useful purpose at present.</p> <p>One of the areas where this can prove particularly useful is through the strategic planting of trees for the purpose of flood risk mitigation.</p> <p>Other examples of land uses that can be implemented include the strategic planting of fast-growing wood for fuel or wildflower planting to improve and enhance local biodiversity by creating spaces which benefit natural pollinators, or which attract bird species which feed on pests.</p>
Key Deliverables	<p>Businesses receiving non-financial support</p> <p>Feasibility studies (identifying changes in land use to maximise the benefit to the business owner and community)</p>

	Properties and sites better protected from flooding
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Theme	Business and Community Support
Project	Decarbonisation Plans
Contract Value	£60,000
Contractor	Libraries Unlimited (through the Intellectual Property Centres)
Summary	<p>This project provides specialist consultancy to businesses to support them to develop a decarbonisation plan for their business.</p> <p>A decarbonisation plan is a document which identifies a range of actions that would help to reduce the environmental impact of a business' activities.</p> <p>The programme looks at all key areas of business activities, including:</p> <ul style="list-style-type: none"> • The buildings they operate from • Their processes and production lines • Their logistics chains • Their end products and services <p>This allows a wide range of decarbonisation opportunities to be identified.</p> <p>The project is not sector specific, meaning that any business can apply for support.</p> <p>Once a plan has been completed, the contractor is able to refer businesses to the Decarbonisation Grants programme details in section 3.2 of this report.</p>
Key Deliverables	Detailed decarbonisation plans for businesses Recommendations provided to the Rural England Prosperity Fund Decarbonisation Grants (See section 3.2 of this report for more information)

Theme	Business and Community Support
Project	Community Energy Group Support
Contract Value	£30,000
Contractor	Tamar Energy Community
Summary	The Government's Rural Community Energy Fund was closed down in 2022. This fund was designed to help community organisation to develop feasibility reports to support the delivery of community energy efficiency, heating and renewable technology installation schemes. The removal of the funding has made it increasingly

	<p>difficult for our community energy groups to take projects forwards.</p> <p>This project is focused on strengthening and increasing the range of local activities that community energy groups can deliver. It will improve their ability to develop feasibility studies for projects, and to access funding from a range of sources to support the delivery of heating, insulation and renewable energy schemes in our local communities.</p> <p>The fund is already proving fruitful, and we have seen a number of funds being applied to and projects evolving over the first few months of delivery.</p> <p>New and emerging community energy groups will also be supported through the delivery of information, advice and guidance, to help them to develop projects within their local communities, and to identify relevant funding programmes that they can apply to.</p>
Key Deliverables	<p>Bids for funding for the development of new energy efficiency projects</p> <p>Bids for funding for the development of community based renewable energy projects</p> <p>Support through advice and guidance provided to new and emerging community energy groups</p> <p>Support provided to existing community energy and energy efficiency projects</p>

2.2 The following projects are not yet delivering but are soon to be contracted:

Theme	Agri-Tech and Regenerative Farming
Project	Food and Drink Distribution Support
Contract Value	£30,000 (for the primary contractor, and up to a further £15,000 available to other organisations)
Contractor	TBC
Summary	<p>This project will see food and drink producers being supported to bring their products to local markets. These could be actual markets, such as Hatherleigh Market or the Pannier Market in Tavistock, direct to consumers (eg via online food ordering portals) or to the hospitality and leisure sector.</p> <p>The aim is to create stronger links between our communities and the food and drink that they consume, reducing food miles, and reducing the costs that producers often experience when trying to access local markets.</p>

	There will also be support available to develop new cooperatives (enabling multiple sellers to sell their products collectively), and to help food and drink producers and growers to bring community groups to their sites to learn about how the products they consume are produced.
Key Deliverables	TBC

Theme	Business and Community Support
Project	Construction Sector Audit and Support to Enable Decarbonised Construction Projects
Contract Value	£50,000
Contractor	TBC
Summary	<p>This project will see the delivery of an audit of the construction sector in West Devon and its supply chain to identify gaps in the sector's capability to deliver innovative low carbon / decarbonised construction projects.</p> <p>Following the audit, support will be delivered to the sector to help reduce these gaps, equipping our construction sector with the capabilities required to deliver projects which are fit for the future, and ensuring that local businesses are well placed to bid to deliver projects with major contractors, such as national housebuilders.</p>
Key Deliverables	TBC

2.3 Further to the project contracts, WDBC has also awarded the contract for monitoring and evaluation of the programme to Devon County Council (DCC). The UKSPF guidance allowed for up to 4% of the programme costs to be used for monitoring and evaluation activities. The contract awarded to DCC agrees to them delivering all monitoring and evaluation activities for all projects for 1.8% of the programme cost. A key benefit of outsourcing this activity is that it provides us with the feedback from an independent organisation, helping to ensure that we our UKSPF programme is being delivered to the highest of standards.

2.4 It is important to recognise that the UKSPF programme has been agreed with the Government, and that it would be difficult to change the range of projects that are being delivered. The process would involve a renegotiation with the Government's DLUHC Department and could put funding at risk. At present, the programme is running within budget and projects are all delivering as expected. However, if projects do underperform for any reason, and we are unable to rectify the issues with the service provider,

our contracts allow for the Council to claw back funding, and to re-allocate it to projects which are exceeding their targets.

3. Rural England Prosperity Fund

3.1 Further to the UKSPF programme, the Government awarded a further £843,000 of capital funding to WDBC through the Rural England Prosperity Fund (REPF). This fund has a narrower scope than the UKSPF programme, needing to align with our UKSPF activities, and having a strong focus on decarbonisation, clean growth and business diversification and community activities. The investment plan was submitted in November 2022, and the funding was approved in April 2023.

3.2 The Council's REPF programme has seen the following capital support grants launch from October 2023:

Grant	Decarbonisation Grants
Value	Up to £10,000 (match must be provided)
Who can apply?	Businesses which have a decarbonisation plan in place (available for free through the UKSPF Decarbonisation Plan Project)
Summary	<p>This grant fund aims to support businesses in their transition towards decarbonisation, helping to mitigate their impact on the climate, while reducing their overall expenditure on energy. Projects should facilitate the following objectives:</p> <ul style="list-style-type: none"> • Delivery of solutions identified within the business decarbonisation plan • Demonstrable reduction of the carbon footprint associated with the business • Reduction in business expenditure related to energy / fuel <p>Businesses do not have to go through the UKSPF Decarbonisation Plan project but will need to have a detailed decarbonisation plan in place for their business which will be submitted as part of the application process.</p> <p>Grants are paid in arrears, but the project must not have incurred expenses until grant approval has been agreed.</p> <p>All applicant businesses must be registered for tax purposes.</p>

Grant	Agri-Tech Adoption Grants
Value	Up to £10,000 (match must be provided)
Who can apply?	Businesses which have been through the UKSPF Agri-Tech Innovation Programme

Summary	<p>This grant fund aims to support businesses which have been through our UKSPF Agri-Tech Alliance Project, piloting new technologies and products on their sites.</p> <p>Businesses will be referred to the scheme by our delivery partners for capital grants to adopt the technologies which have been trialled on their sites.</p> <p>Larger projects, which require greater funding than our scheme is able to provide, will be referred to the DEFRA Future Farming scheme which offers grants of >£20,000 for the adoption of new products (but with a limited range of products).</p> <p>Other businesses which have not participated in the Agri-Tech Alliance Project are still welcome to apply, but applications from those businesses who have participated are likely to be looked upon more favourably, as they will be able to evidence the benefit that the equipment will have on their farm.</p>
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Grant	Clean Diversification Grants
Value	Up to £10,000 (match must be provided)
Who can apply?	Businesses which are diversifying their activities in a manner which has a demonstrable positive / neutral environmental impact
Summary	<p>This grant will support businesses to diversify into new areas of activity that will have a demonstrable positive or neutral impact on their carbon footprint.</p> <p>This could include the development of new products or services or facilities that will enable their diversification activity to be delivered, but costs associated with the grant must be capital expenditure.</p> <p>For example, a business could be diversifying into eco-tourism and looking for a grant for the development of accommodation (they would need to secure planning permission prior to being able to access a grant).</p> <p>Or a business could be producing one type of food or drink product, and looking to buy a piece of machinery that will enable them to produce a wider range of products using natural ingredients.</p> <p>This is the broadest grant category and is the only business focused grant which is not geared around businesses going through one of the UKSPF projects. We therefore expect a significant volume of applications, and to be unable to meet demand.</p>

Grant Value	Community Resilience Grants Up to £10,000 (match must be provided)
Who can apply?	Community organisations, town and parish councils which are looking to reduce their outgoings / increase the range of services available in their local communities
Summary	<p>This grant fund will improve the resilience of community facilities, such as community and village halls, village shops, and other sites which provide a range of services to their local communities. Priority will be given to facilities where;</p> <ul style="list-style-type: none"> • Limited other community infrastructure exists • Support will demonstrably help to improve the resilience of a facility, either through reduced bills or increased revenue • Facilities will be able to provide additional services to their communities, which are not provided by other local organisations, and where a demonstrable need can be shown <p>General maintenance of facilities will be treated as low priority.</p> <p>Due to the limited funding available, this grant will not be able to support activities relating to the development or expansion of sports facilities, public toilets or car parks.</p>

- 3.3 Grant policy, guidance, and application documents can all be found on the Council's website at: <https://www.westdevon.gov.uk/your-council/budgets-and-finance/budgets-and-spending/uk-shared-prosperity-fund-0>
- 3.4 The grant policy documents have been designed based on the previous policy documents which were used for the successful delivery of Covid related grants. Through the Covid process, our systems were deemed to be robust by the Government and all auditing and monitoring of our grants programme was exemplar. Copies of these documents are attached to this report.
- 3.5 We are therefore proposing that members approve the policy documents attached which will enable the authority to begin approving grant payments to businesses and community organisations.
- 3.6 Further to these grants, part of the funding (approximately £300,000) has also been allocated for the delivery of active and inclusive travel infrastructure. However, the programme is flexible,

and funding can be allocated to projects where demand is high, and reduced from projects where demand is low.

4. Next Steps

- 4.1 Officers are working to schedule an all-member briefing session which will involve project delivery partners. This would give the opportunity for members to find out about all UKSPF projects in detail and to ask any questions they have directly to the teams that are delivering them.
- 4.2 The programme will continue to deliver and will report to the partnership meetings on a quarterly basis. The Place and Economy Team is willing to update Hub on programme progress and on specific projects as regularly as required.
- 4.3 Promotional activities are being coordinated to raise awareness of the programme to our businesses and communities. This information will be shared with members. With the grants having gone live in the last few weeks, specific communications activities are being developed to drive traffic to the Council's website. 2 email addresses have also been set up to help funnel grant enquiries to the Place and Economy team:
 - businessgrants@swdevon.gov.uk
 - communitygrants@swdevon.gov.uk

Background Papers:

UKSPF Investment Plan Submission

<https://www.westdevon.gov.uk/sites/default/files/2023-06/UK%20Shared%20Prosperity%20Fund%20Investment%20Plans%20-%20West%20Devon.pdf>