

Report to: Cabinet



Date of Meeting 2 November 2022

Document classification: Part A Public Document

Exemption applied: None

Review date for release N/A

Rural England Prosperity Fund - Investment Plan

Report summary:

Cabinet considered a report on 13th July 2022 detailing our Investment Plan to deliver the District's UK Shared Prosperity Fund (SPF) allocation of £1,796,363 through a series of projects over a three year period.

As we await approval of our submitted SPF Investment Plan, the Government have now launched a new £110m Rural England Prosperity Fund (REPF), replacing EU funding previously delivered through the LEADER and Growth Programme initiatives.

Through the REPF, East Devon District Council has the opportunity to secure an additional financial allocation of up to £854,298 to be distributed as capital spend in the form of grants for business or community purposes. This allocation is regarded as a 'top-up' to East Devon's SPF allocation, taking total funding to £2,650,661.

In order to access this top-up, we are required to develop and submit an 'Addendum' to our existing UKSPF Investment Plan. This must be submitted by 30th November 2022 with approvals of REPF Addendums expected in January 2023 and payments expected in April 2023. Funds must then be spent between April 2023 and March 2025 (years 2 and 3 of the UKSPF delivery window).

The purpose of this report is to outline our recommended REPF Addendum approach already endorsed by both our Member Panel and Local Partnership Group, and to seek Cabinet approval for the proposed Addendum submission detailed in Appendix A.

Is the proposed decision in accordance with:

Budget Yes ☒ No ☐

Policy Framework Yes ☒ No ☐

Recommendations:

That Cabinet;

- Approves the proposed REPF Addendum to our SPF Investment Plan contained at Appendix A
- Gives delegated authority to the Service Lead for Growth, Development & Prosperity in consultation with the Strategic Lead for Finance and the Portfolio Holder for Economy and Assets to make any final changes to the REPF Addendum and to submit this by the 30th November deadline

Reason for recommendation:

To ensure that the Council submits a suitable Addendum to secure our REPF financial allocation of up to £854,298 and ensure delivery of the business and community interventions described in this report between April 2023 and March 2025.

Officer: Robert Murray, Economic Development Manager, tel 01395 517514
rmurray@eastevon.gov.uk

Portfolio(s) (check which apply):

- ☒ Climate Action and Emergency Response
- ☒ Coast, Country and Environment
- ☒ Council and Corporate Co-ordination
- ☒ Democracy, Transparency and Communications
- ☒ Economy and Assets
- ☒ Finance
- ☐ Strategic Planning
- ☒ Sustainable Homes and Communities
- ☒ Tourism, Sports, Leisure and Culture

Equalities impact Low Impact

The Rural England Prosperity Fund is intended to support the key objectives of the Levelling Up White Paper.

Climate change High Impact. The REPF Addendum approach includes interventions designed to support the delivery of the Climate Change Strategy and the transition to a zero carbon economy.

Risk: Medium Risk; This report highlights the need to approve EDDC's Rural England Prosperity Fund Addendum which must then be submitted to Government by the 30th November. Subject to endorsement by the Department for Environment, Food and Rural Affairs (Defra), there will be an ongoing need for robust programme management to ensure that the substantial grant fund interventions contained in the Addendum are delivered.

Links to background information

Report to Cabinet 4th May 2022: [UK Shared Prosperity Fund Prospectus](#)
[UK Shared Prosperity Fund: prospectus - GOV.UK \(www.gov.uk\)](#)
[Levelling Up White Paper \(publishing.service.gov.uk\)](#)

Report to Cabinet 13th July 2022: [UK Shared Prosperity Fund – Investment Plan](#)
[Rural England Prosperity Fund: prospectus](#)

Link to [Council Plan](#)

Priorities (check which apply)

- ☒ Better homes and communities for all
- ☒ A greener East Devon
- ☒ A resilient economy

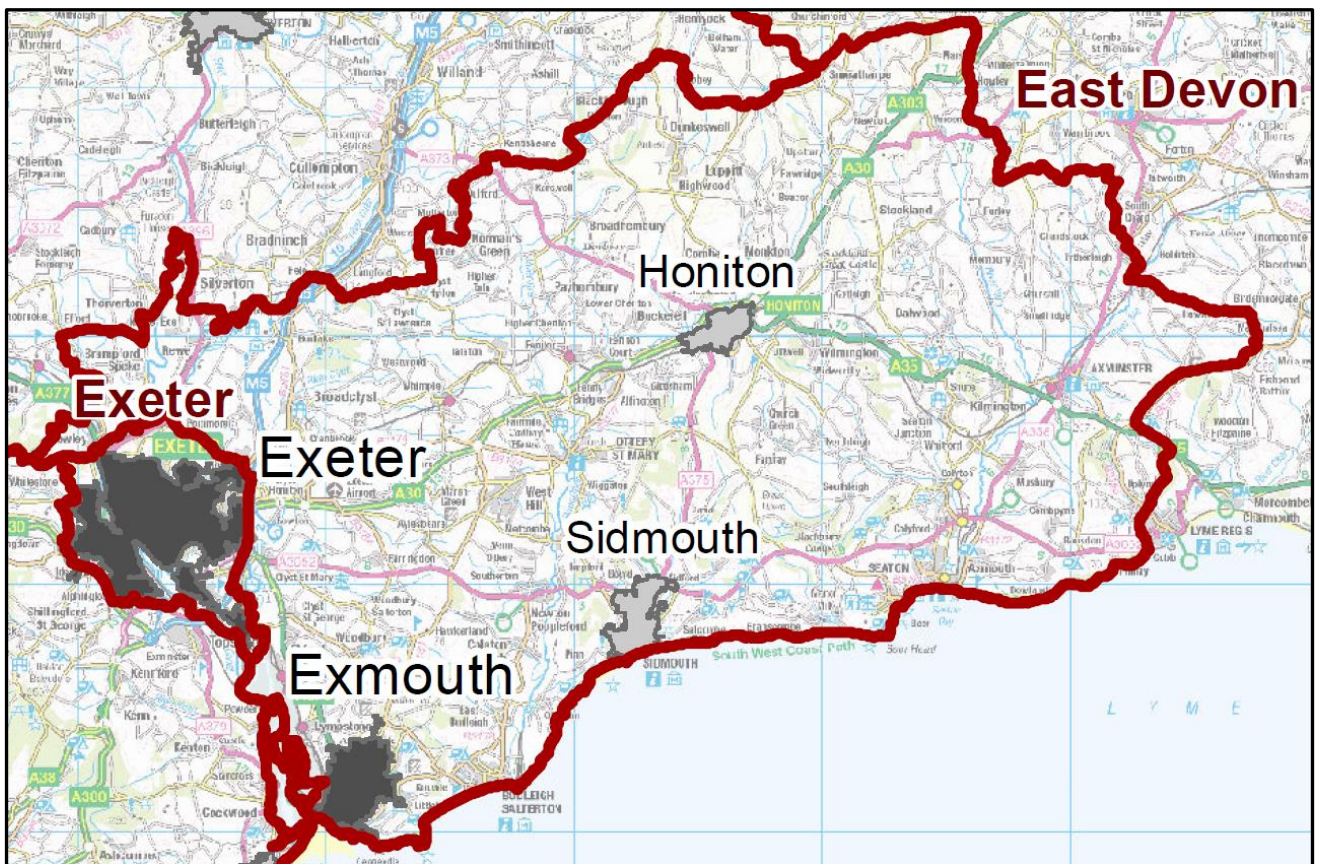
1 Background and Context

1.1 As of the 3rd September, with the announcement of a new £110m Rural England Prosperity Fund (REPF) and [published prospectus](#), every local authority area in England

with a significant rural population has been allocated a share of this fund for a two year period between 2023 and 2025.

1.2 The purpose of this REPF scheme is to support activities which address particular challenges rural communities face such as lower productivity, poorer connectivity and access to key services. The Fund is also described as the replacement to the EU Rural Development Programme for England (RDPE) which was delivered through the LEADER and Growth Programme initiatives.

1.3 Rural areas are defined as towns, villages and hamlets with populations below 10,000; and 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. For East Devon, this means only Exmouth is exempt in terms of where REPF can be spent.



1.4 Defra have made it clear the REPF is integrated into the UKSPF and is complementary to funding used to support rural areas under the UKSPF. The REPF objectives sit within the UKSPF investment priorities for 1) Supporting Local Business, and 2) Community and Place. They also relate to two of the Levelling Up White Paper Missions: Mission 1 Living standards; and Mission 9 Pride in place.

1.5 Specifically, the REPF provides small scale capital funding to:

- 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

1.6 **East Devon District Council has the opportunity to secure a financial allocation of up to £854,298**, a sum determined by weighted factors reflecting the [priorities of the fund](#). This allocation is described as a rural top-up to East Devon's £1,796,363 UK Shared Prosperity Fund (UKSPF) allocation, taking total funding to £2,650,661. The top-up allocation must be distributed in the form of grants for business or community purposes, and can only be used to fund capital costs (no revenue spend is permitted).

1.7 In order to access this top-up, we are required to submit an 'Addendum' to our UKSPF Investment Plan which must be submitted by 30 November 2022. Once submitted, government are expecting to approve RPF Addendums in January 2023, with payments to local authorities expected in April 2023. Funds must be spent between April 2023 and March 2025 (years 2 and 3 of the UKSPF delivery window). Any underspend must be returned to the government.

1.8 The purpose of this report is to outline our recommended REPF Addendum approach already endorsed by both our Member Panel and Local Partnership Group, and to seek Cabinet approval for the proposed Addendum submission detailed in Appendix A.

2 Consultation and Engagement

2.1 Government guidance sets out the expectation that local priority projects (interventions) are identified in consultation with local stakeholders. Defra has also provided a list of [eligible interventions](#) which can be delivered using REPF funds. It is noted that funding can be used to top-up existing eligible UKSPF interventions, where funding is directly targeted towards rural outcomes and outputs.

2.2 On the 3rd October, an update and consultation session took place with the Local Partnership Group (LPG) comprising local stakeholders and businesses from a range of sectors who supported development of our UKSPF Investment Plan. The purpose of the session was to run through and seek feedback on various project proposal and the group's input has helped to shape the proposals outlined in this paper.

2.3 The feedback provided by the LPG included ensuring sufficient farms representation through the business grants element and a specific concern that the value of rural work hubs and co-working spaces is recognised and prioritised. We have confirmed that our proposed approach would mean grant contributions towards delivery of rural work hubs could be supported under the proposed business grants scheme, especially where this involves farm diversification. By ensuring our proposed schemes are as flexible as possible, we can 1) allow for a range of rural economy projects to be supported, whilst 2) giving the best chance of full spend of our REPF allocation in any given financial year, avoiding any underspend having to be returned to Defra.

2.4 This consultation was followed by a meeting of our SPF Programme Management Panel (PMP) on the 4th October. This Panel is comprised of a cross-party group of members reporting to Cabinet and having oversight of the deployment of both our SPF and, by extension, the top up Rural England Prosperity Funding.

2.5 A recommended proposal was put to the Panel detailing a combination of interventions which can be included within East Devon's REPF Addendum. We have tried

to ensure that the proposed interventions do not duplicate [other schemes](#) managed by Defra.

2.6 At the conclusion of this Panel meeting, the recommended Addendum proposal set out in the following section of this report was unanimously endorsed by Members.

3 Recommended Proposal

3.1 Under this scenario, the REPF is evenly split between the two themes of the fund: communities and businesses. Both schemes would be funded with an allocation of £427,149 for the two year period. Defra has specified that 25% of our allocation will be distributed to EDDC for Year 2 delivery (2023/4) and 75% for Year 3 (2024/5).

3.2 Rather than establishing two entirely new grant funding schemes, our recommendation is to create new 'pathways' within two existing UKSPF schemes due to commence in Year 1 (the current financial year).

3.3 This proposal would involve merging the UKSPF Net Zero Innovation Fund with a new REPF funded rural innovation grant scheme. This merged scheme would be referred to as the Innovation and Resilience Fund 2.

3.4 The recommended proposal would also involve merging the grant element of the UKSPF Sustainable Tourism Fund with a new REPF funded grant scheme for local community, cultural and leisure buildings. This merged scheme would be referred to as the Culture, Leisure and Tourism Fund. The 2 overarching projects along with the relevant SPF and REPF grant pathways comprising them are set out below (REPF grant sums highlighted).

Project	Pathway	Fund	Y1 Cost	Y2 Cost	Y3 Cost	Total Cost
Culture, Leisure and Tourism Fund (CLTF)	Sustainable Tourism	UKSPF	£24,553	£27,500	£0	£52,053
	Rural Culture & Leisure	REPF	N/A	£106,787	£320,362	£427,149
	TOTAL		£24,553	£134,287	£320,362	£479,202
Innovation and Resilience Fund 2 (IRF2)	Net Zero Innovation	UKSPF	£24,554	£55,000	£130,000	£209,554
	Rural Innovation	REPF	N/A	£106,787	£320,362	£427,149
	TOTAL		£24,554	£161,787	£450,362	£636,703

3.5 **Rural Culture and Leisure:** This pathway of the new **CLTF** scheme would provide capital grant funding for green and accessible infrastructure for local community

organisations with a cultural or leisure focus, including charities, CICs, social enterprises, voluntary organisations, local authorities, education providers and other public sector bodies based locally. The CLTF would include grants for community buildings to fund EV charging points, solar panels, heat pumps, improved wheelchair access (beyond statutory requirements), etc.

The purpose of the scheme would be to help to strengthen our social fabric and foster a sense of local pride and belonging through investment in infrastructure for vital community spaces, thereby enhancing their resilience and pathway to net zero. Efforts will be made to ensure that the scheme does not conflict with the upcoming [Platinum Jubilee Village Hall Improvement Grant Fund](#).

3.6 Rural Innovation: This pathway of the new **IRF2** scheme would provide capital grant funding for small scale investment in micro and small enterprises in rural areas, based largely on the first iteration of EDDC's Innovation and Resilience Fund from 2021-2022.

The purpose of the scheme would be to increase private sector investment in growth-enhancing activities, through targeted support for SMEs to undertake innovation, diversification or adopt productivity enhancing, energy efficient and low carbon technologies and techniques. Farmer-owned businesses will be eligible for funding for diversification purposes, although we must ensure this scheme does not duplicate activities which can be funded through the [Farming Investment Fund](#).

3.7 We have explored all alternative options for REPF delivery under the eligible interventions for the business and community themes. Many of these interventions have already been included within our UKSPF Investment Plan, including projects focused on the visitor economy, active travel and volunteering initiatives. It is our firm belief that additional separate grant projects will present a more fragmented and confusing support landscape for potential applicants, will require additional officer resource currently focused on core UKSPF delivery, and will increase the likelihood of grant programme underspend and associated fund recovery by Government – something we have successfully avoided to date.

3.3 The recommended Addendum approach described here and articulated within our draft Addendum at Appendix A provides the required rural additionally within existing UKSPF schemes and limits the need for significant additional officer programme delivery resource.

4 Conclusion

4.1 We have presented a recommended approach for our REPF Addendum with a clear rationale. Instead of establishing two entirely new grant funding schemes, risking confusion for applicants, duplication of effort for officers and potential underspend, existing UKSPF grant funds will sit alongside a new REPF funded rural innovation grant scheme and a new REPF funded grant scheme for local community, cultural and leisure buildings.

4.2 We hope the approach will ensure full spend of our REPF allocation in a way which is 1) consistent with the interventions set out within the REPF Prospectus; 2) aligned with existing grant projects already included within our submitted UK SPF Investment Plan, so as

to simplify the grants offer and application process for applicants; and 3) less onerous for officers to deliver, making use of existing materials and resources.

4.3 The Addendum approach has been endorsed through consultation with our diverse Local Partnership Group and representative SPF Programme Management Panel who will continue to have oversight of REPF delivery alongside SPF projects.

4.4 Endorsement is now sought for the resulting REPF Addendum presented in Appendix A. This will enable the Rural England Prosperity Fund Addendum to be submitted to Government ahead of the 30th November deadline.

Financial implications:

The report relates to the proposed spend plan of specific Government Funding, there is no request for additional budget relating to EDDC own resources.

Legal implications:

What is proposed is within the power of Cabinet and it is for Cabinet to determine whether the REPF Addendum (to form part of the SPF Investment Plan) meets the expectations of the Council. Otherwise, there are no legal implications requiring comment.

Appendix A: EDDC Rural England Prosperity Fund – Addendum (as at 21.10.22)

Select your area	
Your area	East Devon
Name of person submitting REPF information	Andrew Wood
Alternative contact name and email	Tom Winters twinters@eastdevon.gov.uk
SRO contact details	Andrew Wood adwood@eastdevon.gov.uk
UKSPF Investment Plan reference number	ANON-QPA8-9PZP-D

Local context
<p>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.</p> <p>As all of East Devon is classed as rural apart from Exmouth, all of the challenges, opportunities and market failures outlined in our UKSPF Investment Plan are equally applicable to this Addendum. For our deeply rural areas, there are additional factors to consider.</p> <p>Productivity Gap</p> <p>Challenge 4 of our UKSPF Investment Plan outlines the productivity gap between East Devon and the rest of the UK. Although we do not have access to data at a lower level, a 2017 investigation into rural productivity in the South West of England found that “rural productivity (GVA/workforce job) is 8% lower than urban productivity in the four [South West] LEP areas and 10% lower than the average for rural areas in England.” This study found that lower productivity is likely due to the prevalence of smaller scale businesses in typically lower value sectors such as tourism and agriculture. Growth for rural business can often be more difficult due to the increased distance to markets/clients in urban areas. Attracting the right skilled workers is also more challenging, with less affordable housing for employees, poorer quality transport and broadband infrastructure also holding back many rural businesses. Newcastle University’s Centre for Rural Economy has highlighted how rural businesses in the South West are more likely to struggle obtaining finance compared to urban businesses. Due to the competitive advantages held by urban businesses over rural businesses, there is a case for providing additional support to rural businesses seeking to innovate or adapt to changing market conditions in becoming more productive.</p> <p>Future of Farming</p> <p>In addition to the productivity issues facing small rural businesses, those businesses in the agricultural sector are facing particularly unique challenges. A study commissioned by the Great South West Partnership found that Devon farms are more at risk from the changing subsidy landscape. The study also confirms that farms in Devon tend to have more ‘small’, ‘very small’ and ‘intermediate’ farms when compared England as a whole. Due to the smaller nature of our farms, many will struggle to adapt their business as they may not have the necessary funds to invest in diversification. ONS data shows that 70% of East Devon agricultural land is grassland used to maintain livestock, compared to 48% of English agricultural</p>

land as a whole. This demonstrates East Devon's reliance on livestock farming. The Great South West study confirms that "small livestock farms have higher labour costs, smaller revenue and more reliant on support payments; BPS reductions will hit hard and early in the transition" (p29). To mitigate against this risk, farms are encouraged to diversify their business, to identify alternative income streams within their farm-holding which sit outside of their agricultural operations.

Tackling Climate Change

Challenge 4 of our UKSPF Investment Plan sets out the challenge to reach Net Zero locally by at least 2050. Whereas many private sector businesses and public bodies are actively budgeting for net zero infrastructure, this process is much more challenging for smaller rural community organisations. Many of East Devon's smaller rural community organisations do not have the necessary financial reserves or projected income to effectively transition to net zero. East Devon's £2.1m Innovation and Resilience Fund (mentioned in Opportunity 3 of the Investment Plan) witnessed a large number of applications from community organisations to procure solar PV, air source heat pumps, EV charging, etc. Although these bids were not eligible for IRF funding, this process did demonstrate that demand for this required support still exists, with minimal alternative funding sources for this type of investment. The REPF can be used to assist these organisations in reaching local carbon targets, thereby supporting the longevity of these essential community assets.

Rural finance evidence, [What's Holding Rural Businesses Back? \(2017\)](#).

Farming data, *Assessing the impact of Agricultural Transition in Cornwall & the Isles of Scilly, Devon, Dorset and Somerset: Research to inform future planning (2022)*: <https://heartofswlep.co.uk/wp-content/uploads/2022/05/GSW-agricultural-transition-report.pdf>

Rural productivity data, *The SW Rural Productivity Commission Key Findings and Recommendations (2017)*: <https://heartofswlep.co.uk/wp-content/uploads/2017/10/HotSW-14332-A4-Overview-report-digital-doc-FINAL.pdf>

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.

2023-2024 interventions:	1.1
2024-2025 interventions:	1.1

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

We aim to create a rural innovation fund to provide capital grant funding for small scale investment in micro and small enterprises in rural areas. The purpose of the scheme is to increase private sector investment in growth-enhancing activities, through targeted support for businesses to undertake specific innovation, diversification and/or adaptation based activity. These will help to increase productivity, with energy efficient, low carbon technologies and techniques given particular preference. This scheme will directly address East Devon's productivity

gap, increasing high-GVA economic activity in our rural areas. This scheme also complements our Net Zero Innovation Fund proposed within our UKSPF Investment Plan.

This intervention will also support farms seeking to deliver changes with diversify their income through non-agricultural based revenue streams. Following a series of targeted strategies, endorsed by local stakeholders and members, we are particularly keen to support cultural, leisure and tourism focussed diversifications, in line with Opportunities 1 and 5 in our Investment Plan. This initiative will therefore help to provide financial support for local farm businesses with a specific and sustainable project, supporting farms as they transition to an alternative rural payment mechanism. We will ensure this scheme does not duplicate activities which can be funded through the Farming Investment Fund or East Devon's Farming in Protected Landscapes Programme.

To ensure the rural innovation fund is successful in unlocking private sector investment, all grant funding will require a commitment to match-fund the requested amount by at least 50%. Our ambition is for the scheme to fund at least 20 rural micro and small businesses, each adopting new technologies or processes within the firm and unlocking demonstrable productivity improvements. The scheme will encourage job creation where possible, although increasing productivity will be the primary aim of the fund, in an attempt to help close East Devon's productivity gap.

Please rank the interventions selected in order of expected value added

1.1

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.

2023-2024 interventions:

2.2

2024-2025 interventions:

2.2

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

We aim to create a rural leisure and tourism fund to provide capital grant funding for low carbon and accessibility focussed projects for local community organisations with a cultural or leisure focus. This will include rural charities, CICs, social enterprises, voluntary organisations, local authorities, education providers and other public sector bodies based locally. We are particularly keen to support cultural and leisure focussed organisations, in line with Opportunity 1 in our Investment Plan. The scheme will include grants for community buildings to fund EV charging points, solar panels, heat pumps, improved wheelchair access (beyond statutory requirements), etc.

The purpose of the scheme would be to help to strengthen our social fabric and foster a sense of local pride and belonging through investment in infrastructure for vital community spaces, thereby enhancing their resilience and pathway to net zero. The social and community focus of many rural East Devon charities, CICs, social enterprises, service providers and organisations means that income beyond their operational costs is used to benefit rural residents and service beneficiaries.

<p>The cash reserves of many valuable local community organisations with fixed premises are simply not sufficient to fund the installation of solar PV, heat pumps and insulation measures required to reach their net zero targets by 2050. The proposed fund is a targeted opportunity to address this challenge. We will ensure this scheme does not duplicate activities which will be funded through the upcoming Platinum Jubilee Village Hall Improvement Grant Fund.</p> <p>Although applicants may not be specifically required to match-fund grant funds awarded, those applicants who are able to offer a proportion of match-funding will be scored more favourably in our assessment process. For larger purchases, where funds are required in addition to the maximum grant award (to be locally determined), the applicant will need to match-fund the difference to ensure project delivery is achievable. Our ambition is for the scheme to fund at least at least 20 community organisations, with each recipient increasing the perception and number of users of their facilities. The scheme will encourage projects to improve accessibility where possible, although increasing the take-up of net zero infrastructure will be the primary aim of the fund in an attempt to help achieve East Devon's net zero target.</p>
<p>Please rank the interventions selected in order of expected value added</p>
<p>2.2</p>

<p>Interventions outcomes</p>
<p>Please select what outcomes the interventions selected in the rural business investment priority are expected to achieve</p>
<p>At least 20 businesses adopting new technologies or processes to the firm. At least 20 businesses with improved productivity. At least 20 businesses experiencing growth.</p>
<p>Please select what outcomes the interventions selected in the rural communities investment priority are expected to achieve</p>
<p>At least 20 community organisations with improved perception of facilities or amenities. At least 20 community organisations with increased users of facilities or amenities.</p>

<p>Delivery</p>
<p>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)</p>
<p>East Devon's REPF allocation of £854,298 will be split evenly between the rural business and rural communities investment themes. £427,149 will be allocated for intervention 1.1 and a further £427,149 for intervention 2.2 for the two years.</p> <p>As confirmed by Defra, our total allocation will be split 25:75 between years 1 and 2. As a result, £106,787 will be spent on each of the two interventions in year 1,</p>

totalling £213,574, with £320,362 spent on each of the two interventions in year 2, totalling £640,724.

Please be aware that a 25:75 split of our total allocation leads to figures with decimal numbers. To ensure our totals match, we have rounded our year 1 allocation down to £213,574 and rounded up our year 2 allocation to £640,724, thereby equalling our total allocation of £854,298.

Our REPF allocation will be used to complement two existing UKSPF funded schemes. Our REPF intervention 1.1 will be merged with our UKSPF intervention E29 to create one larger grant scheme with a 'net zero innovation' pathway (UKSPF funded) and 'rural innovation' (REPF funded) pathway. Our REPF intervention 2.2 will be merged with the grant element of our UKSPF intervention E17 to create one larger grant scheme with a 'sustainable tourism' pathway (UKSPF funded) and 'rural culture and leisure' (REPF funded) pathway. By merging together multiple grant schemes we can minimise the need for additional development time whilst creating a more straightforward and accessible funding (and application) landscape for local businesses and community organisations.

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)

To distribute REPF funding, we will develop a comprehensive grant application process. We have a strong history of developing effective grant programmes to deliver value and additionality. We focus on providing relevant guidance, policy, assessment and reporting underpinned by due diligence and democratic decision making. The approach has been recently endorsed at audit.

The approach we will take with REPF will be based on similar schemes managed by EDDC, such as our 2021-22 £2.1m Innovation and Resilience Fund (IRF). Our ability to effectively manage this scheme and unlock significant additional private investment was recently acknowledged and commended by the FSB, when our IRF scheme won the South West 'Future Ready' award at the 2022 FSB National Local Government Awards.

We will publish a separate policy document for all UKSPF and REPF grant schemes for applicants to review. This document will build on relevant DLUHC and DEFRA guidance, setting out types of eligible project including those which will score more highly compared to others. Grant applications will be marked against a scoring matrix approved by a panel of EDDC councillors, who will also have the final say on each grant awarded. Each grant award will be conditional on the applicant signing a legally binding funding agreement to ensure that applicants use their funding in the intended manner. Grant recipients who fail to use their grant in the agreed manner will be subject to grant reclamation. We have this process in place for the IRF, and such is the robust assessment of applications, we have yet to experience issues for any of the 51 projects supported.

The need to achieve value for money will be embedded within the scoring matrix. Grants will be awarded in order of those who have scored the highest, with the scoring being primarily determined by the number of outputs and outcomes the applicant aims to deliver. A minimal match-funding threshold of 50% will be set for the rural business grants (intervention 1.1), with additional voluntary match-funding increasing the applicant's score. We will explore the appropriateness of mandatory

match-funding for the rural communities grants (intervention 2.2), with voluntary match-funding increasing the application score.

Each applicant will be asked to outline why the project detailed within their application cannot be funded entirely by the applicant or funded via conventional sources of financing. For larger grant requests we will request financial information, such as balance sheets and financial statements, to confirm their financial situation. This financial status review will factor into the scoring process, with applications rejected outright where they cannot clearly demonstrate the financial need for grant funding.

Our analysis of the local funding landscape suggests that there are no similar schemes offering this type of grant support to local rural businesses and community organisations. As a result, we do not anticipate any duplication of efforts regarding other funding sources. The REPF funded schemes proposed in this addendum will therefore provide additionality, help to address local challenges regarding rural productivity and embrace opportunities relating to our net zero targets.

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

Intervention(s) you intend to collaborate on:	None
Place(s) you intend to collaborate with:	None

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

Intervention(s) you intend to collaborate on:	None
Place(s) you intend to collaborate with:	None

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.

In early October 2022, we reconvened our Local Partnership Group to engage and consult our local stakeholders. Those stakeholders with a sole focus on Exmouth were still invited, although they were informed that Exmouth is the only part of East Devon ineligible for REPF funding. We also arranged a separate session with our regional NFU representative to ensure that our proposed interventions matched local demand from farms and other businesses in the agricultural sector.

The LPG and NFU have provided a good level of input and guidance and are supportive of the resulting interventions contained in this Addendum. Contributions included two members of the LPG expressing a desire for work hub projects to be eligible for funding through the proposed rural business grant scheme. We will ensure that this is accommodated when a policy document for this scheme is drafted in the coming weeks. The NFU representative expressed a desire for additional funding for farm diversification projects. We will ensure that such projects are accommodated within our proposed rural business grant scheme. A

<p>representative of Devon Communities Together confirmed the need for rural village halls to be supported with project funding. We will ensure that these types of organisations are eligible for funding within our proposed rural communities grant scheme.</p> <p>Lastly, following our local stakeholder engagement, a final set of proposals were presented to our Programme Management Panel of East Devon District Council councillors. This meeting accepted the input provided by the local and rural stakeholders and concluded with a unanimous approval of the final set of interventions listed within this Addendum.</p> <p>We intend to hold bi-annual meetings with our Local Partnership Group, now augmented to include stronger rural representation, to update them on the progress of delivering the REPF and UKSPF interventions with the eventual aim to begin discussions for any future REPF or UKSPF rounds post-2024/25.</p>
<p>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.</p>
<p>No</p>
<p>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.</p>
<p>No</p>

<p>Confirmation of approval</p>	
<p>Please provide the names of who has approved the submission of the additional information</p>	
<p>Chief Executive:</p>	
<p>Elected leader:</p>	
<p>Section 151 officer:</p>	