

Guildhall Gainsborough  
Lincolnshire DN21 2NA  
Tel: 01427 676676 Fax: 01427 675170

## AGENDA

This meeting will be webcast live and the video archive published on our website

### **Concurrent Meeting of the Prosperous Communities and Corporate Policy and Resources Committees**

**Thursday, 24th November, 2022 at 6.30 pm  
Council Chamber - The Guildhall**

Those wishing to simply view the meeting will be able to watch live via: <https://west-lindsey.public-i.tv/core/portal/home>

#### **Members:**

#### **Prosperous Communities Committee Members**

Councillor Owen Bierley (Vice-Chairman of the Concurrent Meeting)

Councillor Stephen Bunney  
Councillor Liz Clews  
Councillor Mrs Tracey Coulson  
Councillor Christopher Darcel  
Councillor Michael Devine  
Councillor Jane Ellis  
Councillor Cordelia McCartney  
Councillor John McNeill  
Councillor Mrs Jessie Milne  
Councillor Jaime Oliver  
Councillor Roger Patterson  
Councillor Mrs Lesley Rollings  
Councillor Jim Snee  
Councillor Trevor Young

#### **Corporate Policy and Resources Committee Members: -**

Councillor Mrs Anne Welburn (Chairman of the Concurrent Meeting)

Councillor Owen Bierley  
Councillor Matthew Boles  
Councillor Stephen Bunney  
Councillor Liz Clews  
Councillor Mick Devine  
Councillor Ian Fleetwood  
Councillor Paul Howitt-Cowan  
Councillor John McNeill  
Councillor Mrs Mandy Snee  
Councillor Jeff Summers  
Councillor Bob Waller  
Councillor Trevor Young

1. **Apologies for Absence**

2. **Members' Declaration of Interest**

Members may make any declarations at this point but may also make them at any time during the course of the meeting.

3. **Procedure**

(PAGES 3 - 4)

For Members to Note the Procedure applied to Concurrent Committee Meetings.

4. **Public Report (s) for Determination**

i) Rural England Prosperity Fund

(PAGES 5 - 34)

Ian Knowles  
Head of Paid Service  
The Guildhall  
Gainsborough

Wednesday, 16 November 2022

## 3. Protocol for Concurrent Meetings

### 3.1 Calling meetings

As per Part IV page 29 of the Constitution **and agreed by Council on 4 September 17** a concurrent meeting of the Policy Committees can be called by the Head of Paid Service “when it is considered prudent and efficient to do so.”

### 3.2 Consultation requirements

The Chairman of Prosperous Communities and the Chairman of the Corporate Policy and Resources Committee will be consulted, and their agreement sought prior to the meeting being formally announced as ‘concurrent’.

### 3.3 Agenda

A single agenda will be published – the meeting will consider the same report(s), but the recommendations will clearly state which Committee is being requested to pass which resolution(s).

### 3.4 Chairmanship

If in attendance, The Chairman of the Corporate Policy and Resources Committee (as the most senior committee of the Council, as specified in the Constitution) will Chair all concurrent meetings. The Chairman of Prosperous Communities Committee will act as Vice-Chairman for concurrent meetings.

In the absence of the Chairman of the Policy and Resources Committee the role of Chairman for the meeting will be allocated in the following priority order:-

- Chairman of Prosperous Communities;
- Vice -Chairman of Corporate Policy and Resources;
- Vice Chairman 1 of Prosperous Communities;
- Vice Chairman 2 of Prosperous Communities.

In the event that the Chairman of Prosperous Communities assumes the role of Chairman due to circumstances as outlined above, the position of Vice-Chairman will be allocated by way of the same priority order, to those positions mentioned above.

### 3.5 Quorum

No quorum will apply to the Concurrent Committee itself; the usual quorum will apply to each Committee (4). Those Councillors who are Members of both of the Policy Committees will be marked as present at each Committee.

There could be a situation whereby up to 6 Members are present at the concurrent meeting, but this would not necessarily mean that either of the Policy committees are quorate. In this case the usual rules would apply to inquoracy; ie no decisions could be taken and the meeting would be adjourned as per 8.2 of Part 4 of the Constitution. If there was a quorum for only one of the meetings, the following would occur:

- PC is quorate but CPR isn't – only the PC elements of the report could be agreed;
- CPR is quorate but PC isn't – nothing could be signed off as the policy should be agreed before the spend

### 3.6 Voting and Order of Decision making

Recommendations within concurrent reports will clearly include which Policy committee they apply to.

Only Members of the relevant Policy Committee can move recommendations relevant to that Committee.

Policy decisions required from the Prosperous Communities Committee will be taken in the first instance followed by the financial decisions required by the Corporate Policy and Resources Committee

There will be a separate vote for each Committee, each conducted by the Chair of the concurrent meeting

As it is likely a number of “dual-hatted” Members will be present, the casting of votes will be way of alphabetical roll call, to ensure only those committee Members permitted to vote do so.

Following both votes, the Chairman of the Concurrent Committee would then sum up proceedings, and confirm what had happened during each vote;

### 3.7 Casting Vote

The Chairman of the Concurrent Committee would not have an overall casting vote. The casting vote would remain with the Chairman of each Policy Committee.

In the event that either is not present the right of casting a vote would fall to their respective Vice-Chairman (Vice-Chairman 1 in the case of Prosperous Communities Committee)

### 3.8 Substitutes

Substitutes would be allowed for the Concurrent Committee subject to the standard rules in paragraph 4.3 of part 5 of the Constitution. If a Councillor is substituting for a dual-hatted Member (a member of both PC and CPR), then this would need to be made clear before the start of the meeting in writing to Democratic Services.

Note: - All procedure rules marked \* (As referenced in paragraph 21 of Part V, Council Procedure rules) will apply to concurrent committee meetings as specified also, unless separately addressed by this procedure.

Agreed by Governance and Audit - 16 Jan 2018



**Concurrent meeting of  
Prosperous Communities  
Committee and Corporate  
Policy and Resources  
Committee**

**Thursday 24<sup>th</sup> November 2022**

**Subject: Rural England Prosperity Fund**

Report by:

Director of Planning, Regeneration & Communities

Contact Officer:

Sally Grindrod-Smith  
Director Planning, Regeneration & Communities

sally.grindrod-smith@west-lindsey.gov.uk

Purpose / Summary:

To set out the Council's response to the Rural England Prosperity Fund for approval

## **RECOMMENDATION(S):**

1. That Prosperous Communities Committee approve the interventions set out at 3.5 as the focus for the West Lindsey Rural England Prosperity Fund.
2. That Prosperous Communities Committee recommend that Corporate Policy and Resources Committee approve the submission of the Rural England Fund Addendum as attached at Appendix 1.
3. That Corporate Policy and Resources Committee approve the Rural Fund Addendum for submission by 30<sup>th</sup> November and delegate any housekeeping amendments to the Chief Executive in consultation with the Chair of this committee.

## IMPLICATIONS

**Legal:** It will be necessary to seek the support of Legal Services Lincolnshire in the drafting of grant funding agreements for both Rural Communities and Rural Business projects.

As set out in the guidance for this fund, council's will contract with government for this additional funding through the UK Shared Prosperity Investment Plan. We are awaiting further information on this process. It is envisaged that a 'Memorandum of Understanding' will be issued to the Council by government. We will seek the support of Legal Services Lincolnshire throughout the contracting process.

**(N.B.) Where there are legal implications the report MUST be seen by the MO**

**Financial : FIN/114/23/MT**

The Council have been allocated £795,821 from the Rural England Prosperity Fund to be invested from 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2025.

Aligned to the main West Lindsey UK Shared Prosperity Fund Investment Plan submitted to government in July, the West Lindsey Rural Fund will target a split of 60% of funding invested in rural communities and 40% in rural businesses. The funding split will be kept under review for delivery purposes and any flexibility within the guidance used should it be required.

The proposed profile of funding is as follows (see paragraph 3.5 for definition of interventions):

**Rural Communities**

Intervention 2.1: 2023/24 £19,895    2024/25 £19,895

Intervention 2.8: 2023/24 £218,850    2024/25 £218,850

**Rural Businesses**

Intervention 1.1 : 2023/24 £79,582    2024/25 £ 238,749

In addition, internal funding already approved to support businesses within the Feasibility Fund will be used as a revenue match funding stream for the rural business intervention.

The Feasibility Fund reserve has a balance of £150,000 which has previously been approved (FIN/223/19) to support the growth of business by offering grant funding which will facilitate the creation of new jobs and economic activity across the district. There has been little interest/demand in the past three years so it is proposed that the £150,000 currently sat in this reserve be repurposed and utilised as match funding for the rural business intervention to support businesses with revenue costs

**(N.B.) All committee reports MUST have a Fin Ref**

**Staffing :**

The Rural Fund Addendum will be integrated into the West Lindsey UK Shared Prosperity Fund Investment Plan where the need for a Programme Manager was identified and approved for funding through the UKSPF allocation.

**(N.B.) Where there are staffing implications the report MUST have a HR Ref**

**Equality and Diversity including Human Rights :**

The main UK Shared Prosperity Fund Investment Plan includes an assessment of Equality Considerations and how to tackle inequality in access.

The Investment Plan is designed to support all residents to live the best lives they can and to help our businesses and economies to thrive. The Investment Plan recognises that inequalities in West Lindsey are largely correlated with limited access to opportunities, infrastructure or jobs. This is particularly acute for residents living in areas of severe deprivation or remote rural areas (often both).

As we move into the implementation stage of our main Investment Plan, a detailed Equality Impact Assessment will be completed for each project within the plan.

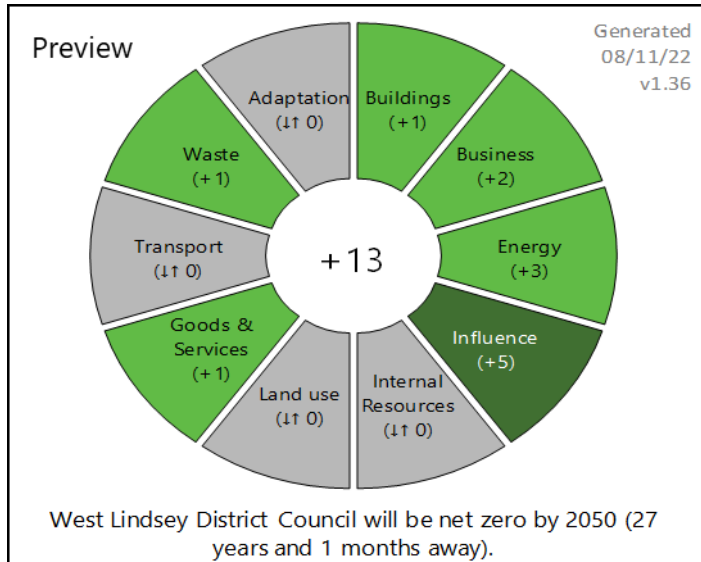
**Data Protection Implications :**

It will be necessary to manage our data protection duties very carefully through each of the grant funding programmes. The Data Protection Officer will be required to support the development of the grant funding application packs and processes to ensure compliance with the law.



### Climate Related Risks and Opportunities :

The Climate Environment and Sustainability Impact Assessment Tool has been used to consider the environmental impact of the Rural England Prosperity Fund.



At this stage the CESIA is at a high level as the full extent of investment details is not yet determined. Further impact assessments will be completed as the detail of the proposals are worked up. As the impact assessment sets out, in operating the fund with a focus on climate related opportunities there is the potential to see a positive impact on our climate related outcomes. These include through requiring building use / adaptations, use of renewable energy sources, improvements to business processes and outputs as well as using our role to shape and influence both communities and businesses.

### Section 17 Crime and Disorder Considerations :

The investment contained within this fund will have the potential to provide infrastructure that can support the delivery of what can be considered as 'diversionary activities' across arts, culture, heritage and sport and community activities. Engaging in positive community activity is known reduce anti-social behaviour and increase a sense of community and pride in place. We are not required to measure any specific Section 17 crime and disorder outputs or outcomes as part of this fund.

However we will measure both perception of facilities and amenities as well as engagement in activities.

**Health Implications:**

The investment contained within this fund support a reduction in feelings of social isolation, ability to engage digitally for our communities and with access to arts, heritage, culture and sporting activities. This activity will have positive benefits for the health and well-being of our residents. We are not required to measure any specific health benefits of this funding.

However, we will measure both perception of facilities and amenities as well as engagement in activities.

**Title and Location of any Background Papers used in the preparation of this report:**

Rural England Prosperity Fund Prospectus

[Rural England Prosperity Fund: prospectus - GOV.UK \(www.gov.uk\)](http://www.gov.uk)

**Risk Assessment :**

Risk will be managed through the UK Shared Prosperity Fund and as such we are not required to develop a separate risk assessment. The Risk Assessment for the UK Shared Prosperity Fund is being updated to reflect the inclusion of the Rural England Prosperity Fund.

The draft programme wide risk register is included at Appendix 2 for information.

**Call in and Urgency:**

**Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?**

*i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)*

**Yes**

**No**

**Key Decision:**

*A matter which affects two or more wards, or has significant financial implications*

**Yes**

**No**

## **Executive Summary**

In September 2022 the government confirmed that in recognition of the additional 'levelling up' challenges facing rural areas, there would be a 'rural top up' to the main UK Shared Prosperity Fund (UKSPF) to be known as the Rural England Prosperity Fund (REPF).

REPF will be administered and monitored as part of the main UKSPF.

Selected rural areas have been invited to submit an 'addendum' to the Government in order to set out the challenges faced in their rural communities and by rural businesses in order to access the funds. Addendums must be submitted by 30<sup>th</sup> November 2022.

West Lindsey District Council have been allocated £795,821 to be invested during the period 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2025.

Aligned with the main West Lindsey UK Shared Prosperity Fund Investment Plan this paper sets out that the fund should be invested to support rural community infrastructure, investment into farm diversification and agri – tech to improve productivity and sustainability.

The REPF top up will be delivered, monitored and managed as part of the main UKSPF. The Council have committed to establishing a UKSPF Programme Board to oversee delivery of the programme which will include engagement from key partners across the sectors of community development, business support and skills.

Once the REPF addendum has been submitted officers will present three Full Business Cases to Corporate Policy and Resources Committee as agreed in order to finalise the details of the UKSPF Investment Plan.

The timing of this Full Business Case step will be in part dependant upon when the Government are able to contract for delivery with local authorities.

## **1. Introduction**

- 1.1 On 3<sup>rd</sup> September 2022 the Rural England Prosperity Fund (REPF) was announced as an addendum to the UK Shared Prosperity Fund.
- 1.2 West Lindsey District Council have been allocated £795,821 to be invested during the period 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2025.
- 1.3 The allocation of funding has taken account of an areas;
  - rural population
  - rural businesses and productivity
  - the importance of farming in each authority area
- 1.4 Rural places across the UK have been provided with an allocation in recognition of the specific challenges faced by rural areas. The prospectus sets out that these challenges include:
  - lower productivity rates
  - poor connectivity
  - poorer access to key services.
- 1.5 These challenges are already highlighted within the West Lindsey UK Shared Prosperity Fund Investment Plan (UKSPF) as important challenges for investment in 'Levelling Up' across our district.
- 1.6 The rural fund objectives within the UKSPF investment priorities for community and place and supporting local businesses have been used as the basis for our REPF submission.
- 1.7 In order to access the REPF an 'addendum' to our Investment Plan submission is required to be made to government by 30<sup>th</sup> November 2022. The REPF will be managed as 'rural top up' to the UKSPF.

## **2. The Rural England Prosperity Fund**

- 2.1 The REPF provides 100% 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.

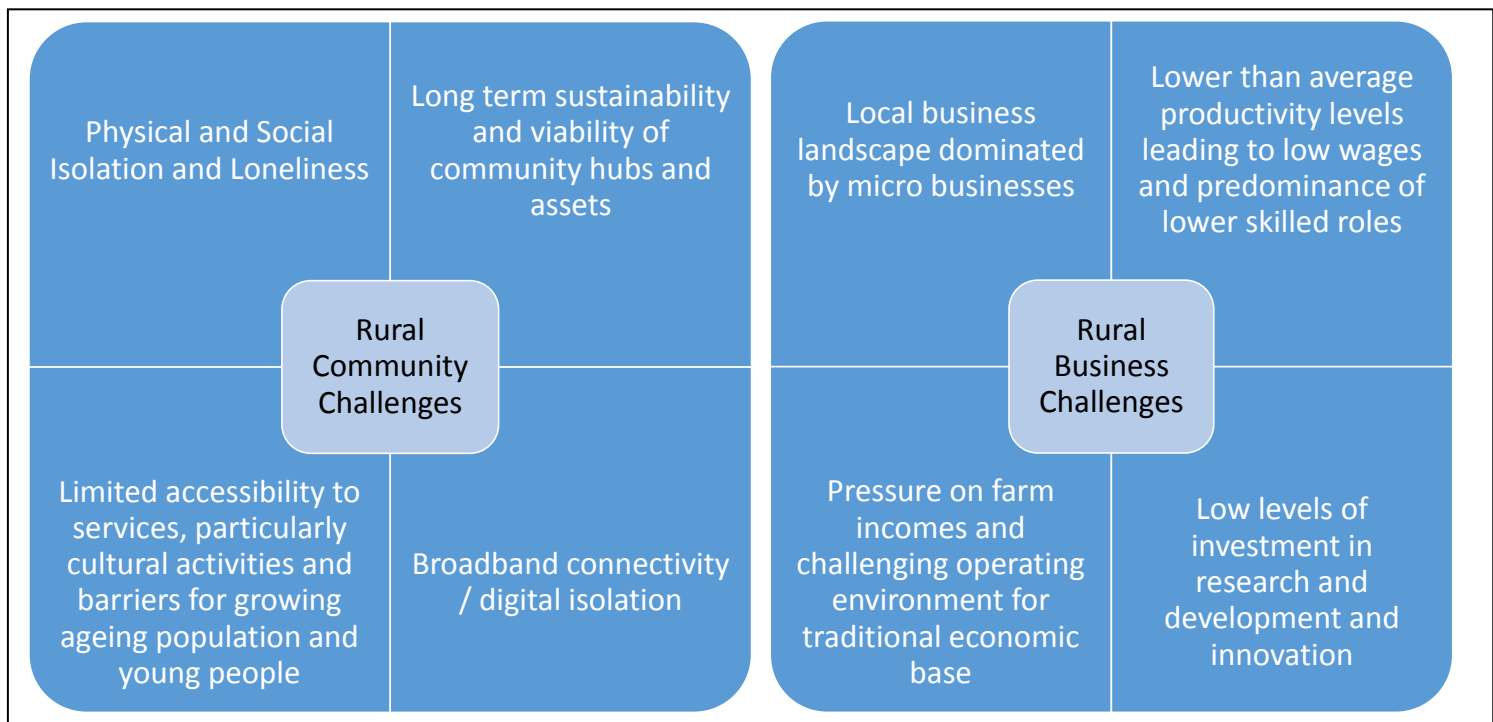
2.2 A set of interventions, outputs and outcomes have been published alongside the fund prospectus. The interventions are closely aligned with those contained within the UKSPF and are designed to achieve the funds aims.

**3. West Lindsey approach to REPF**

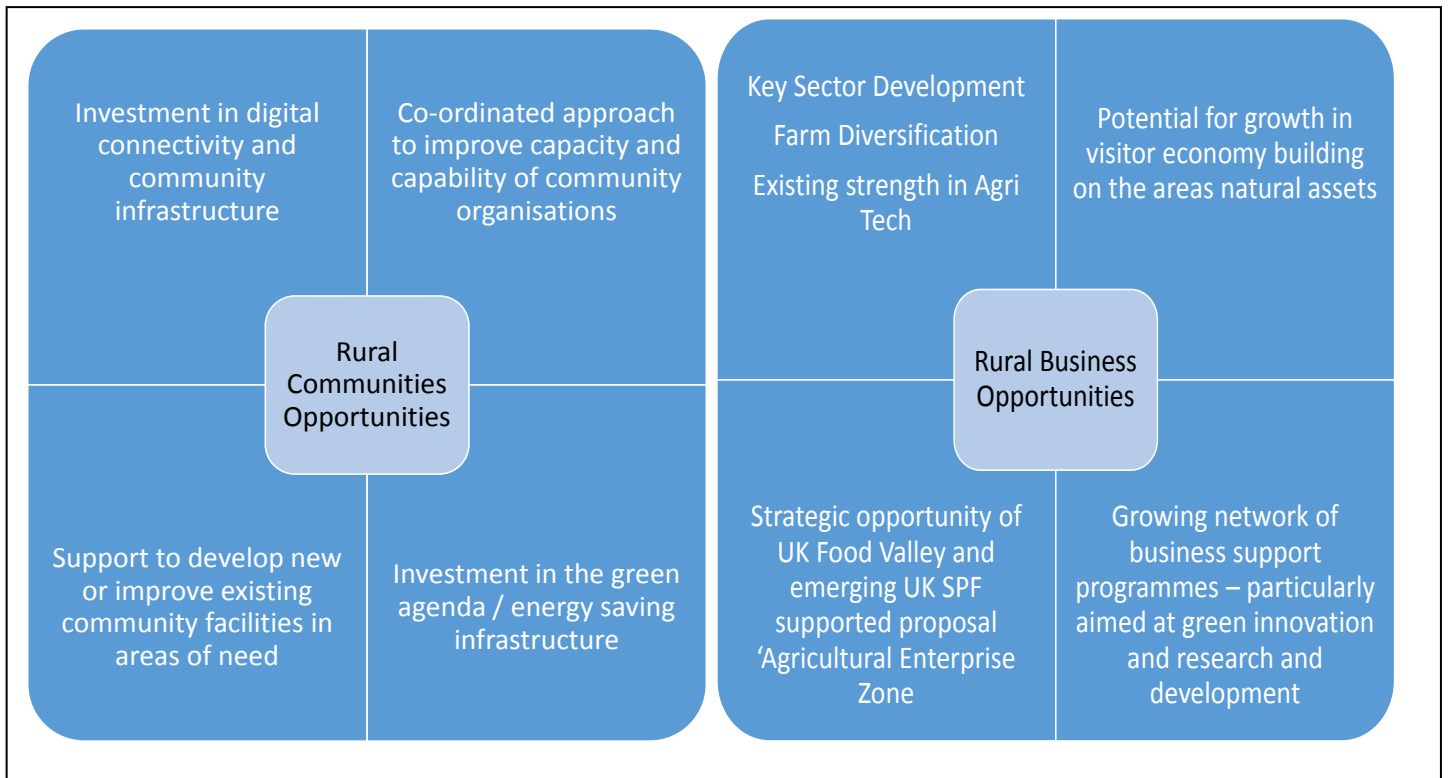
3.1 According to DEFRA’s methodology for classifying rural areas, 99.4% of West Lindsey is classified as predominantly rural including hub towns [Department for Environment, Food & Rural Affairs; 2011 Local Authority Rural Urban Classification]. Therefore, all of West Lindsey’s district wards qualify as eligible to receive funding from the Rural England Prosperity Fund (REPF). However, as some of the UK Shared Prosperity Fund (UK SPF) Investment Plan focused on interventions in Gainsborough, the largest town in West Lindsey, this REPF funding proposal targets investment into the rural wards of West Lindsey.

3.2 A theory of change has been developed to consider the challenges and market failures together with the opportunities for improvement being experienced in our rural communities. This has been strongly informed by the wide ranging and cross cutting engagement completed through the work on the main UKSPF as well as further engagement through this process. See Appendix 3 summary document.

3.3 The challenges are summarised below.



3.4 The opportunities are summarised below.



3.5 Using the challenges developed through the UKSPF Investment Plan work and additional analysis completed for the Rural Fund it is proposed that the West Lindsey investment will be focused on the following interventions from the prospectus:

### Rural Communities

2.1: capital grant funding for investment and support for digital infrastructure for local community facilities.

2.8 capital grant funding for impactful volunteering and social action projects to develop social and human capital in local places

### Rural Businesses

1.1 capital grant funding for small scale investment in micro and small enterprises in rural areas.

3.6 Intervention 1.1 will be delivered as an extension to 'Project 2.1: Flagship West Lindsey Business Support Programme' in the initial UK SPF Investment Plan. This will provide a capital grant stream as part of the wider business support programme.

3.7 This grant stream will enable increased funding for rural businesses and farms to invest in new capital assets, innovative technologies, and

infrastructure. Examples could include investment in Agri-Tech and to improve productivity or sustainable energy sources such as solar panels. Capital investment in infrastructure is a key and necessary part that will enable the business support programme to be successful and have the desired impact on rural communities in West Lindsey.

- 3.8 This is in line with the opportunities, market failures, and challenges with the focus on supporting farms and rural businesses in innovation and diversification.
- 3.9 Through this intervention, there will be increased funding in the breadth of business portfolios and income streams leading to an increased capacity and capability for local micro and small businesses and improved business security. This diversity of business activities and income streams will help to address the pressures on farm costs and incomes. The introduction of new technologies and commercial activities will improve productivity and increase the demand for highly skilled jobs. Furthermore, through supporting the development and introduction of innovation and diversification this will improve general business adaptability and foster a culture and ability to explore future opportunities for diversification and innovation.
- 3.10 In this way, Intervention 1.1 and the provision of a capital grant stream to the Flagship West Lindsey Business Support Programme will address local rural business challenges, market failures, and opportunities in West Lindsey.
- 3.11 The existing 'Feasibility Fund' which has £150,000 of allocated funding and has seen very little demand over the last 3 years will be re-purposed as a match funding opportunity to support businesses with revenue costs. This is set out within the Financial Implications of the paper.
- 3.12 Interventions 2.1 and 2.8 will be delivered as an extension to 'Project 1.1. Flagship Community Grant Programme' in the initial UK SPF Investment Plan. This will provide a capital grant stream as part of the wider investment in capacity building and infrastructure support for local civil society and community groups.
- 3.13 This grant stream will increase funding for community hubs to develop their capacity and capability and to provide investment in digital infrastructure and broadband. Community hubs are a central feature of local communities in West Lindsey and are essential for social interactions, pride in place, and the delivery of services. In remote rural areas of West Lindsey, they provide a lifeline to communities. Through developing the capacity and capability of community hubs to provide more services and improve their digital infrastructure this will address the challenges, market failures, and opportunities.
- 3.14 Through these interventions, there will be new and improved community facilities that boost community engagement. There will be increased provision, quality, impact, attendance, and perception of local events as

well as improved capacity and capability of community hubs to plan for the sustainable management of community spaces and improved community infrastructure. This will improve the accessibility of services including the introduction of services to new areas. This will increase engagement in community events and activities and improve social capital and reduce isolation.

3.15 Investment in improving digital connectivity will also increase the number of people accessing services and the use of community hubs and facilities. This will enable more communities to be reached and more people to access services.

3.16 In this way, Interventions 2.1 and 2.8 and the provision of a capital grant stream to the Flagship Community Grant Programme will address rural communities' challenges, market failures, and opportunities in West Lindsey.

#### **4. Delivery**

4.1 The principle of the REPF being seen as a 'top up' to the UKSPF has been used to help shape our delivery plans. Equally, it has been important to be pragmatic about what the council has the capacity to deliver successfully.

4.2 In this respect this proposal sets out that the two main flagship grant schemes approved through the UKSPF Investment Plan will be 'topped up' by the REPF and the delivery mechanisms shared.

4.3 When approval was provided by the concurrent meeting in July 2022 it was agreed that for each of the three investment themes in the UKSPF, committee would receive a detailed Full Business Case to set out a comprehensive five case model for each theme. Work is underway on this task and the REPF will now be included within the Business Support and Communities and Place businesses cases. For clarity, REPF can not be used to fund interventions within the People and Skills interventions of the UKSPF.

4.4 We are awaiting government approval of the UKSPF investment plan and to this end it is planned that the Full Business Cases will be presented to Corporate Policy and Resources Committee before the end of the financial year.

#### **5. Monitoring and Evaluation**

5.1 The REPF will be monitored and evaluated inline with UKSPF. Once contracting for the UKSPF is in place the guidance states that quarterly monitoring across the programme is required to capture spend, progress, forecasting and a narrative position with case studies.



- 5.2 It was proposed in the UKSPF investment plan that a Shared Prosperity Fund Board would be established to bring together community, business and skills reps to over see delivery.
- 5.3 The Shared Prosperity Fund Board will report into the Portfolio Board and the finances of the programme reported quarterly through the budget monitoring process.

## **6. Next Steps**

- 6.1 Subject to committee approval the West Lindsey Rural England Prosperity Fund Addendum will be submitted to the Department for Levelling Up Homes and Communities through the government portal by 30<sup>th</sup> November 2022.
- 6.2 We envisage that contracting with places will happen post-Christmas 2022 with a view to spend commencing in April 2023.
- 6.3 Corporate Policy and Resources Committee will receive the business cases as set out at 4.3 in early 2023, precise timings of this step will be dependent upon government contracting with local authorities on the fund.

## **7. Recommendations**

1. That Prosperous Communities Committee approve the interventions set out at 3.5 as the focus for the West Lindsey Rural England Prosperity Fund.
2. That Prosperous Communities Committee recommend that Corporate Policy and Resources Committee approve the submission of the Rural England Fund Addendum as attached at Appendix 1.
3. That Corporate Policy and Resources Committee approve the Rural Fund Addendum for submission by 30<sup>th</sup> November 2022 and delegate any housekeeping amendments to the Chief Executive in consultation with the Chair of this committee.

This document is to support in the drafting of your Rural England Prosperity Fund addendum to UKSPF Investment Plan. Please do not submit information using this document. Information can be submitted at <https://consult.defra.gov.uk/rural-england-prosperity-fund/ad6e2088/>

## Rural England Prosperity Fund: Addendum to UKSPF Investment Plan

<b>Select your area</b>	
Your area	West Lindsey District Council
Name of person submitting REPF information	Sally Grindrod-Smith
Alternative contact name and email	James Makinson-Sanders ( <a href="mailto:James.MS@west-lindsey.gov.uk">James.MS@west-lindsey.gov.uk</a> )
SRO contact details	Sally Grindrod-Smith
UKSPF Investment Plan reference number	ANON-QPA8-9P7X-J

### **Local context**

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

According to DEFRA's methodology for classifying rural areas, 99.4% of West Lindsey is classified as predominantly rural including hub towns [Department for Environment, Food & Rural Affairs; 2011 Local Authority Rural Urban Classification]. Therefore, all of West Lindsey's district wards qualify as eligible to receive funding from the Rural England Prosperity Fund (REPF). However, as some of the UK Shared Prosperity Fund (UK SPF) Investment Plan focused on interventions in Gainsborough, the largest town in West Lindsey, this REPF addendum to the UKSPF Investment Plan will focus on the rural wards of West Lindsey excluding Gainsborough.

### **Rural businesses**

#### **Challenges and market failures**

- **Micro business/local business landscape:** Small and micro businesses dominate the business landscape in West Lindsey. There are 305 small businesses, 60 medium businesses and only five large businesses (employing more than 250 people) in the area [1 - West Lindsey District Council]. This is not necessarily a negative, but it does determine the type of support that is needed for businesses to thrive. In particular, the agriculture sector in West Lindsey is typified by new-start, micro enterprises which are often ideas rich but asset poor with little resources available for investment and development.
- **Productivity:** The gap in gross value added (GVA) per hour worked between West Lindsey and the England average is growing, from a £3.1 difference in 2004 to a £5.2 difference in 2019 [2 - LUF White Paper]. This has a particular impact on West Lindsey's agricultural businesses with low levels of innovation and skilled workers keeping productivity low. The Greater Lincolnshire Food Board has determined that it is a strategic priority to invest in automation, robotics, and new skills to increase productivity [3 - Greater Lincolnshire AgriFood Investment opportunities, 2021].
- **Recruitment challenges and labour market:** West Lindsey has low levels of job creation with the number of unique job postings decreasing by 15% between 2016 and 2021 whereas all neighbouring districts recorded higher numbers when compared to 2016 [4 - Greater Lincolnshire LEP]. This is a limiting factor in the necessary innovation in the agricultural sector in West Lindsey and is a threat to their sustainability. Areas of Hemswell and Market Rasen are in the 20% most deprived nationally for employment opportunities

This document is to support in the drafting of your Rural England Prosperity Fund addendum to UKSPF Investment Plan. Please do not submit information using this document. Information can be submitted at <https://consult.defra.gov.uk/rural-england-prosperity-fund/ad6e2088/>

[5 - Indices of Multiple Deprivation, 2019]. In August 2020, a survey of Greater Lincolnshire Food Board members identified their priority for future investment as a need to focus on productivity to ensure profitability, enabled by three other key factors: innovation; workforce supply; supply chain resilience. Member comments included: ‘without access to a ready supply of labour the region will potentially suffer extraordinary wage inflation’ and ‘skills are fundamentally going to have to change as innovation in digitalisation/ robotics increases’ [6 - Greater Lincolnshire Food Board October 2020].

- **Pressure on farm finances:** There are pressures on farm incomes from multiple environmental and structural changes such as climate change, the war in Ukraine, and fluctuations in operating costs and incomes following the UK leaving the European Union. Labour costs have risen by 10% this year; fertiliser costs have risen by over 300% in the last year; some energy tariffs have risen by over 300%; and logistics costs rose by 30% in 2021 [6 - Greater Lincolnshire Food Board January 2022]. These pressures are pushing farmers to diversify their businesses. This is a national trend with turnover from non-farming activities increasing from 11% in 2020 to 16% in 2021 [7 - NFU Mutual Diversification Report, 2021]. However, all diversification activities incorporate risk, especially for small and micro businesses. The provision of publicly funded capital grant support can help to reduce this risk to businesses, particularly during periods of increased commercial borrowing interest rates, which improves the likelihood of project success.
- **Low number of highly skilled roles:** West Lindsey has a lower proportion of high-skilled jobs compared to Rural and England averages. The gap between West Lindsey and the England average increased from 2.1% in 2004 to 6.3% in 2021 [2 - LUF White Paper]. This restricts the potential to respond to opportunities to grow and limits innovation – which is necessary for the future sustainability of businesses in the agriculture sector in West Lindsey.

### Opportunities

- **Business support:** West Lindsey District Council has extensive experience of and a successful track record in providing business support programmes. The Rural England Prosperity Fund provides an opportunity to build on this, and as an extension of the UK Shared Prosperity Fund there is an opportunity to provide a capital funding stream. There are opportunities to support rural businesses with investment in research and development with funding to support innovation, new ideas and entrepreneurship, as well as funding to support the ‘green’ agenda and improvements in environmental sustainability.
- **Tourism and diversified activities:** There are opportunities to support the diversification of farms and rural businesses and to support the growth of new business activities. This is a national trend that presents as an opportunity in West Lindsey. There is an opportunity to support the growth of West Lindsey as a visitor destination and increase the number of leisure activities available to meet unfulfilled demand. This could include visitor accommodation, farm shops and cafes, and leisure attractions.
- **Key sector development:** Through working with the Lincolnshire Agricultural Society and the established farm sector there is an opportunity to develop diversification and innovation activities for farms and rural businesses. West Lindsey can leverage existing strength in Agri-Tech through the Lincoln University Riseholme Campus, the local Agri-Tech cluster based around the ‘A15 corridor’ and build on the UK Food Valley and potential Agricultural Enterprise Zone.

## **Rural communities**

### **Challenges and market failures**

- **Physical isolation and limited accessibility of services:** As a rural district, West Lindsey has issues with accessibility to services and travel and transport. This is both a cause and an effect of inequality. Only 27% of West Lindsey residents are able to access further education via public transport or on foot (compared to the Lincolnshire average of 65%) and only 69% are able to access food stores (versus 80%) [8 - Department for Transport]. Multiple areas (8 LSOAs) are in the 10% most deprived nationally for barriers to services and housing [5 - Indices of Multiple Deprivation, 2019].
- **Social isolation and loneliness:** Over 12% of adults in West Lindsey said they felt lonely 'often' or 'always', a much higher number than the average across Britain (7.2%) [9 - ONS]. This is both a cause of and result of poor mental and physical health. Loneliness disproportionately affects the young who are 3 to 5 times more likely to experience loneliness than the over 75s.
- **Growing and ageing population:** In West Lindsey the number of people aged 84+ is projected to nearly triple over the next 20 years [10 - ONS]. This will lead to an increase in demand for services, accessible amenities, and infrastructure as well as increasing the number of economically dependent citizens.
- **Sustainability of community hubs:** West Lindsey is a large district with 97 parishes covering 1,156km<sup>2</sup>. Community hubs are spread out and many local communities do not have a recognised hub [11 - West Lindsey State of the District 2020 Report]. This means that access to services is limited and the existing community hubs currently do not have the capacity or capability to provide for the whole district.
- **Broadband and connectivity/digital isolation:** Low levels of connectivity contribute to social isolation and low access to services. 85.4% of premises in West Lindsey have superfast broadband. This is significantly lower than the rural average of 91.6% and the England average of 96% [12 - LUF White Paper]. This is a priority challenge to address as it holds people back from the modern workforce and limits growth and innovation in the district.
- **Access to cultural activities:** Rural communities across West Lindsey report challenges in accessing a wide range of cultural activities including heritage, live music, museums, sport and art. Cultural deprivation is evident in pockets of West Lindsey and a recent report by 'Art' Professional highlighted that people living in deprived areas (as set out above) are less likely to engage in cultural activity because there are fewer opportunities [13 - Arts Council Report]. This is supported by the Arts Council England report which shows that less funding is invested in rural areas compared with urban counterparts [14 - Arts Council Report].
- **Young people – barriers to accessing activities:** There are low levels of youth provision and lack of opportunities for young people. This contributes to social isolation, loneliness, and youth unemployment. Four wards of West Lindsey are eligible for the Youth Investment Fund. This is a DCMS fund aiming to 'level up' youth provision in the UK. These areas are included due to high scores on the Income Deprivation Affecting Children Index, high levels of NEET (not in employment, education, or training) young people, and low levels of youth provision [15 - Youth Investment Fund].

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## Opportunities

- **Community services:** There is an opportunity to address the challenges through a coordinated approach that focuses on improving the capacity and capability of community hubs in West Lindsey. This will enable them to increase reach into hard-to-reach areas without existing provision and develop new community facilities in areas that currently do not have them. This is an opportunity to reduce the 'postcode lottery' of community provision. Through improving the capacity and capability of community hubs this will increase the accessibility and provision of services.
- **Digital connectivity:** There is an opportunity to improve the digital infrastructure of community hubs as a targeted approach to improve digital inclusion and access to online services. Whilst connected to improving the capacity and capability of community hubs, it is an opportunity in its own right.

### Sources:

[1 - West Lindsey District Council; LGA Peer Challenge- Updated Positioning Statement January 2022, West Lindsey District Council]

[2 - LUF White Paper; Levelling Up Fund Mission 1 Data]

[3 - Greater Lincolnshire AgriFood Investment opportunities, 2021]

[4 - Greater Lincolnshire LEP; Greater Lincolnshire Food Board January 2022 – Supplementary Evidence to the EFRA Select Committee Inquiry into Labour shortages in the food and farming sector]

[5 - Indices of Multiple Deprivation, 2019]

[6 - Greater Lincolnshire Food Board October 2020]

[7 - NFU Mutual Diversification Report, 2021]

[8 - Department for Transport; Area Profiles- West Lindsey: Accessibility, 2017, Lincolnshire Research Observatory]

[9 - ONS Opinions and Lifestyle Survey, 2021

<https://www.ons.gov.uk/peoplepopulationandcommunity/wellbeing/articles/mappinglonelinessduringthecoronaviruspandemic/2021-04-07>]

[10 – ONS population projection]

[11 - West Lindsey State of the District 2020 Report]

[12 - LUF White Paper; Levelling Up Fund Mission 4 Data]

[13 - Arts Council Report; Deprived areas benefit most from culture | News | ArtsProfessional]

[14 - Arts Council Report; Rural\_evidence\_and\_data\_review\_0.pdf (artscouncil.org.uk)]

[15 - Youth Investment Fund (YIF) - places selection methodology - GOV.UK (www.gov.uk)]

## **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](#).

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2023-2024 interventions:	1.1 capital grant funding for small scale investment in micro and small enterprises in rural areas.
2024-2025 interventions:	1.1 capital grant funding for small scale investment in micro and small enterprises in rural areas.
Please explain how the interventions selected will address local rural business challenges, market failures, and opportunities (max 300 words)	
<p>Intervention 1.1 will be delivered as an extension to ‘Project 2.1: Flagship West Lindsey Business Support Programme’ in the initial UK SPF Investment Plan. This will provide a capital grant stream as part of the wider business support programme.</p> <p>This grant stream will enable increased funding for rural businesses and farms to invest in new capital assets, innovative technologies, and infrastructure. Examples could include investment in Agri-Tech and purchasing new farming technologies to improve productivity or sustainable energy sources such as solar panels. Capital investment in infrastructure is a key and necessary part that will enable the business support programme to be successful and have the desired impact on rural communities in West Lindsey.</p> <p>This is in line with the opportunities, market failures, and challenges with the focus on supporting farms and rural businesses in innovation and diversification.</p> <p>Through this intervention, there will be increased funding in the breadth of business portfolios and income streams leading to an increased capacity and capability for local micro and small businesses and improved business security. This diversity of business activities and income streams will help to address the pressures on farm costs and incomes. The introduction of new technologies and commercial activities will improve productivity and increase the demand for highly skilled jobs. Furthermore, through supporting the development and introduction of innovation and diversification this will improve general business adaptability and foster a culture and ability to explore future opportunities for diversification and innovation.</p> <p>In this way, Intervention 1.1 and the provision of a capital grant stream to the Flagship West Lindsey Business Support Programme will address local rural business challenges, market failures, and opportunities in West Lindsey.</p>	
Please rank the interventions selected in order of expected value added	
N/A	

<b>Interventions – rural communities</b>	
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:	2.1: capital grant funding for investment and support for digital infrastructure for local community facilities. 2.8: capital grant funding for impactful volunteering and social action projects to develop social and human capital in local places.

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2024-2025 interventions:	2.1: capital grant funding for investment and support for digital infrastructure for local community facilities. 2.8: capital grant funding for impactful volunteering and social action projects to develop social and human capital in local places.
Please explain how the interventions selected will address local rural business challenges, market failures, and opportunities (max 300 words)	
<p>Interventions 2.1 and 2.8 will be delivered as an extension to 'Project 1.1. Flagship Community Grant Programme' in the initial UK SPF Investment Plan. This will provide a capital grant stream as part of the wider investment in capacity building and infrastructure support for local civil society and community groups.</p> <p>This grant stream will increase funding for community hubs to develop their capacity and capability and to provide investment in digital infrastructure and broadband. Community hubs are a central feature of local communities in West Lindsey and are essential for social interactions, pride in place, and the delivery of services. In remote rural areas of West Lindsey, they provide a lifeline to communities. Through developing the capacity and capability of community hubs to provide more services and improve their digital infrastructure this will address the challenges, market failures, and opportunities.</p> <p>Through these interventions, there will be new and improved community facilities that boost community engagement. There will be increased provision, quality, impact, attendance, and perception of local events as well as improved capacity and capability of community hubs to plan for the sustainable management of community spaces and improved community infrastructure. This will improve the accessibility of services including the introduction of services to new areas. This will increase engagement in community events and activities and improve social capital and reduce isolation.</p> <p>Investment in improving digital connectivity will also increase the number of people accessing services and the use of community hubs and facilities. This will enable more communities to be reached and more people to access services.</p> <p>In this way, Interventions 2.1 and 2.8 and the provision of a capital grant stream to the Flagship Community Grant Programme will address rural communities' challenges, market failures, and opportunities in West Lindsey.</p>	
Please rank the interventions selected in order of expected value added	
<p>2.1: capital grant funding for investment and support for digital infrastructure for local community facilities.</p> <p>2.8: capital grant funding for impactful volunteering and social action projects to develop social and human capital in local places</p>	

<b>Interventions outcomes</b>
Please select what outcomes the interventions selected in the rural business investment priority are expected to achieve
<p>26 No. Jobs safeguarded</p> <p>10 No. Businesses created</p> <p>16 No. Businesses adopting new to the firm technologies or processes</p>

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26 No. Businesses experiencing growth
Please select what outcomes the interventions selected in the rural communities investment priority are expected to achieve
30% Increase in the perception of facilities and amenities 30% increase in engagement numbers

<b>Delivery</b>
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><b>Rural Businesses</b> Intervention 1.1 : 2023/24 £79,582 2024/25 £ 238,749</p> <p>Intervention 1.1 funding will be used to expand and complement Part 3 of the Council’s Flagship Business Support Programme under the UKSPF investment plan. The project will provide grants for farm diversification (non- agricultural) and Agri-Tech business development.</p> <p><b>Rural Communities</b> Intervention 2.1: 2023/24 £19,895 2024/25 £19,895 Intervention 2.8: 2023/24 £218,850 2024/25 £218,850</p> <p>Intervention 2.1 funding will be used to expand and complement the Council’s Flagship Community Grants Programme under the UKSPF investment plan. The project will provide grants focused on investment and support for digital infrastructure into rural community communities.</p> <p>Intervention 2.8 funding will be used to supplement the capital funding element identified in the UKSPF investment plan for increased community provision, supporting community assets and growing social capital and volunteering.</p> <p>It is the council’s opinion that to give applicants the greatest opportunity to deliver the outcomes of the funding, we wish to provide 50% of the money in year 1.</p>
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)
<p>West Lindsey District Council has considerable experience of successfully managing grant programmes. The existing council grant programmes follow best practice and current government guidance in the Cabinet Office Grants Standards publication.</p> <p>The Council will build on and modify its existing grants procedures to ensure that value for money and additionality are captured. Where the Council is considering collaboration with other bodies it will require any programmes to follow government guidance.</p>

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As mentioned in the REPF prospectus the Council will incorporate the materials to be issued by DEFRA to support its assessment of the projects. In principle the Council will use a mix of competitions for the grant funding and will also provide guidance packs for applicants.

Applicants will be asked to:

- Complete an application form.
- Demonstrate value for money by providing at least 3 quotes.
- Use local contractors/suppliers (where available) to undertake the works.
- Confirm any private sector funding sources.
- Confirm any other funding sources.
- Confirm that proposal could not proceed without grant support, to determine that projects cannot be funded by private finance.
- Provide a sustainability statement to assess its contribution to net zero and nature recovery objectives.

In addition to the above, the Flagship West Lindsey Business Support Programme will utilise an external sector specific adviser to give a view on REPF rural business projects. The expert will provide an assessment of the proposal, a view on the probable realisation of the economic benefits and a value for money appraisal (pre-award).

Projects will then be scored by a panel against a matrix of criteria including deliverability, value for money, additionality, REPF outputs and outcomes, local priorities, match funding and where applicable net zero/nature recovery objectives.

The VfM calculation will consider the level of private sector funding levered in, however this will not be a prerequisite for securing funding under the Rural Communities interventions.

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:	1.1 capital grant funding for small scale investment in micro and small enterprises in rural areas.
Place(s) you intend to collaborate with:	As outlined in the Council's UKSPF investment plan WLDC are examining a Lincolnshire wide collaboration to provide business support.

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:	WLDC believes grants for rural communities can be delivered by the council.
Place(s) you intend to collaborate with:	N/A

**Engagement**

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

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West Lindsey is a rural district, in fact it's the second least densely populated local authority area in the East Midlands with just 82 people per square km. As such, all our partners in communities, businesses, and other organisations can be considered rural partners.

Securing a prosperous future for our residents is a shared responsibility. As a district council, we will be focused through the Rural Fund on the areas where we can have the biggest effect, and we will continue to work closely with communities, businesses, and our partner organisations to do this together. As such, the addendum submission has been developed on the principles and priorities engaged with so comprehensively through our UK Shared Prosperity Fund Investment Plan.

Across the district we are fortunate to benefit from having a range of partners and stakeholders that informed the development of our priorities and interventions as well as support the delivery of the Investment Plan and informed the Rural Fund priorities. We brought together an understanding of partners and stakeholders, ensured they were able to input into the UKSPF process and considered any gaps in capacity and capability to deliver. This included an extensive harvesting of intervention ideas through a dialogue with local public services, third sector organisations, local leaders, and businesses. To fast-track the stakeholder engagement process and make it more effective, where possible we used the existing forums and groups. We also leveraged multiple communication channels, including structured one-to-one interviews, in-person workshops and online webinars.

Specific consultation on the REPF proposals has been undertaken with the following groups:

- Greater Lincolnshire LEP
- University of Lincoln
- Bishop Burton College
- Eagle Labs
- Lincolnshire Agricultural Society
- Lockwood Estates Ltd
- Country Land and Business Association

We are committed to establishing a Voluntary and Community Sector Consortium / Local Partnership Board to oversee development and delivery of the Flagship Community Grant Programme, which will be expanded to cover the specific rural interventions.

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.

None have been identified.

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.

N/A

**Confirmation of approval**

Please provide the names of who has approved the submission of the additional information provided

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Chief Executive:	Ian Knowles
Elected leader:	Cllr Owen Bierley
Section 151 officer	Emma Foy

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Headers for each category of Risk should be considered:

Project:	UK SPF
Project lead:	Sally Grindrod-Smith
Last Updated:	08-Nov-22

- Political
- Economical
- Sociological
- Technological
- Legal
- Environmental

Risk Number	Risk Description	Description of Potential IMPACT (quantified wherever possible)	Prevailing Risk Ratings			Target Risk Rating			Risk Owner	Action Owner	Risk Responses	Date Added	Live/ Closed	Date Closed
			LIKELIHOOD Rating	IMPACT Rating	Risk Rating	Target LIKELIHOOD rating	Target IMPACT Rating	Target Risk Rating						
<b>Political</b>														
P1	Lack of political support to procure/commission services jointly with other LA's in Lincolnshire	UKSPF prospectus indicates that it supports joint commissioning, failure to do this would go against guidance. Increase cost to council to procure independently and/or delays in procuring projects or services leading to reduced outputs and outcomes.	Possible	Major	12	Possible	Major	12	Sally Grindrod-Smith		Ensure politicians are regularly updated and views canvassed to allow business cases to be progressed. Progress conversations with Lincolnshire Councils. LEP and County Council to identify areas that can be procured jointly	16-Sep-22	LIVE	
P2	Development and sign off of the businesses cases are delayed as politicians consider their priorities in relation to elections due in May 2023.	Delay or failure to deliver projects within the time period set out in the investment plan will lead to reputational damage with public and government. There is a risk that government will not release funding to until sufficient progress has been made.	Remote	Moderate	3	Remote	Moderate	3	Sally Grindrod-Smith		Early engagement with politicians to ensure that the projects will be supported and where necessary get approvals for individual projects to be brought forward to meet investment plan.	16-Sep-22	LIVE	
P3	Multiple and competing projects with insufficient funding to meet needs of communities and business.	Damage reputation to council as being seen as unfair and lacking transparency.	Unlikely	Moderate	6	Unlikely	Moderate	6	Sally Grindrod-Smith	WLDC officers to be ID for each of 3 BC	WLDC to create clear criteria for prioritisation within each project/programme. WLDC to carry out stakeholder involvement where necessary and develop comms plan to ensure stakeholders and providers are kept informed.	16-Sep-22	LIVE	
P4	Conflicts of interest within the Local Partnership Group (LPG) due to potential recipients of funding having access to privileged information on potential contracts/grants	Potential recipients who sit on the LPG get a commercial advantage when bidding for work. Reputational and potential legal challenge against procurement and commissioning made by other providers.	Possible	Moderate	9	Possible	Moderate	9			Review the LPG composition once the fund is in place to ensure that no advantage is given to any groups when bidding/submitted bids or starts	16-Sep-22	LIVE	
P5	Scope creep, for example Government releases further funding to be integrated into the business cases and to be delivered by March 2025.	Business cases are delayed whilst the impact of any funding is considered leading to time and cost pressures, reputational damage to council with the public	Possible	Moderate	9	Possible	Moderate	9			Accept risk. Consider approving projects individually to allow some progress to be made. Ensure effective communications plan to keep stakeholders informed.	16-Sep-22	LIVE	
P6	Failure to integrate the Rural England Prosperity Fund Investment Plan into business cases	Potential to miss opportunities to maximise affect of funding on local communities and businesses.	Unlikely	Moderate	6	Unlikely	Moderate	6			Review existing projects to identify any synergistic benefits and interdependencies. Identify any additional interventions required. Complete the Rural England Fund as soon as possible to allow the business case to progress.	16-Sep-22	LIVE	
P6	Failure to integrate the Rural England Prosperity Fund Investment Plan into business cases	Potential to miss opportunities to maximise affect of funding on local communities and businesses.	Unlikely	Moderate	6	Unlikely	Moderate	6			Review existing projects to identify any synergistic benefits and interdependencies. Identify any additional interventions required. Complete the Rural England Fund as soon as possible to allow the business case to progress.	16-Sep-22	LIVE	
<b>Economical</b>														
E1	Investment Plan funding profile is very tight to spend and funding may not be expended in year, leading to a delay in release of funding in following years.	Programme slips and projects do not have sufficient time to be delivered outputs and outcomes leading to potential clawback and reputational damage. Government have stated that any underspends in the final year of the programme (2024/25) will be repaid to DLUHC. Delays in projects may lead to costs increasing.	Possible	Moderate	9	Possible	Moderate	9			Sense check project plans and risks to ensure that the projects can be delivered to time and budget. Consider delivering projects earlier than Investment Plan spend profile to deal with cost inflation and time over runs (potentially funded by reserves and refunded by Investment Plan funding). Consider using 2022/23 funding to support existing projects retrospectively where they meet interventions and use the substituted funding for future years (subject to Chief Finance Officer agreement).	16-Sep-22	LIVE	
E2	Inability of 3rd parties, in receipt of funding, to recover VAT from their projects could lead to an increase in the funding requirement and additional cost for the Council	Projects business cases may rely on VAT being recovered to make them viable. If non VAT registered organisations receive funding there may be an up to 20% increase in the project cost.	Possible	Moderate	9	Possible	Moderate	9			Early engagement with finance and external tax advice. Restructure the deal to reduce tax burden for example the council undertake work on their behalf (dependent on the risk profile).	16-Sep-22	LIVE	
E3	Unexpected tax liabilities within projects leading to breaching the partial exemption limit on VAT	Projects business cases may rely on VAT partial exemption limit to make them viable. Failure to consider will increase the cost of projects and effect the viability.	Possible	Moderate	9	Possible	Moderate	9			Early engagement with finance and external tax advice.	16-Sep-22	LIVE	
E4	Failure to consider alignment of benefits and dependencies from other funded schemes	Funding could contribute to meeting outputs and outcomes of UKSPF	Remote	Moderate	3	Remote	Moderate	3			Ensure that all other funding sources and projects are identified and considered at FBC stage.	16-Sep-22	LIVE	
E5	Failure to finalise outputs and outcomes for a number of projects	The Council may over estimate its ability to deliver the outputs and outcomes it submitted as part of its Investment Plan leading to reputational damage with central government for failing to deliver. Government may withhold or delay payments for future years leading to a shortfall of funding for projects.	Possible	Moderate	9	Possible	Moderate	9			There are currently a number of projects where the outputs and outcomes have not been fully defined. This work needs to be completed as part of the FBC or the Council accepts that this will require further work post FBC. Government guidance allows for amendments.	16-Sep-22	LIVE	
E6	We cannot demonstrate a positive value for money case for one or more interventions	Lack of confidence or evidence base around likely outcomes may lead to a low projected benefit, which in turn would question the viability and VFM for an intervention	Possible	Minor	6	Possible	Minor	6			Early exercise to identify measurable outcomes from each scheme linked through to ways benefits can be calculated Early development of a benefit / cost tool with some indicative numbers to check likely impact.	16-Sep-22	LIVE	
E7	Cost inflation (particularly construction inflation) rising at levels higher than planned in bid	Intended propositions being unable to be delivered within indicative funding envelopes	Possible	Moderate	9	Possible	Moderate	9			Cost re-engineering Look at scope reduction Find additional match funding (including increasing Council ask)	16-Sep-22	LIVE	
<b>Sociological</b>														
S1	Equalities impacts are not considered sufficiently and not embedded into projects.	Reputational impact on Council, requirement to rework projects leading to a time and cost delay.	Remote	Moderate	3	Remote	Moderate	3			Undertake Equality Impact Assessments and keep under review to ensure still relevant.	16-Sep-22	LIVE	
S2	Data used to make investment plan decisions on interventions are out of date or no longer valid.	Incorrect decisions made on choice of projects to deliver interventions in business case due to new data being released through for example the 20202 census .	Possible	Minor	6	Possible	Minor	6		WLDC officers to be ID for each of 3 BC	WLDC teams to confirm that information is still valid or ID any changes that would affect the business case. Accept that new data will emerge throughout the Investment Plan but commit to agreed business cases to ensure delivery by March 2025.	16-Sep-22	LIVE	

Risk Number	Risk Description	Environmental Description of Potential IMPACT (quantified wherever possible)	Prevailing Risk Ratings			Target Risk Rating			Risk Owner	Action Owner	Risk Responses	Date Added	Live/ Closed	Date Closed
			LIKELIHOOD Rating	IMPACT Rating	Risk Rating	Target LIKELIHOOD rating	Target IMPACT Rating	Target Risk Rating						
S3	Lack of In house capacity and capability to provide information to develop business cases	Failure to deliver information to complete business cases and gain subsequent internal approval, leading to issues of clawback and reputational damage with public and government.	Unlikely	Moderate	6	Unlikely	Moderate	6	Sally Grindrod-Smith	WLDC officers to be ID for each of 3 BC	Sally G-S to identify resources internally to support drafting of business cases and procure external advice or support as required	16-Sep-22	LIVE	
S4	Lack of evidence of wider stakeholder consultation on one or more key areas of business cases	Potential for objections at later stages of process, lobbying of / representations made to Councillors	Unlikely	Moderate	6	Unlikely	Moderate	6			Development and review of consultation and communication plan	16-Sep-22	LIVE	
<b>Technological</b>														
T1	Lack of information on baseline data for outputs and outcomes on returns to government	Unable to show progress against agreed targets leading to potential for further funding not being released	Possible	Moderate	9	Possible	Moderate	9			Ensure that a requirement of funding is that all recipients of funding are aware of requirement to baseline. Officers should follow the government guidance found in 'UK Shared Prosperity Fund: outputs and outcomes definitions (2)'. Potential baseline methods could include purchase of specialist information to baseline and monitor i.e. footfall counting	16-Sep-22	LIVE	
T2	Lack of clear methodology to monitor outputs and outcomes	Lack of consistency in monitoring across and within projects leading to inaccurate or misleading information being reported to government.	Possible	Moderate	9	Possible	Moderate	9			Ensure that a monitoring protocol is developed for projects. This will ensure the correct information is collected in a consistent way and the quality of information is monitored. Officers should follow the government guidance found in 'UK Shared Prosperity Fund: outputs and outcomes definitions (2)'. Consider integrating into corporate performance monitoring framework.	16-Sep-22	LIVE	
T3	Lack of monitoring of the data received against the outputs and outcomes	Unable to show progress against agreed targets leading to potential for further funding not being released	Possible	Moderate	9	Possible	Moderate	9			Identify individual/team responsibility to monitor progress in line with government guidance 'UK Shared Prosperity Fund: reporting and performance management (3)' Consider integrating into corporate performance monitoring framework.	16-Sep-22	LIVE	
<b>Legal</b>														
L1	Subsidy Control for specific projects/interventions is not identified and dealt with as programme is developed and delivered.	Failure to consider subsidy control will lead to the Council potentially using/allocating funding illegally leading to reputational damage and potential claw back	Unlikely	Moderate	6	Unlikely	Moderate	6	Sally Grindrod-Smith	TBC	Legal advice sought to ensure that any projects or programmes are subsidy control compliant and follow the council's financial and legal guidance.	16-Sep-22	LIVE	
L2	Failure to identify procedural issues which may delay completion of the FBC including: -restrictive covenants /wayleaves - securing planning permissions on sites - match funding criteria	Procedural issues may effect the outputs, outcomes, cost and timescales for the delivery of the projects leading to potential overspend, failing to deliver in the timescales and reputational damage to the council.	Remote	Major	4	Remote	Major	4	Sally Grindrod-Smith	TBC	Review of projects to identify any procedural issues that need to be considered and include and understand the risks associated with them.	16-Sep-22	LIVE	
<b>Environmental</b>														
EV1	Failure to identify environmental issues at FBC stage that could effect deliver of projects, such as land contamination and flooding.	Increase cost to deal with issues and time delay. Project may become unviable leading to reputational damage with public and government.	Unlikely	Moderate	6	Unlikely	Moderate	6			Undertake due diligence on projects to identify any issues that need to be considered. Review projects in light of findings to decide how to progress. <b>Cost re-engineering / seek additional match funding</b>	16-Sep-22	LIVE	
EV2	Projects fail to contribute to government's net zero target by 2050	Project delivery fails to consider and meet governments core requirements leading to reputational damage and the council not contributing to its own net zero carbon targets.	Possible	Moderate	9	Possible	Moderate	9			NET zero is considered as a core component of the business case and is embedded in the individual projects. Consideration to be given to setting net zero criteria as part of any grant funding or capital works.	16-Sep-22	LIVE	
EV3	Projects fail to contribute to government's nature recovery objectives (Rural England PF)	Project delivery fails to consider and meet governments core requirements leading to reputational damage and the council not contributing to the nature recovery agenda in its area.	Possible	Moderate	9	Possible	Moderate	9			Nature recovery is considered as a core component of any business case and is embedded in the individual projects. Consideration to be given to setting nature recovery objective criteria as part of any grant funding or capital works.	16-Sep-22	LIVE	

## Rural businesses

### Challenges and market failures:

- **Micro business/local business landscape:** Small and micro businesses dominate the business landscape in West Lindsey. There are 305 small businesses, 60 medium businesses and only five large businesses (employing more than 250 people) in the area [West Lindsey District Council]. This is not necessarily a negative, but it does determine the type of support that is needed for businesses to thrive. In particular, the agriculture sector in West Lindsey is typified by new-start, micro enterprises which are often ideas rich but asset poor with little resources available for investment and development.
- **Productivity:** The gap in gross value added (GVA) per hour worked between West Lindsey and the England average is growing, from a £3.1 difference in 2004 to a £5.2 difference in 2019 [LUF White Paper]. This has a particular impact on West Lindsey's agricultural businesses with low levels of innovation and skilled workers keeping productivity low. The Greater Lincolnshire Food Board has determined that it is a strategic priority to invest in automation, robotics, and new skills to increase productivity [Greater Lincolnshire AgriFood Investment opportunities, 2021].
- **Recruitment challenges and labour market:** West Lindsey has low levels of job creation with the number of unique job postings decreasing by 15% between 2016 and 2021 whereas all neighbouring districts recorded higher numbers when compared to 2016 [Greater Lincolnshire LEP]. This is a limiting factor in the necessary innovation in the agricultural sector in West Lindsey and is a threat to their sustainability. Areas of Hemswell and Market Rasen are in the 20% most deprived nationally for employment opportunities [Indices of Multiple Deprivation, 2019]. In August 2020, a survey of Greater Lincolnshire Food Board members identified their priority for future investment as a need to focus on productivity to ensure profitability, enabled by three other key factors: innovation; workforce supply; supply chain resilience. Member comments included: 'without access to a ready supply of labour the region will potentially suffer extraordinary wage inflation' and 'skills are fundamentally going to have to change as innovation in digitalisation/robotics increases' [Greater Lincolnshire Food Board October 2020].
- **Pressure on farm finances:** There are pressures on farm incomes from multiple environmental and structural changes such as climate change, the war in Ukraine, and fluctuations in operating costs and incomes following the UK leaving the European Union. Labour costs have risen by 10% this year; fertiliser costs have risen by over 300% in the last year; some energy tariffs have risen by over 300%; and logistics costs rose by 30% in 2021 [Greater Lincolnshire Food Board January 2022]. These pressures are pushing farmers to diversify their businesses. This is a national trend with turnover from non-farming activities increasing from 11% in 2020 to 16% in 2021 [NFU Mutual Diversification Report, 2021]. However, all diversification activities incorporate risk, especially for small and micro businesses. The provision of publicly funded capital grant support can help to reduce this risk to businesses, particularly during periods of increased commercial borrowing interest rates, which improves the likelihood of project success.
- **Low number of highly skilled roles:** West Lindsey has a lower proportion of high-skilled jobs compared to Rural and England averages. The gap between West Lindsey and the England average increased from 2.1% in 2004 to 6.3% in 2021 [LUF White Paper]. This restricts the potential to respond to opportunities to grow and limits innovation – which

is necessary for the future sustainability of businesses in the agriculture sector in West Lindsey.

#### **Opportunities:**

- **Business support:** West Lindsey District Council has extensive experience of and a successful track record in providing business support programmes. The Rural England Prosperity Fund provides an opportunity to build on this, and as an extension of the UK Shared Prosperity Fund there is an opportunity to provide a capital funding stream. There are opportunities to support rural businesses with investment in research and development with funding to support innovation, new ideas and entrepreneurship, as well as funding to support the 'green' agenda and improvements to environmental sustainability.
- **Tourism and diversified activities:** There are opportunities to support the diversification of farms and rural businesses and to support the growth of new business activities. This is a national trend that presents as an opportunity in West Lindsey. There is an opportunity to support the growth of West Lindsey as a visitor destination and increase the number of leisure activities available to meet unfulfilled demand. This could include visitor accommodation, farm shops and cafes, and leisure attractions.
- **Key sector development:** Through working with the Lincolnshire Agricultural Society and the established farm sector there is an opportunity to develop diversification and innovation activities for farms and rural businesses. West Lindsey can leverage existing strength in Agri-Tech through the Lincoln University Riseholme Campus, the local Agri-Tech cluster based around the 'A15 corridor' and build on the UK Food Valley and potential Agricultural Enterprise Zone.

#### **Rural communities**

##### **Challenges and market failures:**

- **Physical isolation and limited accessibility of services:** As a rural district, West Lindsey has issues with accessibility to services and travel and transport. This is both a cause and an effect of inequality. Only 27% of West Lindsey residents are able to access further education via public transport or on foot (compared to the Lincolnshire average of 65%) and only 69% are able to access food stores (versus 80%) [Department for Transport]. Multiple areas (8 LSOAs) are in the 10% most deprived nationally for barriers to services and housing [Indices of Multiple Deprivation, 2019].
- **Social isolation and loneliness:** Over 12% of adults in West Lindsey said they felt lonely 'often' or 'always', much higher number than the average across Britain (7.2%) [ONS]. This is both a cause of and result of poor mental and physical health. Loneliness disproportionately affects the young who are 3 to 5 times more likely to experience loneliness than the over 75s.
- **Growing and ageing population:** In West Lindsey the number of people aged 84+ is projected to nearly triple over the next 20 years [ONS]. This will lead to an increase in demand for services, accessible amenities, and infrastructure as well as increasing the number of economically dependent citizens.
- **Sustainability of community hubs:** West Lindsey is a large district with 97 parishes and covering 1,156km<sup>2</sup>. Community hubs are spread out and many local communities not having a recognised hub [West Lindsey State of the District 2020 Report]. This means that access to services is limited and the existing community hubs do not currently have the capacity or capability to service the whole district.

- **Broadband and connectivity/digital isolation:** Low levels of connectivity contribute to social isolation and low access to services. 85.4% of premises in West Lindsey have superfast broadband. This is significantly lower than the rural average of 91.6% and the England average of 96% [LUF White Paper]. This is a priority challenge to address as it holds people back from the modern workforce and limits growth and innovation in the district.
- **Access to cultural activities:** Rural communities across West Lindsey report challenges in accessing a wide range of cultural activities including heritage, live music, museums, sport and art. Cultural deprivation is evident in pockets of West Lindsey and a recent report by ‘Art’ Professional’ highlighted that people living in deprived areas (as set out above) are less likely to engage in cultural activity because there are fewer opportunities.<sup>1</sup> This is supported by the Arts Council England report <sup>2</sup> which shows that less funding is invested in rural areas compared with urban counterparts.
- **Young people – barriers to accessing activities:** There are low levels of youth provision and lack of opportunities for young people. This contributes to social isolation, loneliness, and youth unemployment. Four wards of West Lindsey are eligible for the Youth Investment Fund. This is a DCMS fund aiming to ‘level up’ youth provision in the UK. These areas are included due to high scores on the Income Deprivation Affecting Children Index, high levels of NEET (not in employment, education or training) young people, and low levels of youth provision [Youth Investment Fund].

#### **Opportunities:**

- **Community services:** There is an opportunity to address the challenges through a coordinated approach that focuses on improving the capacity and capability of community hubs in West Lindsey. This will enable them to increase reach into hard-to-reach areas without existing provision and develop new community facilities in areas that currently do not have them. This is an opportunity to reduce the ‘postcode lottery’ of community provision. Through improving the capacity and capability of community hubs this will increase the accessibility and provision of services.
- **Digital connectivity:** There is an opportunity to improve the digital infrastructure of community hubs as a targeted approach to improve digital inclusion and access to online services. Whilst connected to improving the capacity and capability of community hubs, it is an opportunity in its own right.

#### **Interventions**

##### **Rural businesses:**

*Intervention 1.1: capital grant funding for small scale investment in micro and small enterprises in rural areas.*

Intervention 1.1 will be delivered as an extension to ‘Project 2.1: Flagship West Lindsey Business Support Programme’ in the initial UK SPF Investment Plan. This will provide a capital grant stream as part of the wider business support programme.

This grant stream will enable increased funding for rural businesses and farms to invest in new capital assets, innovative technologies, and infrastructure. Examples could include investment in Agri-Tech and purchasing new farming technologies to improve productivity or sustainable energy sources such

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<sup>1</sup> [Deprived areas benefit most from culture | News | ArtsProfessional](#)

<sup>2</sup> [Rural evidence and data review 0.pdf \(artscouncil.org.uk\)](#)



as solar panels. Capital investment in infrastructure is a key and necessary part that will enable the business support programme to be successful and have the desired impact on rural communities in West Lindsey.

This is in line with the opportunities, market failures, and challenges with the focus on supporting farms and rural businesses in innovation and diversification.

Through this intervention, there will be increased funding in the breadth of business portfolios and income streams leading to an increased capacity and capability for local micro and small businesses and improved business security. This diversity of business activities and income streams will help to address the pressures on farm costs and incomes. The introduction of new technologies and commercial activities will improve productivity and increase the demand for highly skilled jobs. Furthermore, through supporting the development and introduction of innovation and diversification this will improve general business adaptability and foster a culture and ability to explore future opportunities for diversification and innovation.

In this way, Intervention 1.1 and the provision of a capital grant stream to the Flagship West Lindsey Business Support Programme will address local rural business challenges, market failures, and opportunities in West Lindsey.

**Rural communities:**

*Intervention 2.1: capital grant funding for investment and support for digital infrastructure for local communities' facilities.*

*Intervention 2.8: capital grant funding for impactful volunteering and social action projects to develop social and human capital in local places.*

Interventions 2.1 and 2.8 will be delivered as an extension to 'Project 1.1. Flagship Community Grant Programme' in the initial UK SPF Investment Plan. This will provide a capital grant stream as part of the wider investment in capacity building and infrastructure support for local civil society and community groups.

This grant stream will increase funding for community hubs to develop their capacity and capability and to provide investment in digital infrastructure and broadband. Community hubs are a central feature of local communities in West Lindsey and are essential for social interactions, pride in place, and the delivery of services. In remote rural areas of West Lindsey they provide a lifeline to communities. Through developing the capacity and capability of community hubs to provide more services and improve their digital infrastructure this will address the challenges, market failures, and opportunities.

Through these interventions, there will be new and improved community facilities that boost community engagement. There will be increased provision, quality, impact, attendance, and perception of local events as well as improved capacity and capability of community hubs to plan for the sustainable management of community spaces and improved community infrastructure. This will improve the accessibility of services including the introduction of services to new areas. This will increase engagement in community events and activities and improve social capital and reduce isolation.

Investment in improving digital connectivity will also increase the number of people accessing services and the use of community hubs and facilities. This will enable more communities to be reached and more people to access services.

In this way, Interventions 2.1 and 2.8 and the provision of a capital grant stream to the Flagship Community Grant Programme will address rural communities' challenges, market failures, and opportunities in West Lindsey.

### **Outcomes**

#### **Rural businesses:**

- Jobs safeguarded.
- Number of new businesses created.
- Number of businesses adopting new to the firm technologies or processes.
- Number of businesses experiencing growth.

#### **Rural communities:**

- Increased perception of facilities and amenities.
- Improved engagement numbers.