

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

Select your area

Your area	West Lindsey District Council
Name of person submitting REPF information	Sally Grindrod-Smith
Alternative contact name and email	James Makinson-Sanders (James.MS@west-lindsey.gov.uk)
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

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[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 1,156km². 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	

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:	2.1: 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>	

Interventions outcomes
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

Delivery
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>Rural Businesses 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>Rural Communities 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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