

Report for: Economy PDG

Date of Meeting:	16 November 2023
Subject:	Economic Development Team Update
Cabinet Member:	Cllr Steve Keable, Planning & Regeneration
Responsible Officer:	Richard Marsh, Director of Place
Exempt:	N/A
Wards Affected:	All wards
Enclosures:	N/A

Section 1 – Summary and Recommendation(s)

Update Members on the progress under the Shared Prosperity Investment Plan and the Rural England Prosperity Fund (Year 2: 2023/24).

Recommendation(s):

That members note the contents of the report.

Section 2 – Report

1.0 Introduction

- 1.1 Under the UK Shared Prosperity Fund (SPF), the Government allocated £1,069,159 over a three-year period (2022-2025) to Mid Devon, to support economic development and community cohesion. The Government also allocated £816,672 of rural uplift over a two-year period (2023-2025) for Mid Devon to build on and complement the SPF under the Rural England Prosperity Fund (REPF).

- 1.2 The Investment Plans pulled together a series of projects identified through engagement meetings with business and community stakeholders (as well as Members) that address challenges facing our local economy. These include a number of direct delivery projects and projects to be delivered in partnership with external partners.
- 1.3 The funding for SPF and REPF is annualised and we received this year's funding on 10 July 2023. We are required to spend year two funding by 31 March 2024. This report outlines a summary of progress for delivery against the first six months of year two of the SPF Investment Plan. It also outlines forecasted delivery by the end of the financial year.

2.0 Progress Summary

- 2.1 In line with the Investment Plans, project delivery has focused on the following areas of intervention:

Direct Delivery Projects

- Love Your Town Centre
- Field to Fork
- Visitor Economy
- Work Hubs
- Business Innovation and Growth

External Delivery Projects

- Business Innovation Centre
- Business Innovation Outreach
- Business Support Programme

- 2.2 Some of the performance metrics are measured at point of completion rather than at point of support (eg improvements to commercial buildings). Therefore, we have included our forecast (tentative) achievement to date as well as actual to show the anticipated performance based on grants offered/awarded and project delivery so far.
- 2.3 Where outputs and interventions cross multiple projects, performance metrics are only recorded against them once.
- 2.4 Definitions of outputs and outcomes can be viewed online at: <https://www.gov.uk/guidance/uk-shared-prosperity-fund-outputs-and-outcomes-definitions-2>.
- 2.5 A full breakdown of delivery against the SPF Investment Plan is attached in Appendix A (showing breakdown of Impacts) and Appendix B (showing breakdown of spend). Detailed in the report below is a breakdown of progress against each of the specific projects.

3.0 Love Your Town Centre

3.1 'Love Your Town Centre' is a flexible funding mechanism offering small grants through a competitive bidding process with four strands aimed at improving the town centre and increasing the vibrancy and vitality of our three main markets towns: Crediton, Cullompton and Tiverton. This includes:

- a) Shopfront Enhancement Schemes: Grants of up to £2,500 to help improve shopfronts or signage
- b) Business Growth (Fit-Out) Scheme: Fit-out grants of up to £2,500 to SMEs / community groups to help bring new commercial, community and leisure opportunities into the town centre.
- c) Vibrant Town Centre Scheme: Grants of up to £5,000 for businesses working in partnership or £1,000 for individual businesses, to go towards town centre projects that drive new footfall through events, cultural or arts activities, and small scale public realm improvements.
- d) Digital High Streets Scheme: Grants of up to £1,500 to SMEs / community groups to help independent high street retailers, leisure and tourism businesses establish or upgrade e-commerce websites.

3.2 Cumulative delivery against performance impacts up to September 2023 is as follows:

Primary Areas of Intervention	Target	Achieved (cumulative)	
	All years	Actual to Date	Tentative to Date
E1 Funding for improvements to town centres and high streets			
Number of commercial buildings completed or improved	23	2	11
Number of vacant units filled	9	7	10
E6 Support for local arts, cultural, heritage and creative activities			
Number of organisations receiving grants	22	7	7
Number of organisations receiving non-financial support	0	3	3
Number of local events or activities supported	22	46	46
Number of volunteering opportunities supported	0	10	11
Number of arts, cultural and heritage programmes	6	4	5
E16 Open markets and town centre retail and service sector			
Number of enterprises receiving grants	23	0	13
Number of potential entrepreneurs provided assistance	9	0	0
Number of enterprises receiving non-financial support	0	15	15
Number of enterprises created as a result of support	8	0	0

Additional (Bonus) Areas of Intervention

E2 Community & neighbourhood infrastructure projects			
Number of amenities/facilities created or improved		1	1

3.3 Since the start of the SPF Programme until the end of September 2023, we received the following interest in the Love Your Town Centre grant schemes:

Scheme	Enquiries	Applications		
		Awarded / Offered Grant	Pending	Declined / Withdrawn
Shopfront	41	9	5	2
Vibrant Town Centres	8	7	N/A	4
Digital High Street	1	0	0	1
Business Fit-Out	2	1	0	0

3.4 From the above,

- One pending shopfront application has since been approved (Q3) and another is with the Funding Panel for approval. The three remaining pending shopfront applications are with the applicant for revised quotes/specifications following advice from Conservation.
- One shopfront application was declined due to works starting before the application was submitted and one application was withdrawn.
- We have since received an application to the Cullompton shopfront scheme, which has been approved (Q3).
- Following recent promotions, we have received a further four enquiries for the Digital High Street scheme in Q3. The one declined application is because the application was not for digital equipment and the applicant successfully reapplied to the digital fit-out scheme instead.

3.5 The latest round of Vibrant Town Centres closed to applications on 31 October with funding decisions to be confirmed by the end of November.

3.6 We do not predict an underspend on SPF for Love Your Town Centre. Any unallocated shopfront money can be rolled over to 2024/25 as this is match-funded through ED budgets and S106 funding. With regards to the Shopfront Scheme, the following table shows spend to date (2023/24):

SHOPFRONT SCHEMES	BUDGET	SPEND	BALANCE
> Crediton	£ 15,000.00	£ 6,566.80	£ 8,433.20
> Cullompton	£ 14,500.00	£ 4,500.00	£ 10,000.00
> Tiverton	£ 31,824.53	£ 11,285.40	£ 20,539.13

4.0 Field to Fork

4.1 In response to the needs of the agricultural sector we have the Field to Fork Project. In this project we hope to work with farmers, local producers, retailers and hospitality businesses to strengthen the local food supply chain, by

- promoting direct supply through box schemes, farmers markets, farm shops, local packers / distributors, and local independent retailers
- linking local food producers and local food businesses (retailers and hospitality) through 'meet the buyer' events, and
- stimulating demand through 'Buy Local' campaigns, promoting local markets, and expanding and promoting food tourism.

4.2 This project focuses on supporting local producers in Mid Devon and encouraging business growth either through transition from producing, to supplying and retailing or expansion into food tourism (such as food tours and experiences or farm shops).

4.3 Cumulative delivery against performance impacts up to September 2023 is as follows:

Primary Areas of Intervention	Target	Achieved (cumulative)	
	All years	Actual to Date	Tentative to Date
E17 Development & promotion of visitor economy			
Number of enterprises receiving non-financial support	9	18	18
Number of people reached	1000	0	0
Number of local events or activities supported	15	3	3
Number of enterprises receiving grants	0	1	1
E23 Strengthening local entrepreneurial ecosystems			
Number of enterprises receiving non-financial support	20	11	11
Number of potential entrepreneurs provided assistance	4	1	1
Jobs created as a result of support	10	0	0
Number of new enterprises created	0	0	0
Number of enterprises introducing new products	0	1	1
Number of enterprises engaged in new markets	0	14	14

Additional (Bonus) Areas of Intervention

E16 Open markets and town centre retail and service sector			
Number of local markets supported	0	2	2
E8 Campaigns to encourage visits and exploring of local area			
Number of organisations receiving grants	0	2	2

4.4 As a result of the Farmers’ Market Initiative, to date four businesses have engaged in new markets and one business has introduced a new product.

4.5 We supported Mid Devon Show with a grant to enable Mid Devon producers (who haven’t attended with the previous 3 years) to trade at this year’s and next year’s shows. This resulted in ten businesses and one organisation trading at Mid Devon Show in July 2023 for the first time. This scheme will be repeated at the 2024 event, with a ‘Taste Mid Devon’ tent for Mid Devon producers. We are in conversations with Devon County Show to investigate the potential for a similar support scheme at their next event.

4.6 A photography project is underway gathering a journal of imagery and videos to promote the field to fork journey of Mid Devon produce from its source to the plate. This project connects the producers, food retailers and hospitality providers in Mid Devon. Work continues on gathering the imagery into Q3 with promotional features planned for Q4 onwards, which will deliver the number of people reached output.

- 4.7 We are working with Devon County Council, Food and Drink Devon, and Devon Food Partnership on arranging meet the buyer events. Relevant sectoral guest speakers will be invited to highlight areas of best practice and exciting news and the events will help connect our producers with local hospitality businesses and independent retailers. It is anticipated that the first event will take place in March 2024. We are also in discussions with Food and Drink Devon about further networking support for our producers.
- 4.8 Although there is still a large part of the budget officially uncommitted at this stage, we have provisionally earmarked circa £12,000 towards the projects to be delivered in Q3. The remaining balance will be used towards supporting promotional campaigns in Q4. Therefore, we do not predict an underspend for Field-to-Fork.

5.0 Sustainable Visitor Economy

- 5.1 This project is the development and piloting of a Mid Devon Walking Festival and trails to encourage more people to explore the local area and increase visitor numbers, particularly at the close of the main holiday season. It is complemented by wider promotional activities to raise awareness of Mid Devon as a visitor destination, increase footfall and support our tourism businesses.
- 5.2 Cumulative delivery against performance impacts up to September 2023 is as follows:

Primary Areas of Intervention	Target	Achieved (cumulative)	
	All years	Actual to Date	Tentative to Date
E8 Campaigns to encourage visits and exploring of local area			
Number of organisations receiving grants	0	0	0
Number of organisations receiving non-financial support	0	3	3
Number of people reached	200	26,224	26,224
Increased number of web searches for a place	8605	TBC	TBC
E17 Development & promotion of visitor economy			
Number of enterprises receiving non-financial support	9	37	37
Number of people reached	1000	99	99
Number of local events or activities supported	15	6	6
Number of enterprises receiving grants	0	0	0
Number of potential entrepreneurs provided assistance	0	1	1

- 5.3 Two of the metrics (increased visitor numbers and web searches) are being reported to us by a third party organisation and we will have this data for the end-of-year report.
- 5.4 Quarters one and two have focused on event organisation for both the Walking Festival and Sculpture Trail project elements under the Visitor Economy theme.

- 5.5 The Walking Festival is scheduled to take place between 14 and 29 September 2024. This event will celebrate our nature, heritage and community spirit in our glorious countryside by promoting:
- Scenic trails to explore across Mid Devon featured on the Visit Mid Devon website.
 - Guided tours leading informative walks sharing knowledge on a specific topic covering our local flora, fauna and history.
 - Mid Devon experiences, promoting our local events and attractions for visitors to engage with during their stay.
 - Mid Devon as a holiday destination for walking and promoting our accommodation providers.
- 5.6 The Visit Mid Devon website now has a dedicated section for the Walking Festival which will be updated with the programme in due course:
<https://www.visitmiddevon.co.uk/walking-festival/>.
- 5.7 The Tiverton Swan Trail will run between Easter 2024 and October Half Term 2024. It will feature a series of 12 swan sculptures located from the Grand Western Canal Basin and throughout the town centre with the intention of linking the Canal with the town's retail quarters. A thirteenth swan – 'Swanning Around' – will appear in different places around the town as a pop-up for visitors to locate and to main interest in the trail throughout its duration. Businesses will have the opportunity to host the roving swan. The launch event ties in with the Tiverton Canal Company's 50th anniversary.
- 5.8 Several of the event organisation and promotional expenses planned under Visitor Economy will be committed in Qs3 and 4. We do not predict an underspend under this theme.

6.0 Work Hubs

- 6.1 The Work Hub Development Scheme offers grants of up to £20,000 to local businesses to support incubator space and work hub development to create small flexible office and workshop space for start-up and growing micro-businesses.
- 6.2 Cumulative delivery against performance impacts up to September 2023 is as follows:

Primary Areas of Intervention	Target	Achieved (cumulative)	
	All years	Actual to Date	Tentative to Date
E2 Community & neighbourhood infrastructure projects			
Number of organisations receiving grants	3	2	2
Number of amenities/facilities created or improved	3	2	3
Increased users of facilities/amenities	10	51	51
Number of organisations receiving non-financial support	0	1	1

E22 Enterprise infrastructure & employment / innovation sites			
Number of enterprises receiving grants	5	1	2
Number of commercial buildings completed or improved	6	2	4
M2 of commercial buildings completed or improved	470	516.78	TBC
Increased amount of investment (£)	60,200	0	TBC
Number of premises with improved digital connectivity	1	0	

Additional (Bonus) Areas of Intervention

E23 Strengthening the local entrepreneurial ecosystems			
Number of enterprises receiving non-financial support	0	3	3
Number of events programmes	0	1	1

6.3 We received two grant applications in Year One and a further application in Year Two, which has been offered a grant award. The fourth grant is the award for the Business Innovation Hub project. The outputs for premises improved is recorded upon completion of the funded activities.

6.4 The Work Hub Development Grant Scheme is being run in parallel with the Prosperity Grants Programme. We are aware of other businesses interested in applying for a grant under this theme. The closing date for Round 2 is 7 November, with a further round in January. We do not anticipate an underspend for this theme.

6.5 In addition to the SPF project, we have commissioned a study to identify the work hub growth potential across the District and areas of need (and type of need). The results of this study could be used to direct funding allocations in Year 3.

7.0 Business Innovation & Growth

7.1 The Business Innovation Hub and Outreach Programme is being delivered in partnership with Petroc College and sees the creation of a Business Innovation Hub in the district as a focus for indigenous innovation and product development. The Hub will provide local start-ups and micro-businesses with access to a wide range of advanced technology-based facilities, all designed to nurture business growth and develop product ideas and concepts. This will include spaces for design, development, 3D scanning and printing, and clean room manufacturing, as well as spaces for conferencing and hot desk working.

7.2 The physical hub will be complemented by a programme of outreach and knowledge transfer activities, promoting innovation and entrepreneurship across the District's Work Hub network to raise awareness of innovation possibilities and to encourage an entrepreneurial spirit across the area.

7.3 Cumulative delivery against performance impacts up to September 2023 is as follows:

Primary Areas of Intervention	Target	Achieved (cumulative)	
	All years	Actual to Date	Tentative to Date
E21 Development of innovation infrastructure at a local level			
Number of enterprises receiving non-financial support	100	9	9
Number of potential entrepreneurs assisted	30	0	0
Number of new to market products	10	0	0
Jobs created as a result of support	4	0	0
Jobs safeguarded as a result of support	4	0	0
Number of new enterprises created	0	0	0
E23 Strengthening the local entrepreneurial ecosystems			
Number of enterprises receiving non-financial support	0	5	5
Number of new enterprises created	6	0	0
Number of enterprises adopting new technologies/processes	9	0	0
Number of enterprises with improved productivity	25	0	0
Number of enterprises engaged in new markets	6	0	0
Number of events programmes	6	2	2
Number of people reached	150	12	12
Number of enterprises adopting new or improved products	15	0	0
E24 Funding for new and improvements to existing training hubs			
Number of people attending training sessions	120	0	0
Number of early stage enterprises which increase revenue	15	0	0
Number of organisations engaged in Knowledge Transfer	15	0	0
Number of R&D active enterprises	15	0	0

Additional (Bonus) Areas of Intervention

E22 Enterprise infrastructure & employment / innovation sites			
Amount of commercial space created or improved	478.2m ²	TBC	TBC
Number of commercial buildings created or improved	1	TBC	TBC

7.4 Work started on creating the new physical hub in quarter 4 of 2022/23. The first phase completed and hosted a consultation business breakfast event on 9 June. This event gave businesses the opportunity to learn about the new Hub, try out different technology (such as virtual reality headsets) and feedback on their needs regarding innovation workshop space. The Economic Development Team attended the event and presented on the opportunities through the SPF, followed by direct engagement with several of the businesses in attendance.

7.5 Looking ahead, Petroc are developing their programme of outreach activities including VR training workshops with businesses such as interview skills, and coaching and mentoring.

8.0 Business Support Programme

8.1 Working in partnership with Devon County Council, we commissioned a package of business support services, which consists of a range of options depending on the needs of the business. The support project titled 'Prosper' offers:

- Generic business support, delivered through one-to-one support and workshop modules;
- New employer support, with specific advice and workshop modules focused on helping businesses become employers;
- Green business support, which will complement the existing Low Carbon Devon initiative with further workshops on decarbonisation; and
- Start-up support, with more specific advice and workshop modules focused on the needs of new businesses.

8.2 Through Devon County, we have also funded a series of agri-tech support and events, which will facilitate knowledge exchange/transfer and collaborations between farmers, horticultural, aquacultural and forestry businesses and Agri-Tech developers, academic institutions, sector experts and stakeholders.

8.3 Cumulative delivery against performance impacts up to September 2023 is as follows:

Primary Areas of Intervention	Target	Achieved (cumulative)	
	All years	Actual to Date	Tentative to Date
E23 Strengthening the local entrepreneurial ecosystems			
Number of enterprises receiving non-financial support	225	22	22
Number of potential entrepreneurs assisted	38	1	1
Jobs created as a result of support	49	0	0
Number of new enterprises created	3	0	0
Number of enterprises adopting new technologies/processes	18	0	0
Number of enterprises engaged in new markets	0	0	0

Additional (Bonus) Areas of Intervention

E2 Community and neighbourhood infrastructure projects			
Number of organisations receiving non-financial support	0	5	5

8.4 The Prosper support programme commenced in October 2023. It is anticipated that Prosper and the Agri-tech support will deliver the majority of the performance metrics for business support. Alongside this project, Mid Devon are delivering a series of smaller direct support initiatives including the Be Grant Ready workshops, digital training workshops, business support surgeries and attendance at networking events promoting the Prosperity Programme. We are scheduling another support surgery to take place in December or January.

9.0 General Comments

- 9.1 With regards to the REPF programme, the funding panel for Round 1 of the Prosperity Programme took place at the end of September so the majority of this year's outputs will be delivered in quarters 3 and 4. From the first round, three businesses were offered grants (one under Growth and Innovation, one under Work Hub Development and one under Visitor Economy).
- 9.2 Year Two is on the whole progressing on track against spend and delivery of impacts. The majority of outcomes will be delivered in the final year of the programme. As the business support and business innovation hub projects progress, we will see a number of outputs and outcomes achieved against Intervention E23. There are some particularly challenging outputs especially around jobs created and new enterprises created, that we are actively engaging with Petroc and Devon County to deploy targeted outreach events and support towards reaching these. However, our projects are only able to influence these outputs and are vulnerable to impacts of the macro-economic environment. Therefore, these outputs will require monitoring and potential decisions around project adjustments or variations later on.
- 9.3 Projects under the People and Skills Investment Priority are due to commence in Year Three and updates will be provided in the next SPF Update report.

10.0 Administration and Management

- 10.1 We are allowed to use 4% of the total SPF allocated funding towards administration and management costs associated with delivering the funding programme. Out of the total £1,064,159 SPF over the three-years, the permitted admin budget amounts to £42,536.36. We have committed £42,500 towards the grants administration and monitoring for the Prosperity Programme. Due to the invoicing periods, the breakdown of spend will show as an overspend in 2023/24 but an underspend in 2024/25 and balance out over the course of the funding period. There is no additional admin allowance for delivering the REPF scheme as this is a purely capital fund.

11.0 Change Management

- 11.1 Within the scope of the SPF, we are permitted to make non-material changes to our funding profile against the Investment Plan where this is approved by the Cabinet Member for Planning and Economic Regeneration and the Director of Place.
- 11.2 An example of a material change could be reprofiling the funding within an Investment Priority (eg Supporting Local Business) where it is between interventions (eg E16 and E17) and where the total change does not exceed 30% (across the three-year programme).
- 11.3 Since our Investment Plan was approved, we have made a total of 6.7% minor variations as follows:

Communities and Place		
Amount	Variance	Reason
£15,154.00	From E2 to E1	To support the Public Realm Enhancement Project (Cullompton)

Supporting Local Business		
From	To	
£52,511.43	From E16 to E22	To support the Work Hub Development Scheme
£3,879.60	From E17 to E18	Use of Y1 Underspend to support a revenue Prosperity Grant application where allocated revenue budget is in Y3.

Financial Implications

Second year funding for SPF (2023/24) and first year funding for REPF (2023/24) have been received. Identified match-funding towards these projects is allocated from within the service's existing budget and private sector.

Legal Implications

The Council is the accountable body for delivery of the schemes within our allocated funding. As such we have Grant Funding Agreements in place signed by the delivery partners and grant recipients. All partners/recipients funded through this scheme are required to complete a Subsidy Declaration in line with the Subsidy Control Act 2022.

Risk Assessment

Due to the annualised nature of the grant schemes and the wider economic uncertainty and budgetary challenges facing the UK, there is a risk that the Government may modify their commitment to this funding either in whole or in part. This risk is increased in likelihood if we fail to spend the funding in line with the agreed Investment Plan and timescales, although this rule was relaxed for first year spend. The Project Team have funding agreements in place to commit the funding each year with delivery partners and the Delivery Plan (with regular project review meetings) will monitor progress against targets to minimise and mitigate these risks.

Impact on Climate Change

Climate change and the necessity for businesses to transition to a Low Carbon Economy is a recurring theme within the SPF Investment Plan. All grant schemes ask applicants how their proposed activities support business decarbonisation.

Equalities Impact Assessment

Individual projects will have their own equality impact assessed as part of the detailed planning for delivery. Grant schemes developed offer an open application process with equality safeguards to ensure equal and equitable access to the funding. Communication plans have been devised to identify 'touch points' for

engaging with hard-to-reach business groups to ensure they are aware of the opportunities available through these schemes.

Relationship to Corporate Plan

The SPF Investment Plan and Rural Uplift directly address a number of objectives identified in the Corporate Plan 2020-24, as set out in the report below.

- Bringing new businesses into the District
- Business development and growth
- Improving and regenerating our town centres
- Growing the tourism sector
- Incubation space, grow-on space and places to expand
- Promote low carbon communities - decarbonisation
- Promote a local economy - People living, working, eating, shopping and spending locally
- Greater digital connectivity in rural areas
- Support for clean growth industries
- A thriving agricultural sector that showcases farm-to-fork practices and low food miles to market

Section 3 – Statutory Officer sign-off/mandatory checks

Statutory Officer: Andrew Jarrett

Agreed by or on behalf of the Section 151

Date: 7 November 2023

Statutory Officer: Maria DeLeiburne

Agreed on behalf of the Monitoring Officer

Date: 7 November 2023

Chief Officer: Richard Marsh

Agreed by Corporate Director

Date: 7 November 2023

Performance and risk: Steve Carr

Agreed on behalf of the Corporate Performance & Improvement Manager

Date: 07/11/2023

Cabinet member notified: Yes

Section 4 - Contact Details and Background Papers

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Background papers: