

East Herts Rural Prosperity Funding Addendum – submitted to DLUHC on 30th November

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.

East Herts is a district of fairly small towns and an extensive rural area. At the most recent count there are 8110 VAT registered businesses in the district across a variety of sectors, over 90% of which are micro-businesses. While a large proportion of those are located in designated Employment Areas (some of which are at the periphery of towns and villages), there are also many small, independent traders and businesses located either in clusters or isolated units.

Whilst the designated employment areas generally have low vacancy rates the quality of building stock can be poor in terms of facilities, infrastructure (transport and broadband) and energy efficiency. This makes them vulnerable to residential development (through change of use or permitted development) with the resulting loss of employment and re-location of businesses elsewhere. Whilst it is clear that some residential development has been a viable replacement for outdated and redundant commercial stock, there is a risk that our smaller towns and villages find themselves with no local employment space at all. Ensuring these areas remain vibrant, attractive and sustainable is a key challenge for rural prosperity.

East Herts has around 400 agricultural holdings occupying more than 34,000 hectares. Many of these businesses have diversified to generate second income streams however this remains an on-going challenge particularly in terms of generating growth and further diversification. Some diversification schemes, such as those that create visitor attractions, result in the intensification of the rural area but can also act as a means of connecting visitors to the countryside, thereby supporting rural jobs and skills.

In summary there are two main challenges facing rural prosperity in East Herts:

- Ensuring our smaller town centres and villages remain vibrant places where businesses want to locate and trade, continuing to create wealth and retain employment in local areas
- Supporting rural business growth and diversification

Fortunately we have a strong track record of intervention in this area, East Herts having been the accountable body for previous Rural Development Programmes (2008 – 2020) across an area known as the Eastern Plateau (encompassing the rural parts of East Herts, North Herts, Uttlesford and Epping). In the last funding round we delivered the following outcomes:

- £1.6m project spend
- £2.42m private sector match
- 36 projects supported
- 23 micro-enterprises supported
- 5 farm diversifications supported
- 1 reservoir project supported
- 3 tourism projects delivered
- 4 basic services (nursery, village shop, woodland and community radio project) supported
- 67 jobs created

The Rural Prosperity Fund will enable to us to build upon and progress this work. Moreover the above challenges align with two of the four themes identified as priority areas for investment in our UKSPF submission and therefore allows us to amplify our approach to Levelling Up.

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](#).

- Funding (capital grants) for small scale investment in micro and small enterprises in rural areas. Including capital funding for net zero infrastructure for rural businesses, and diversification of farm businesses outside of agriculture to encourage start up, expansion or scale up of these businesses where this involves converting farm buildings into other commercial or business uses
- Funding (capital grants) for the development and promotion (both trade and consumer) of the
 - visitor economy, such as:
 - local attractions
 - trails
- tourism products more generally

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

Using relationships built up from the delivery of previous rural business grant schemes, we know there are many rural businesses in the district that have an appetite to diversify their operations and invest in new technology/ products or infrastructure. By offering an incentive of match funding this could accelerate their business plans and generate wider returns for the area in terms of investment and creation of jobs.

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.

- Funding (capital grants) for active travel enhancements in the local area.
- Funding (capital grants) for creation of and improvements to local rural green spaces.
- Funding (capital grants) for investment and support for digital infrastructure for local community facilities.

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

Targeting investment at infrastructure and improvements in rural towns and villages will increase the vibrancy of our local places and make them more attractive as places to locate or retain businesses.

As outlined in our UKSPF submission the process for targeting investment will be done in conjunction with local stakeholders including businesses, community groups and town and parish councils. This will ensure local ownership of any projects.

Interventions outcomes

Please select what outcomes the interventions selected in the rural business investment priority are expected to achieve:

- Jobs created
- Jobs safeguarded
- Number of new businesses created
- Number of businesses adopting new to the firm technologies or processes
- Number of businesses experiencing growth
- Number of businesses increasing their turnover
- Improved perception of facility or infrastructure project
- Improved perception of facilities or amenities

Please select what outcomes the interventions selected in the rural communities investment priority are expected to achieve:

- Increased footfall
- Increased visitor numbers
- Increased use of cycleways or paths
- Improved perception of facilities or amenities
- Increased users of facilities or amenities

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)

The fund will be divided equally between “rural businesses” and “rural communities” as follows:

	Spending 2023/2024 (£)	Spending 2024/2025 (£)
Rural businesses	59,105.13	177,315.38
<ul style="list-style-type: none"> • Funding (capital grants) for small scale investment in micro and small enterprises in rural areas. Including capital funding for net zero infrastructure for rural businesses, and diversification of farm businesses outside of agriculture to encourage start up, expansion or scale up of these businesses where this involves converting farm buildings into other commercial or business uses • Funding (capital grants) for the development and promotion (both trade and consumer) of the <ul style="list-style-type: none"> ○ visitor economy, such as: ○ local attractions ○ trails • tourism products more generally 	49,105.13	147,315.38
	5,000	15,000
	5,000	15,000

Rural communities	59,105.12	177,315.37
<ul style="list-style-type: none"> Funding (capital grants) for active travel enhancements in the local area. 	20,000	60,000
<ul style="list-style-type: none"> Funding (capital grants) for creation of and improvements to local rural green spaces. 	29,105.12	87,315.37
<ul style="list-style-type: none"> Funding (capital grants) for investment and support for digital infrastructure for local community facilities 	10,000	30,000
Total	118,210.25	354,630.75

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)

Rural businesses: we will align this with the “business support” theme of our UKSPF submission and utilise our significant experience of awarding business grants through previous Rural Development Programmes and more recently through our ERDF funded Launchpad 2 programme.

The grant programme will be marketed through business infrastructure organisations and directly to businesses using existing networks. All applicants will be required to provide match funding (50%) and the programme will be “facilitated”, meaning we provide ‘hands on’ support for the grant application process.

To ensure a robust and effective grant approval process we aim to hold grant panels quarterly. The grant panel will be composed of representatives from East Herts Council and business groups. The panel will make recommendations to the Council’s Executive for final approval. This will ensure adequate transparency of the process for all grants awarded under UKSPF and RPF.

Rural communities: we will align this with “town centre support” theme of our UKSPF submission. Smaller towns and villages will be provided with support to jointly produce an improvement plan with local stakeholders outlining interventions and projects that will meet prosperity fund objectives as well as local needs. All plans will need evidence of stakeholder endorsement and in most cases we expect the relevant town or parish council to lead the process.

Improvement plans will be considered by East Hert Council’s Executive and priority projects identified in consultation with local stakeholders.

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

Not at this stage.

Intervention(s) you intend to collaborate on:

N/A

Place(s) you intend to collaborate with:

N/A

Have you identified opportunities to work with other places on specific interventions and/or

projects for the rural communities interventions?

Not at this stage

Intervention(s) you intend to collaborate on:

N/A

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.

Throughout November, ahead of the 30th November submission date intent to consult with the following groups:

- Digital Innovation Zone partners
- Local Chambers of Commerce (representing rural towns) and the County Chamber of Commerce
- The Federation of Small Business
- NFU
- CLA

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.

No

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.