



Northumberland

County Council

CABINET

TUESDAY, 14 FEBRUARY 2022

NORTHUMBERLAND STEWARDSHIP AND RURAL GROWTH INVESTMENT PROGRAMME

Report of: Councillor Glen Sanderson, Leader

Lead Officer: Janice Rose, Interim Executive Director of Regeneration

Purpose of report

To advise Cabinet of the Northumberland Stewardship and Rural Growth Investment Plan facilitated by the North of Tyne Combined Authority, the investment subsequently secured to support the first phase of implementation, and the proposed delivery projects to kickstart that implementation.

Recommendations

Cabinet is recommended to:

- 1. fully support and endorse the Northumberland Stewardship and Rural Growth Plan recently facilitated and approved by the North of Tyne Combined Authority;**
- 2. welcome the initial tranche of up to £9m funding secured to facilitate the delivery of the Investment Plan as set out in paragraphs 21 to 23, and subject to the approval of business cases for eligible projects;**
- 3. agree the proposed first wave of deliverable projects as outlined at Appendix 3 to be progressively introduced over the coming months, with further reports to be presented to Cabinet in due course as required; and**
- 4. welcome the continued commitment within the new North East Devolution Deal to Rural Growth and Stewardship.**

Link to Corporate Plan

The four strategic objectives of this Investment Programme – Levelling Up Prosperity and Opportunity; Achieving Net Zero Carbon Growth; Place-based Approach to Land Management; and Wellbeing and Quality of Life – are entirely consistent with and reinforce the Council's corporate priorities as set out in the Corporate Plan.

Key issues

The North of Tyne Devolution Deal, agreed between UK Government and the North of Tyne local authorities in April 2018, includes a clear commitment to invest in improving growth and productivity in the area's rural economy.

Building on this, in January 2022, the North of Tyne Cabinet agreed an allocation of up to £500,000 from the North of Tyne Investment Fund to develop a North of Tyne Stewardship and Rural Growth Investment Plan and related interventions. The central aim of the Investment Plan is to set out a fresh approach for investing in our unique natural, economic and cultural assets in a way that will simultaneously enhance our environment, grow our rural economy, and improve opportunity and prosperity in our communities. A dedicated Rural Advisory Group of officers subsequently collaborated to establish a comprehensive evidence base and to formulate an overarching Investment Plan which will shape the approach for rural investment for a variety of funding streams.

This report sets out the vision, objectives, delivery principles and delivery programmes set out in the Investment Plan. It then sets out the next steps in mobilising the implementation of the Investment Plan. Central to this is the securing of the following funding for the first phase of implementation:

- a capital allocation of £3.044m from the Rural Economy Prosperity Fund, supplemented with a £3m revenue allocation from a combination of funding from the UK Shared Prosperity Fund and North of Tyne Investment Fund for the 2-year period from April 2023 to March 2025; and
- a further indicative allocation of £3m from the North of Tyne Investment Fund for the period April 2025 to March 2028, which may grow as the Investment Plan is delivered but, at this juncture, provides the opportunity to develop, where appropriate, longer-term initiatives within an agreed funding envelope.

The initial phase of implementation will kickstart three Investment Programmes that cut across the stewardship and rural growth agendas. These are: supporting our small businesses; multiplying our place-based assets; and valuing our food and drink.

In each case, a first wave of deliverable projects is being proposed to initiate the drawdown of the secured tranche of investment (subject to the approval of business cases as required) outlined above. These are as follows:

- a new Northumberland Small Business Service (NSBS)
- innovative Rural Asset Multiplier Pilots (RAMPs) targeted at the Coast AONB area and part of the National Park Authority area
- Northumberland Food Strategy and Action Plan

Finally, the report confirms that the new North East Devolution Deal clearly demonstrates the continued importance and role of the rural parts of the region to the levelling up agenda.

BACKGROUND

Context

1. The North of Tyne Devolution Deal, agreed between UK Government and the North of Tyne local authorities in April 2018, includes a clear commitment to invest in improving growth and productivity in the area's rural economy. The Deal commits Government and the North of Tyne Combined Authority (NTCA) to work together to establish the area as a 'national exemplar for rural growth and stewardship' and to 'drive improvements to rural growth and productivity, through a North of Tyne Rural Productivity Plan', delivering on the Government's long-term, national ambitions for rural communities and the environment.
2. The North of Tyne rural area is centred primarily on Northumberland, one of the largest rural counties in England, including a diverse farming and forestry industry, significant rural upland areas, remote coastal communities, and market towns and villages providing service centres for large rural hinterlands.
3. However, this agenda is also important to rural-facing parts of Newcastle, and through the coastal connection to North Tyneside. Urban-costal-rural connectivity is a characteristic of our regional geographically, but it is also important to the way our economic model works. The scope of any such Plan therefore needs to recognise these important connections by including flexibility to support investments benefiting the core target rural area, at the same time as addressing challenges and opportunities shared with neighbouring urban areas.
4. Equally, the Plan has to acknowledge that we're starting from scratch. Sustainable rural growth is already an important part of delivery with a robust programme of investment and activity delivered through the Council, the Borderlands Inclusive Growth Deal and the North of Tyne Investment Fund.

North of Tyne Stewardship and Rural Growth Investment Plan

Approach

5. Building on this, in January 2022, the North of Tyne Cabinet agreed an allocation of up to £500,000 from the North of Tyne Investment Fund to develop a North of Tyne Stewardship and Rural Growth Investment Plan and related interventions.
6. The central aim of Investment Plan is to set out a fresh approach for investing in our unique natural, economic and cultural assets in a way that will simultaneously enhance our environment, grow our rural economy, and improve opportunity and prosperity in our communities. As such, the approach aligns and balances investment in:
 - *Stewardship*: looking after and enhancing our precious natural assets in a way

that provides environmental, social, and economic benefits.

- *Rural growth*: developing the rural economy, and growing businesses, jobs and wealth in a way that simultaneously delivers environmental and social benefits.

7. To this end, a dedicated Rural Advisory Group of officers, chaired by the Council's Director of Regeneration, was established to bring together partners from across the stewardship and rural growth disciplines to inform this work. On this basis, the Advisory Group includes land-based industry representatives; rural business and community infrastructure organisations; rural and environmental agencies (e.g., NNPA, Natural England, Environment Agency, etc); economic growth agencies; universities; and innovation organisations.
8. Over the past 9 to 12 months, the Advisory Group has collaborated to establish a comprehensive evidence base (facilitated by the National Innovation Centre for Rural Enterprise (NICRE)) and to formulate an overarching Investment Plan (facilitated by New Skills Consulting) which will shape the approach for rural investment for a variety of funding streams. The key delivery principles that form the core of the approach taken are reproduced at Appendix 1.

Vision and Objectives

9. The vision for the Investment Plan is as follows:

By 2027, Northumberland will be recognised as the UK's leader in demonstrating what clean, inclusive growth looks like in a thriving rural context.

Our fresh approach will show how targeted investment in our environmental, economic and cultural assets can drive levelling up in rural communities, deliver high quality jobs and opportunities for people from all backgrounds, and reduce the wealth and productivity gap, at the same time as enhancing the natural environment and delivering a great quality of life for current and future generations.

We will demonstrate how rural areas can lead the way in providing solutions to the key UK and global challenges of our age, including climate change, nature recovery, food security, energy resilience, health and wellbeing, and levelling up wealth and opportunity.

10. This vision will be achieved by the delivery of four strategic objectives:
 - *SO1: Levelling Up Prosperity and Opportunity* – We will close the wealth and productivity gap between rural Northumberland and the UK average by investing in business growth in our key sectors, innovation, skills, and digital technology, providing more high-quality, high-skilled, well-paid jobs, and better access to education and other opportunities for people from all backgrounds and communities. The result will be a bigger, stronger rural business base, with more local people

- *SO2: Achieving Net Zero Carbon Growth* – We will work towards net zero growth in our local economy, and contribute to the UK’s carbon reduction goals, by investing in and adopting low carbon measures in our natural environment, businesses, homes, public buildings, and communities, and equipping people and businesses with the skills needed to deliver net zero growth. The result will be a rural economy and community that enjoys all the benefits of net zero growth, including a healthy environment, businesses and homes using energy efficiently with secure and affordable supplies, and businesses and people benefitting from the new opportunities and jobs delivered by growing use of low carbon technologies.
- *SO3: Place-based Approach to Land Management* - We will enhance the management of land and natural assets, reducing net impacts on the natural environment and biodiversity locally, at the same time as delivering affordable sources of food supply and renewable energy generation, demonstrating how strong local supply chains can reduce reliance on insecure global food and energy sources. This will result in our rural land assets being managed in a way that improves food security, grows local wealth and jobs, minimises carbon emissions, reduces net impacts on the natural environment and biodiversity locally, delivers secure and affordable sources of food supply and renewable energy generation, and encourages use of the land for recreation, amenity and tourism.
- *SO4: Wellbeing and Quality of Life* – We will improve quality of life in our communities as we recover from the pandemic, enabling people from all backgrounds and places to enjoy the health and wellbeing benefits of connecting with the natural environment and culture, working in rewarding, well-paid, skilled jobs, and being part of a vibrant rural community. The result will be rural communities where people from all backgrounds have access to jobs and a decent income; skills and education opportunities to improve life chances; recreation and exercise; community and social networks; good quality housing; and transport connections to work, education, and leisure and social activities.

Delivery Programmes

11. The delivery framework of the Plan is based on targeting investment into nine strategic programmes which together will address our stewardship and rural growth priorities and deliver the changes encapsulated in our vision. A high-level description of each programme is detailed at Appendix 1.
12. These programmes have been designed deliberately to be cross-cutting, combining and integrating complementary activities to address our key stewardship and rural growth priorities in tandem and include a strong emphasis on place-based delivery, helping to ensure that investment and impact are focused rather than dispersed. Collectively, they provide a framework by which novel solutions to stewardship and rural growth challenges and opportunities can be developed, showcased, and tested – sharing what works with other areas, and positioning Northumberland as a

leading innovator in the field.

13. The delivery of the nine programmes will be planned carefully to ensure full alignment with existing activities, ensuring that current funding and delivery programmes are maximised, leveraged and adjusted where possible to address our priorities and outcomes. In some cases, delivery of the programmes to rural beneficiaries may be integrated as part of a wider North of Tyne, regional or national programmes, where the issues being addressed are present in both rural and urban areas. Where this is the case, programme delivery and funding packages will be designed to account for the additional complexities and costs of delivering across dispersed rural areas.
14. Programmes will be introduced at different intervals and speeds across the Investment Plan period, reflecting the nature and scale of the issues being addressed, the timing of funding opportunities, and allowing time for rigorous programme development work.

Mobilisation

15. In terms of mobilising the Investment Plan into delivery, the next steps include:
 - developing a Communications and Engagement Plan for the Investment Plan, including a formal launch of the Investment Plan in Spring 2023
 - undertaking further detailed development work to prepare for the mobilisation of the first phase of funding secured from UK Shared Prosperity Fund (UKSPF) and Rural Economy Prosperity Fund (REPF) – more details of this are set out below
 - progressively reaching out to partners in neighbouring areas to agree how we can work together to deliver a stronger environment and rural economy for the benefit of the wider North of Tyne and the entire North East region, within the context of the new regional Combined Authority to be in place from April 2024 – more details of this are set out below
 - reviewing the current operational governance of the Investment Plan within the context of the mobilising this first phase of delivery and the forthcoming creation of the North East Combined Authority Rural Growth and Stewardship Board

Initial tranche of delivery funding

UK Shared Prosperity Fund (UKSPF)

16. The development of the Investment Plan coincided with the development of the Combined Authority's submission to Government to unlock the indicative UKSPF (largely revenue) allocation assigned to the North of Tyne area. This ensured that the UKSPF submission fully reflected the rationale for investing in the rural economy and communities, whilst also recognising the opportunities presented by

our unique environment and land assets.

17. On this basis, the first phase of the Investment Plan's implementation will be driven by the investment programmes detailed in the now approved UKSPF submission. These are as follows:
- *Regeneration of our Places* – Investing in improving our towns, high streets, and rural centres; growing our local culture and tourism sector including events; and festivals and destination marketing.
 - *Community Partnerships and Programmes* – Creating Local Community Partnerships in each local authority area to identify local priorities and deliver long-term place investment plans, building capacity in urban and rural communities to deliver change and promoting inclusive growth investing in community-based initiatives supporting local groups and organisation to tackle regeneration issues.
 - *Start-up, social enterprise, and rural businesses* – Supporting business start-ups, social enterprise growth, incubators and coworking spaces, rural business growth and addressing specific rural challenges and opportunities – as well as place-based enterprise support targeting communities and high streets.

Rural England Prosperity Fund (REPF)

18. The REPF is a capital funding top-up to the UKSPF and is available to eligible local authorities in England, the Combined Authority's allocation in relation to Northumberland County Council is £3,043,546. The funding succeeds EU funding from LEADER and the Growth Programme which were part of the Rural Development Programme for England.
19. This Fund is a "rural top up" to the UKSPF rather than a new discrete pot of money. Aligned with interventions in the Supporting Local Business and Communities and Place investment priorities, it will provide 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 3.3 3.4
20. To access this allocation, the Combined Authority was required to provide specific additional information by the end of November 2022, as an addendum to the UKSPF submission. The Investment Plan provided the basis for completing this addendum, which has yet to be approved by the Government.

Composite initial allocation

21. The combination of UKSPF and REPF provide a blend of revenue and capital funding. On this basis, the Combined Authority has agreed to supplement the £3.044m capital allocation from the REPF, with a £3m revenue allocation from a combination of funding from the UKSPF and North of Tyne Investment Fund for the 2-year period from April 2023 to March 2025.
22. Equally, however, there is a recognition that investing in a programme that only extends 2-years present a number of limitations and contrasts markedly with the previous European funded programmes that extended to 7 years and thereby had a greater potential to make a sustainable impact. In response to this, the Combined Authority has also agreed a further indicative allocation of £3m from the North of Tyne Investment Fund for the period April 2025 to March 2028. This allocation may grow as the Investment Plan is delivered but, at this juncture, it provides the opportunity to develop, where appropriate, longer-term initiatives within an agreed funding envelope.
23. It should also be noted that there are still some residual resources left from the original £500k Capacity Fund provided by the Combined Authority to facilitate the development of the Investment Plan. This resource will be used to fund cross-cutting initiatives that will help in informing the next phase of the Investment Plan. More details are set out in the sections below.

Proposed first phase of implementation

24. The initial phase of implementation will kickstart three Investment Programmes that cut across the stewardship and rural growth agendas. These are as follows:
 - *Supporting our small businesses* – To provide a comprehensive business and enterprise support service to small businesses (those employing less than 50 employee, with a turnover of less than £10 million) located within Northumberland in order to help unlock barriers to business resilience, investment, productivity, enterprise creation and economic growth
 - *Multiplying our place-based assets* – To progressively develop a place-based approach to ensure that investment and impact are focused rather than dispersed through the integrated delivery of multiple elements of the Stewardship and Rural Growth Plan within specific localities
 - *Valuing our food and drink* - To champion, building on the existing “Produced in Northumberland” brand, the value of local produce to promoting economic growth, reducing ill-health and inequality, and contributing positively to the county’s net zero ambitions

The rationale for each of these is summarised at Appendix 3.

Deliverable Projects

25. In each case, a first wave of deliverable projects is being proposed to initiate the drawdown of the secured tranche of investment (subject to the approval of business cases as required) outlined above. These are as follows:
- *Northumberland Small Business Service (NSBS)* – creation of a new service, that builds upon our recent experience of similar initiatives to deliver business diagnostic and brokerage services to all small and micro businesses across the county. The Service will also deliver an enhanced rural growth and resilience support service and a rural capital Grant Investment Fund, as well as providing a bespoke, countywide farming business advisory service via the National Park Authority.
 - *Rural Asset Multiplier Pilots (RAMPs)* – development of innovative place-based pilots that will seek to improve the balance between stewardship and rural growth within their areas in a way that multiplies the environmental, social and economic benefits. The initial two pilots are proposed as follows:
 - North Northumberland Coast RAMP – targeted on the area of the Coast AONB, this RAMP will focus on better managing the challenges and opportunities of the seasonal influx of visitors (for trips, holidays, and second home residences) to improve the sustainability of local communities, reduce the area’s carbon footprint, and better protect the inherent value of the coastal landscapes, habitats, and species.
 - Bridging the North to South Tyne River RAMP – targeted on the south-western part of the National Park bounded by Bellingham and Haltwhistle, this RAMP will focus on unlocking the natural capital potential of an extensive, unspoilt area of countryside whilst sensitively promoting access for educational, health and well-being purposes.
 - *Northumberland Food Strategy and Action Plan* - the development of a strategy that will, like its national counterpart, looked at the entire food chain, from field to fork; to include production, marketing, processing, food security, sale and purchase of food (for consumption in the home and out of it), consumer practices, resources and institutions involved in these processes.

Further details of these projects are outlined in Appendix 3.

The new Devolution Deal for the North East of England

26. As referenced in paragraph 15, in late December 2022, the Government announced the new Devolution Deal for the North East of England. The “Rural” extract from that Deal is replicated at Appendix 4. This clearly demonstrates the continued importance and role of the rural parts of the region to the levelling up agenda. Over the coming months, as part of the transition to the new Combined Authority arrangements, further dialogue will take place with colleagues in Gateshead and Durham to progressively align our approaches to stewardship and rural growth.

IMPLICATIONS

Policy	<p>The four strategic objectives of this Investment Programme – Levelling Up Prosperity and Opportunity; Achieving Net Zero Carbon Growth; Place-based Approach to Land Management; and Wellbeing and Quality of Life – are entirely consistent with and reinforce the Council’s corporate priorities as set out in the Corporate Plan.</p> <p>The Investment Programme will also be instrumental in supporting the delivery of the Rural elements referenced in the new North East Devolution Deal.</p>
Finance and value for money	<p>All of the funding referenced within the report is from a combination of UK Shared Prosperity Fund, Rural Economy Prosperity Fund and North of Tyne Investment Fund and as such no additional capital or revenue resources are being requested from the Council. The value for money of the proposed delivery projects will be subject to the approval of business cases by the Combined Authority.</p>
Legal	<p>Any legal issues, including subsidy control, will be considered and addressed as part of the subsequent business case process associated with the proposed delivery projects.</p> <p>The Local Authorities (Functions and Responsibilities) (England) Regulations 2000 confirm that the matters within this report are not functions reserved to Full Council.</p>
Procurement	n/a
Human Resources	n/a
Property	n/a
Equalities	<p>(Impact Assessment attached)</p> <p>Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/></p>
Risk Assessment	<p>Risk assessments will be undertaken as part of the subsequent business case process associated with the proposed delivery projects.</p>
Crime & Disorder	n/a
Customer Consideration	n/a
Carbon reduction	<p>One of the four strategic objectives is specifically aimed at working towards net zero growth in our local economy, and contributing to the UK’s carbon reduction goals, by investing in and adopting low carbon measures in our natural environment, businesses, homes, public buildings, and communities, and equipping people and businesses with the skills needed to deliver net zero growth. The result will be a</p>

	rural economy and community that enjoys all the benefits of net zero growth, including a healthy environment, businesses and homes using energy efficiently with secure and affordable supplies, and businesses and people benefitting from the new opportunities and jobs delivered by growing use of low carbon technologies.
Health and Wellbeing	One of the four strategic objectives is specifically aimed at improving quality of life in our communities as we recover from the pandemic, enabling people from all backgrounds and places to enjoy the health and wellbeing benefits of connecting with the natural environment and culture, working in rewarding, well-paid, skilled jobs, and being part of a vibrant rural community. The result will be rural communities where people from all backgrounds have access to jobs and a decent income; skills and education opportunities to improve life chances; recreation and exercise; community and social networks; good quality housing; and transport connections to work, education, and leisure and social activities.
Wards	ALL

Background papers

[Report to North of Tyne Combined Authority Cabinet on 22 November 2022](#)

Report sign off

Authors must ensure that officers and members have agreed the content of the report:

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Appendix 1:

North of Tyne Stewardship and Rural Growth Investment Plan – Delivery Principles

The preparation and subsequent delivery of the Investment Plan will be guided by the following key principles which will shape the approach to the delivery of our programmes.

- **Cross-cutting** - Our programmes have been designed deliberately to be cross-cutting, combining and integrating complementary activities to address our key stewardship and rural growth priorities in tandem.
- **Place-based** - The programmes include a strong emphasis on place-based delivery, helping to ensure that investment and impact are focused rather than dispersed. In practice, this means there will be integrated delivery of multiple elements of our nine programmes within specific rural localities. We will adopt the best aspects of previous approaches, such as LEADER, to deliver integrated, place-based rural investment.
- **Innovation-led, sustainable delivery** - We will develop, showcase, and test novel solutions to stewardship and rural growth challenges and opportunities, sharing what works with other areas, and positioning Northumberland as a leading innovator in the field. Our focus will be on piloting and developing new solutions that can be adopted permanently and supported sustainably by mainstream investment and spending. Our pilot projects will be supported by convincing scale-up / roll-out plans to minimise the risk of short-term, stop-start delivery.
- **Adding value** - The delivery of our nine programmes will be planned carefully to ensure full alignment with existing activities, ensuring that current funding and delivery programmes are maximised, leveraged and adjusted where possible to address our priorities and outcomes. Our Investment Plan will support activities that are new or additional, over and above current programmes.
- **Communities in the lead** - Our programmes will be led by local businesses, people and communities who will drive change, coming together to solve the challenges and opportunities that matter most to them.
- **Building on successful approaches and existing infrastructure** - We will build on existing or previous activities and projects where they have been shown to be effective, including scaling-up successful projects to deliver across multiple rural localities where this will deliver on our priorities and outcomes. We will make maximum use of existing organisational infrastructure in our rural areas, working through established place-based and community organisations and networks where they have a track record in delivering positive change.
- **Rural and urban delivery** - In some cases, delivery of our programmes to rural beneficiaries may be integrated as part of a wider North of Tyne or regional programme, where the issues being addressed are present in both rural and urban areas. For example, support to retrofit homes and businesses with low carbon energy technologies, or employability and in-work support, are needed in both the rural and urban North of Tyne and may be addressed by a single, integrated programme. Where this is the case, programme delivery and funding packages will be designed to account for the additional complexities and costs of delivering across dispersed rural areas. However, we expect that most of our programmes will require rural only delivery because the issues being addressed are distinctly rural.
- **Phased delivery** - Programmes will be introduced at different intervals and speeds across the five-year Investment Plan period, reflecting the nature and scale of the issues being addressed, the timing of funding opportunities, and allowing time for rigorous programme development work.
- **Outward looking** - We will spread the benefits of our work into other areas by collaborating with our partners in neighbouring regions and the wider North of Tyne area, contributing to wider regional development. We will seek out learning from other rural regions across the UK and will actively share good practice and disseminate our learning with others, demonstrating our role as a leader in rural innovation. We will work with other regions and nations to boost

exports and trade and attract inward investment, helping to generate additional wealth in our rural economy.

- **Evidence-led** - Our investments and interventions will be built on evidence of key rural challenges and opportunities, knowledge exchange with other rural areas, and evaluation of what works.
- **Influencing solutions to wider, structural rural challenges** - We recognise that some of the key issues impacting rural communities and economies are structural in nature and require long-term, sustained, Government-led intervention at the UK level. This includes issues such as affordable rural housing, rural public transport, rural energy connectivity and capacity, and rural digital infrastructure. While the scope of this Investment Plan, and the resources available, will not allow us to address these important issues directly, we will use the Investment Plan as a vehicle to seek to influence Government and others to address these key strategic challenges.

Appendix 2: North of Tyne Stewardship and Rural Growth Investment Plan – Delivery Programmes

	Programme	Activities	SO1	SO2	SO3	SO4
1.	Decarbonisation, Biodiversity, and Resilience	<ul style="list-style-type: none"> Advice, support, and investment for land-based industries to change land use, adopt low carbon measures, support biodiversity, and address resilience (agriculture, forestry / woodland) Northumberland Green Finance Plan Net zero visitor attractions and transport Carbon reduction and biodiversity demonstrators (model farm; woodland; home) 		Y	Y	
2.	Rural Energy	<ul style="list-style-type: none"> Advice, support, investment for rural households and businesses to transition to renewable energy Retrofitting rural homes and businesses Community energy projects and district heat networks 	Y	Y		Y
3.	Skills and Jobs	<ul style="list-style-type: none"> 'Green skills' needed to deliver decarbonisation and land use change Rural sector skills pathways (land-based, tourism) Employability and in-work support reaching all rural communities 	Y	Y	Y	Y
4.	Business Growth	<ul style="list-style-type: none"> Rural Enterprise Support (growth, sustainability, start-up, scale-up) Business collaboration and clusters 	Y			
5.	Rural Innovation	<ul style="list-style-type: none"> Businesses and communities collaborating to solve rural specific challenges and opportunities ('rural sectors' and 'place' specific) Advice, collaboration, investment to help rural businesses adopt latest technologies 	Y	Y	Y	
6.	Quality of Place	<ul style="list-style-type: none"> Infrastructure investment in rural places (e.g., business accommodation; visitor infrastructure; cultural and heritage assets; community infrastructure; public realm; skills facilities) 	Y			Y
7.	Physical Activity and Wellbeing	<ul style="list-style-type: none"> Scaling-up wellbeing activities: volunteering; outdoor activities and exercise; social networks; social and green prescribing (for Northumberland and North of Tyne residents) Campaign to attract younger, working age people to Northumberland (quality of life) 	Y		Y	Y
8.	Community housing and transport	<ul style="list-style-type: none"> Bringing together rural communities and housing associations to encourage and plan investment in house building in specific places Innovation Challenges to solve transport problems, testing solutions from other areas 	Y			Y
9.	Rural Evidence Base	<ul style="list-style-type: none"> Enhancing the rural evidence base to support evidence-led investment (including targeted research, evaluation, dissemination, learning from other areas) 	Y	Y	Y	Y

Appendix 3: Outline of the Proposed First Phase of Implementation

INVESTMENT PROGRAMME 1 – SUPPORTING OUR SMALL BUSINESSES	
Programme Objective	To provide a comprehensive business and enterprise support service to small businesses (those employing less than 50 employees, with a turnover of less than £10 million) located within Northumberland in order to help unlock barriers to business resilience, investment, productivity, enterprise creation and economic growth.
Rationale / Context	<p>The need to improve the economic performance of rural areas in England is well established and well researched. Business productivity and overall economic prosperity in rural areas tend to lag urban centres, and there is a clear equity case to invest in activities that contribute to closing this wealth gap. The onset of macro-economic events such as the Covid-19 pandemic, the UK’s exit from the European Union and increased energy prices triggered by the war in Ukraine which have all subsequently widened this gap.</p> <p>In rural Northumberland, this is demonstrated by the following:</p> <ul style="list-style-type: none"> • <i>A low wage, low skill economy</i> – Average earnings per week are £496 in the county compared to £591 in England, and Northumberland is in the bottom 20% of local authorities in England based on employee earnings. In 2020, 6.4% of Northumberland’s population aged 16-64 had no qualifications, and the county ranks poorly on adult skills levels (288th out of 333 local authority districts in England). • <i>Higher levels of inequality</i> – Northumberland performs poorly compared to the England average on a wide range of inclusive growth indicators, highlighting the key inequalities and deprivation affecting the area. GVA per head is £15,564 in Northumberland (£29,356 for England); the employment rate is 71.5% in Northumberland (76.3% in England); 26.7% of households in Northumberland face fuel poverty (10.9% in England); 19.4% of households in Northumberland are classed as workless (14.3% in Great Britain); and the unemployment rate in Northumberland is 6.3% (5.1% in England). • <i>Impact of Covid on business performance</i> – According to the NICRE Rural Business Survey (2021), 42% of businesses in the rural North of Tyne area were negatively impacted by the pandemic, worse than the impacts on businesses in the rural South West (37%) and West Midlands (36%). There is an ongoing need to support rural businesses as they recover from the long-lasting effects of the pandemic, with many running up debts which must now be repaid, and losing staff, customers, and income which need to be replaced. <p>Equally, however, businesses in rural Northumberland have a strong propensity to innovate. According to the NICRE Rural Business Survey, 35% of businesses in the rural North of Tyne consider themselves to be innovation active, higher than the rate for the urban North of Tyne area of 30%. This indicates that a significant proportion of the local business base is open to innovation, meaning there is scope to encourage and support rural businesses to adopt new technologies and ways of working and to develop new products and services to mitigate environmental impacts and drive productivity improvements.</p>
Proposed Delivery in Phase One	
Description	The County Council will establish a new Northumberland Small Business Service (NSBS), building on its recent experience of similar initiatives, that will deliver business diagnostic and brokerage services to all small and micro businesses across the county. The Service will also deliver an enhanced rural

	<p>growth and resilience support service and a rural capital Grant Investment Fund.</p> <p>Small businesses with a turnover of less than £10m and with less than 50 employees will be able to access the following programme activities:</p> <ul style="list-style-type: none"> • <i>Tier 1 Growth and Resilience Support</i> – This will provide access to local, trusted business support through a dedicated team of Business Advisors to provide business diagnostics and sign posting services to relevant follow-on support. This element will be available to all eligible small businesses across the whole of Northumberland. • <i>Tier 2 Growth and Resilience Support</i> – This will provide access to an enhanced business support service with access to technical expertise, as required, on business planning, financial planning/modelling, new product development support, resilience planning, taxation and exemption, sales strategies, subsidy control and procurement guidance, market opportunities and demand, supply chain efficiencies and requirements and succession planning. This element will be available to all eligible small businesses located within rural Northumberland (as defined by UKSPF Rural England Prosperity Fund Boundary). • <i>NSBS Grant Investment Fund</i> – This will provide access to direct capital investment grants targeted at expanding productive capacity or diversifying into new markets or products. Key interventions will include investment in machinery, equipment, business premises, new building construction, building fit out and associated infrastructure by a business to support business growth; improve viability and sustainability (resilience); reduce emissions and energy costs; and/or develop new to firm products or services. This element will be available to all eligible small businesses located within rural Northumberland (as defined by UKSPF Rural England Prosperity Fund Boundary) that have a clear growth plan and are within the following sectors: <ul style="list-style-type: none"> ○ General manufacturing ○ Food and drink manufacturing ○ Knowledge intensive service businesses ○ Tourism attractions – not tourism accommodation or infrastructure ○ Fisheries – onshore food manufacturing only. ○ Social enterprises – those engaged in commercial, for-profit enterprise ○ Farm diversification into sectors otherwise eligible as listed above – not primary agricultural production, purchase of agricultural machinery and tourism accommodation on farms • <i>Enterprise Support</i> – This will provide access to a dedicated programme of tailored business support and mentoring to help entrepreneurs, prestart and new start businesses (including social enterprises and community organisations) navigate setting up and running a sustainable business. The project will operate across the county with a specific place-based focus to support key towns with high levels of unemployment across the County.
<p>Delivery Partners</p>	<p>Northumberland County Council will act as the Accountable Body and Strategic Lead for the NSBS Programme with Advance Northumberland Ltd being the delivery partner.</p> <p>Advance Northumberland will commission specialist expertise to support delivery. This will include commissioning Northumberland National Park to provide bespoke farm growth and resilience support (Tier 2) to eligible farm businesses across the county. This specific market segment has been identified as a key audience that is typically under-represented in standard business support services.</p>

Timescale	The NSBS Programme will be delivered over a 3-year period from 1 April 2023 to 31 March 2026.
Funding	<p>Subject to the approval of relevant business cases, a total budget of £4,916,416 consisting of the following elements is being sought:</p> <ul style="list-style-type: none"> • £1,480,527 revenue from a combination of UK Shared Prosperity Fund (Rural Growth) and North of Tyne Investment Fund • £2,000,000 capital from the Rural Economy Prosperity Fund • £1,135,889 capital secured as match funding from eligible businesses accessing the NSBS Grant Investment Fund • £300,000 revenue from UK Shared Prosperity Fund (Enterprise)

INVESTMENT PROGRAMME 2 – MULTIPLYING OUR PLACE-BASED ASSETS	
Programme Objective	To progressively develop a place-based approach to ensure that investment and impact are focused rather than dispersed through the integrated delivery of multiple elements of the Stewardship and Rural Growth Plan within specific localities.
Rationale / Context	<p>Rural Northumberland is home to some of the country’s most distinctive and valuable natural and cultural assets, including our pristine coastline; one of the UK’s largest farming sectors; our leading forestry industry; plentiful renewable energy resources and carbon capture capability; productive woodlands and waterways; precious nature habitats and biodiversity; and our unique Borderlands culture and heritage.</p> <p>However, in common with most rural areas, there are three well recognised structural challenges that play a particularly important role in holding back growth, prosperity and wellbeing in rural Northumberland. These are:</p> <ul style="list-style-type: none"> • Lack of access to affordable housing is driving many people out of rural communities and is a key factor in the declining rural workforce and working age population. • Poor access to digital connectivity makes it difficult for many households to access critical services and information and weakens the productivity of many rural based businesses. • The interplay between lack of transport, employment and affordable housing opportunities is crucial in determining the jobs and education opportunities available to people in rural Northumberland. <p>The Covid-19 pandemic, growing momentum to level up prosperity and opportunity across the country, and the urgency to address climate change, nature recovery, and food and energy security, have all shone a light on the unique strengths that rural areas and their natural assets offer in addressing the UK and global challenges of our age.</p> <p>The pandemic highlighted people’s innate desire to be close to nature and the outdoors, as more people choose to live, work and spend leisure time in rural and coastal locations, improving their health and wellbeing. This brings both opportunities and challenges.</p> <p>Rural and coastal areas are experiencing first-hand the local impacts of climate change resulting in more frequent and severe storms, flooding and droughts, damaging the local environment and nature, and weakening business and community resilience. However, the natural assets of rural areas make them uniquely well placed to lead the way in mitigating and tackling the impacts of climate change by accelerating the use of nature’s carbon capture potential and renewable energy resources, as well as supporting nature recovery by</p>

	<p>safeguarding natural habitats and biodiversity and creating natural defences to the wider economy.</p> <p>The Stewardship and Rural Growth Investment Plan sets out a fresh, place-based approach to investing in our unique natural, economic and cultural assets in a way that will simultaneously enhance our environment, grow our rural economy, and improve opportunity and prosperity in our communities.</p>
Proposed Delivery in Phase One	
Description	<p>The County Council will test an approach via innovative place-based pilots, as part of a Rural Asset Multiplier Pilot (RAMP) Programme, that seek to improve the balance in their areas between stewardship and rural growth in a way that multiplies the environmental, social and economic benefits.</p> <p>The initial pilot areas will provide contrasting challenges and opportunities to maximise the scope to subsequently replicate and/or scale up successful initiatives. To help maintain momentum, the pilot areas will be chosen on the basis that there is some initial activity to build upon and a confidence that further activity can be quickly accelerated and/or expanded.</p> <p>The county's designated landscapes provide a ready-made delivery mechanism to apply this approach in that they have: a suite of recognisable natural, social, cultural, and economic assets, a credible track record grounded in stewardship and rural growth; strong relationships with local communities, businesses, and stakeholders; and robust governance.</p> <p>On this basis, the initial phase of the RAMP Programme will focus on two place-based pilots as follows:</p> <ul style="list-style-type: none"> • North Northumberland Coast RAMP – targeted on the area of the Coast AONB, this RAMP will focus on better managing the challenges and opportunities of the seasonal influx of visitors (for trips, holidays, and second home residences) to improve the sustainability of local communities, reduce the area's carbon footprint, and better protect the inherent value of the coastal landscapes, habitats, and species. • Bridging the North to South Tyne Rivers RAMP – targeted on the south-western part of the National Park bounded by Bellingham and Haltwhistle, this RAMP will focus on unlocking the natural capital potential of an extensive, unspoilt area of countryside whilst sensitively promoting access for educational, health and well-being purposes. <p>As part of the Bridging the North to South Tyne Rivers RAMP, a natural capital accounting pilot will be initiated to both inform the subsequent preparation of the RAMP Delivery Plan and to provide an exemplar of this technique that can be replicated to other parts of the county.</p>
Delivery Partners	Northumberland County Council will act as the Accountable Body and Strategic Lead for the RAMP Programme with Northumberland National Park Authority and Northumberland Coast AONB Partnership being delivery partners.
Timescale	The RAMP Programme will be delivered over a 5-year period from 1 October 2023 to 31 March 2027, with the first two years representing a partnership development phase. As such, this phase will focus on project feasibility, business case development, demonstrator trials, and exemplar early win demonstrators.
Funding	<p>Subject to the approval of relevant business cases, a total budget of £2,100,000 consisting of the following elements is being sought for the initial partnership delivery phase:</p> <ul style="list-style-type: none"> • £1,000,000 revenue from a combination of UK Shared Prosperity Fund (Rural Growth) and North of Tyne Investment Fund

	<ul style="list-style-type: none"> • £1,000,000 capital from the Rural Economy Prosperity Fund • £100,000 to £150,000 of revenue for the Natural Capital Accounting pilot from the initial NTCA Stewardship and Rural Growth Investment Plan Capacity Fund
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INVESTMENT PROGRAMME 3 – VALUING OUR FOOD AND DRINK

Programme Objective	To champion, building on the existing “Produced in Northumberland” brand, the value of local produce to promoting economic growth, reducing ill-health and inequality, and contributing positively to the county’s net zero ambitions.
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Rationale / Context	<p>In 2018, the Government asked Henry Dimbleby to carry out a comprehensive and independent review of the food system in England. It looked at the entire food chain, from field to fork. This included production, marketing, processing, sale and purchase of food (for consumption in the home and out of it). It also looked at the consumer practices, resources and institutions involved in these processes.</p> <p>The independent review was published in July 2021 and presented a powerful analysis of the challenges facing the food system, centred on two diagnoses – described as the ‘Junk Food Cycle’ and the ‘Invisibility of Nature’.</p> <p>In response, the Government Food Strategy was published in June 2022. It includes policy initiatives to boost health, sustainability, accessibility of diets and to secure food supply, ensuring that domestic producers and the wider food and drink industry contributes to the levelling up agenda and makes the most of post-Brexit opportunities.</p> <p>The objectives of this strategy are to deliver:</p> <ul style="list-style-type: none"> • a prosperous agri-food and seafood sector that ensures a secure food supply in an unpredictable world and contributes to the levelling up agenda through good quality jobs around the country • a sustainable, nature positive, affordable food system that provides choice and access to high quality products that support healthier and home-grown diets for all • trade that provides export opportunities and consumer choice through imports, without compromising our regulatory standards for food, whether produced domestically or imported <p>The recent independent Inquiry into the Future of Farming in Northumberland acknowledged the importance of food production and processing to the county’s economy in terms of jobs and productivity – as well as its contribution to carbon reduction, healthy eating, visitor spend and food security. Yet, the Inquiry also heard that there is a strong sense across the farming sector that the relative importance of food production has diminished in favour of the environment.</p>
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Proposed Delivery in Phase One

Description	The County Council will coordinate the development of a Northumberland Food Strategy and Action Plan.
Delivery Partners	The Council will seek the advice and support of the Food, Farming and Countryside Commission as to the scope and approach of the Food Strategy.
Timescale	Food Strategy to be in place by October 2024
Funding	£100,000 to £150,000 of revenue from the initial NTCA Stewardship and Rural Growth Investment Plan Capacity Fund

Appendix 4: Rural extract from the new North East Devolution Deal

167. This devolution deal also acknowledges the unique and complex rural environment in the North East. Acting as a rural exemplar is already at the heart of the North of Tyne Devolution Deal and the North East would expect to work with the government on opportunities to expand this into a wider area. This could include focusing on innovation in rural communities and the rural economy; potential support to the unique physical infrastructure which is a critical part of rural communities; consideration of the remaining Northumberland Line rail scheme funding; and proactive work with the region to stimulate housing and economic development along the Northumberland Line economic corridor and in rural parts of County Durham and Gateshead.
168. To compliment this, the North East Mayoral Combined Authority will build on work commissioned by North of Tyne, the Scotland Office and the Union Connectivity Review to understand further opportunities for collaboration, connectivity, innovation partnership and shared growth along the North East Coast Corridor.
169. The government and the North East Mayoral Combined Authority commit to the development of a clear joint plan for rural growth, stewardship and net zero, which recognises the opportunities and challenges to the rural economy and the major role the North East can play in addressing them.
170. The North East Mayoral Combined Authority will establish a Rural Growth and Stewardship Board chaired by a Northumberland County Council Cabinet member and driven by Northumberland, Gateshead and County Durham Councils, with government committing to senior level engagement and strong collaboration with DEFRA and its arms-length agencies – supporting the Government’s Places for Growth programme. This Board will oversee a long term Rural Economic Investment Programme for the region which builds on the LEADER programme.
171. DEFRA has set out plans to replace EU LEADER funding and growth programme elements of the Rural Development Programme, including the funding allocations for the North East Mayoral Combined Authority. This will allow the North East to deliver small scale capital grants for rural community infrastructure and grants for businesses, including for farm diversification.
172. Building on the Local Nature Recovery Strategy pilots, including in Northumberland, formal appointment of responsible authorities for Local Nature Recovery Strategies (LNRS) will be made following publication of relevant regulations and guidance and confirmation of funding. LNRSs will: map the most valuable existing habitat for nature; map proposals for creating or improving habitat for nature and wider environmental goals; and agree priorities for nature’s recovery. DEFRA agrees to consider the role of the 47 North East MCA in the LNRS including a review of relevant LNRS geographies once the combined authority is in operation.
173. In line with commitments made in the Borderlands Inclusive Growth Deal, the government, which is committed to increasing private investment in nature’s recovery across England, will support the North East MCA to capture the economic benefits of its natural capital and attract private investment including to deliver priorities identified in LNRSs. This support may include: a proportion of revenue funding; specialist expertise; co-ordination of peer support and networking; and/or local partnership working with DEFRA’s Arm’s Length Bodies (Environment Agency, Natural England, Forestry Commission). Any funding provided remains subject to further agreement and approvals and will be conditional on participation in a programme of evaluation and shared learning.