

Initiation Form

Summary		Reference:	BUS006
Activity Name:	Town, Rural and Coastal High Street Development and Skills Programme		
Activity Description:	This invitation to bid encourages applications from businesses, property owners (public/private/third sector), developers and skills providers across towns, rural, coastal areas in Cornwall and on the Isles of Scilly with a particular focus on regenerating high streets and neighbourhood shopping areas.		
Investment Priority:	Supporting Local Business	Intervention:	<p>E16: Investment in open markets and improvements to town centre retail and service sector infrastructure, with wrap around support for small businesses.</p> <p>E26: Support for growing the local social economy, including community businesses, cooperatives and social enterprises.</p> <p>E31: Funding to support relevant feasibility studies</p>
Funding Available:	£ 4.4m (Total)	£3.15m (Capital)	£1.25m (Revenue)
Type of funding opportunity:	This invitation to bid will be open and ongoing during the period outlined below with specific review points. Project applications received before each review point will be considered at that point in time.		
Open Date: Application	05/08/2022	Close Date:	04/08/2023
Review Point 1:	02/09/2022	Review Point 2:	02/12/2022
Review Point 3:	03/03/2023	Review Point 4:	04/08/2023

Context

Description: Description of the activity and what is expected to be achieved

The key metrics identified in the Levelling Up White Paper¹ show CloS as one of the areas in the UK most in need of levelling-up. At 74.1 % of the UK average per filled job², our productivity lags the rest of the UK, as do wages and levels of economic investment. CloS, along with the rest of the South West, has the worst educational outcomes for disadvantaged young people in the country, and low social mobility compared with other areas³. The need to stimulate significant improvements in performance is therefore clear.

Our places matter and whether they are classified as urban or rural, towns, villages, hamlets or islands they all have a role to play in delivering improvements in our economy. Therefore, applications are invited from retail and non-retail businesses, property owners (public/private/third sector), developers and skills providers across our towns, rural, coastal and island settlements with a particular focus on projects that can regenerate existing retail centres and/or improve the productivity of business located on our high streets and other neighbourhood shopping areas.

Businesses and property owners/developers located adjacent to our high streets and neighbourhood shopping areas can also apply if they can demonstrate that their project can help to generate increased footfall in the settlement where they are based.

Cornwall Council and the Council of the Isles of Scilly are committed to ensure that projects supported through the Shared Prosperity Fund deliver clean (with a particular emphasis on Net Zero and Nature Recovery) and inclusive economic growth. That the jobs created are well paid; quality jobs, that all our communities and businesses are able to access the opportunities available through this fund and that our environment benefits from this economic prosperity. The good growth outcomes have been designed to ensure that all SPF applicants consider the impact of their project and identify what contribution it will make towards good growth. Whilst we accept that not all projects can contribute to every good growth outcome, we will expect applicants to demonstrate the contribution they can make in their applications.

A “non-exhaustive” list of potential activity is outlined below but applicants are also able to suggest innovative solutions in their application if they will deliver the overall objectives outlined in this document:

- **Encouraging and developing open markets** to encourage increases in footfall and promote growth of businesses located on our high streets in our towns, rural and coastal settlements.
- **Development and refurbishment of new and/or existing buildings** to encourage reducing “holes on the high street”, increasing footfall and promoting growth of businesses located on, or adjacent to, our high streets and other neighborhood shopping areas in our town, rural, island and coastal settlements. This could include, shop refurbishment, pop up shops and mixed use, meanwhile uses, office/manufacturing space, leisure, creative and cultural activity as well as encouraging the use of upper floors in existing buildings including disused storage space and ancillary floorspace. ***NB: work that is purely repair/maintenance of existing buildings will not be eligible for support. Costs relating to conversion to residential use will only be covered in very limited circumstances where there is a strong case for including it as a secondary purpose of any development e.g. live/work projects.***
- **Creating managed workspace hubs** to enable different ways of working and provide working accommodation for employees unable to work from home but wanting to reduce their need to commute. Activity that encourages the clustering of professionals engaged in specific sectors and/or across sectors will be considered.

¹ [Levelling Up the United Kingdom - GOV.UK \(www.gov.uk\)](https://www.gov.uk/levelling-up)

² ONS Subregional Productivity, 2021.

³ Social Mobility in the South West, April 2022, Centre for Mobility, Exeter University.

- **Encouraging additional footfall and “dwell time”** through provision of outdoor tables, chairs and temporary eateries. The provision of events will also be considered provided they are additional to what is already in place and does not duplicate activity that would fit with the planned Cultural Events and Talent Programme
- **Marketing, Promotion and other sales generation activity** to encourage growth and improvements in productivity of the businesses supported. Any activity must be additional to existing planned marketing and promotional activity and be linked to a wider business development plan that will enable the applicant to improve its contribution to the vitality of the high street or neighborhood shopping area. Bids that seek to market the town, high street or neighborhood shopping area as a whole are not a priority under this invitation to bid.
- **Developing improved training and skills programmes that help workers and businesses located on high streets adapt to the new skills needed for future high street employment, particularly digital skills targeted, but not exclusively, at retail employment, business management and entrepreneurialism** as this will deliver improved productivity, environmental performance and growth. All activity must have the potential to have a direct positive impact on the economic and environmental performance of the existing business or new business supported.
- **Investing in electric vehicle infrastructure** (e.g. charging points) for public use to encourage electric vehicle users to spend time/money on our high streets. This can also include business led active travel options (e.g. ebike hire schemes, electric delivery vehicles, etc) as these will help to reduce CO2 emissions and improve air quality.
- **Funding feasibility studies, pre investment costs, professional advice and research** that may help to identify, develop and accelerate investment proposals.

Activity designed to accelerate our progress towards net zero, that encourage jobs that pay at least the Real Living Wage and that encourage nature recovery and strong communities will be prioritised.

Strategic Alignment: Description of how proposals should meet strategic objectives, local need and the programme priorities. Expectations for coordination with other funding programmes.

Proposals should demonstrate evidence, showing their strategic fit and link to local community, social or economic needs.

This opportunity contributes significantly to the achievement of Government’s Mission 1 for Levelling Up: Improve productivity and pay, closing the gap between regions.

This opportunity contributes significantly to the achievement of Government’s Mission 2 for Levelling Up: Public investment in R&D will increase significantly.

This opportunity contributes significantly to the achievement of Government’s Mission 9 for Levelling Up: Pride in place - people’s satisfaction with their town centre will rise.

The UK SPF has been launched by UK Government’s as part of its wider commitment to level up all parts of the UK and on the key metrics identified in the Levelling Up White Paper Cornwall and the Isles of Scilly is one of the areas in the UK that is most in need of levelling-up. In its Levelling Up White Paper Government outlined that at national level the UK SPF will have a particular focus on the following objectives:

- Boost productivity, pay, jobs and living standards by growing the private sector, especially in those places where they are lagging.
- Spread opportunities and improve public services, especially in those places where they are weakest.
- Restore a sense of community, local pride and belonging, especially in those places where they have been lost.

- Empower local leaders and communities, especially in those places lacking local agency
- To increase levels of functional numeracy in the adult population

This invitation to bid is part of the Supporting Local Business Investment priority which has the following objectives:

- Creating jobs and boosting community cohesion building on existing industries and institutions, from support for starting businesses to visible improvements to local retail, hospitality and leisure sector facilities.
- Bringing together businesses and partners within and across sectors to share knowledge, expertise and resources, and stimulate innovation and growth.
- Increasing private sector investment in growth - enhancing activities, through targeted support for small and medium –sized businesses to undertake new-to-firm innovation, adopt productivity- enhancing, energy efficient and low carbon technologies and techniques, and start or grow their exports.

Interventions:

- E16: Investment in open markets and improvements to town centre retail and service sector infrastructure, with wrap around support for small businesses.
- E26: Support for growing the local social economy, including community businesses, cooperatives and social enterprises.
- E31: Funding to support relevant feasibility studies

In 2021 total workplace median annual full-time earnings in CloS were **£25,013** in (79% of the UK average) and total median workplace earnings (Full and part time) were **£20,628**.⁴ Self-employment is a particular characteristic of our economy with 18.4% of our workforce classified as self-employed compared to the UK average of 12.4%⁵ in 2021 Self-employed median annual earnings are £14,1000 which is 92% of the UK average.⁶ With living costs in CloS high the consequences of these wage gaps are severe, leading, for example, to poor health outcomes, elevated levels of fuel poverty, low educational attainment and low levels of social mobility.

Of particular concern in our economy is the fact that 29.3% of all employee jobs are paid below the real living wage compared to 20.3% for the UK as a whole.⁷ Our own analysis of low wages illustrates that work does not pay for almost 4 out of 10 people in CloS and that when gender is taken into account 40% of women and 33% of men earn below the Real Living Wage. This compares to 29% of women and 19% of men nationally.⁸ Measures to address the gender pay gap will therefore need to be a particular focus.

At national level the Grimsey Review 2 report (Vanishing High Streets) identifies the enormous challenges faced by Britain's High Streets and all of the issues identified apply to Cornwall. At local level our high streets and rural and coastal retail areas, once dominated by retail shops, are changing fast in response to changing shopping habits, new lifestyles and working patterns. Our settlement pattern is made up of one small City and an unusually large number of dispersed market towns and most are facing huge change on their high streets, with traditional retail in decline as a new 'digital industrial revolution' changes the way people shop and spend their time.

⁴ Annual Survey of Hours and Earnings (ASHE) – ONS, 2021

⁵ Annual Population Survey, Resident based, 16-64

⁶ Income and Tax – HMRC 2019-20

⁷ Jobs Paid Below the RLW, ONS

⁸ Cornwall Council, 2022

The exit of large retail stores and anchor institutions is also having a significant impact on footfall and public realm and therefore early identification of alternative uses should be a priority. Our underlying economic conditions outlined above, geographical remoteness and the seasonality of tourism all help to exacerbate the challenges faced by businesses on our high streets and this is leading to an increase in the number of empty shops and an increase in the number of charity shops which in turn is leading to reduced foot fall in most of our towns, especially in those that are not in tourism “hot spots”.

Our approach to investment in markets and improvements to town centre, rural and coastal retail and business infrastructure has been informed by consultation with stakeholders and a range of recent work undertaken by Cornwall Council as outlined below:-

- In 2019 Cornwall Council undertook a member led inquiry into High Street Vitality in Cornwall, see [Vitality of High Street Inquiry final.pdf \(cornwall.gov.uk\)](#). The recommendations from that inquiry panel seek to:
 - Enhance the productivity and competitiveness of existing small and medium sized enterprises;
 - Encourage new enterprise;
 - Support small and medium sized enterprises to grow through innovation;
 - Provide improved opportunities for small and medium sized enterprises to export;
 - Secure additional investment.

In response to the recommendations made by the Vitality of Towns Inquiry a £4 million [Town Centre Revitalisation Fund - Cornwall Council](#) (TCRF) was set up to assist towns across Cornwall to ensure that their town centres continue to be vibrant.

- In 2020 Cornwall Council also undertook a member led inquiry into the [Economic Vitality of Rural and Coastal Areas Inquiry Final Report Appendix 1.pdf \(cornwall.gov.uk\)](#). One of the recommendations from that inquiry specifically related to support for non-town areas to enable villages in rural and coastal areas to aid their regeneration.
- In November 2020 Cornwall Council also developed a Covid 19 Economic Recovery Plan for 2020 and 2021. This plan agreed a set of key principles and a range of interventions that would be implemented to aid recovery and this plan can be viewed at [Delivering and Sustaining Economic Growth Post COVID-19 and the end of the EU Transition Period - Ap.pdf \(cornwall.gov.uk\)](#)

The wider business support needs of all businesses in towns, rural, island and coastal areas will be met by the Good Growth Hub and applicants are encouraged to detail how they have utilised the support available through the Good Growth Hub in their application.

Please note:

- **Cornwall Council reserves the right to allocate more or less funding than the values set out in this Invitation to bid.**
- **This invitation to bid is subject to DLUHC sign-off of the CloS Good Growth SPF Investment Plan**

All funding expended should contribute to the “Good Growth” requirements outlined in the CloS UK SPF Investment plan. Higher levels of funding distribution may be spent on projects, activity or initiatives that deliver the greatest contribution to these objectives, especially where they are located and/or target the areas and people of Cornwall and the IoS most in need of levelling up.

Route to Market: Open Invitation

Explanation of the chosen route to market:

In order to meet subsidy control requirements and identify the projects that will deliver best value for money an open invitation to bid is viewed as the most appropriate route to market as the majority of applications

are likely to be private sector led. Public/third sector led projects can apply but will be considered alongside private sector led projects in the appraisal process.

This route to market will enable all relevant and interested organisations in Cornwall and the Isles of Scilly the opportunity to apply for funding to deliver their ambitions. Project(s) must be delivered by a legally constituted organisation that can receive public funds

Specific Requirements: Please identify any specific requirements

Through this call we will prioritise programme activity at town, rural, island and coastal High Street and neighbourhood shopping level that will help to achieve the Government's levelling up missions around pride in place, improving pay, employment and productivity. We are particularly interested in activity that will increase average wages, improve the productivity of businesses, increase the number of jobs in high value sectors, reduce CO2 emissions and increase skill levels in the existing workforce. Applications that are unable to contribute to these ambitions will not be supported.

Given the distribution of Future High Street, Town Deal and Heritage High Street funding has been concentrated in Penzance, St Ives, Camborne, Redruth and Truro projects located in other towns and neighbourhood shopping areas in Cornwall and the Isles of Scilly are strongly encouraged to come forward. In Year 1 (2022/23) particular priority will be given to projects located in North and South East Cornwall to help stimulate activity in those areas. However, projects located in Penzance, Camborne, Redruth, St Ives and Truro are not excluded from applying.

Whilst the maximum grant rate is set at 80% applicants are always encouraged to apply for the lowest level of funding required to make the project happen and applications from the private sector will only be awarded above 50% grant in exceptional cases where there is clear evidence of higher costs (e.g. works on listed buildings or projects on the Isles of Scilly where higher transport costs are a significant factor in the overall cost of a project) and where subsidy control considerations can be met.

Higher levels of funding may also be granted to projects, activity or initiatives that deliver the greatest contribution to the objectives outlined in this document especially where they are located and/or target the areas and people of Cornwall and the IoS most in need of levelling up.

The focus of this activity is on individual businesses, land or buildings located on or adjacent to our high streets and other neighborhood shopping areas and we are expecting projects to be predominantly led by the private sector. However, public sector and community/charity led proposals are also eligible to apply.

In addition to this activity there is also under the Communities and Place priority of our Good Growth plan scope for wider town centre regeneration and public realm proposals to secure funding for activity that will help to generate a wider commercial area.

Any application that includes an element of residential development is reminded that these will only be considered if the following criteria are met:

- The project is led by the public sector or a community/charity-based organisation (i.e. private sector led proposals are ineligible)
- The residential element of the project costs is "secondary" to the commercial element of the project (e.g. live/work units).

Budget & Spend Profile

Funding Available:	<i>£4,400,000</i>	<i>£3,150,000</i>	<i>£1,250,000</i>
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	(Total)		(Capital)		(Revenue)			
Minimum Award:	£30,000		Maximum Award:		£500,000			
	22/23		23/24		24/25		Total	
Intervention (E)	Capital (£m)	Revenue (£m)	Capital (£m)	Revenue (£m)	Capital (£m)	Revenue (£m)	Capital (£m)	Revenue (£m)
E16	1.00	0.20	0.90	0.10	1.25	0.10	3.15	0.40
E26	0	0.15	0	0.15	0	0.15	0	0.45
E31	0	0.10	0	0.15	0	0.15	0	0.40
Total	1	0.45	0.90	0.40	1.25	0.40	3.15	1.25
Total per year	1.45		1.30		1.65		4.40	
Intervention Rate:	% 50-80 (Maximum)			Target Leverage:	£ 1,100,000 (Total)			
Spend Start:	01/11/2022			Spend End:	31/03/2023			

Good Growth Principles

All SPF investments must be made in consideration of the Equality Act 2010. It is mandatory for all applications to assess impact of their project between people who share a protected characteristic and those who do not.

In addition, the following specific good growth principles must be considered for this activity:

Clean and Green	Business / Economy	Equality/Inclusive growth
C1 Reduction in CO2 emissions	BE1 Increase % of workforce earning real living wage	EQ1 Invest in projects that encourage a healthy lifestyle
C2 Circularity - reduction in use of virgin raw materials. Recycle reuse principles	BE2 Improve productivity for businesses in CloS	EQ2 Reduce gender pay gap
G1 Nature recovery	BE3 Contribute positively to CloS economy, environment and equality through purchasing/procurement	EQ3 Increased levels of functional numeracy and literacy in the adult population
G2 Attracting private sector green finance income to Cornwall		EQ4 Maximise opportunity for people with disability and ill health (including mental health)

Contribute to the Environmental Growth Strategy for Cornwall and Isles of Scilly	<input type="checkbox"/>			EQ5 Maximise work based opportunities for those with SEND particularly relating to spectrum disorders and dyslexia	<input type="checkbox"/>
				EQ6 support for the ageing population to remain economically active	<input checked="" type="checkbox"/>
				EQ7 Support young (under 30) entrepreneurs	<input checked="" type="checkbox"/>
				EQ8 Levelling-up of towns and neighbourhoods throughout CloS	<input checked="" type="checkbox"/>
				EQ9 Increased capacity and place-based leadership in communities	<input type="checkbox"/>
				EQ10 Advance equality of opportunity between people who share a protected characteristic and those who do not (Equality Act 2010)	<input type="checkbox"/>
				EQ11 Assist individuals with complex barriers to employment to access opportunities	<input type="checkbox"/>
				EQ 12 Have a positive impact on children and promote and uphold children's rights under UNCRC	<input type="checkbox"/>

Outputs/Outcomes

For this invitation to bid, we are looking for activity that delivers the following outputs and outcomes:

E16: Investment in open markets and improvements to town centre retail and service sector infrastructure, with wrap around support for small businesses	Output / Outcome	Total for the period 2022/23 – 2024/25
Number of businesses receiving grants	Output	88
Jobs created	Outcome	50
Jobs safeguarded	Outcome	25

Number of new businesses created	Outcome	36
Increased footfall (% increase)		10
Reduced vacancy rates (% decrease)	Outcome	5
E26: Support for growing the local social economy, including community businesses, cooperatives and social enterprises		
Number of businesses receiving financial support other than grants	Output	170
Number of businesses receiving grants	Output	40
Number of potential entrepreneurs provided assistance to be business ready	Output	30
Jobs created	Outcome	30
Jobs safeguarded	Outcome	15
Number of new businesses created	Outcome	20
Increased amount of investment (£)	Outcome	300,000
E31: Funding to support relevant feasibility studies		
Number of feasibility studies supported	Output	25
Increased number of projects arising from funded feasibility studies (% increase)		

The outputs and outcomes stated here reflect our Investment Plan submission to Government. Applicants should note Cornwall Council reserves the right to adjust and refine these outputs and outcomes as delivery progresses during the duration of our SPF programme and further national guidance becomes available.

Appraisal Criteria			
Strategic Alignment	Good Growth	Deliverability	Value for Money
25%	25 %	30%	20%
Explanation for criteria weighting			
The weighting suggested above has been selected as it means that 50% of the weighting is given to strategic fit and contribution to good growth as the two key policy objectives. The highest weighting is given to deliverability as we need to prioritise those projects that can deliver in the timescales we need, especially in the first year. VFM has the lowest weighting but if projects seek less than the 80% maximum they will score well.			

For further information on the programme please refer to the [Good Growth website](#). Completed Applications and relevant documentation must be submitted via email to goodgrowth@cornwall.gov.uk before the deadline stated on this Form.

Support and guidance to assist applicants through the application process is available at [Good Growth website](#).

More information on Shared Prosperity Fund can be found on the UK Government website; <https://www.gov.uk/government/publications/uk-shared-prosperity-fund-prospectus>

Date Updated:	02/08/2022	Lead:	Good Growth Team
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