

Rural England Prosperity Fund: Addendum to UKSPF Investment Plan

Your area: Vale of White Horse
Name of person submitting REPF information: Nick King
Alternative contact name and email: Karen Tolley / Karen.tolley@southandvale.gov.uk
SRO contact details: nick.king@southandvale.gov.uk
UKSPF Investment Plan reference number: TBC

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.

The Vale is a predominantly rural area located in the south-west of Oxfordshire. It is an attractive, popular place to live, and contains outstanding natural assets including the North Wessex Downs Area of Outstanding Beauty (AONB), the River Thames, and Uffington White Horse Hill.

The district is home to the historic market towns of Abingdon-on-Thames, Faringdon and Wantage and a myriad of smaller and more rural settlements. Except for Abingdon-on-Thames (with a population of 36,000), all settlements within the district appear to meet the definitions of “rural areas” as outlined within the REPF prospectus.

The district includes the majority of the Science Vale area, an internationally significant location for innovation and science-based research and business. Within the Vale, this includes the two Enterprise Zone sites at Harwell Campus and Milton Park. These sites are expanding and will provide for a significant number of new jobs. The district benefits from many opportunities, particularly those linked with the knowledge economy. However, there are longstanding challenges to build and support thriving communities throughout the district, with rural areas particularly affected by issues including access to employment and key services, physical and digital connectivity, as well as environmental and financial sustainability.

To understand the key challenges and opportunities facing our rural areas, we have undertaken direct consultation with a range of stakeholders, and reviewed local, regional, and national policies, as well as research studies and evidence reports. Below, we have provided detail on the key opportunities and challenges that are a focus of Vale’s REPF plan.

1. Rural Business Stability and Support

Our direct consultation with a range of stakeholders, including both the National Farmers Union (NFU), and Country Land and Business Association (CLA) have indicated that:

- With high energy and fuel costs, many rural businesses are experiencing the effects of the cost-of-living crisis, this is causing considerable financial challenges for the district’s farmers. This is further exacerbated by the changes to farm support payments such as the Basic Payment Scheme.
- Due to these factors, many agricultural businesses are looking to diversify their income streams to help create organisational resilience and support their future financial stability.

- Financial stability for agricultural businesses is vital in helping to maintain resilient food systems, by helping Farmers to keep produce prices stable in the face of complex external factors (including poor harvest conditions and high energy & fuel costs).

Community First Oxfordshire's *Rural Services Report 2020* detailed the following specific challenges for rural business owners in Oxfordshire:

- Lack of premises for economic development
- a lack of awareness of business support networks, especially for home workers and farmers

Related to the above challenges, we have concluded that the following opportunities exist:

- Small scale grants for conversion of farm buildings unlocks opportunities for rural businesses to diversify operating models and can help to build financial stability.
- Whilst aiding financial stability, diversification of farm businesses outside of agriculture, (particularly where this involves conversion of farm buildings), may also provide a range of benefits that meet additional REPF intervention objectives. For example, farm diversification may contribute to the visitor economy by providing new visitor or leisure facilities or improve community cohesion and offer access to employment sites by providing multifunctional premises including community shops or co-working facilities.
- The potential to fund purchase of food processing equipment, offers multiple opportunities for rural enterprises to improve productivity (and in doing so build financial sustainability) and potentially to increase environmental sustainability, where newer, more efficient machinery, or net-zero infrastructure is financed.

Climate Change and Energy

Vale of White Horse District Council has declared a climate emergency and detailed its responsibility to take national and local carbon reduction targets seriously. Decarbonisation is a central theme of both the Council's Corporate Plan, and our UKSPF investment plan. The Council's Corporate objectives include:

- reducing council emissions by 75% by 2025
- become a carbon neutral council by 2030
- reduce all emissions across the Vale District by 75% by 2030
- aspire to be a carbon neutral district by 2045

To achieve regional and national carbon targets, significant improvements will need to be made to existing infrastructure, including supporting rural communities and businesses to decarbonise.

This is a particular challenge in our rural communities, where domestic, community, and commercial properties tend to be less energy efficient and have a higher incidence of being off the gas grid.

To achieve our carbon targets, significant improvements will need to be made to existing infrastructure. Vale Council's *Autumn 2021 State of Business Survey* revealed that the leading barrier preventing businesses in the area from investing in environmental sustainability measures was a lack of available funding. REPF offers a significant opportunity to support rural businesses to invest in net-zero infrastructure, equipment, and technology that will aid their ability to decarbonise, helping to reach local and national carbon reduction targets.

Decarbonising facilities and equipment is particularly relevant with the food sector, where systems contribute 40 per cent of greenhouse gas emissions (IPCC, 2022).

There is a significant opportunity to support production of more sustainable food by supporting businesses to invest in production and processing facilities, and equipment to support promotion of local and food drink. This has the potential to support local sustainability goals through more sustainable food production and reducing food miles.

Creation of new multifunctional facilities also offers the opportunity to improve community facilities, creating additional workspace and potentially local employment. This presents an opportunity to reduce the need for rural residents to commute out of area, that can have negative effects on both climate and local transport infrastructure.

Poorer access to key services

Community First Oxfordshire's (CFO) *Rural Services Report 2020* surveyed 115 rural parishes in the region and revealed several key issues affecting their communities, including:

- Loss of facilities such as post offices and banks
- Most communities did not have a market, fuel station or garage
- Pubs and restaurants tending to be lost (exacerbated during and since the pandemic)
- Lack of access to GPs and Health Centres & dentists
- Less than a third had access to a bus service
- Affordability of housing
- Comparatively minimal adult education and family facilities (although good early years provision).

The report concluded that:

- Over the last decade, rural communities have seen major economic and social changes which have resulted in closures of local services, such as libraries, rural schools, shops, banks, and pubs. There has been a significant reduction in public transport, particularly rural bus services.
- Despite or because of this there is a sense of durability to Oxfordshire's rural communities. These are communities that are experienced in providing their own services and infrastructure when there is no other option.
- The main barriers to community resilience were road infrastructure, transport, and the environment, which has consistently remained challenges for many years.

In addition to the above report, CFO's *Rural Isolation in Oxfordshire 2022* report stated that in a survey of 528 members of the public:

- Findings do not necessarily show that isolation is felt more strongly in a rural setting. However, the feeling can be exacerbated by a rural setting if **physical access to services is an issue**, and the individual does not feel part of the community in which they live.
- It is important to highlight that despite the high numbers of car ownership, the most common experience shared (by 63 respondents) was regarding the lack of bus services/transport as affecting the sense of isolation.

Our conclusion based on this research is that access to services is a key challenge facing rural communities, and considerably hampers our objective to build and support thriving communities.

Community First Oxfordshire highlighted that there is a sense of durability to Oxfordshire's rural communities and that these **are communities that are experienced in providing their own services and infrastructure**.

This indicates that there is an opportunity to use REPF to enable sustainable solutions to the problem of access to key services in rural areas. This would principally be through organisations such as co-ops and social

enterprises, who's organisational structures can lend themselves to financial and environmental sustainability and ensure community engagement.

This opportunity may sit in harmony with rural diversification objectives, where projects hitting a range of objectives across the separate challenges can be identified, i.e., conversion of a farm building into a community owned farm shop, showcasing local produce.

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](#).

2023-2024 interventions:

- **Capital grants for small scale investment in micro and small enterprises in rural areas.** Including capital funding for net zero infrastructure for businesses, and diversification of farm businesses outside of agriculture, where this involves conversion of farm buildings.
- **Capital grants for growing the local social economy and supporting innovation.** Including: Community Businesses, Co-ops and Social Enterprise, R&D sites

2024-2025 interventions:

- **Capital grants for small scale investment in micro and small enterprises in rural areas.** Including capital funding for net zero infrastructure for businesses, and diversification of farm businesses outside of agriculture, where this involves conversion of farm buildings.
- **Capital grants for growing the local social economy and supporting innovation.** Including: Community Businesses, Co-ops and Social Enterprise, R&D sites

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

Providing capital grants for small scale investment in micro and small enterprises will:

- Support diversification of rural enterprises, contributing to financial stability of farming businesses, and safeguarding jobs. This influences local food resilience, by helping farmers to keep produce prices stable in the face of current challenges.
- Focus on providing funding for businesses to invest in net-zero infrastructure and equipment. This will help to meet local and national climate targets, whilst supporting rural businesses looking to adopt new technology, improving their sustainability.
- Through consultation with rural stakeholders, we understand that the dominant sectors for diversification from farming buildings are likely to be tourism and food, however, we expect diversification opportunities to develop rural business space, such as rural skills / innovation centres, co-working spaces, leisure attractions, and commercial kitchens.

- These types of projects will provide the opportunity for jobs and business creation, whilst potentially helping to improve access to key facilities, such as shops.

Capital grants for growing the local social economy and supporting innovation will:

- Contribute funding to help create facilities for rural economic development.
- Support development of rural enterprise, and job creation, by providing funding for equipment to showcase local drink, food, leisure, and visitor opportunities.
- Empower co-ops and social enterprises to find solutions to key community issues, focused on improving access to services.

Please rank the interventions selected in order of expected value added

1. Capital grants for small scale investment in micro and small enterprises in rural areas.
2. Capital grants for growing the local social economy and supporting innovation.

Interventions - rural communities

Please choose the interventions you wish to use under the rural communities investment priority. Select as many options as you wish from the menu.

2023-2024 interventions:

- Capital grants for investment in capacity building and infrastructure support for local civil society and community groups

2024-2025 interventions:

- Capital grants for investment in capacity building and infrastructure support for local civil society and community groups

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

Capital grants for capacity building and infrastructure support for local civil society and community groups will:

- allow us to support development of low carbon infrastructure for rural communities, this includes rural-based EV Chargers and capital investments in rural community energy schemes.
- enable rural community facilities to become more sustainable through projects such as community focused retrofitting, and locally generated renewables projects.
- A potential by-product of this sustainability focused work would be to tackle the cost-of-living crisis for rural community organisations through improved energy efficiency of facilities.
- This would help to ensure the long-term environmental sustainability of community facilities and contribute to regional and national carbon reduction targets.

As detailed above, Vale's communities are experienced in providing their own services and infrastructure. This indicates that there is an opportunity to use REPF to empower local communities to provide solutions and improve access to key services in rural areas through provision of infrastructure funding. This will contribute to tackling the climate emergency and help to build healthy communities.

Please rank the interventions selected in order of expected value added:

- Capital grants for investment in capacity building and infrastructure support for local civil society and community groups
- Capital grants for investment and support for digital infrastructure for community facilities

Interventions outcomes

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

Under Capital grants for small scale investment in micro and small enterprises in rural areas, our areas of focus will be:

- Jobs safeguarded
- Adoption of new to the firm technology or processes
- Number of firms with improved productivity.

Capital grants for growing the local social economy and supporting innovation, our focus will be:

- Jobs created
- Number of new businesses created
- Number of firms adopting new tech or processes

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

Under capital grants for investment in capacity building and infrastructure support for local civil society and community groups, we expect to focus on the following areas:

- Number of EV Chargers
- Number of community energy projects funded

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 total funding available to the Council via the Rural Fund is **£528,032**. The funding would be available over two years, from April 2023 to March 2025, with 25 per cent of the funding available in year one (£132,008), and 75 per cent available in year two (£396,024). We have chosen to break this down as a 50/25/25 per cent split between the three interventions detailed in previous sections, with all three interventions running across both years of the two-year programme.

A breakdown of the indicative spend profile by investment priority is as shown below:

Business - £396,024

Community - £132,008

Broken down by intervention, this is as follows:

Capital grants for small scale investment in micro and small enterprises in rural areas

- Year one - £66,004
- Year two - £198,012
- Total - £264,016

Capital grants for growing the local social economy and supporting innovation

- Year one - £33,002
- Year two - £99,006
- Total - £132,008.

Capital grants for investment in capacity building and infrastructure support for local civil society and community groups

- Year one - £33,002
- Year two - £99,006
- Total - £132,008

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):

How will projects be selected?

Projects will be selected through a two-stage competitive grant process. The grant application will be designed to capture full information of proposed projects and include a focus on how they relate to the scheme's objectives, and the outputs we have selected for the various interventions.

Applications would be assessed against an agreed matrix and funding decisions overseen by an appropriate grants decision panel (formed from our local partnership group).

How will we ensure value for money and additionality?

Through the application process, applicants will be asked to submit a variety of supporting evidence. This may include proof of obtaining competitive quotes for proposed equipment purchases, and financial forecasts, job density calculations, cost benefit analysis, and other similar indicators that can be used to demonstrate how projects will deliver on proposed outcomes and why they represent value for money.

Within the initial application process, we will request a baseline evidence position to help assess additionality. Proposed additionality would need to be supported by relevant evidence supplied within the application process. To ensure inclusivity for all potential applicants, the council will need to provide appropriate

information on how to calculate additionality and it is likely we will need to support this element of the application process with information and advice.

How will we determine whether projects cannot be funded by private finance?

Applicants will be asked to supply detailed evidence showing why private finance cannot be used for projects, this will be assessed as part of our grant assessment process. The process for evaluating whether private finance could be appropriate is likely to include asking for detailed financial information, including forecasts and repayment schedules.

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

Intervention(s) you intend to collaborate on: All

Place(s) you intend to collaborate with:

To maximise value for money in administering funding across the two districts that are linked through a shared service agreement, interventions will be delivered in association with South Oxfordshire District Council. This will mean that grant processes and local partnership interaction are shared between the districts, although funding, projects, and outcomes would be delivered specifically within the appropriate district boundaries.

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

Intervention(s) you intend to collaborate on: All

Place(s) you intend to collaborate with:

To maximise value for money in administering funding across the two districts that are linked through a shared service agreement, interventions will be delivered in association with South Oxfordshire District Council. This will mean that grant processes and local partnership interaction are shared between the districts, although funding, projects, and outcomes would be delivered specifically within the appropriate district boundaries.

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.

In preparation for the rural fund, economic development officers have undertaken numerous consultation sessions with relevant stakeholders, including:

- National Farmers Union (NFU) the Country Land and Business Association (CLA)
- Representatives of rural business centres including the National Trust, and Wicklesham Estates.
- Representative organisations of rural Community Groups, including Community First Oxfordshire (CFO), and the Rural Services Network (RSN).
- Charities and skills providers, including The Earth Trust, Pennyhookes Farm, and Aspire Oxford.
- Business support organisations including Co-operative futures.
- Representatives of Areas of Outstanding Natural Beauty (AONB)

- Local Authority representatives, including the Council’s Food and Farming Champion, and Oxfordshire’s Digital Infrastructure Partnership (DIP).

The context of our plan has also been informed by existing research and evidence, as referenced in earlier sections of this document, this includes studies published by the NFU, CFO, and RSN.

When funding is confirmed, we will form a rural partnership group to help guide and inform the delivery of our rural programme. This group will be attached to our existing Local Partnership Group formed to guide delivery of the UKSPF process, providing specific rural expertise. Overall scheme governance will be in line with the Council’s constitution and decision-making framework.

Partnership groups will meet on a quarterly basis to receive an update on the progress of the scheme and inform delivery. Ideas will be shared through facilitated round table discussions.

Wider engagement for the REPF scheme will be undertaken through standard council channels, including the South and Vale Business Support newsletter, website, and social channels, alongside the Council’s central communications channels. Every effort will be made to engage rural businesses, communities, and broader partners with availability of the scheme at the earliest possible stage.

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.

N/A

Are there MPs who are not supportive of your investment plan? If yes, please list which MPs are not supportive and outline their reasons why.

N/A

Confirmation of approval

Please provide the names of who has approved the submission of the additional information provided

Chief Executive: Mark Stone

Elected leader: Emily Smith

Section 151 officer: Simon Hewings