

## Delegated authority officer decision notice

<b>Decision made by</b>	Andrew Busby, Head of Development and Corporate Landlord
<b>Lead officer contact details</b>	Nick King, Economic Development Manager
<b>Decision</b>	<ol style="list-style-type: none"> <li>1. To approve the grant policy for the planned UK Shared Prosperity Funding (UKSPF) scheme known as E29: Supporting Decarbonisation.</li> <li>2. To agree that £110,400 of UKSPF capital funding previously allocated to intervention E22: Enterprise, Infrastructure &amp; employment/innovation sites can be used to support this grant scheme.</li> <li>3. To agree conversion of revenue funding totalling £64,600 under cost code CD61/4703 to capital funding to support the scheme.</li> </ol>
<b>Key decision?</b>	Yes
<b>If key decision, has call-in been waived by the Scrutiny Committee chair(s)?</b>	N/A
<b>Confidential decision, and if so under which exempt category?</b>	No
<b>Delegated authority reference from the constitution</b>	<p>Delegation was agreed by the Leader of the Council via an Individual Cabinet Member Decision dated 24<sup>th</sup> July 2023 to delegate authority to the Head of Development and Corporate Landlord to take decisions to implement and administer schemes under UKSPF (in consultation with the Cabinet member for Economic Development) and make non-material changes to the investment plans in consultation with the Head of Finance / Section 151 Officer, and appropriate cabinet members.</p> <p>Re: decision 3. The council's financial procedure rules state:</p> <p>86. The chief finance officer in consultation with the relevant heads of service, may approve the virement of budgets up to £20,000 or 5% of the total relevant budget (whichever is the greater) within a year and between any revenue budgets or between budgets for capital projects. The Cabinet may approve the virement of budgets up to £100,000 within a year and between any revenue budgets or budgets for capital projects.</p> <p>92. Vale only: The head of finance may add schemes directly into the capital programme where they are fully funded by government grant.</p>

<p><b>Risks</b></p>	<ul style="list-style-type: none"> <li>• The project is a pilot, and overall demand for funding is unclear at this stage. While good engagement was experienced during the detailed study that informs the project, this may not translate into funding applications, and funding may not be defrayed in full. Alternatively, high demand would see a likely impact on Economic Development activity, as the team would be deployed to prioritise processing applications.</li> <li>• UKSPF guidelines state that practical completion of projects (outputs) must take place within the financial year 2024/25. This condition will be passed on to grant recipients as part of the grant funding agreement, and as completion will be subject to external factors, such as the availability of installation trades and equipment, claw back of funds not spent by this stage will be a condition of funding – monitoring of spend (via reports and proof on receipts etc) is included within our standard conditions.</li> <li>• All grant schemes carry an element of fraud risk. Appropriate fraud mitigation will be undertaken across the scheme (including a variety of evidence reviews, and database checks).</li> </ul>
<p><b>Reasons for decision</b></p>	<p>The decision will allow for defrayal of UKSPF funding that supports corporate objectives relating to climate action by supporting local businesses and organisations to decarbonise, lowering greenhouse gas emissions. Funding will be issued in line with the council’s UKSPF investment plan, and the Memorandum of Understanding (MoU) for the programme.</p> <p>Funding will be made available through a competitive grant fund to Vale based micro, small, and medium enterprises, defined as those with fewer than 250 employees, and a turnover of less than £50m.</p> <p>The programme is informed by a detailed study undertaken by Oxford Brookes titled “Understanding the Net-Zero Challenge for South Oxfordshire and Vale of White Horse based SMEs”. This report is supported by the council’s Climate Emergency Advisory Committee.</p>
<p><b>Alternative options rejected</b></p>	<ul style="list-style-type: none"> <li>• To retain funding for direct council projects. Portions of UKSPF funding are supporting council-wide projects, but no specific uses were identified in the case of E29 that would require the full specified budget or be deliverable within the short timeframe available.</li> <li>• To limit funding to specific sectors or industries. Rejected as this would limit reach and learning from the programme. The above programme was informed by a detailed study undertaken on behalf of the council by Oxford Brookes University, and is to be aimed at micro, small, and medium sized enterprises that make up more than 90 per cent of South Oxfordshire’s and Vale of White Horse’s resident</li> </ul>

	<p>businesses.</p> <ul style="list-style-type: none"> <li>To offer a competitive grant scheme under E22: Enterprise, Infrastructure &amp; employment/innovation sites. This is no longer feasible, due to the strict UKSPF completion deadlines, that require project completion within financial year 2024/25 – not allowing adequate time for completion of relevant capital projects following a grant process. There has been minimal interest in the capital funding available under this intervention.</li> </ul>
<p><b>Legal implications</b></p>	<ul style="list-style-type: none"> <li>All lead local authorities (LLAs), and applicants, must consider whether the UK Shared Prosperity Fund (UKSPF) investment will be used to provide a subsidy and if so whether that subsidy will contravene the UK’s obligations on subsidy control, or the Subsidy Act 2022.</li> <li>Maximum awards under the proposed scheme will be limited to £10,000 per applicant. If an individual economic actor receives a benefit that amounts to less than £325,000 special drawing rights (until commencement of the Act) or £315,000 (after commencement of the Act) and has not received other minimal assistance in the current financial year, and the preceding two years, that when combined with the UKSPF support would exceed this limit, then this is permissible irrespective of whether it might constitute a subsidy.</li> <li>Where subsidy will or may exceed the limits above, LLAs or applicants must consider the subsidy control principles and be of the view that the subsidy is consistent with them.</li> <li>Grant conditions must reflect all the councils' obligations from the funder.</li> <li>As per UKSPF Additional Guidance (<a href="#">reporting and performance management section</a>) UKSPF will take a proportionate approach to changing local priorities and plans in line with the responsibilities delegated to LLAs. This means that DLUHC approval will only need to be sought when “material changes” are made to UKSPF investment plans, the transfer of funds of less than 30 per cent of the total allocation (in Vale’s case this would be £300,000) or that do not lessen proposed outcomes, move funds from capital to revenue, or move funds between intervention areas (in this case, both E22 and E29 interventions are under the Business Support area) would not qualify as a material change, and additional sign off from the Department for Levelling Up is not required.</li> </ul>
<p><b>Financial implications</b></p>	<ul style="list-style-type: none"> <li>The funding is included within the council’s 2024/25 budget, in line with the above decisions, it is proposed that £110,400 will be drawn from cost code YE02, as originally allocated to SPF Enterprise infrastructure &amp; employment/innovation sites E22. An additional £25,000 would also be drawn from this cost code, as originally allocated to SPF Supporting decarbonisation - E29.</li> <li>To supplement this funding, we are requesting that £64,600 of revenue funding allocated to CD61/4703 is converted to capital (in effect be offered to businesses as capital only, this</li> </ul>

	<p>is allowable under the UKSPF MoU).</p> <ul style="list-style-type: none"> <li>• It should be noted that the council received 50 per cent of the current year's grant allocation in advance, with the remaining 50 per cent allocation to be claimed in arrears through the UKSPF end of year reporting system. Total allocations have been included within the council's budgets.</li> <li>• The MoU for UKSPF states that: UKSPF revenue grant funding may be used for revenue or capital expenditure, in line with the Lead Local Authority's accounting practices.</li> </ul>
<b>Climate implications</b>	<ul style="list-style-type: none"> <li>• The programme will directly enable and encourage business decarbonisation, reduce greenhouse gas emissions, and have a positive effect on the district's climate objectives.</li> <li>• Application forms will require organisations to detail the climate and ecological implications of their individual projects and will be scored against these.</li> <li>• The information generated through monitoring and evaluation will provide learning to further support SMEs with decarbonisation initiatives.</li> </ul>
<b>Equalities implications</b>	<ul style="list-style-type: none"> <li>• The application process for the grant scheme will be online using the council's flexi grant system. Support will be offered by the Council's Economic Development team to any applicants that may have difficulty in accessing or completing the form online, preventing digital exclusion, and assisting of different abilities.</li> <li>• The scheme will be promoted in physical locations including local doctor's surgeries, libraries, and leisure centres to ensure inclusivity and accessibility.</li> </ul>
<b>Other implications</b>	<ul style="list-style-type: none"> <li>• As part of the scheme monitoring and evaluation, we will be able to gauge the impact of the scheme, building evidence for future funding bids.</li> </ul>
<b>Background papers considered.</b>	<ul style="list-style-type: none"> <li>• Vale E29 Decarbonisation Support Grant Policy 2024 to 2025</li> <li>• Vale E29 Decarbonisation Support Grant Terms and Conditions</li> <li>• Vale Capital Expenditure Guide</li> <li>• UKSPF Investment Plan and approval of submission ICMD</li> <li>• UKSPF Acceptance of Funding and MoU ICMD</li> <li>• UKSPF &amp; REPF Delegation of Authority ICMD</li> <li>• Approach to UKSPF year 2 underspends and year 3 allocations assurance letter</li> <li>• UKSPF Prospectus and additional guidance</li> <li>• Understanding the Net-Zero Challenge for South Oxfordshire and Vale of White Horse based SMEs</li> </ul>
<b>Declarations/ conflict of interest?</b>	N/A

		<b>Name</b>	<b>Outcome</b>	<b>Date</b>
<b>Consultees</b>	Legal <a href="mailto:legal@southandvale.gov.uk">legal@southandvale.gov.uk</a>	Pat Connell	Agreed as amended	27.6.2024
	Finance <a href="mailto:Finance@southandvale.gov.uk">Finance@southandvale.gov.uk</a>	Anna Winship	Agreed as amended	11/7/24
	Climate and biodiversity <a href="mailto:climateaction@southandvale.gov.uk">climateaction@southandvale.gov.uk</a>	Kim Hall	Comments included in the above report and policy	14/06/24
	Equality and diversity <a href="mailto:equalities@southandvale.gov.uk">equalities@southandvale.gov.uk</a>	Lorne Grove	No additional comments	11/06/24
	Risk and insurance <a href="mailto:risk@southandvale.gov.uk">risk@southandvale.gov.uk</a>	Yvonne Cutler Greaves	Please see comments in reports. Agree approach.	21/06/24
	Strategic property <a href="mailto:property@southandvale.gov.uk">property@southandvale.gov.uk</a>	Chris Mobbs	No comments	10/06/24
	Communications <a href="mailto:communications@southandvale.gov.uk">communications@southandvale.gov.uk</a>	Lucy Billen	Agreed	06/06/24
	Relevant Cabinet member	Cllr Neil Fawcett	Agreed	07/08/24
	Signature: Date:	N Fawcett 07/08/24		
<b>Decision maker's signature</b> To confirm the decision as set out in this notice.				