

To: Cabinet
Date: 19 October 2022
Report of: Head of Regeneration and Economy
Title of Report: UK Shared Prosperity Fund Investment Plan

Summary and recommendations	
Purpose of report:	To seek Cabinet endorsement of the UK Shared Prosperity Fund (UKSPF) Investment Plan, allocation of budget, and delegated authority to enter contract with Government for delivery of the plan on behalf of Oxford City Council
Key decision:	Yes
Cabinet Member:	Councillor Susan Brown, Leader and Cabinet Member for Inclusive Economy and Partnerships Councillor Imogen Thomas, Cabinet Member for Zero Carbon Oxford and Climate Justice
Corporate Priority:	Inclusive Economy; Thriving Communities
Policy Framework:	Council Strategy 2020 - 24

Recommendations: That Cabinet resolves to:	
1.	Endorse the Oxford City Council UK Shared Prosperity Fund Investment Plan, as submitted to government on 1 August under a delegated officer decision, in order to secure up to £1m of funding for the city;
2.	Delegate authority to the Executive Director (Development) to take the necessary decisions and actions to oversee the UKSPF investment plan, including implementing and administering the scheme and the resulting projects in accordance with the requirements and priorities of the prospectus and fund;
3.	Delegate authority to the Executive Director (Development) to enter into a contract with central government to deliver the UKSPF and to make non-material changes to the investment plan in consultation with the Head of Financial Services / Section 151 Officer; the Leader and Cabinet Member for Inclusive Economy and Partnerships; and the Cabinet Member for Zero Carbon Oxford and Climate Justice; and
4.	Recommend to Council the establishing of Capital and Revenue budgets in accordance with paragraph 21 of the report.

Appendices	
Appendix 1	UKSPF Investment Plan Submission
Appendix 2	Oxford UKSPF Expenditure Profile
Appendix 3	UKSPF Indicative Deliverables
Appendix 4	Risk Register UKSPF Investment Plan

Introduction and background

1. In April 2022 government launched the UK Shared Prosperity Fund (UKSPF), to replace the European Union funded structural funds. The guidance for UKSPF can be found [here](#).
2. In accordance with the Levelling Up White Paper, government launched the UKSPF to help address geographical disparities in economic performance and circumstances. The funds objectives are to;
 - a. Boost productivity, pay, jobs and living standards by growing the private sector, especially in those places where they are lagging
 - b. Spread opportunities and improve public services, especially in those places where they are weakest
 - c. Restore a sense of community, local pride and belonging, especially in those places where they have been lost
 - d. Empower local leaders and communities, especially in those places lacking local agency
3. Each 'Lead Local Authority' has been allocated a three year funding commitment, subject to the development, submission and approval of a suitable Investment Plan. The council has been identified as the lead local authority for Oxford and the city has been pre-allocated £1,000,000 to invest over the period of 2022/23 to 2024/25.
4. To unlock this investment lead local authorities were given responsibility to develop an investment plan for approval by the UK government, and for delivery of the Fund thereafter. Following approval of the investment plan, lead authorities will receive an area's allocation to manage, including assessing and approving applications, processing payments and day-to-day monitoring.
5. Lead authorities have been given flexibility to invest across a range of activities that represent the right solutions to improve local pride in place, increase life chances, to help spread and create opportunity, and a sense of community and belonging. The balance of priorities should reflect local need and opportunity.
6. The fund identifies a number of 'off-the-shelf' interventions against the UKSPF themes of Communities and Place, Supporting Local Business, and People and Skills. Lead authorities can also define bespoke interventions but must provide a robust theory of change if they wish to do so.
7. The fund prospectus was published on 13 April 2022, and an indicative investment plan had to be submitted by 1 August 2022 for approval by government.
8. The local Investment Plan development process was led by officers in the Economy and Regeneration team and an indicative Investment Plan was submitted on 1

August under a delegated officer decision. This decision was delegated to officers under Part 4.4 of the Council's Constitution.

9. The investment plan identifies a detailed set of costed interventions and expected outcomes. There is ongoing flexibility to reprioritise investment over the course of the programme subject to change control processes. Material changes to the plan will require approval by government. Non-material changes can be made by the lead authority subject to an internal approvals process.

<https://www.gov.uk/guidance/uk-shared-prosperity-fund-reporting-and-performance-management-3>

Development of Investment Plan

10. Given the very short timescales to develop the proposals and the relatively small amount of funding available, we have sought to focus on a small number of priorities which would have a strong impact and would help catalyse match funding and further investment from partners.
11. The recently adopted Oxford Economic Strategy and City Centre Action Plan drew heavily on the themes and evidence of the Oxford Local Plan, Corporate Strategy, the Local Industrial Strategy and the Oxfordshire Economic Recovery Plan, and identify a number of key strategic economic and social challenges for the city. These include the development of a more inclusive and equitable local economy, the transition to a net zero economy, the ambition to maintain and enhance the city's economic influence at a global scale, and the need to enhance the quality, diversity and vibrancy of the city centre, through improvements to its public realm and retail, social and cultural offer.
12. We were therefore in a strong position to articulate our local priorities against the UKSPF themes, as well as those of the wider community, having recently consulted extensively on the Oxford Economic Strategy and City Centre Action Plan. These consultation processes identified the following themes as priorities for action:
 - a. Support local people to access skills, training and education opportunities and adapt to the expected rapid structural changes to the economy
 - b. Explore options to deliver more affordable travel to employment and education using public transport, cycling and walking.
 - c. Focus recovery efforts on the needs of the most disadvantaged places, through community wealth building and community economic development.
 - d. Further develop and build on the Oxford Living Wage initiative (OLW) to embed the principles of a minimum standard of prosperity
 - e. Mitigate the environmental impacts of new development and housing growth
 - f. Measure and reduce the environmental impacts of existing economic activity
 - g. Empower Oxford businesses to decarbonise their operations and supply chains
 - h. Deliver the Zero Emission Zone and the next phase of the strategy to reduce emissions/improve air quality in the city
 - i. Expedite transport, digital and energy developments.

- j. Increase the commercial space focusing on Life Sciences, Low Carbon, Digital and knowledge sectors.
 - k. (Local skills) enable the city’s resident population to be a bigger part of its success.
 - l. Continue to support business to adapt to changing circumstances
 - m. Improve the quality of the public realm and built environment in the City Centre
13. As required by the guidance, a series of workshops took place with local partners to test and refine these priorities and develop a set of interventions which were well aligned with local needs and proportionate to the level of funding available. This consultation included representatives from all key stakeholder groups. Further detail is provided in the accompanying investment plan appendix.
14. Following the analysis of the evidence base, and discussion with partners and key stakeholders, three priority programme areas were identified:
- a. Animating the city centre
 - b. Community Wealth Building
 - c. Greening the Economy
15. The projects and programmes under these themes were selected for their alignment with UKSPF themes and existing council and partner priorities.
16. Full detail on the proposed interventions is available in the investment plan appendix. Headline descriptions can be found in the table below:

Project Name (UKSPF Intervention number)	Description
St Michael’s Public Realm Scheme Delivery (E1)	Delivery of the pedestrianisation of St Michael’s Street, (following investments in design and feasibility - E14) creating a significantly improved public realm and benefitting local businesses and the visitor economy.
Community Wealth Building Ownership Workstream (E11)	Working alongside local grassroots groups and partnerships such as Owned by Oxford, the Oxfordshire Inclusive Economy Partnership and Oxfordshire Social Enterprise Partnership, to support the emergence of community owned organisations and enterprises, and the development of new community spaces and assets in the most deprived areas of Oxford.
St Michael’s and Covered Market Design and Feasibility (E14)	Investments will be made in professional services to build on the masterplan and develop the feasibility and design for improvements to the Covered Market and St Michael’s Street.
Covered Market Delivery (E16)	Delivery of stage one of the identified improvements to the Covered Market, increasing footfall in the area creating a more diverse range of sites, including low rent, short-term, and popup and meanwhile uses.

Wayfinding upgrade (E17)	Improvements to Wayfinding infrastructure across the city centre, resulting in greater visitor satisfaction and improved footfall at key sights and attractions.
Community Wealth Building Enterprise Workstream (E26)	Investment in capacity to support the development of grassroots organisations and community networks, providing relationship-based advice and fundraising support to help develop local SMEs, and social and community enterprises. Support will be targeted at the areas of Oxford falling in the 20% most deprived areas of the county (IMD 2019)
Community Wealth Building Employment Workstream (E33)	Investment in this intervention will seek to leverage the grassroots networks and partnerships in place through the council's community wealth building programme to link economically inactive people with opportunities to gain valuable skills and experience arising through social value commitments and developer community employment plans.
Retrofit skills (E39)	The green skills programme will focus on upskilling the city's capacity to deliver energy efficiency improvements on its housing stock. This is likely to fund direct training as well as engagement and marketing activities to improve access to courses.

Financial implications

17. Once approved, the council will enter into a funding agreement with Government to receive grant funding of £1,020,000.
18. Funding will be allocated annually, with the council paid in advance of delivery. In 2022-23, funding will be paid once the local investment plan has been signed off by government. In 2023-24 and 2024-25, it will be paid at the start of the financial year.

Funding	2022-23	2023-24	2024-25	Total
UKSPF Allocation	£92,331	£184,662	£723,007	£1,000,000

19. In year one, following approval of the investment plan, the council will receive a further one-off payment of £20,000 to cover the cost of consulting on and developing the investment plan. Additionally, the council is able to use up to 4% of the £1,000,000 allocation over the course of the programme to undertake necessary fund administration, such as project assessment, contracting, monitoring and evaluation and ongoing stakeholder engagement.
20. Oxford's UKSPF allocation comprises both revenue and capital. The council must allocate a minimum capital of 10% in year one, rising to 13% and 20% in subsequent years. The proposed interventions are within these thresholds. Full details are provided in the appendix – see expenditure profile.
21. Once approved by government, the Council will need to amend the capital and revenue budgets to include the addition of this funding, as follows:

Budget	2022/23	2023 /24	2024/25	Total
Capital	£70,000	£120,000	£350,000	£540,000
Revenue	£42,331	£64,662	£373,007	£480,000
Total	£112,331	£184,662	£723,007	£1,020,000

22. The UKSPF takes a proportionate approach to changing local priorities and plans in line with the responsibilities delegated to lead local authorities. This means that DLUHC approval will only need to be sought when “material changes” are made to UKSPF investment plans.
23. In financial terms a material change would be moving funding between investment priorities, where the change involves moving 30% of the total funding allocation over the three years. (further information on changes and reporting requirements can be found here: <https://www.gov.uk/guidance/uk-shared-prosperity-fund-reporting-and-performance-management-3>)
24. It is recommended that the ability to make non-material changes to the plan is delegated to the Director for Development, in consultation with the Head of Finance and the Cabinet Member for Economic Development, and advised by the programme board.

Legal issues

25. Whilst the Council is not required to act as an Accountable Body in connection with the UK Shared Prosperity Fund the prospectus issued by the UKSPF indicates the expectation that it will. The “general power of competence” contained in the Localism Act 2011 allows the Council to perform the role.
26. Any funding award made from the UKSPF in response to the Council’s Investment Plan will be provided by way of a ring-fenced grant under Section 31 of the Local Government Act 2003. This means that provision will be made within the terms of the grant for the conditions as to the amount, the manner in which it can be used and the circumstances in which the whole or part of the grant must be repaid. The grant determination letter from the UKSPF will be accompanied by a Memorandum of Understanding which will set out the detail of the fund requirements and any obligations on the Council. These requirements and obligations will be included in any onward grant agreements that the Council enters into with those bodies that deliver the interventions in order that any risk to the Council is mitigated.

Level of risk

27. The delivery of the UKSPF will be managed within Oxford City Council by an Oxford SPF programme board. The board will take a proportionate approach to risk management in line with the council’s project management framework. Much of the delivery is expected to be through in-house teams and the funding will be allocated only to partners that evidence and demonstrate risk management and mitigation measures that meet our requirements as a local authority.

28. There are considered to be no severe risks at this stage. The risk register identifies three risks which have strong mitigations in place and are therefore deemed to be low risk - see appendix.

Risk	Mitigation
The Oxford UKSPF Investment Plan is not approved by government.	The plan has been developed in accordance with guidance and aligns with pre-approved intervention types
Partners do not agree with the priorities identified in the Investment Plan, given the reduced availability of public funding compared to previous EU programmes	The plan was developed in line with national guidance and through consultation with a wide range of partners, is based on an evidence base and aligned to recently adopted local strategies such as City Centre Action Plan and Oxford Economic Strategy
New government administration changes policy priorities and removes/reduces funding for UKSPF	Continue to monitor likelihood of risk occurring with civil servants and lobby central government on the importance of this funding

Equalities impact

29. This report does not specifically highlight any equality implications, however in discharging their duties members are required to comply with the public sector equality duty as set out in Section 149 of the Equality Act 2010: <http://www.legislation.gov.uk/ukpga/2010/15/section/149>
30. The Public Sector Equality Duty has been considered at all stages of the engagement for and development of the investment plan.
31. PSED was considered in regard to the selection and review of the membership of the groups forming 'The Local Partnership' when identifying the stakeholder for engagement on the UKSPF.
32. The Oxford Economic Strategy and City Centre Action Plan both carried out EQIAs and have incorporated the needs of protected groups in their development and priorities. The CCAP and OES heavily informed the selection of interventions in this proposal.
33. PSED has also been considered in regard to the UKSPF design for delivery with partnerships such as Oxfordshire Inclusive Economy Partnership (OIEP) and Owned by Oxford (ObO) with approaches that are inclusive and participatory inform this design.
34. In order to ensure implementation is not detrimental or discriminatory advice has been taken from the Oxford City Council Equalities Steering Group regarding working proactively with diversity champions and the use of impact assessments to prevent these issues in the implementation of the Programme and its projects.

- 35. For public realm and wayfinding projects, the programme will consult directly with the Oxford Inclusive Transport and Movement Group to ensure these schemes are developed with protected characteristics in mind.
- 36. A number of interventions have been selected to address long term inequalities across protected groups, in particular those of black and minority ethnicity.
- 37. In line with council policy, each project will undertake an EQIA at its design stage to ensure to identify and mitigate any possible adverse impacts on protected characteristics.

Carbon and Environmental Considerations

- 38. In line with the Oxford Economic Strategy, Net-Zero principles are being, and will be, pursued throughout the development and delivery of the programme. The plan contains a strong emphasis on improving the skills base within the city for the delivery of housing retrofit works, which forms a central pillar of the City’s strategy to tackle carbon emissions.
- 39. The design and delivery of other schemes and interventions will be developed with decarbonisation at the forefront, including an emphasis on the use of local labour and supply chains in council procurement, and shifts towards more environmentally sustainable business practices, increasing the pedestrianisation of public space, and relocalising economic activity through support for grassroots enterprise.

Report authors	Simon Grove White
Job title	Principal Regeneration and Economic Development Officer
Service area or department	Economy and Regeneration
Telephone	01865 252676
e-mail	sgrove-white@oxford.gov.uk

Background Papers: None