

Subject:	Community Renewal Fund	Status:	For publication
Report to:	Full Council	Date:	8 th September 2021
Report of:	Director of Economic Development	Portfolio Holder:	Leader of the Council/Portfolio Holder for Regeneration and Economic Development
Key Decision:	<input checked="" type="checkbox"/> Forward Plan <input checked="" type="checkbox"/>	General Exception <input type="checkbox"/>	Special Urgency <input type="checkbox"/>
Equality Impact Assessment:	Required:	No	Attached: No
Biodiversity Impact Assessment	Required:	No	Attached: No
Contact Officer:	Cath Burns	Telephone:	01706 252429
Email:	cathburns@rossendalebc.gov.uk		

1.	RECOMMENDATION(S)
1.1	Members to note this exciting bid to the Community Renewal Fund to provide a business growth and innovation programme across Rossendale, Pendle and Burnley.
1.2.	On the result of an approval of the bid by Central Government, delegate the signing of any necessary contracts with the accountable body and Rossendale Borough Council to the Chief Executive and Head of Legal, in consultation with the Portfolio Holder for Regeneration and Economic Development, given the tight time scale for a 31 st March 2022 delivery.

2. PURPOSE OF REPORT

- 2.1 To provide an update on a bid to the Community Renewal Fund to provide a business growth and innovation programme across Rossendale, Pendle and Burnley.
- 2.2 To gain support from Members to following through on the contract to deliver the bid, if approved by Central Government. A decision from Government is outstanding at the time of writing with a Government requirement to deliver the programme by 31st March 2022.

3. BACKGROUND

- 3.1 The Community Renewal Fund was announced in the Government's Spring 2021 Spending Review; £220 million additional funding, which is primarily revenue based, via upper tier authorities to help places across the UK prepare for the introduction of the UK Shared Prosperity Fund. It offers a short window of opportunity up to 31st March 2022 to target people and places most in need as identified in Government's index of economic resilience. Focus is to support the fragile economy; the impact of COVID-19 and BREXIT by improving access to working capital, increasing confidence and encouraging investment.
- 3.2 Within the East Lancashire districts, Rossendale, Pendle and Burnley were identified by the Government as Priority 1 places most in need. Lancashire County Council, as the upper tier authority, called for outline and follow up full bids for the Community Renewal Fund over a very short timescale to meet the Government's deadline.
- 3.3 Working in partnership with Lancashire County Council, Growth Lancashire and BOOST, the three councils have developed a bid for £995k of Government support. With approximately £600k private sector match funding, the programme if successful will create around £1.6m investment across Rossendale, Pendle and Burnley. An announcement of the bid's success by Central Government is expected any time within the month from 22

July 2021.

4. GROWTH AND INNOVATION FUND – SUMMARY

The Growth and Innovation Fund consists of three elements following the Government's criteria in this primarily revenue based programme:

1. Revenue Growth and Innovation grants up to £100k. Covering R&D, new product development, feasibility studies, new or improved technology solutions. Eligible sectors include digital, manufacturing, engineering, retail, leisure, hospitality.
2. Capital Growth and Innovation grants up to £20k explicitly supporting local manufacturers in developing low carbon technologies by acquiring new machinery. This complements a similar proposal led by the Chamber of Commerce.
3. Five revenue start-up grants of up to £20k to fund professional services, small items of equipment or to subsidise cost of renting new or larger commercial premises. For any business trading less than 3 years.

Outcomes target

- Jobs Created 100
- Jobs safeguarded 50
- Innovation Plans 15
- New to firm products and services 5
- New businesses supported 5

Beneficiaries target

- Small Businesses 27
- Medium Businesses 15
- Large Businesses 3

PRACTICALITIES OF DELIVERY

If our Community Renewal Fund bid is approved, delivery needs to be executed quickly to be completed by the 31st March 2022 deadline. The following is proposed:

- The Growth and Innovation Fund is a partnership between Burnley, Pendle, Rossendale Borough Councils and Growth Lancashire.
- Burnley Borough Council will be the Accountable body, and Burnley will make payments to eligible businesses, and all partners will be responsible for targeting and recruiting businesses so equitable spread across each of the 3 boroughs. Rossendale Borough Council is fortunate in this respect to have a Business Advisor already in place with a pipeline of businesses looking to apply.
- Contracts will be put in place between Burnley as the Accountable Body and each of the district councils. It should be noted that risk will be transferred to Rossendale Borough Council if there is any clawback of grant for Rossendale businesses.
- A promotion and engagement plan is in place.
- The Fund will be managed by a project board.
- Growth Lancashire to develop and appraise grant applications, for approval by a grants panel.
- Reflecting the contract award, the business will sign a grant offer letter which includes terms and conditions.
- Monthly monitoring of outputs and claims by Growth Lancashire of all approved

- projects with staged grant payments.
- Collation of case studies and end of project report.
- Programme wide evaluation to help plan delivery of the future UK Shared Prosperity Fund

5. RISKS

5.1 Lack of engagement from eligible grant applicants -

The Fund has been designed in response to local need/evidence. In terms of operational strengths, the Fund has three separate elements and is to be co-delivered by Growth Lancashire and three Local Authority partners, thus increasing the scale of business engagement with potential beneficiaries. Growth Lancashire has been selected as an existing Growth Hub delivery body. A clear plan sets out how the main activities of the Fund will be delivered, including promotion and engagement.

Beneficiaries who are awarded a grant are unable to deliver in the required timescales - Deliverability will be a key recruitment criteria and only those schemes which have satisfactorily evidence that deliverability within the timescales is achievable will be presented to a Grants Panel for consideration. The Fund will consider the potential to over-commit available funds via a small number of conditional approvals which will only be enacted should sufficient monies be available.

Insufficient staffing capacity to deliver the Fund -

Growth Lancashire is able to recruit flexibly and quickly in order to ensure that the necessary capacity is available to successfully deliver the project. This is complemented by staffing resource which is already in place and co-delivery with the three local authority partners, all of which have in-house Economic Development teams.

More demand than funding available -

Promotion of the Fund will be designed and delivered in such a way that key eligibility criteria is clear at the outset. Despite what is expected to be significant interest in the Fund, only those proposals which align most closely with the objectives of the Fund will be invited to submit a Full Application.

6. FINANCE

6.1 There are no direct financial implications for this Council as Burnley Council are acting as the Accountable body and will be paying grants direct to the eligible businesses.

6.2 It is anticipated that the risk of grant clawback will be transferred to the Council, however this will be mitigated by the fact that Growth Lancashire will fully appraise the applications and the Council will have a presence on the project board that approves the applications.

7. LEGAL

7.1 In the event that the bid is successful, all legal agreements will be properly considered to ensure that the Council's interests are protected and that sound governance and indemnity arrangements are in place prior to completion of any agreements.

8. POLICY AND EQUALITIES IMPLICATIONS

8.1 The Growth and Innovation Fund complements our existing business support programme being delivered by our Economic Development and Property Services Team via our Business Advisor to deliver on our Corporate Strategy and Economic Development Strategy.

9. CONCLUSION

9.1 The proposed Growth and Innovation Fund will bring significant resources to our Valley businesses in light of the impact of COVID-19 and BREXIT. The programme will be a useful pilot for the UK Shared Prosperity Fund which is understood to be coming on-stream in the new financial year.

No background papers.