

# Decision Pathway Report



**PURPOSE:** Key decision

**MEETING:** Cabinet

**DATE:** 03 December 2019

<b>TITLE</b>	<b>South Bristol Enterprise Support Project</b>		
<b>Ward(s)</b>	Filwood, Hengrove and Whitchurch Park, Knowle, Hartcliffe and Withywood, Bishopsworth, Bedminster, Windmill Hill, Stockwood.		
<b>Author:</b> Robin McDowell	<b>Job title:</b> Area Regeneration Co-ordinator		
<b>Cabinet lead:</b> Cllr Craig Cheney	<b>Executive Director lead:</b> Stephen Peacock		
<b>Proposal origin:</b> <i>Other</i>			
<b>Decision maker:</b> Mayor			
<b>Decision forum:</b> <i>Cabinet</i>			
<b>Purpose of Report:</b>			
<ol style="list-style-type: none"> <li>The report seeks the approval of Cabinet for the Council to act as the lead and accountable body for the South Bristol Enterprise Support Project, which is seeking external funding from the European Regional Development Fund (ERDF) and West of England Combined Authority (WECA), and is due to commence in January 2020 and complete in December 2022.</li> </ol>			
<b>Evidence Base:</b>			
<ol style="list-style-type: none"> <li>The South Bristol Enterprise Support project has been designed in response to the opportunity to draw down up to £2.059 m remaining European Regional Development Funding (ERDF) ring-fenced by the EU and MHCLG to South Bristol under the South Bristol Sustainable Urban Development (SUD) Strategy. This was prepared by the Council over 2016-18 with the objective, amongst others, to make a step change in the enterprise infrastructure in and around the core South Bristol Regeneration Area of Filwood, Hartcliffe and Withywood, Hengrove and Whitchurch Park, and including parts of Bedminster, Windmill Hill, Bishopsworth, Knowle and Stockwood, which have amongst the highest level of socio-economic disadvantage in the region, according to the Index of Multiple Deprivation 2019.</li> <li>The project will provide entrepreneurship coaching, advice and support services including grant schemes, aimed at residents and small businesses (at start up, early stage and 'growth-ready' stages) initially over a 3 year period, co-financed by ERDF and WECA, but, subject to future WECA funding approval, over a longer 6 year period. It has potential to support around 300 prospective entrepreneurs and trading businesses across the range of traditional and new industrial sectors in South Bristol, creating 97 new full-time equivalent jobs and significant additional economic value for the area, where enterprise formation and growth rates have tended to lag behind the Bristol and West of England average for several decades.</li> <li>The Project will be led by the Council and delivered by a consortium of four local enterprise agency partners identified for the project - YTKO Ltd, The Prince's Trust, Dartington Hall Trust (the School for Social Entrepreneurs), and Knowle West Media Centre. It has been designed after consultation with local business and third sector stakeholders on the South Bristol SUD Advisory Committee, and with a view to sustaining the impacts and learning of three key ERDF projects under delivery city-wide and regionally since 2017 – Enterprising West of England, Social Enterprise &amp; Innovation Programme and Network for Creative Enterprises. The project consortium brings together the Council and four local and national agencies with a long track record of start up, early stage and growth support in Bristol with complementary expertise to tackle the various challenges to improve accessibility and co-ordination of advice, support and small grant schemes across South Bristol.</li> </ol>			

4. The match funding required for the Project is under application from WECA Investment Fund (£482,530 revenue from the Business & Skills pot). Additionally the four partners have committed match funding contributions (from various sources, private / third sector) of £375,000. This will lever approx. £857,530 ERDF grant assuming a 50% intervention rate.
5. Background documents for this project are listed below. The full applications for ERDF and WECA Investment Fund for the South Bristol Enterprise Support are included with this report.
6. In addition to its governance role as lead and accountable body for the Project, the Council will also procure and manage three core contracts which fall outside the remit or specialisms of the other consortium partners – i) an enterprise development consultant to provide investment readiness and ‘pre scale up’ leadership coaching and a grant scheme for more established businesses with growth potential, ii) a marketing partner to publicise and promote the whole project offer across the area and iii) an evaluation partner. The total procurement budget for these contracts will be £202,000.

**Cabinet Member / Officer Recommendations:**

It is recommended that Cabinet:

1. Approve the role of the Council as the lead and accountable body for the delivery of the South Bristol Enterprise Support project, at a total value of £1.715 m over a 3 years delivery timescale, subject to the confirmation of ERDF grant funding from Ministry of Housing, Communities and Local Government (£857,530) and WECA funding (£482,530) being approved later in December or January.
2. Authorise the Executive Director for Growth and Regeneration (in consultation with the Director for Finance, the Director for Economy of Place, and the Cabinet Member for Finance, Governance, Performance and Property) to conclude (i) grant funding agreements with both external funders (MHCLG and WECA), and the four consortium partners (YTKO Ltd, Dartington Hall Trust, The Prince’s Trust and Knowle West Media Centre), and (ii) such other contracts (for consultancy and marketing) up to a total value of £202,000 to be procured by the Council.

**Corporate Strategy alignment:**

1. The primary objectives of the Project are to promote the formation and growth of enterprises in a disadvantaged area of the city and targeting social and demographic groups under-represented in enterprise, including young people, Black and Minority Ethnic Groups, women, and people with disabilities, thus contributing to economic and social well-being, which underpins key themes of the Corporate Strategy, particularly ‘Fair and Inclusive’ and ‘Well Connected’.
2. The Project will also demonstrate how the Council will deliver some of the core principles of the Corporate Strategy, such as inclusive growth and improved city resilience, as well as our values and behaviours e.g. collaborative working and taking ownership of local economic and social challenges.

**City Benefits:**

1. Improved access to, and take up by residents of free advice and support services and small grant finance to start up and grow both private and social enterprises in some of the most disadvantaged wards of the city.
2. Increased start up, survival and growth rates of small businesses across the range of industrial sectors in the wider South Bristol area, generating new employment, increased output and, by stimulating local inter-trading and procurement, a greater proportion of economic value retained locally.
3. Due to the scale and targeting of the project, and potential for its extension beyond 2023 and connection to upskilling programmes using WECA funding, the Project should improve the economic opportunities for residents starting businesses, alongside existing small businesses across South Bristol in the longer term.

**Consultation Details:**

1. Consultation meetings have been held since mid 2018 to shape the Project with SME business and community stakeholders in South Bristol and via members of the South Bristol SUD Advisory Committee about the needs of prospective entrepreneurs and businesses, learning from previous programmes, and how to improve the outreach and quality of services, and make use of local centres and networks.

2. Discussions have also been held with the main enterprise support agencies in Bristol and the West of England including Business West and other organisations delivering the current suite of 2017-19 ERDF programmes.
3. The consultations for the South Bristol SUD (Sustainable Urban Development) Strategy for ERDF funding were originally undertaken in 2016-17 involving local stakeholders including the community partnerships in Knowle West and Hartcliffe and Withywood, and the relevant services of the Council.

**Background Documents:**

- South Bristol Enterprise Support ERDF Full Application – submitted 30<sup>th</sup> August 2019
- South Bristol Enterprise Support WECA Full Business Case – draft for submission mid Oct 2019

<b>Revenue Cost</b>	<b>£ 1.715 m</b>	<b>Source of Revenue Funding</b>	SUD ERDF, WECA Investment Fund, Partner contributions
<b>Capital Cost</b>	n/a	<b>Source of Capital Funding</b>	n/a
<b>One off cost</b> <input checked="" type="checkbox"/>	<b>Ongoing cost</b> <input type="checkbox"/>	<b>Saving Proposal</b> <input type="checkbox"/>	<b>Income generation proposal</b> <input type="checkbox"/>

**Required information to be completed by Financial/Legal/ICT/ HR partners:**

**1. Finance Advice:**

The report asks Cabinet to note that 2 bids have been submitted to SUD, ERDF and WECA with Match funding from various partners (including BCC) in support of the South Bristol Enterprise project (£1.7m in total). If successful, the funding will enable the project to support residents and small businesses with coaching, advice and support services including grants, over a 3 year period. It is anticipated that this support could benefit around 300 recipients and create 97 new full-time equivalent jobs and significant additional economic value. The report seeks approval from Cabinet for BCC to act as the accounting body. It also seeks delegated authority to be granted to senior officers (as stated above) agree the terms of the terms of the funding agreement with SUD ERDF & WECA as well as the arrangements with the Delivery partners. There are no new costs implications for BCC as a result of this decision.

**Finance Business Partner:** Kayode Olagundoye 20.11.2019

**Legal Advice:**

The Council has submitted an application as lead applicant for EDRF revenue funding for enterprise support. The Council will be accountable to the Secretary of State for the Project. Four delivery Partners have been selected and will deliver different aspects of the Programme. Match funding is a requirement. An application has been submitted to WECA and it is also expected that the delivery partners will provide match funding as described in the application. If funding is approved BCC will be required to enter into a Funding Agreement with MHCLG will be reviewed by legal services before signing. Claims made by delivery partners for defrayed funds will go through BCC and adequate system must be set up to allow BCC (and MHCLG) to verify claims.

A MOU between the Council and the delivery partners was concluded prior to the full application being submitted, setting out the obligations and commitments in the event that the full application is approved. If MHCLG approve the full application a legally binding funding agreement between BCC and the delivery partners will be entered into. A draft has been prepared on which legal advice will be provided. Delivery partners have committed to ensuring that the funds are defrayed in accordance with state aid, procurement and EDFR funding rules and this will be captured in the funding agreement.

The Councils own commissioning activities will need to comply with the Procurement Regulations and the Councils own procurement rules. Legal services will advise and assist officers with regard to the conduct of the procurement process and the resulting contractual arrangements.

The Public Sector Equality duty requires the decision maker to consider the need to promote equality for persons with “protected characteristics” and to have due regard to the need to i) eliminate discrimination, harassment, and victimisation; ii) advance equality of opportunity; and iii) foster good relations between persons who share a relevant protected characteristic and those who do not share it.

The Equalities Impact Check/Assessment is designed to assess whether there are any barriers in place that may prevent people with a protected characteristic using a service or benefiting from a policy. The decision maker must take into consideration the information in the check/assessment before taking the decision.

A decision can be made where there is a negative impact if it is clear that it is necessary, it is not possible to reduce or

remove the negative impact by looking at alternatives and the means by which the aim of the decision is being implemented is both necessary and appropriate.

**Legal Team Leader:** Eric Andrews, Team Leader, Legal Services 21 November 2019

**3. Implications on IT:** Consideration for the management of appropriate segmentation of the BiO network for the volume of digital R&D projects utilising the KWMC fibre will need to be considered and anticipated. Timescales for the design and delivery of MS Dynamics for a potential solution for document/claim management will need to be verified alongside the IT Transformation Programme delivery schedule.

**IT Team Leader:** Simon Oliver

**4. HR Advice:** Celia Williams, HR Business Partner. 24 October 2019

**HR Partner:** The council anticipates additional resource will be required to deliver its role as the lead accountable body, managing the ERDF and WECA funding streams for the project and a consortium of four delivery partners; 1 BG 12 Project Manager (full time post) and a BG 10 Project Support Officer (0.6 FTE) on 3 year fixed term contracts. Preparatory work is underway to design and evaluate job roles. The roles will be based in the Economic Regeneration function.

<b>EDM Sign-off</b>	Colin Molton	9/10/2019
<b>Cabinet Member sign-off</b>	Cllr Craig Cheney	14/10/2019
<b>For Key Decisions - Mayor's Office sign-off</b>	Mayors Office	04/11/2019

<b>Appendix A – Further essential background / detail on the proposal</b>	<b>YES</b>
<b>Appendix B – Details of consultation carried out - internal and external</b>	<b>NO</b>
<b>Appendix C – Summary of any engagement with scrutiny</b>	<b>NO</b>
<b>Appendix D – Risk assessment</b>	<b>YES</b>
<b>Appendix E – Equalities screening / impact assessment of proposal</b>	<b>YES</b>
<b>Appendix F – Eco-impact screening/ impact assessment of proposal</b>	<b>YES</b>
<b>Appendix G – Financial Advice</b>	<b>NO</b>
<b>Appendix H – Legal Advice</b>	<b>NO</b>
<b>Appendix I – Exempt Information</b>	<b>NO</b>
<b>Appendix J – HR advice</b>	<b>NO</b>
<b>Appendix K – ICT</b>	<b>NO</b>