

Decision Pathway – Report

PURPOSE: Key decision

MEETING: Cabinet

DATE: 03 March 2020

TITLE	North and East Bristol Universal Business Support Project		
Ward(s)	Ashley, Avonmouth & Lawrence Weston, Easton, Eastville, Frome Vale, Henbury & Brentry, Hillfields, Horfield, Lawrence Hill, Lockleaze, Southmead, St George Central, St George Troopers Hill, and St George West.		
Author: Robin McDowell		Job title: Area Regeneration Co-ordinator	
Cabinet lead: Cllr Craig Cheney		Executive Director lead: Stephen Peacock	
Proposal origin: BCC Staff			
Decision maker: Mayor			
Decision forum: Cabinet			
Purpose of Report:			
1. The report details the objectives and funding structure of the North and East Bristol Universal Business Support (NEB-UBS) Project over 2020-23.Cabinet approval is sought to commit £300,000 match revenue funding in total over 3 years and authorise the commissioning of the Project delivery in Bristol, now that WECA funding has been confirmed.			
Evidence Base:			
1. The North and East Bristol Universal Business Support project has been designed in response to the Productivity Challenge and proposed region-wide Universal Business Support programme, which forms a key element of the new West of England Local Industrial Strategy. It is intended that NEB-UBS will complement the South Bristol Enterprise Support Project, which was approved by Cabinet in December and is due to commence in Feb 2020, subject to confirmations of external funding from ERDF and WECA anticipated shortly. The NEB-UBS will similarly provide a ‘universal’ support offer to micro and small businesses and social enterprises. It will target both prospective entrepreneurs and existing businesses based in wards and communities with higher levels of socio-economic disadvantage, according to the Index of Multiple Deprivation 2019, across the north west, north east and inner east areas of the city, as well as social groups under-represented in enterprise – young people, women, BAME and disabled people. An overview of the UBS North & East Bristol project is provided at Appendix A.			
2. The proposed total project budget (Phase 1) is £0.9 m. There is WECA funding allocated to the Project of £450k revenue from the WECA Investment Fund (Business & Skills pot) further to the approval of the Productivity Challenge / UBS programme on 31 st January. The Council’s request to WECA did not come to Cabinet first for approval as the very short timescale for bid submissions did not allow it, but the Cabinet Lead was consulted.			
3. Under the UBS, WECA will permit each Local Authority to commission different business support models appropriate to its local needs and priorities, and enter into separate funding agreements provided that the interventions and economic outcomes cohere with the overarching Productivity Challenge framework and represent value for money. The cost-output model developed by Economic Regeneration is more oriented to community outreach and intensive support for inclusive entrepreneurship and growth than the other local authorities, but demonstrates that the WECA criteria will be met – see Appendix A. Match funding will be required - £300k from the Council over 3 years, plus £150k in charitable sector and SME beneficiary contributions. There is sufficient annual revenue available from Economic Regeneration if current budgets levels are maintained.			

4. The Project will provide entrepreneurship coaching, advice and support services including grant schemes, aimed at residents and businesses (at start up, early stage and 'growth-ready' stages in a variety of sectors) and co-financed by BCC and WECA initially over a 3 year period. Over the first phase (2020-23), it will seek to engage with over 700 prospective entrepreneurs and trading businesses, and provide intensive support to around 160 of these, creating 60 new full-time equivalent jobs and significant additional economic value. In view of the large SME population across North and East Bristol, continuation over a further 3 year period to 2026 is envisaged, subject to funding under the Phase 2 of the WECA Productivity Challenge / Universal Business Support.
5. Residents and businesses in the western and central wards of the City will be able to access the support, but it will be principally promoted and targeted, via community-based partners and outreach centres (using the 'community gateways' model which was developed for the current Enterprising West of England project), on wards in the north and east of the City, where enterprise formation and growth rates have tended to lag behind the Bristol and West of England average, in some cases for several decades. Priority communities are:
North Bristol: Avonmouth & Lawrence Weston, Henbury, Southmead, Lockleaze, and Upper Horfield;
East Bristol: St Paul's, St Jude's, Easton, Lawrence Hill, Barton Hill, St George, Hillfields, Frome Vale.
6. There is a potential need and opportunity for the Project to operate as a 'universal' service but at the same time to encourage start ups and growth in specific sectors such as creative, digital, health, care, educational and environmental goods and services, which are of increasing importance to local economic and social well-being.
7. It is proposed the Project will be overseen and commissioned by the Council with entrepreneurial engagement and support services procured by open tender. The requirement will be for either a lead agency, or a consortium of enterprise agencies with in depth knowledge of the City and a track record of start up, early stage and growth support, and the necessary expertise to promote both private and social enterprise models, and tackle the challenges and barriers to improve the accessibility and co-ordination of business advice, support and small grant schemes in the targeted communities. A dedicated Project Manager has been costed in to the delivery budget.
8. The Project has been modelled on the success factors and learning from existing Enterprising West of England and Social Enterprise & Innovation Programmes, which have been delivered on a targeted, outreach basis to disadvantaged areas and under-represented groups in enterprise since 2017. According to recent independent evaluations, these have demonstrated broad-ranging and effective support to hundreds of new and early stage businesses in different sectors, generating strong local economic and social impacts in terms of local jobs, growth of output, new local products and services and the diversity of beneficiaries.

Recommendations:

That Cabinet:

- Approve the Council to accept and spend the WECA Grant awarded at its January Joint Committee, and that the Council be the lead and accountable body for the implementation of the North and East Bristol Universal Business Support Project.
- Approve the commissioning of delivery partners for the North and East Bristol Universal Business Support Project at a total value of £0.9 m over 3 years to March 2023, following WECA funding approval of the Productivity Challenge / Universal Business Support programme, and subject to sufficient match funding being confirmed from the Council and private sources.
- Authorise the Executive Director Growth and Regeneration in consultation with the Service Director – Economy of Place and Cabinet Member/Deputy Mayor – Finance, Governance and Performance to take all steps necessary to commission and enter into agreements with delivery partners, and funding agreements with WECA (up to £450,000) and private and charitable sector partners (up to £150,000).

Corporate Strategy alignment:

1. The primary objective of the scheme is to promote the formation and growth of enterprises in a disadvantaged area of the city and targeting social groups under-represented in enterprise, contributing to economic and social well-being, which underpins many of the Themes of the Corporate Strategy, particularly 'Fair and Inclusive' and 'Well Connected'.
2. The scheme also demonstrates how BCC is delivering some of the core principles, e.g. inclusive growth and

improved city resilience, as well as our Values and Behaviours e.g. collaborative working and taking ownership.

City Benefits:

1. Improved access to free advice, support and grant finance to start up and grow both private and social enterprises in the most disadvantaged communities and amongst social and demographic groups under-represented in enterprise across the North and East of the city.
2. Increased start up and survival rates of businesses across a range of industry sectors, generating new employment, growth of output and a greater proportion of value retained locally, and better economic opportunities for residents and entrepreneurs in the longer term.
3. Increased social and environmental value delivered to communities in terms of more local enterprises being supported to deliver local goods and services in an environmentally beneficial and resource efficient way, and to recruit and train local residents and build local supply chains, as they grow.

Consultation Details:

Consultations have been held since Oct 2018 with SME business, support agency and community stakeholders through the West of England Local Industrial Strategy process and its Inclusive Growth theme. In addition, discussions were held in Oct-Nov 2019 with WECA and the local authorities and agencies currently delivering Enterprising West of England ERDF project and the consortium formed for the forthcoming South Bristol Enterprise Support ERDF project in order to develop a 'universal' business support model meeting the needs of new entrepreneurs and early stage businesses not targeted for support under existing university-led incubator, sector-specific and 'high growth' programmes.

Background Documents:

- NEB-UBS Outline Proposal for WECA Productivity Challenge / Universal Business Support – Jan 2020
- Evaluations of Enterprising West of England and Social Enterprise & Innovation ERDF projects – Oct-Dec 2019
- South Bristol Enterprise Support Project FBC for ERDF and WECA funding applications - Aug-Dec 2019

Revenue Cost	£ 0.900 m	Source of Revenue Funding	WECA (Investment Fund); BCC (ER Projects); and Charitable and SME beneficiary contributions
Capital Cost	n/a	Source of Capital Funding	n/a
One off cost <input checked="" type="checkbox"/> Ongoing cost <input type="checkbox"/> Saving Proposal <input type="checkbox"/> Income generation proposal <input type="checkbox"/>			

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

1. Finance Advice: The report seeks approval to accept and spend the WECA funding approved as part of the Productivity Challenge FBC approved by WECA Joint Committee on 31st Jan 2020. It also seeks approval for the Council to become the Accountable body for this support project.

If approved, delivery partners will be procured via the Councils procurement framework, and the partners will be commissioned to deliver the outcomes as stated in the NEB-UBS Outline proposals, ensuring that this represents value for money. The project will be closely monitored to ensure outcomes are commensurate to the level of intentions provided by the Partners and this should be reflected in their KPIs.

Funding:

In Sept 2017 Cabinet approved a similar level of BCC match funding of £100k revenue per annum over 3 years for the ERDF Enterprising West of England project. This project is due to end on 31st March, and this funding arrangement, provided via an annual grant agreement, has proved both feasible and effective for Economic Development in enabling a high leverage of external funds, in return for a small risk that ED annual funding may be reduced due to corporate cuts. It is anticipated that this same funding envelope will be utilised to fund this support project for the next 3 year (subject to approval). The table below shows the estimated profile of spend over the next 3 years:

NEB-UBS Support Project	2020/21	2021/22	2022/23	Total
	£'m	£'m	£'m	£'m
Total Project Support	£0.30	£0.30	£0.30	£0.90
Funded By:				
Grant funding – WECA	£0.15	£0.15	£0.15	£0.45

Charity Sector	£0.05	£0.05	£0.05	£0.15
BCC match – Revenue	£0.10	£0.10	£0.10	£0.30
	£0.30	£0.30	£0.30	£0.90

Finance Business Partner: Kayode Olagundoye, Interim Finance Business Partner, Growth and Regeneration, 19/02/2020

2. Legal Advice: The procurement process must be conducted in line with the 2015 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.

State Aid

Whenever the Council gives a benefit to a third party, there is a risk that benefit may constitute State aid, which is prohibited (unless it falls under one of the available exemptions). Legal advice will need to be sought to ensure that no part of the funding to any third parties constitutes State aid (or alternatively falls under one of the available exemptions, e.g. de minimis).

Consultation

The consultation responses must be conscientiously taken into account in finalising the decision. The leading cases on consultation provide that

- Consultation should occur when proposals are at a formative stage;
- Consultations should give sufficient reasons for any proposal to permit intelligent consideration;
- Consultations should allow adequate time for consideration and response;
- There must be clear evidence that the decision maker has considered the consultation responses, or a summary of them, before taking its decision.
- The degree of specificity regarding the consultation should be influenced by those who are being consulted;
- The demands of fairness are likely to be higher when the consultation relates to a decision which is likely to deprive someone of an existing benefit.

Legal Team Leader: Husinara Jones – 13/02/20

3. Implications on IT: Initial review suggests that there is not a need for the Council to provision, or provision access to, IT systems or provide equipment. On this basis we do not anticipate any impact on IT Services.

IT Team Leader: Simon Oliver – 05/02/2020

4. HR Advice: There are no HR implications evident for this project.

HR Partner: Chris Hather - 19/02/20

EDM Sign-off	Stephen Peacock	29/01/2020
Cabinet Member sign-off	Cllr Craig Cheney	03/02/2020
For Key Decisions - Mayor's Office sign-off	Mayor's Office	03/02/2020

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

