

Community Renewal Fund – Growth and Innovation Fund

REPORT TO THE EXECUTIVE



DATE	18 th August 2021
PORTFOLIO	Economy & Growth
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PURPOSE

1. The purpose of the report is to seek approval to establish and deliver a Growth and Innovation Fund across Burnley, Pendle and Rossendale subject to Government Approval.

RECOMMENDATION

2. It is recommended that the Executive:
 - a) Approves the proposed scheme set out in the report;
 - b) Delegates authority to Head of Finance to accept the Grant Funding and for the Strategic Head of Economy and Growth to negotiate and approve the terms of the Funding Agreement;
 - c) The executive recommends to Full Council, or should timescales require that the authority is delegated to the Chief Executive under urgency powers, to establish a budget, fully externally funded, in relevant budgets;
 - d) Delegates authority to Strategic Head of Economy and Growth to negotiate and enter into:
 - i) A funding agreement with LCC for the CRF grant
 - ii) A service level agreement with Growth Lancashire to deliver the Fund
 - iii) An agreement with Pendle, and Rossendale Borough Council's to share any liabilities for under-performance or repayment of grant arising from the delivery of the project.
 - e) Delegates authority to the Head of Legal and Democratic Services to enter to execute the relevant documents;and
 - f) Delegates authority to Strategic Head of Economy and Growth to approve grants of up to £50,000.

REASONS FOR RECOMMENDATION

3. The project forms and important part of the Council's Economic Recovery and Growth Strategy, which has identified the need for a scheme that supports businesses to invest in innovation and growth.
4. The bid has not yet been approved but should the funding be approved then there is a very short timescale to implement the scheme by end of March 2022.

SUMMARY OF KEY POINTS

5. Within the March 2021 budget the government announced the creation of a new Community Renewal Fund (CRF) to be delivered in the financial year 20/21 as a forerunner to the UK Shared Prosperity Fund, the national replacement of the European Structural and Investment Funds.
6. The CRF is administered by Lancashire County Council. The fund is available to all areas to bid for but priority is given to 100 identified places. Within Lancashire only Burnley, Pendle and Rossendale are identified as priorities.
7. Earlier this year LCC called for proposals addressing the themes of Skills, Employment Business and Communities.
8. After an initial appraisal by LCC a bid of £10.83m including 18 separate projects was submitted to Government. £2.9m of the activity will be delivered specifically in Burnley. A decision had been expected prior to summer recess but non had been made.
9. Burnley Council on behalf of Burnley, Pendle and Rossendale Council's has submitted a proposal to deliver a Business Growth and Innovation Fund worth £994k, matched with Private Sector Investment of £596k.
10. Should the bid be successful, the scheme will offer grants to businesses across the three boroughs' as follows:
 - Revenue Growth and Innovation grants up to £100k. Covering Research & Development costs, new product development, feasibility studies, new or improved technology solutions. Eligible sectors include digital, manufacturing, engineering, retail, leisure, hospitality.
 - 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.
 - Revenue start-up grants of up to £20k for any business trading less than three years. Grants can cover the costs of consultants/professional services fees, small items of equipment or to subsidise cost of renting new or larger commercial premises.
11. The scheme will support 45 businesses to deliver:

- 100 new jobs
- 50 job safeguarded
- 15 Innovation Plans
- 5 new products/services
- 5 new businesses

The project outputs have been based on receiving a decision for the project in July with an anticipated start date of September. If the project is unable to start by September the size and scale of the project will need to be re-evaluated.

12. The scheme will be administered by Growth Lancashire. Growth Lancashire is a company owned by the local authorities including Burnley with a specific remit to deliver projects and programmes to support economic growth. Growth Lancashire already acts as a Business Growth Hub for Lancashire providing impartial advice and signposting to relevant support. Growth Lancashire has a strong track record of delivering similar schemes funded by European funding and Regional Growth Funding.

13. Growth Lancashire will be contracted to:

- Promote the grant opportunities
- Call for expressions of interest from businesses and carry out an initial appraisal to assess eligibility for full application
- Appraise applications and make recommendations to a Grants Panel
- Complete contract documents and grant offer letters
- Monthly monitoring of all approved projects
- Programme wide evaluation.
- Preparing information for grant claims to LCC

14. Burnley Council as accountable body will be responsible for:

- Financial monitoring of the programme
- Drafting proforma contracts and offer letters
- Approving grants
- Approving and processing grant payments
- Completing CRF claims and monitoring returns to LCC

FINANCIAL IMPLICATIONS AND BUDGET PROVISION
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15. The scheme is fully funded (subject to final approval) by the CRF with private sector match. Funding must be defrayed by 31st March 2022. There is no additional cost to the Council.

16. LCC has not yet seen any terms from MHCLG but will most likely include provisions for eligible expenditure, achievements and outputs, monitoring and clawback for non-compliance. The terms will be mirrored in the Grant Funding Agreement between BBC and LCC

17. To ensure that Burnley Council is protected from any liabilities occurring from grants to businesses in the other borough's or for any central costs an agreement will be

put in place to ensure that these liabilities are shared fairly across the three local authorities.

POLICY IMPLICATIONS

18. The decision supports the Council's strategic priorities for economy and growth and the recently adopted Economic Recovery and Growth Strategy

DETAILS OF CONSULTATION

19. None.

BACKGROUND PAPERS

20. None

FURTHER INFORMATION

PLEASE CONTACT:

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ALSO: