



**REPORT FROM: PLANNING, ECONOMIC DEVELOPMENT & REGULATORY SERVICES MANAGER**

**TO: POLICY AND RESOURCES COMMITTEE**

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## **COMMUNITY RENEWAL FUND – GROWTH AND INNOVATION FUND**

### **PURPOSE OF REPORT**

To request approval to establish and deliver a Growth and Innovation Fund in Pendle, Burnley and Rossendale subject to a successful bid outcome.

### **RECOMMENDATIONS**

- (1) Approve the proposed scheme set out in the report
- (2) Delegate authority to Chief Executive/PEDRS Manager to accept the Grant Funding Agreement subject to there being no unacceptable financial risks.
- (3) Delegate authority to Planning, Economic Development and Regulatory Services Manager to negotiate and enter into;
  - (a) A service level agreement with Growth Lancashire to deliver the fund.
  - (b) An agreement with Burnley Council and Rossendale Borough Council to share any liabilities for under-performance or repayment of grant arising from the delivery of the project.
  - (c) To sit on the Grants Panel and approve grants.

### **REASONS FOR RECOMMENDATIONS**

- (1) The scheme will form part of the Council's Economic Recovery and Growth Strategy which identifies the needs for a scheme that supports businesses to invest in innovation and growth.
- (2) The bid has not yet been approved but should the funding be approved then the project timescales are very tight to implement the scheme by the end of March, 2022.

## BACKGROUND

1. The transition from the European funding programme to a Shared Prosperity Fund is currently being worked on by Government. Details of this are due to be announced next year. There are in the intervening period a number of other funds that have come forward to assist in recovery and stimulate growth.
2. The UK Community Renewal Fund (CRF) was launched in May 2021 that allocated £220m of funding for 2021/22. The programme was to support communities to pilot new approaches ahead of the Shared Prosperity Fund being launched.
3. The CRF is administered by Lancashire Council. The fund is available to all areas to bid for. However within Lancashire only Burnley, Pendle and Rossendale are identified as priorities. A bid was therefore prepared and submitted for a scheme across the three Boroughs.
4. The fund is aligned with the Community Renewal Fund (CRF) priority of “Investment for local business” and would pilot a series of activities which will address local business and innovation needs.
5. Earlier this year LCC called for proposals addressing the themes of Skills, Employment Business and Communities. Pendle along with Burnley and Rossendale Council submitted a proposal to deliver a Business Growth and Innovation Fund worth £994k, matched with Private Sector Investment of £596k. The funding would be split evenly across the three Boroughs.
6. The outcome of the bid was expected in July but has not yet been announced. Spend is however expected to be completed by the end of the financial year so there will be a short time from any potential successful bid announcement to implementation. With the outcome delayed there is little time to roll it out successfully unless we prepare to do that by putting robust but appropriate arrangements in place to ensure that the scheme can be rolled out as soon as practical.
7. 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 and 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.
8. The proposed scheme holistically will support 45 businesses to deliver
  - 100 new jobs
  - 50 jobs safeguarded
  - 15 Innovation plans
  - 5 new products/services

- 5 new businesses
9. The project outputs have been based on receiving a decision for the project in July with an anticipated start date of September. We are still awaiting an outcome from MHCLG on the bid so the size and scale of the project may need to be re-evaluated.
  10. The scheme would be administered by Growth Lancashire. Growth Lancashire already acts as a Business Growth Hub for Lancashire providing businesses advice and signposting to relevant support. Growth Lancashire has a strong record of delivering similar schemes.
  11. The project would primarily be delivered through Growth Lancashire who already deliver other projects. Burnley BC would be the accountable body who would issue payments, complete CRF claims and submit monitoring returns to LCC. We would enter into a service agreement with Burnley and Growth Lancashire.
  12. The costs of administering the programme have been built into the bid as well as the costs of providing an evaluation of the scheme at the end. There are therefore no direct financial costs for the scheme.
  13. Bids would be assessed initially through a scoring matrix for expressions of interest. Proposals that pass that will then be invited to submit a full application that would then be considered by a panel consisting of an independent private sector member who would Chair the panel, a representative from each of the Councils and other representatives that may be necessary to evaluate individual applications.
  14. Growth Lancashire will be contracted to:
    - Promote the grant opportunities
    - Call for expressions of interest from businesses and carryout initial appraisals 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
  15. Growth Lancashire's costs have been written into the bid and will be covered by the scheme.
  16. In order to be ready to implement the scheme quickly we need to formally agree to participate in it and to agree the mechanism for doing so. We do not know the full details of any grant offer. The implications for not fully completing the scheme need to be known in terms of any financial risk. It is not anticipated that there will be any significant risks so the recommendation is that the matter be delegated to the Chief Executive for decision when and if a successful bid is announced.
  17. There is a two tier appraisal process. The first stage is a sifting of schemes using a pre-set analysis. Successful bids will then be assessed by a Panel and we need to agree to a representative on that. It is recommended that the Planning, Economic Development and Regulatory Services Manager be the Council's representative on the Panel

## **IMPLICATIONS**

**Policy:** The scheme supports the Council's Economic Recovery and Growth Strategy

**Financial:** The scheme is fully funded (subject to final approval) by the CRF and will leverage private sector investment. Funding must be defrayed by 31st March 2022. There is no additional cost to the Council. However there may be financial risks if there are any claw back clauses in the grant offer. Until the grant offer is fully known we cannot fully estimate any risks.

**Legal:** None as a result of this report

**Risk Management:** The risks are not fully known yet as the parameters of what may be included in any grant offer are not known.

**Health and Safety:** None as a result of this report

**Sustainability:** None as a result of this report

**Community Safety:** None as a result of this report

**Equality and Diversity:** None as a result of this report

## **APPENDICES**