

Forward Plan reference number: (N/A)

Report title: To Agree Sector Support Fund Grant Allocation to the Building Back Better Project	
Report to: Chief Executive Officer of the SELEP	
Report author: Howard Davies, SELEP Capital Programme Officer	
Date: 17 December 2020	For: Decision
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Divisions affected: Pan - LEP	

1. Purpose of Report

- 1.1 The purpose of this report is to set out the recommendations and supporting documentation of the Sector Support Fund (SSF) Bid for the Building Back Better (the Project). The Project has been through an Independent Technical Review (ITR) process, to enable £192,000 of Growing Places Fund (GPF) Revenue grant to be devolved to East Sussex County Council for Project delivery. The bid document is included in Appendix 1.
- 1.2 The ITR report sets out an analysis to demonstrate that the Project meets the criteria for funding. This report is included in Appendix 2.

2. Recommendations

- 2.1 **Approve** the award of £192,000 GPF Revenue grant to East Sussex County Council to support the delivery of the Project identified in the Funding Bid and which has been assessed as meeting the criteria for funding.

3. Summary of issue

- 3.1. On 9th June 2017 the SELEP Strategic Board (the Board) approved the use of the GPF Revenue grant to fund a programme of works to support the sector focussed activities that are being undertaken on a pan-LEP basis and predominantly led by the SELEP working groups, namely, the Sector Support Fund (SSF).
- 3.2. The Board agreed, in 2017, the programme of total funding available in each year would be up to £500,000 of revenue grant per annum for three financial years, beginning 2017/18.
- 3.3. At the June 2020 meeting a further £1 million was allocated to the SSF programme and it was extended until 31 March 2022 or when the fund is exhausted, whichever is sooner.

- 3.4. The purpose of the SSF is to support one-off, discrete pieces of work of a pan-LEP nature with a sector focus that brings demonstrable benefits and has support across the LEP. All applications must meet the criteria detailed in section 3 of the SSF Guidance and be submitted in line with the process in section 4 of the same. This process ensures that the funding is allocated in accordance with the requirements of the SELEP Assurance Framework.
- 3.5. The Building Back Better project has submitted a bid for SSF of £192,000 to support the delivery of the Project, which was endorsed by the Board on the 11th December 2020

4. Project Summary

- 4.1. The project will enable Social Enterprises to receive consistent levels of quality intervention, bespoke to their individual business needs, something that Social Enterprises struggle to do currently
- 4.2. The project will increase the role of Social Enterprises, to achieve contracts and social investment, establish sustainability & viability through access to specialist navigation and mainstream (Growth Hub) business support.
- 4.3. The project proposes a navigator model working across south east, growth hubs and pan-LEP, to ensure that:
 - Drive the delivery of a uniform quality standard across the LEP and overcome any 'postcode lottery' of access to Social Enterprise support across the LEP.
 - Ensure sustainability of on-going business support by taking learning and expertise into the Growth hubs.
- 4.4. The Navigators will:
 - Finance – Create clear pathways and access to debt/equity finance significantly grow seed capital availability.
 - Networking – Improve connections to supply chains, procurement and influencing policy makers
 - Training & Support
 - Information & data sharing around best practice / peer support / member networking.
- 4.5. The navigators will be employed as part of the project and we expect them to be based at the three growth hubs in the region.

5. Project Funding

- 5.1. The total cost of the Project is estimated at £285,065 including an SSF ask of £192,000, along with match and in-kind contributions from Orbit Housing, as set out in Table 1 below.

Table 1: Project Funding breakdown (£s)

Sources	2021/22	Total
SELEP SSF	£192,000	£192,000
Orbit Housing Cash match	£60,000	£60,000
Orbit Housing in-kind contribution	£33,065	£33,065
Total	£285,065	£285,065

Issues for consideration

6. Risks and Dependencies

6.1. The Project risks and dependencies are detailed in Table 2 below.

Table 2: Project risks

Risk	Mitigation
Contraction of Public sector contracts	Any contraction will be offset by private business spend and increasing brokerage of sector supply change
Consortium Breakdown	Robust mitigation strategies and safeguards to be agreed in advance.
Lack of Engagement	The ubiquity of virtual meetings and support will be well established and in fact this will help the ability to widen the support of the project
Brexit	Local focus of social enterprises minimises impact. Support will be sought through Growth Hubs
Effective Project Management	The lead organisation has committed staff from across the business to support this programme
Ability to engage local lead delivery partners	The framework and model are designed to work within a broad group of partner orgs. Before entering into contract an extensive due diligence will be carried out on all partner organisations ensuring their viability over the life of project. Nevertheless, local growth hubs are well placed to host navigators where we have sensitivities.

7. Outcome of ITR Process (*Accountable Body Comments*)

7.1. The Accountable Body has independently assessed the Project Bid Document and has confirmed that the Project meets the criteria for funding, including the Assurance Framework requirement with regard to the expectation that value for money will be achieved.

7.2. The Project aligns with SELEP's strategic objectives to increase skills levels and STEM sector growth across the SELEP area by using social enterprise to support;

- Survive, stabilise and scale
- Drive growth & investment
- Broker opportunity

Provided in the application are examples of project outcomes meeting ESS objectives; Creating Ideas and Enterprise, developing tomorrow's workforce, Accelerating Infrastructure, Creating Places, Working together.

7.3. The application references a target of;

7.3.1. 10 businesses supported through Access to Private and Public Sector Contracts via SC brokerage

7.3.2. Target 3 investments from Social investors into local SEs

7.3.3. 300 Enterprises supported

7.3.4. 30 Jobs created via new enterprises set up, jobs saved or retained over project

7.3.5. 70 SROI benefits from upskilling and training created via direct and indirect support

7.3.6. 50 Volunteering opportunities enhanced or created

7.4. Exemption 1: This may be applied where a project does not present High Value for Money (a Benefit Cost Ratio of over 2:1); but

- has a Benefit Cost Ratio value of greater than 1.5:1; or
- where the project benefits are notoriously difficult to appraise in monetary terms.

7.5 The Project provides a BCR of 4.97:1 calculated

7.6 Exemption 1 will only apply if the following conditions are satisfied:

- (1) The funding sought from SELEP in relation to the project must be less than £2.0m and to conduct further quantified and monetised economic appraisal would be disproportionate; and
- (2) where there is an overwhelming strategic case (with minimal risk in the other cases); and
- (3) there are qualitative benefits which, if monetised, would most likely increase the benefit-cost ratio above 2:1.

8. Financial implications (Accountable Body Comments)

- 8.1 A total SSF fund of £1,206,500 was established for 2020/21; of this, successful funding applications of £345,510 have been awarded in year to date and should the projects which were endorsed by the Strategic Board in December 2020, all receive approval for funding awards, the remaining balance of SSF funding available for investment will be £261,729, as shown in Table 1.
- 8.2 The total of SSF projects (including Building Back Better) endorsed at the December 2020 Strategic Board meeting, which are requesting approval in January 2021 (in separate decision reports) is £599,261. There is sufficient funding available to support the approval of these funding allocations as shown in Table 1.
- 8.3 The balance of funding of £261,729 is available for use in 2020/21 and 2021/22 (if not fully utilised in the current financial year), to support Covid-19 recovery SSF projects.
- 8.4 The Building Back Better project in this report is seeking £192,000 of SSF. The Project came forward at the December 2020 Strategic Board meeting and was endorsed for funding by the Board.

Table 1

	2020/21 £
Funding	
Covid-19 Recovery SSF	1,000,000
C/f 2019/20	206,500
Total 2020/21 funding	1,206,500
Approved projects 2020/21	
Buy Local South East	69,510
Skills Working Group	76,000
Visitor Economy	200,000
	345,510
Projects endorsed Dec. 2020 & seeking approval	
Gourmet Garden Trails (Extension)	35,000
Catalyst for Culture	181,700
Carbon Pathways (C-Path)	99,061
SE Export Development (SEED)	91,500
Building Back Better	192,000
	599,261
Balance SSF remaining for investment	261,729

9. Legal implications (*Accountable Body Comments*)

9.1. The grant will be transferred to East Sussex County Council via a notional grant agreement; the grant agreement will include a requirement for claw back of the funding if it is not fully expended or not expended in line with the Project Bid Document.

10. Equality and Diversity implications

10.1 Section 149 of the Equality Act 2010 creates the public sector equality duty which requires that when a public sector body makes decisions it must have regard to the need to:

- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act;
- (b) Advance equality of opportunity between people who share a protected characteristic and those who do not;
- (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.

10.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.

10.3 In the course of the development of the project business cases, the delivery of the project and the ongoing commitment to equality and diversity, the promoting local authority will ensure that any equality implications are considered as part of their decision making process and where possible identify mitigating factors where an impact against any of the protected characteristics has been identified.

11. List of appendices

11.1. Appendix 1 – Project Bid Document

11.2. Appendix 2 – Independent Technical Review report


12. List of Background papers

12.1. Sector Support Funding Guidance [LINK](#)

12.2. SELEP Assurance Framework [LINK](#)

12.3. Minutes of the Strategic Board Meeting 11 December 2020 [LINK](#)

Role	Date
Accountable Body sign off Peter Shakespear (On behalf of Nicole Wood, S151 Officer, (Essex County Council)	06/01/2021

I approve the above recommendations set out above for the reasons set out in the report.  <hr/> Adam Bryan Chief Executive Officer for the South East Local Enterprise Partnership	Date <u>19/01/21</u>
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