

To: Economy and Regeneration Policy Board

On: 7 November 2023

Report by: Chief Executive

Heading: Shared Prosperity Funding: Business Challenge Fund

1. Summary

- 1.1 Renfrewshire Council was awarded £6.29M from the Shared Prosperity Fund under the current 2022-25 programme period. The funding is split across three core programme themes and the “Multiply” numeracy skills programme.
 - 1.2 This report updates Board on the proposed development of a Business Challenge Fund under the Local Business theme for the 2024 and 2025 programme period.
 - 1.3 The Business Challenge Fund would augment the already successful Employability Grant Programme, also being used for the Multiply Programme, to provide key services within the local area.
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2. Recommendations

- 2.1 It is recommended that the Board:
 - Note the contents of the report;
 - Agree to the proposed Business Challenge Fund to be launched this year with £0.5M SPF funding to be delivered through extending and augmenting the existing Employability Grant Programme being delivered through the Local Employability Partnership;
 - Note that regular updates will be provided to the board on the implementation of the Challenge Fund and all projects supported through the Shared Prosperity Fund.

3. Background

3.1 The Shared Prosperity Fund (SPF) is part of the Levelling Up programme to replace EU financial support across the UK. There are three SPF investment priorities:

- Communities and Place;
- Supporting Local Business;
- People and Skills.

Additionally the Multiply Programme (aimed at numeracy skills) sits as a separate, but linked, element of the SPF programme.

3.2 Three years of funding were announced for the 2022-25 period and Renfrewshire Council were awarded £6,290,987 in total for the area. The programme was phased to increase financially over the 3 years with 12% of the core budget in year 1, 24% in year 2 and the remainder in year 3.

3.3 This report builds on previous overviews to Board on the progress and plans for the SPF programme in Renfrewshire and focuses on the Local Business theme and the proposal to establish a Challenge Fund for the delivery of additional business support and services.

3.4 The Challenge fund would be delivered through extending the existing employability grant programme which was approved at Leadership Board “Co-Commissioning of Employability Services” in September 2021.

4. SPF Local Business Theme 2022-25

4.1 The main objectives of the Supporting Local Business intervention are:

- Creating jobs and boosting community cohesion, through investments that build on existing industries and institutions, and range from support for starting businesses to visible improvements to local retail, hospitality and leisure sector facilities.
- Promoting networking and collaboration, through interventions that bring together businesses and partners within and across sectors to share knowledge, expertise and resources, and stimulate innovation and growth.
- Increasing private sector investment in growth-enhancing activities, through targeted support for small and medium-sized businesses to undertake new-to-firm innovation, adopt productivity-enhancing, energy efficient and low carbon technologies and techniques, and start or grow their exports.

4.2 The funding breakdown for the Local Business Intervention is outlined below.

Local Business Proposed		31.00%		
LA	22/23	23/24	24/25	3 year total
TOTAL	£ 187,971.60	£ 375,943.20	£ 984,971.48	£ 1,548,886.28

4.3 Within the funding proposal was the intention to provide a Challenge Fund of around £0.5M to allow other business support partners in the area to bid for resources to support local businesses and to meet the wider objectives of the SPF programme. The funding is primarily available in year 3 of the programme where the allocation is considerably higher. It is proposed to launch a challenge fund to commence projects in the Jan – March period to allow them to be ready to claim within the final year of the programme.

5. Business Challenge Fund

5.1 The Challenge Fund would operate under the same governance and structure as the challenge funds for Employability and the Multiply Programme.

5.2 The Local Employability Partnership provides the oversight and support to the current grant programmes and have agreed to the inclusion of a third programme for the Local Business theme.

5.3 The Renfrewshire Local Employability Partnership will publish a grant framework for applications. The framework will identify the specific target groups and priority areas, the types of provision required, the types of outcomes and impacts being aimed for, and any special requirements of the funding sources being used to finance the process. The framework will allow providers to come forward with their own ideas and suggestions for new services and provisions while addressing areas of need or gaps in provision.

5.4 The Business Challenge Fund will:

- Augment the current business support services in Renfrewshire by outlining clear aims and guiding principles to bidding organisations for new services.
- Create a level playing field with equal opportunity for all eligible organisations.
- Add value to the funding and other resources already available.
- Provide an application and assessment process for the allocation of funds.
- Support the aims and objectives outlined in the Renfrewshire Economic Strategy, the Renfrewshire Economic Recovery Plan, and Shared Prosperity Fund prospectus.

5.5 The benefits of a grant programme would be:

- An open and transparent approach which offers local providers the opportunity to get involved.
- The opportunity to develop and nurture small local partners (private sector and third sector) to become more involved and also to support larger and/or national organisations to work across Renfrewshire.
- The opportunity to support innovation, pilots, new ideas and approaches.

- A partnership with providers where we genuinely work together to improve lives and opportunities in Renfrewshire.
- 5.6 An Assessment Panel of LEP members and Council Officers will manage the assessment and scoring procedures following the Council's grant processes.
- 5.7 Each application will be scored by at least two separate individuals from the Assessment Panel who then meet to agree a moderated score with comments. The moderated score will then be presented to the full Assessment Panel for further comments on strategic fit and moderation if required.
- 5.8 Membership of the Assessment Panel will be drawn from strategic partner organisations represented on the LEP including:
- DWP
 - West College Scotland
 - Skills Development Scotland
 - Renfrewshire Chamber of Commerce
 - NHSGGC
 - Engage Renfrewshire
 - DYW West
 - Various Council Departments
- 5.9 Key stakeholders and potential bidders have been consulted on this approach. Future opportunities will be provided for stakeholders to seek clarity on a number of matters in advance of the formal application and assessment process.
- 5.10 The Business Challenge Fund is anticipated to be primarily a revenue funding programme however capital funding is also an option if required. A single funding call will take place during November 2023 with assessment of applications and decisions made in December for a project start during 2024 and final expenditure no later than 31st March 2025 in line with SPF requirements.
- 5.11 Applicants to the fund are likely to be from organisations previously in receipt of European Regional Development Fund (ERDF) support and who provide services to local businesses.
- 5.12 Regular updates will be provided to the board on the implementation of the challenge funding and all projects supported through the Shared Prosperity Fund.

Implications of the Report

1. **Financial** – No additional finance is sought. Funding of £0.5M has been allocated from the SPF for this area of work.
2. **HR & Organisational Development** – None.

3. **Community/Council Planning** – Partnership working is essential to the success of this initiative. The Renfrewshire LEP have been significantly involved in the planning for the new challenge fund.
4. **Legal** – None.
5. **Property/Assets** – None.
6. **Information Technology** – None.
7. **Equality & Human Rights**
 - (a) The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report.
8. **Health & Safety** – None.
9. **Procurement** – None.
10. **Risk** – None.
11. **Privacy Impact** - None.
12. **COSLA Policy Position** – Not Applicable.
13. **Climate Risk** – Not Applicable.

List of Background Papers

Leadership Board, 15 September 2021 “Co-Commissioning of Employability Services”

Economy and Regeneration Policy Board, 23rd August 2022, “UK Shared Prosperity Fund Update”

Economy and Regeneration Policy Board, 23rd May 2023, “UK Shared Prosperity Fund – Year 1 Report”

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