

<b>Item No.</b>	<b>Classification:</b> Open	<b>Date:</b> 12 May 2023	<b>Decision Taker:</b> Cabinet Member for Jobs, Business and Town Centres
<b>Report title:</b>		Southwark Pioneers Fund grant awards (Round 1) approval	
<b>Ward(s) or groups affected:</b>		Businesses, charities and social enterprises in all wards	
<b>From:</b>		Senior Strategy Officer, Local Economy	

## RECOMMENDATIONS

1. The Cabinet member for Jobs, Business and Town Centres approves the award of £17,500 for Southwark Pioneers Fund (SPF) Launchpad grants (Round 1) to the organisations and for the amounts listed in the Appendix to this report.
2. The Cabinet member for Jobs, Business and Town Centres approves the award of £32,500 for SPF Grow Your Enterprise grants (Round 1) to the organisations and for the amounts listed in the Appendix to this report.

## BACKGROUND INFORMATION

3. The council has established the Southwark Pioneers Fund to support the creation and scale-up of commercial and social enterprises in the borough. It is a four year programme of enterprise support, delivered through four separate agreements (see background documents – Gateway 1). This report refers to the SPF Start-Up and Growth programmes.
4. In June 2022, the Start-Up and Growth contracts were awarded respectively to Trampoline NH CIC and Hatch Enterprise (see background documents – Gateway 2).
5. The programmes consist of both an enterprise support and a grants programme. Grants are available only to enterprises accessing the enterprise support services delivered by the providers. The council is the grant budget holder and administers the grant payments. However, the enterprise support providers delivering the Start-Up and Growth contracts take responsibility for assessing the enterprises' needs and whether a grant award would be justified according to the criteria set out by the council.
6. The total grants budget for the Start-Up programme is £159,600, to be

allocated over the four year lifetime of the programme until June 2026. The total grants budget for the Growth programme is £222,476 to be allocated over the same four year time period. It is the providers' responsibility to manage the allocations over the lifetime of the programme.

7. Round 1 of the grants fund for both programmes was open between 27 February 2023 and 27 March 2023. A total of 31 applications were received for the Start-Up programme and 15 applications were received for the Growth programme. Of these, seven applications are recommended for award by Trampoline CIC from the Start-Up programme, amounting to £17,500 of the total grants budget. Four applications are recommended for award by Hatch Enterprise from the Growth programme, amounting to £32,500 of the total SPF grants budget.
8. The contract managers for the programme from the Local Economy Team have reviewed the grant awardees recommended by the SPF providers to ensure that they align with the overall aims of the SPF. The recommendations supported by the Local Economy Team are set out in the Appendix.

## **KEY ISSUES FOR CONSIDERATION**

9. The grants available through the SPF are designed to support entrepreneurs accessing enterprise support. To be eligible, entrepreneurs must fully participate in the business support available and demonstrate eligibility against the agreed criteria for the programme. Both providers' business advisors have worked closely with the entrepreneurs, offering one-to-one support, and are best-placed to advise on whether a grant award will have a positive impact on the enterprise and is aligned to the overarching ambition of the SPF.
10. All applicants have been assessed on the key criteria agreed with the council and set out in the programme. This includes the strength of the enterprise idea or mission, what the funding would be used for, the impact the funding would have on the enterprise, and the social and environmental impact of the funding. The enterprises recommended for award have scored the highest against these key criteria.
11. The contract managers for the programme from the Local Economy Team have reviewed the applications received to ensure overall quality and that the award recommendations are justified. The enterprises recommended for award support the aims and objectives of the SPF and aim to deliver social and / or environmental value to Southwark.

## **Policy framework implications**

12. The development of the SPF was originally driven by the 2018-22 Council Plan commitment to "establish an Innovation Fund to invest in the

Southwark's entrepreneurs of the future". The essence of this commitment remains relevant and is encapsulated in the 2022-26 manifesto pledge:

*We will back Southwark residents to start more businesses, co-operatives and social enterprises, growing a network of start-up hubs rooted in our communities. With extra support for entrepreneurs who are underrepresented in business, including women, Black, Asian, minority ethnic and disabled people.*

13. It also delivers against the following pledges:

- We will create more opportunities for you when you leave school, including 250 paid internships for young people from disadvantaged backgrounds, 2,000 apprenticeships and free support to start a business
- We will keep more wealth within our community, ensuring the council and other big institutions in Southwark buy more goods and services from local businesses, cooperatives, social enterprises and charities, including Black, Asian, ethnic minority and women led-businesses and third sector organisations.

14. The Economic Renewal Plan commits to "continue to support businesses to deal with the immediate impact of the crisis [the coronavirus pandemic] and plan for a comprehensive programme of assistance to support inclusive business growth."

15. Administering the SPF grants fund supports the implementation of these policies.

## **Community, equalities (including socio-economic) and health impacts**

### **Community impact statement**

16. With due regard to the Public Sector Equality Duty, an equality analysis was carried out on the SPF (which is appended to this report). The analysis identifies service users across the protected characteristics, with detail of the mitigating actions that could be incorporated into the service design. For details of the full community impact statement which continues to be applicable, see the Gateway 2 report (background documents).

### **Equalities (including socio-economic) impact statement**

17. The SPF is designed to be accessible to enterprises led by people from Black, Asian and minority ethnic backgrounds, women, disabled people and young people. Appropriate targets have been put in place for the Start-Up and Growth contracts. During the SPF procurement, Hatch Enterprise and Trampoline NH CIC scored highly on their ability to engage with the target demographics which is a contributing factor to them winning the contracts. For further information, see the Gateway 2 report (background documents).

### **Health impact statement**

18. A core aim of the SPF is that it is accessible to those under-represented in business. This includes disabled people and people with additional health needs. As per above, please see the Gateway 2 report for full details.

### **Climate change implications**

19. A key aim of the SPF is to support enterprises to reduce their carbon emissions. The Start-Up and Growth programmes include performance measures around carbon reduction. As part of the grants application process, applicants were required to demonstrate how they had considered the impact the funding would have on the environment. This contributed to their overall score and consequently, whether they were recommended for an award.

### **Resource implications**

20. All resource required to administer the payments will be contained within existing council teams.

### **Legal implications**

21. Please see concurrent from the Assistant Chief Executive – Governance and Assurance.

### **Financial implications**

22. The total amount of funding recommended for this first round of grants is £50,000. £17,500 is recommended for the SPF Start-Up programme and £32,500 is recommended for the SPF Growth programme. This will be paid from the existing SPF grants budget.
23. Hatch Enterprise will use an additional £5000 from their own funding pot to top up the total award amount for the Growth Programme to £37,500. This is because they are recommending that all four applicants receive funding to the total value of £37,500, however to manage the SPF grants budget over the four years, they have only allocated £32,500 to this first round. In order to fund the enterprises to the extent that they would recommend, they have volunteered to top up the SPF budget with an additional £5000.
24. This brings the total value of grant funding to £55,000. £50,000 of this will be paid through the existing SPF budget and £5000 will be offered by Hatch Enterprise.
25. Enterprises will be required to sign and return the council's conditions of grant funding within stated timescales and clear the council's financial procedures. Grants will only be paid once these conditions have been

met. The providers will monitor the grant recipients at agreed milestones to measure progress and impacts.

26. The Local Economy Team maintains a detailed reconciliation of all grant allocations from various reports to ensure these are contained within the available funding. A summary of the total grants budget is shown in the table below.

	Total Grants Budget	Round 1 Expenditure	Total Remaining Budget
Launchpad	£ 159,600	£ 17,500	£ 142,100
Grow Your Enterprise	£ 222,476	£ 32,500	£ 189,976
Total	£ 382,076	£ 50,000	£ 332,076

27. £260k of the grants will be paid from Southwark Pioneers Fund (SPF) reserve and £121K of the grants budget is funded from the additional UKSPF funds. See table below for details.

Programme	Total grant budget	SPF budget	UKSPF budget
Launchpad	159,600	89,300	70,300
Grow Your Enterprise	222,476	171,106	51,370
Combined budget	382,076	260,406	121,670

28. All staffing and other costs connected with this report will be contained within existing departmental revenue budgets.

## Consultation

29. Extensive consultation was undertaken to inform the development of the SPF. For full details, see the Gateway 2 report.

## SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

### Assistant Chief Executive – Governance and Assurance

30. This report seeks the approval of the Cabinet Member for Jobs, Business and Town Centres to the award of the SPF Launchpad and Grow your Enterprise grants (Round 1) as further detailed in paragraphs 1 and 2. As part of the Cabinet report dated 18 June 2019, the Leader delegated future decisions on individual elements of delivery of the SPF fund to the Cabinet Member for Jobs, Business and Innovation in consultation with the Strategic Director of Finance and Governance and the head of the Chief Executive's office.
31. The Cabinet Member's attention is drawn to the Public Sector Equality Duty (PSED General Duty) under the Equality Act 2010, which requires

public bodies to have regard, when making decisions, to the need to eliminate discrimination, advance equality of opportunity and foster good relations between persons who share a relevant protected characteristic and those who do not share it. The Cabinet Member is specifically referred to the community, equalities (including socio-economic) and health impacts statement at paragraphs 16-18, and the equality analysis carried out in relation to the SPF (appended to this report) setting out the consideration that has been given to equalities issues, which the Cabinet Member should give careful consideration to when approving the recommendations in this report.

### **Strategic Director of Finance (SC23/007)**

32. This report is requesting Cabinet member for Jobs, Business and Town Centres to approve the award of £17,500 for Southwark Pioneers Fund (SPF) Launchpad grants (Round 1) to the organisations and for the amounts listed in the Appendix to this report and to approve the award of £32,500 for SPF Grow Your Enterprise grants (Round 1) to the organisations and for the amounts listed in the Appendix to this report.
33. The strategic director of finance notes that the cost of implementation of the recommendations can be contained within the funding, as detailed in the financial implications section.
34. Staffing and any other costs connected with this report to be contained within existing departmental revenue budgets.

### **BACKGROUND DOCUMENTS**

<b>Background Papers</b>	<b>Held At</b>	<b>Contact</b>
<b>Gateway 1 - Procurement Strategy Approval</b> Southwark Pioneers Fund: Start-Up and Growth Enterprise Support Programmes	Local Economy Team, 160 Tooley Street, London SE1 2QH	<a href="mailto:Libby.dunstan@southwark.gov.uk">Libby.dunstan@southwark.gov.uk</a> 020 7525 3532
<b>Gateway 2 - Contract Award Approval</b> Southwark Pioneers Fund: Start-Up and Growth Enterprise Support Programmes	Local Economy Team, 160 Tooley Street, London SE1 2QH	<a href="mailto:Libby.dunstan@southwark.gov.uk">Libby.dunstan@southwark.gov.uk</a> 020 7525 3532

## APPENDICES

No.	Title
Appendix 1	Recommended enterprises for SPF grant awards
Appendix 2	EQIA

## AUDIT TRAIL

<b>Lead Officer</b>	Matt Little, Principal Strategy Officer		
<b>Report Author</b>	Libby Dunstan, Senior Strategy Officer		
<b>Version</b>	Final		
<b>Dated</b>	11/05/23		
<b>Key Decision?</b>	No		
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>			
<b>Officer Title</b>		<b>Comments Sought</b>	<b>Comments Included</b>
Director of Law and Governance		Yes	Yes
Strategic Director of Finance and Governance		Yes	Yes
List other officers here			
<b>Cabinet Member</b>		Yes	Yes
<b>Date final report sent to Constitutional Team</b>			12 May 2023