

Item No.	Classification: Open	Date: 17 October 2023	Decision Taker: Cabinet Member for Jobs, Skills and Business
Report title:		Southwark Pioneers Fund: Green Programme Approval	
Ward(s) or groups affected:		All Wards	
From:		Head of Local Economy	

RECOMMENDATION

1. The Cabinet Member for Jobs, Skills and Business approves the award of £209,583 of the SPF Green Programme budget to ReLondon, in grant funding, to enhance the delivery of its grants programme that supports small businesses to trial decarbonisation initiatives.

BACKGROUND INFORMATION

2. The council has established the Southwark Pioneers Fund (SPF) 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 – IDM – SPF Delivery Strategy). This report refers to the SPF Green Programme.
3. The Green programme has an indicative budget of £300K which was set out in the IDM for the whole SPF programme and approved by the Cabinet Member for Jobs, Skills and Business in February 2022. Since then, the council has received funding from UK Shared Prosperity Fund (UKSPF) to supplement the SPF Start-Up and Growth programmes. The additional UKSPF funds means that we are able to reallocate SPF savings to the Green Programme which would bring the total budget from £300k to £451,344k until 2026. See the key considerations and financial implications sections for further details (para 34).
4. As the council has not previously commissioned support for businesses to decarbonise, significant work has been undertaken to scope and design the SPF Green Programme. In January 2023, the Cabinet Member for Jobs, Skills and Business approved a recommendation from officers to investigate two distinct areas of support, a programme of information, advice and guidance (IAG), and a grants programme.
5. In May 2023, the GLA announced the successful UKSPF bids to a £6.9m allocation for Low Carbon projects. A number of Low Carbon bids were supported by the council, including the Southwark Climate Collective, a

partnership bid led by Better Bankside to deliver support to 160 Southwark businesses to reduce their carbon emissions via sustainability audits and business support. The Southwark Climate Collective received an allocation of c£653k. ReLondon also secured funding to offer business support and grants to businesses across London to test out circular economy business models. Both UKSPF funded programmes provide the same offer as those under development through the SPF Green programme. This has therefore been taken into consideration when designing the SPF Green Programme.

KEY ISSUES FOR CONSIDERATION

6. As a consequence of the UKSPF allocations, it no longer makes sense to commission a separate programme that will risk duplication and unnecessary competition with activity commissioned by the GLA. More value will be secured from using our SPF budget to enhance and add local value to the existing UKSPF programmes.
7. Since the Southwark Climate Collective already benefits Southwark businesses exclusively, the council would maximise value by investing in ReLondon's UKSPF-funded circular economy grants programme and extending its support to a greater number of Southwark business. It is therefore proposed that £209,583 is granted to ReLondon to extend its grants programme to be delivered October 2023 – February 2025.
8. The impact of this programme will be monitored quarterly and reviewed after 12 months, after which time the remaining SPF funding could be used to extend either the ReLondon grants programme for a second year to March 2026, or scale up the UKSPF-funded Southwark Climate Collective.

UKSPF Programme Summary

9. The GLA has awarded ReLondon circa. £1.4m to equip everyday SMEs across London with the knowledge and skills needed to leverage operational and commercial benefits from circular initiatives. This could include piloting new decarbonisation initiatives, testing different waste solutions or working towards using a more local supply chain.
10. The support will prioritise SMEs operating in the food and beverage industry, high street services (such as opticians), retail, and hair and beauty, alongside prioritising under-represented groups such as Black, Asian and Minority Ethnic entrepreneurs. Businesses will be provided with free advisory support designed to help SMEs learn about the circular economy and develop or refine business pilot concepts.
11. Supported businesses will be eligible for a grant of up to £10k and 3-6 months advisory support designed to help them successfully implement pilots, maintain momentum and disseminate knowledge to their business community.

12. Without additional funding from Southwark, this programme will run pan-London from October 2023 to September 2024. It is expected that around two Southwark businesses would benefit.

Adding value through the Southwark Pioneers Fund

13. Since ReLondon's UKSPF programme will operate across London, Southwark businesses will be eligible for support. However, due to the capacity of the programme, it is anticipated that only around two businesses will benefit from support per borough, and only one business per borough will receive a grant, with some boroughs not represented. Support will therefore be extremely limited for Southwark businesses.
14. As a result of this additional grant, ReLondon anticipate that they can support an additional 36 Southwark based businesses via non-financial support, with approximately 15 of these benefiting from a grant of £3-5k.
15. The programme activities would be delivered in two phases:
 1. **Boost:** (Oct 2023 – Mar 2024) – boost the chances for Southwark businesses to benefit from the UKSPF-funded pan-London support through dedicated training for council officers and additional ring-fenced grants. An additional 2-3 businesses would benefit from grants of £5-10k.
 2. **Extend:** (Apr 2024 – Feb 2025) – extend opportunities for Southwark businesses to trial circular business models through a separate, dedicated grants and advice scheme. An additional 10-15 businesses would benefit from grants from £3-5k.
16. Businesses from both funding rounds will receive 3-6 months' worth of support after grant award to support them to trial their circular solutions and maximise value from the grants.
17. In addition to the increased number of Southwark businesses benefiting from the programme, other benefits include:
 - **Engagement with high street businesses** – ReLondon offer dedicated training to council officers, BID managers and other business network leads, to educate them about the circular economy and how to engage businesses on this topic. This provides a valuable opportunity to increase direct engagement with our priority town centres and highstreets.
 - **Circular economy workshop** – ReLondon will facilitate a workshop to bring together representatives from across the council to identify common, circular economy goals and where additional resources can be made available to aid the delivery of the programme.
 - **Leverages learning** – by staggering the delivery of the programme into two rounds of grants, Southwark benefits from the experience ReLondon gain through administering the first round of grants so that

refinements can be made to the Southwark-specific engagement and delivery.

- **Value for money** – taking into account that this programme offers significantly higher levels of tailored business engagement, plus grant administration, ReLondon offer good value for money. Furthermore, as the programme will be delivering on a much larger scale, the cost per business has significantly dropped since our initial soft market testing. Receiving a large UKSPF grant from the GLA is also testament that the programme offers value.
- **Legacy** – the results of the programme will contribute towards developing a blueprint for how to transition high streets across London towards a circular economy, as they will be incorporated into the findings from the UKSPF-funded evaluation.

18. By allocating SPF funding to ReLondon, the programme can begin delivering as quickly as October 2023, which is much quicker than should a separate service be commissioned. Alongside the Southwark Climate Collective, Southwark businesses will receive a well-balanced package of support. Dependent on the outcomes of the 12 month review, either programme can then be extended for an additional year of delivery, whilst leveraging the experience and learning from the initial 18 months. This decision will be made via an IDM at the time of the review.
19. The ReLondon Circular Economy programme will be borough-wide in scope, but will prioritise high street businesses in areas of Peckham, Camberwell, Walworth and Bermondsey.

Policy framework implications

20. The development of the service was originally driven by the 2018-22 Council Plan commitment to “establish an Innovation Fund to invest in 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.

21. It also delivers against the following priorities in the Council Delivery Plan:
 - Providing extra support for entrepreneurs who are underrepresented in business, including women, Black, Asian, minority ethnic and disabled people
 - Invest in our town centres and highstreets.
22. It also delivers against the following pledges in the council’s Climate Change Strategy:

- Encourage a more circular economy that reduces consumption, keeps resources in use for as long as possible, and recycles used materials.
- Support local supply chains and local businesses to be more sustainable.
- Deliver a green new deal which creates 5,000 green jobs over the next decade and invests in green skills training to support green jobs of the future.

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

Community impact statement

23. With due regard to the Public Sector Equality Duty, an equality analysis was carried out on the SPF (see background documents). 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 background documents – SPF Equalities Analysis Updated.

Equalities (including socio-economic) impact statement

24. 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. The following targets have been put in place for the Green Programme:
- 45% Black, Asian and Minority Ethnic-led businesses
 - 40% Women-led businesses
 - 5% Disabled-led businesses
25. The additional funds will enable ReLondon to increase their community outreach and engagement activity in Southwark, and make the support more accessible to the target demographics.

Health impact statement

26. 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. Services under the SPF are designed to be fully accessible to people with additional health needs. For example, materials can be available in large print and carers and sign language interpreters are able to attend events and workshops. Parts of the service will also be available online to give enterprise owners flexibility over when they access the service.
27. It is anticipated that a long term outcome of the programme will be that enterprise owners are able to cut costs and make efficiencies. As a result, it is hoped that entrepreneurs have greater financial security and improved health and economic wellbeing.

28. Enterprises may also reduce their deliveries, switch to low-carbon delivery methods, or reduce their waste. This could contribute towards improving the air quality around our highstreets and town centres.

Climate change implications

29. The core aim of the Green Programme is to support enterprises to reduce their carbon emissions and encourage a more circular economy which reduces consumption, keeps resources in use for as long as possible, and recycles used materials. The tonnes of waste avoided will be measured and can be used as an indicator of carbon reduction.
30. Anticipated benefits include:
- Switching to low carbon delivery methods or reducing freight
 - Increasing recycling or reusing products
 - Switching to low carbon production methods and materials
 - Encouraging the public to reduce consumption and buy locally and sustainably.

Resource implications

31. The grant-giving and monitoring activities associated with this report will be managed within existing Local Economy Team resources.
32. ReLondon will administer all grant funding activities, with some additional assurance checks carried out by officers in the Local Economy Team.

Legal implications

33. The council and ReLondon will enter into a grant funding agreement and be subject to the appropriate grant funding processes.

Financial implications

34. The additional UKSPF funding of £457,912 enables some of the original SPF budget to be reallocated as per the table below:

(a) Contract	(b) Original SPF Cost (£)	(c) Adjusted SPF Cost (£)	(d) UKSPF Cost (£)	(e) Revised Total Cost (£) (SPF + UKSPF)
Start-Up	415,000	324,300	255,542	567,600
Growth	735,000	674,356	202,370	876,726
Green	300,000	451,344	0	451,344
LAP	500,000	500,000	0	500,000
Total	1,950,000	1,950,000	457,912	2,395,670

35. The table shows that £151,344 has been removed from the original SPF Start-up and Growth budgets (column b) and allocated to the Green programme (column c), increasing the total budget from £300k to £451,344.
36. The £457,912 from UKSPF has been allocated to the Start-Up and Growth programmes (column d) so that total spend on both of these programmes has been increased by £152,600 and £141,726 respectively.

Consultation

37. The council has undertaken a range of local research, analysis and consultation to help inform the design of the Green Programme including:
 - A review of regional, national and local decarbonisation support programmes for businesses, including UKSPF funded programmes
 - Analysis of policy and research in relation to climate change and business support
 - Analysis of Southwark's emissions from economic activity, a report produced by Anthesis
 - Consultation and soft market testing with regional and local business and decarbonisation support providers, local authorities and subject matter experts.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Assistant Chief Executive (Governance and Assurance)

38. This report seeks approval to award a grant funding allocation to ReLondon from the Southwark Pioneers Fund Green Programme budget, for the purpose of enhancing the delivery of its grants programme that supports small businesses to trial decarbonisation initiatives. Paragraphs 9 to 18 explain the aims and objectives of the Programme and how it will operate to support Southwark-based businesses.
39. Paragraph 23 notes that an equality analysis of the Southwark Pioneers Fund has been undertaken in order to assess its effect and impact on individuals and groups that have a "protected characteristic" under the Equality Act 2010 and to establish and propose mitigating actions that could be incorporated into the service design. This is consistent with the requirements of the council's statutory duty (the Public Sector Equality Duty) as prescribed by section 149 of the Act which requires public bodies to have due regard to the needs of those individuals and groups having a protected characteristic.
36. The proposed funding award is consistent with current corporate policy, as highlighted within paragraphs 20 to 22.

37. The decision to approve the recommendation of this report is one which is expressly reserved to the Cabinet Member under the council Constitution.
38. As noted in paragraph 33 the proposed allocation to ReLondon will be regulated by the council's conditions of grant funding.

Strategic Director of Finance (ENG23/087)

39. This report is requesting Cabinet member for Jobs, Skills and Business to approve the award of £209,583 of the SPF Green Programme budget to ReLondon, in grant funding, to enhance the delivery of its grants programme that supports small businesses to trial decarbonisation initiatives, as detailed in this report.
40. 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.
41. Staffing and any other costs connected with this report to be contained within existing departmental revenue budgets.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
IDM – SPF Delivery Strategy	Local Economy	Matt Little Matthew.little@southwark.gov.uk
Issue details - Southwark Pioneers Fund - Delivery Strategy - Southwark Council		
SPF Equalities Analysis Updated	Local Economy	Matt Little Matthew.little@southwark.gov.uk
Issue details - Approval of Southwark Pioneers Fund Social and Community Programme - Southwark Council		

APPENDICES

No.	Title
None	

AUDIT TRAIL

Lead Officer	Danny Edwards, Head of Local Economy	
Report Author	Matthew Little, Principal Strategy Officer / Libby Dunstan, Senior Strategy Officer	
Version	Final	
Dated	17 October 2023	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Assistant Chief Executive (Governance and Assurance)	Yes	Yes
Strategic Director of Finance	Yes	Yes
Cabinet Member	Yes	No
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