

Item No.	Classification: Open	Date: 13 December 2023	Decision Taker: Cabinet Member for Jobs, Skills and Business
Report title:		Southwark Pioneers Fund grant awards (Round 2) approval	
Ward(s) or groups affected:		Businesses, charities and social enterprises in all wards	
From:		Senior Strategy Officer, Local Economy	

RECOMMENDATION(S)

1. That the Cabinet Member for Jobs, Skills, and Business, in consultation with the Strategic Director of Finance and Assistant Chief Executive (Strategy and Communities):
 - approves the award of £27,900 for Southwark Pioneers Fund (SPF) Launchpad grants (Round 2) to the organisations and for the amounts listed in the Appendix to this report, and
 - approves the award of £79,850 for SPF Grow Your Enterprise grants (Round 2) to the organisations and for the amounts listed in the Appendix to this report.

BACKGROUND INFORMATION

2. 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. This report refers to the SPF Start-Up and Growth programmes.
3. In June 2022, the Start-Up and Growth contracts were awarded to Trampoline NH CIC and Hatch Enterprise respectively.
4. 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.
5. 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 period. It is the providers' responsibility to manage the allocations over the lifetime of the programme.
6. In Round 1 of the grants fund, seven applicants were supported through the Start-Up programme (amounting to £17,500 in funding) and four applicants were supported through the Growth programme (amounting to £32,500 in funding).

7. Applications for Round 2 of the grants fund were open to graduates of relevant Launchpad and Grow Your Enterprise programmes. Following an assessment exercise undertaken by each of our providers, a total of nineteen businesses are recommended for grants from both programmes.
8. Eleven applications are recommended for award by Trampoline CIC from the Start-Up programme, amounting to £27,900 of the total grants budget. Eight applications are recommended for award by Hatch Enterprise from the Growth programme, amounting to £79,850 of the total SPF grants budget.
9. 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

10. The grants available through the SPF 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.
11. All applicants are 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 is 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.
12. 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.
13. Southwark is a Living Wage Place and the Council Delivery Plan 2022-2026 sets out a goal to double the amount of London Living Wage (LLW) employers in the borough. In line with this, the SPF programme providers aim to support their programme participants to work towards becoming LLW employers wherever possible.

Policy framework implications

14. 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.”
15. 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.”
 16. 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.”
 17. Administering the SPF grants fund supports the implementation of these policies.

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

Community impact statement

18. 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.

Equalities (including socio-economic) impact statement

19. 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.
20. In Round 2, 68% of those receiving grants are female-owned or led businesses, and 74% are Black, Asian, or Minority-Ethnic owned or led businesses. These exceed the targets of 60% for both categories.
21. In Round 2, there are no grant recipients who are either disabled or young (under 30 years of age).

Health impact statement

22. 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.

Climate change implications

23. 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

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

Legal implications

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

Financial implications

26. The total amount of funding recommended for this second round of grants is £107,750. £27,900 is recommended for the SPF Start-Up programme and £79,850 is recommended for the SPF Growth programme. This will be paid from the existing SPF grants budget.
27. 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.
28. 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	Round 2 Expenditure	Total Remaining Budget
Launchpad	159,600	17,500	27,900	114,200
Grow Your Enterprise	222,476	32,500	79,850	120,126
Total	382,076	50,000	107,750	234,326

29. £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

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

Consultation

31. Extensive consultation was undertaken to inform the development of the SPF.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Assistant Chief Executive – Governance and Assurance (20231201/KM)

32. This report seeks the approval of the Cabinet Member for Jobs, Skills and Business to the award of the SPF Launchpad and Grow your Enterprise grants (Round 2) as further detailed in paragraph 1. 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 (now the Cabinet Member for Jobs, Skills and Business) in consultation with the Strategic Director of Finance and the head of the Chief Executive's office (now the Assistant Chief Executive – Strategy and Communities).
33. 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 18 -21, 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 recommendation in this report. The duty is a continuing one, and as noted at paragraph 18, the equality analysis has been reviewed and continues to be applicable.

Strategic Director of Finance (SC23/039)

34. This report is requesting Cabinet member for Jobs, Business and Town Centres to approve the award of £27,900 for Southwark Pioneers Fund (SPF) Launchpad grants (Round 2) to the organisations and for the amounts listed in the Appendix to this report and to approve the award of £79,850 for SPF Grow Your Enterprise grants (Round 2) to the organisations and for the amounts listed in the Appendix to this report.
35. 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.

36. Staffing and any other costs connected with this report to be contained within existing departmental revenue budgets.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
None		

APPENDICES

No.	Title
Appendix 1	Recommended enterprises for SPF grant awards
Appendix 2	Equality Impact Assessment

AUDIT TRAIL

Lead Officer	Matt Little, Principal Strategy Officer	
Report Author	Julia Craig, Senior Strategy Officer	
Version	Final	
Dated	13/12/23	
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
List other officers here	N/A	N/A
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team		13 December 2023