

## Decision under Delegated Powers

### Officer Requesting Decision

David Hankin. Team leader: Regeneration and Economic Development

### Officer Making the Decision

Simon Jackson: Strategic Director Environmental and Corporate Services

### Recommendation

That contractual agreements are approved for the delivery of the "Restocking the Business Base project" with the LLEP on the one part and Loughborough University on the other.

### Reason

To formally accept a grant of £313,750 from the LLEP and agree the dispersment of those funds to Loughborough University in accordance with the terms, conditions, performance standards and payment schedule specified in the agreements.

### Authority for Decision

Cabinet, meeting on 19 November 2020, resolved to support the business case for the delivery of the Enterprise Zone Covid 19 Recovery Programme (branded as the "Restocking the Business Base programme") for submission to the Board of the Leicester and Leicestershire Enterprise Partnership (LLEP). The Board, meeting on 1 December 2020, approved a grant of £313,750 to enable the Borough Council to commission Loughborough University in the delivery of the programme.

Minute 20/21: 54 (3) delegated authority to the Strategic Director: Environmental and Corporate Services to agree the terms of and enter into a contract for the delivery of the programme.

### Decision and Date

AMWWSB



11 MAY 2021

### Background

The Corporate Strategy 2020 – 2024, under the theme of "A Thriving Economy," commits to continuing to support and foster strong economic growth in the Borough. The Enterprise Zone, along with other economic

drivers, supports the Council's commitment to leading, supporting and collaborating with partners and the private sector to ensure future generations have access to high quality jobs. The Strategy affirms the intention to grow Charnwood's reputation as a place where businesses thrive, particularly those in the innovation sector.

Our core values commit to working together as one council and in partnership with others; a commitment which finds further expression under the theme of "One Council" under which we will collaborate with partners in a variety of ways to bring improvements to our services and the Borough of Charnwood as a whole.

### **Covid 19 Recovery Programme – "Restocking the Business Base"**

The rationale for the delivery of a specific programme to assist highly skilled people and graduates, adversely affected by the global pandemic, in the acquisition of the entrepreneurial skills and capabilities required to grow and establish new businesses to support the recovery of the local economy is fully articulated in the business case and project plan approved by Cabinet.

In summary, the programme utilises a proportion of the accrued business rates income generated from the Enterprise Zone sites in Charnwood to fund the delivery of a business start-up accelerator programme.

The programme will involve harnessing existing skills and experience at Loughborough University in enterprise, entrepreneurship, business creation, start-ups and growth. The programme will co-ordinate with the Borough Council and all regional partners including LLEP Growth Hub, Leicestershire County Council, the EZ sites, co-working and business space providers, Business Chambers, the Federation of Small Businesses (FSB) and private sector professional service providers.

The programme will be delivered through a series of accelerator "Streams." Each stream will deliver six-month long accelerator programmes over a two-year period. Through each "Stream" groups of selected pre-start and early stage businesses will be provided with a combined programme of training, onhand business coaching and group peer action-learning, workspace and equipment access, and curated networking. That will be followed by a managed transition to other support programmes, facilities (through grant support) and networks. The outline curriculum is also designed to emphasise concepts not covered in detail by other providers (innovative business modelling, scaleup and rapid growth covered at start-up stage) and incorporating acquired expertise in working with knowledge-based innovation focussed businesses.

The project will aim to:

- Engage 250 individuals exploring business start-up
- Train 100 pre and emerging start-up businesses
- Support the setup of 35 new businesses



- Support 20 businesses to transition to follow on workspace facilities
- Support 20 businesses to secure follow on finance from other private or public sector providers.

### **Contractual Agreements**

The governance of the programme is managed through two separate contractual agreements which have been drafted following negotiation with the respective partners.

The agreement between CBC and Leicester City Council as the accountable body for the LLEP (Appendix A) provides for the payment to the Borough Council of the grant and sets out the obligations upon the Council as the primary recipient for its application to the project. The schedules define the purpose of the project, projected outputs, key milestones, monitoring and reporting requirements, payment schedules and the overall funding profile.

The agreement between CBC and Loughborough University (Appendix B) takes the form of a “grant disbursement agreement,” effectively subcontracting the delivery of the programme to the University. Accordingly the construction of the schedules mirrors those attached to the LLEP contract in order that the University, acting as the Council’s delivery partner, is contracted to meet the Council’s obligations to the LLEP.

The primary objective of the programme clearly is the delivery of the projected outputs for which the grant is provided. The schedules provide for payment in three instalments over the life time of the programme. The disbursement of that funding will be monitored quarterly to ensure milestones are being achieved. In the event of any consistent failure to meet those milestones clause 20.2 of the agreement provides for the recovery of grant funding payments.

### **Comments from HR**

Not applicable

### **Financial Implications**

A grant in a sum of £313,750 has been approved by the LLEP Board to enable the delivery of the Restocking the Business Base programme through the appointment of Loughborough University as the delivery partner.

It is standard practice for LLEP grants to be paid quarterly in arrears and the agreement reflects that requirement (Clause 3.1 applies). However, the Council is at liberty to agree an alternative payment regime with the University on the dispersal of the grant. For reasons of avoidance of bureaucracy a schedule of annual payments in advance is preferred, subject to quarterly monitoring of performance and claw back in the event of failure.

The Council is not exposed to risk as the grant flows from the accrued historic business rates generated by the Enterprise Zone sites within Charnwood.

Those funds are already held by the Borough Council and to that extent the LLEP “grant” may be alternatively styled as an authority to pay out moneys held on its behalf.

### Risk Management

Risk Identified	Likelihood	Impact	Overall Risk	Risk Management Actions Planned
That the programme fails consistently to deliver the agreed milestones resulting in the LLEP seeking the refund of the grant.	Very Low 1	Very Low 1	Very Low 1	The university is contractually required to submit quarterly performance reports via the LLEP vero system (shared with CBC) to enable effective monitoring of the programme outputs.  In the event of consistent failure, as defined in the agreement, provision is made in the contract for the recovery of funding paid out in advance.

Key Decision: No

Background Papers: None

#### Appendices:

- 1 Draft Deed of Agreement between Leicester City Council and Charnwood Borough Council
- 2 Draft Ageement between Charnwood Borough Council and Loughborough University