

## BARNSELY METROPOLITAN BOROUGH COUNCIL

**REPORT OF:** Service Director PLACE

**TITLE:** Launchpad Phase 2 Project Extension

<b>REPORT TO:</b>	<b>Cabinet</b>
<b>Date of Meeting</b>	<b>9<sup>th</sup> March 2022</b>
<b>Cabinet Member Portfolio</b>	<b>Cllr Tim Cheetham</b>
<b>Key Decision</b>	<b>Yes</b>
<b>Public or Private</b>	<b>Public</b>

### **Purpose of report**

To seek approval to:

1. Extend the European Regional Development Fund (ERDF) Business Start Up 'Launchpad' project from the 31<sup>st</sup> of March 2022 to the 30<sup>th</sup> of June 2023.
2. Provide £170k of match funding through a 40% contribution towards staff salaries by extending the contracts of the Barnsley Launchpad team from the 1<sup>st</sup> April 2022 to 30<sup>th</sup> June 2023.
3. Accept an additional £376k of ERDF from the Department of Levelling Up, Homes and Communities (DLUHC).
4. Accept an additional £81,844 of match funding from project partners including Sheffield CC, Doncaster MBC, Rotherham MBC and the Prince's Trust.

### **Council Plan priority**

The Launchpad project is a key pillar of the Council's 'Growing Barnsley' strand which aims to make *Barnsley the place for entrepreneurship, for establishing thriving start-ups and growing local businesses*. The project is also key for delivering the Place Directorate key corporate indicator of supporting and creating new businesses in the borough.

### **Recommendations**

That Cabinet:-

1. Agrees that approval is given for the Executive Director Place to authorise the extension of the Launchpad project from the 31<sup>st</sup> of March 2022 to the 30<sup>th</sup> of June 2023 on behalf of the Council;
2. Agrees that approval is given for the Service Director of Finance to accept the additional £376k of ERDF from DLUHC;
3. Agrees that approval is given for the Service Director of Finance to accept the additional £ 81,844 of match funding from project partners, Sheffield CC, Doncaster MBC, Rotherham MBC and the Prince's Trust; and
4. Agrees that approval is given for the Service Director of Finance to provide £170k of match funding in the form of salary contributions for the Barnsley Launchpad team between the 1<sup>st</sup> of April 2022 to the 30<sup>th</sup> of June 2023.

## **1. INTRODUCTION**

- 1.1 The South Yorkshire Mayoral Combined Authority (SYMCA) established a business model called the 'Growth Hub' for coordinating business support across the City Region. The arrangements simplify access to business support from national, local, public, and private business providers.
- 1.2 The Launchpad project is a key facet of the Growth Hub and provides business support to pre-start and businesses with up to 10 members of staff. The project helps encourage the start-up of new businesses in the borough, create new jobs and help small businesses survive and prosper.
- 1.3 The Launchpad is a key pillar of the Council's 'Growing Barnsley' strand which aims to make *Barnsley the place for entrepreneurship, for establishing thriving start-ups and growing local businesses*. The project is also key for delivering the Place Directorate key corporate indicator of supporting and creating new businesses in the borough.
- 1.4 The service has been a key resource of the Council during the Covid 19 pandemic helping to support 1000's of businesses and distribute millions in funding, helping safeguard important businesses and jobs in the borough.
- 1.5 The Launchpad Project was originally contracted to finish on the 31<sup>st</sup> March 2022, but DLUHC have offered to provide an additional £376k to extend the project until 30<sup>th</sup> June 2023. The financial contribution will provide 60% match funding which will fund the Barnsley Launchpad team which consists of the Business Start Up Manager, x2 Business Start Up Advisors and a Project Officer.
- 1.6 The Project Partners, Sheffield CC, Doncaster MBC, Rotherham MBC and the Prince's Trust will also contribute to providing additional match funding of £81,844.
- 1.7 For the Council to access the £376k from DLUHC and £81,844 from project partners, £170k of funding is required from the council which will be provided through salary contributions for the Launchpad Team between the 1<sup>st</sup> of April 2022 up to the 30<sup>th</sup> of June 2023.

## **2. PROPOSAL**

- 2.1 The recommended option is that the Council provides £170k of match funding extending the project until the 30<sup>th</sup> of June 2023. The Council also accepts the £375,963 additional funding from DLUHC and £81,844 from project partners.
- 2.2 This approach would realise an integrated programme of support that offers value for money and the leveraging of external funding which will cover 60% of staff costs.
- 2.3 The project will continue to help deliver the corporate indicators of supporting new businesses in the borough and help achieve the Council's 2030 Growing

Barnsley aspirations of the town being the place for entrepreneurship, for establishing thriving start-ups and growing local businesses.

- 2.4 Local residents will continue to be helped to create new businesses and be supported through the early stages of business to help increase survival prospects.
- 2.5 The Digital Media Centre will continue to be the central base for the delivery of support in Barnsley encouraging new businesses to access wider support which is available through the Enterprising Barnsley team and the wider Seam Campus.
- 2.6 The offer will continue to include start up courses delivered at flexible times and a dedicated facility at the Digital Media Centre which individuals can access on an ad hoc basis. Business clinics will be available for individuals to improve their business acumen, and to discuss business challenges and opportunities.
- 2.7 The two FTE Business Start Up Advisors will be available to meet with individuals and early-stage businesses, at their convenience, where be-spoke support will be developed. This will be enhanced by on-going associate and mentor support for individuals to tackle specific problems should they arise.
- 2.8 The programme will add value to activity delivered by local intermediaries, such as banks and accountants, enabling interaction with all members of the local business community to play a part in supporting economic growth.
- 2.9 The establishment of relationships at an early stage of the life of a business aims to bond growing businesses to the Borough allowing local people to reap the benefits through increased employment opportunities and local economic development via supply chains and local spending.
- 2.10 It is envisaged that in excess of 1,000 individuals / businesses will receive support with over 400 new businesses being created over 3-year cycle

### **3. IMPLICATIONS OF THE DECISION**

#### **3.1 Financial and Risk**

- 3.1.1 Consultations have taken place with representatives of the Service Director – Finance (S151 Officer).
- 3.1.2 The report is seeking approval to extend the European Regional Development Fund (ERDF) Business Start Up ‘Launchpad’ project from 31 March 2022 to the 30 June 2023. The extension will cost £62,010 and will require extending the Barnsley Launchpad team contracts from 1 April 2022 to 30 June 2023.
- 3.1.3 This will be funded as follows:
  - a. £376,000 ERDF contribution from DLUHC
  - b. £81,844 contribution from project partners
  - c. £170,000 match funding provided by the Council

- 3.1.4 The £170,000 match funding will come from existing staffing budgets and so no additional resources are being requested.
- 3.1.5 If the project is discontinued, the main risk is that the Council will be unable to deliver key corporate performance indicators and the aspirations of the 2030 strategy.
- 3.1.6 As with all ERDF projects there is a risk of financial 'clawback' by EU and government inspectors. The Launchpad has previously been inspected and has robust project governance procedures in place that are implemented by an experienced Project Management Team who have in depth knowledge of delivering EU funded projects.
- 3.1.7 It is still unclear how successful projects like this one will be funded when EU Funding stops. The extension to June 2023 will provide time to understand the replacement funding landscape and mitigate the risk of the project coming to a premature end.
- 3.1.8 The full financial implications are summarised on the attached Appendix A.

## **3.2 Legal**

Funding agreements are already in place between DLUHC and the Council and between the Council and its partners which includes Sheffield CC, Doncaster MBC, Rotherham MBC, Prince's Trust. Further funding agreements or variations to the existing agreements will be required and will be reviewed in due course by Legal Services.

## **3.3 Equality**

- 3.3.1 A full Equality Impact Assessment has been completed the summary of the key findings are,
- a. Discuss and provide support to Launchpad participants to implement equality and diversity policies in the workplace.
  - b. Encourage Launchpad participants to engage with the relevant Council's Inclusive Economy activities which aims to ensure that all parts of the community can gain access to meaningful employment.

## **3.4 Sustainability**

- 3.4.1 A decision-making wheel has not been completed as phase 2 of the project has been in operation since 2019 and this is a request to extend existing activity that was agreed in full business plan between project partners and DLUHC. Any decision now to retrospectively implement additional sustainability milestones would have to be agreed by all programme partners as this isn't stipulated in funding agreements.
- 3.4.2 It is recognised that if funding was secured post EU that the 'sustainability decision making wheel' would have to be completed with partners as part of any future activity.

### **3.5 Employee**

3.5.1 The Launchpad delivery team will have their fixed term contracts extended from the 31<sup>st</sup> of March 2022 to the 30<sup>th</sup> of June 2023. The team consists of Business Start Up Manager, Business Start Up Adviser x 2 and Project Officer.

### **3.6 Communications**

3.6.1 Marketing and publicity will be undertaken to promote the benefits of the programme. The Project Management team have procured a specialist PR company to generate good news stories and case studies of those individuals who have received support through the programme.

## **4. CONSULTATION**

4.1 Consultation has taken place with representatives from the Service Director of Finance, regarding the financial implications and Risk Management implications.

4.2 Where appropriate consultation has taken place with Human Resources and the Trade Unions regarding staffing implications.

## **5. ALTERNATIVE OPTIONS CONSIDERED**

5.1 The 'Do Nothing' option would mean that the contracts for the Launchpad delivery team will end on the 31<sup>st</sup> of March 2022 and the Council will have no resources to deliver business start-up support. The Council would lose an opportunity to access external funding and to provide a City Region partnership-based approach to make progress towards closing the economic deficit of the stock of businesses.

4.2 An option to consider is to provide business start-up materials online only and encourage entrepreneurs and business owners to 'self-serve'. Whilst this may be a cost-effective approach, we feel that it won't help with business survival rates, it would also be difficult to keep track of how the business is progressing and refer on to other funding / support opportunities.

## **6. REASONS FOR RECOMMENDATIONS**

6.1 By agreeing to the extension the Council can continue to support pre start, start up and new businesses in the borough.

6.2 Utilising the remaining ERDF and contributions from project partners provides excellent value for money for the council.

6.3 Extending the project delays the closure of the Launchpad project and provides the Enterprising Barnsley Group Leader additional time to identify

additional sources of funding which can continue to provide a valuable service past the 30<sup>th</sup> of June 2023.

## 7. GLOSSARY

CC – City Council

DLUHC – Department of Levelling Up, Homes & Communities

ERDF – European Regional Development Fund

EU – European Union

MBC – Metropolitan Borough Council

SYMCA – South Yorkshire Mayoral Combined Authority

## 8. LIST OF APPENDICES

Appendix A: Financial Implications

## 10. REPORT SIGN OFF

<b>Financial consultation &amp; sign off</b>	See Appendix A
<b>Legal consultation &amp; sign off</b>	24 February 2022  Further funding agreements or variations to the existing agreements will be required and will be reviewed in due course by Legal Services.

**Report Author: Martin Beasley**  
**Post: Group Leader – Enterprising Barnsley**  
**Date: 15 February 2022**