



Report to Economic Development and Skills Policy Committee

Author/Lead Officer of Report: Yvonne Asquith,
Interim Head of Business Growth, City Futures

Tel: 07909898754

Report of: Kate Martin, Executive Director City Futures

Report to: Economic Development and Skills Policy Committee

Date of Decision: 22nd February 2023

Subject: UKSPF – Local Business Support Projects

Has an Equality Impact Assessment (EIA) been undertaken?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
If YES, what EIA reference number has it been given? 1270				
Has appropriate consultation taken place?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Has a Climate Impact Assessment (CIA) been undertaken?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Does the report contain confidential or exempt information?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-				
<i>"The (report/appendix) is not for publication because it contains exempt information under Paragraph (insert relevant paragraph number) of Schedule 12A of the Local Government Act 1972 (as amended)."</i>				

Purpose of Report:

The report seeks approval from the Economic Development and Skills Policy Committee of the proposals for the use of £4.55m of the UK Shared Prosperity Fund (UKSPF) to provide business support to Sheffield businesses.

Recommendations:

That the Economic Development and Skills Policy Committee:

- a) Approve the use of £4.55 million of UKSPF revenue funding to provide business support to Sheffield businesses through the following four key projects –
- Launchpad – £850,000 UKSPF revenue funding for start-up and early stage business support including workshop programme, specialist advisor 1-2-1 support and a small grants programme for start up businesses.
 - Productivity and digital innovation grants – £2.1 million UKSPF revenue funding for SME's to access grants to support productivity gains and digital adoption in the business.
 - Low carbon – £1.3 million UKSPF revenue funding used to provide sustainability audits and grants to improve the energy efficiency, reduce carbon consumption of Sheffield SME businesses.
 - RISE – £300,000 UKSPF revenue funding to provide graduate jobs in Sheffield SME's, partnership programme with both Sheffield Hallam University and University of Sheffield.

Background papers

Lead Officer to complete:-	
1	<div style="display: flex;"> <div style="flex: 1;"> <p>I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.</p> </div> <div style="flex: 1; border-left: 1px solid black; padding-left: 5px;"> <p>Finance: James Lyon</p> <p>Legal Tarmina Saville</p> <p>Equalities & Consultation: Ed Sexton</p> <p>Climate: Jessica Rick</p> </div> </div>
<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>	
2	<div style="display: flex;"> <div style="flex: 1;"> <p>EMT member who approved submission:</p> </div> <div style="flex: 1; border-left: 1px solid black; padding-left: 5px;"> <p>Kate Martin, Executive Director, City Futures</p> </div> </div>
3	<div style="display: flex;"> <div style="flex: 1;"> <p>Committee Chair consulted:</p> </div> <div style="flex: 1; border-left: 1px solid black; padding-left: 5px;"> <p>Martin Smith</p> </div> </div>
4	<p>I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Committee by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.</p>

Lead Officer Name: Yvonne Asquith	Job Title: Interim Head of Business Growth
Date: 31st January 2023	

1.	PROPOSAL
1.1	This report seeks approval from the Economic Development and Skills Policy Committee of the proposals for the use of £4.55m of the UK Shared Prosperity Fund (UKSPF) to provide business support to Sheffield businesses through four business support projects.
1.2	<p><u>Background</u></p> <p>1.2.1 The UKSPF is the Government’s major economic development fund, replacing EU Structural and Investment Funds (ESIF) and aims to contribute to the “Levelling Up” agenda by providing financial assistance (largely revenue) to boost productivity, tackle geographical inequalities and improve life chances, especially in deprived areas. The financial restrictions for the funding are limited to the priorities outlined in the UKSPF Investment Plan.</p>
1.2.3	<p>The SPF has three Investment Priorities and will operate over the next three years. The Investment Priorities and their objectives are:</p> <ul style="list-style-type: none"> • Communities and Place • Local Business Support • People and Skills
1.2.4	<p>The South Yorkshire Mayoral Combined Authority (SYMCA) acting as the lead body for the UKSPF in South Yorkshire submitted an Investment Plan to Government in August 2022. The core themes of the plan were:</p> <ul style="list-style-type: none"> • Supporting communities to address cost of living and pandemic recovery • Promoting the cultural and visitor economy • Providing a broad and inclusive “total business support” offer • Stimulating enterprise and growth • Accelerating R&D and innovation • Building pathways to participation and accessing benefits of being economically active • Promoting a skills-driven green economy <p>As such the South Yorkshire UKSPF will:</p> <ul style="list-style-type: none"> • Contribute to the Council’s response to the Cost of Living (Col) crisis, support recovery post pandemic and encourage engagement and participation of some of our most vulnerable communities. • Support the cultural and visitor economy. • Replace EU funding to support South Yorkshire regional programmes in respect of Business Support and Skills development. <p>SY used to receive c£25m of funding per year under ESIF funding whereas UKSPF funding is c£15m per year. In total £38.9m SPF has been allocated to South Yorkshire of which £32m is revenue and £7m capital. The notional</p>

	allocations to Sheffield have been calculated as being £12.8m revenue and £2.7m capital.
1.2.5	Government approved the SY Investment Plan in December 2002 and since then SYMCA has approved two Year One revenue projects based in Sheffield: Year 1 – Building Thriving Communities (£1.04m) Year 1 – Business Sheffield High Street Business Information Officers (£245k)
1.2.6	In November 2022 Finance Sub-Committee approved that Sheffield City Council should act as Accountable Body for the UK Shared Prosperity Fund for activity within Sheffield and South Yorkshire (where necessary) and authorised the Council to enter into funding agreements with the SYMCA to accept grants associated with UKSPF. It was agreed to delegate authority to the Executive Director, City Futures in consultation with the Director of Finance and Commercial Services, Co-Chairs, grant agreements of up to £250,000 in value with partners as part of the Community and Place Programme.
1.2.7	<u>Local Business Support – revenue projects</u> There is £5.4m revenue available in Sheffield over the three year programme to support activity under the Local Business Support theme. This report relates to £4.55m to fund the core elements of business support.
	Working with regional business support leads, SYMCA and both Hallam University and University of Sheffield the regional task and finish group have developed priorities for UKSPF business support. The approach in the regional group is that proposals are developed and delivered regionally with one accountable body, for each priority, based on experience of ERDF funded programmes and allowing for local nuances. It is important to note that the regional group has identified wider priorities for business support that require more development to access the remaining SPF allocation and wider investment outside of UKSPF, highlighted in 1.4.1 below. The below proposals for recommendation to approve highlight the four core elements of future business support.
	The drafted proposals have already been ratified by the regional working group and will be recommended for approval in the SYMCA Business Recovery Board on 9 th February 2023.
	<u>Background to the core business support proposals –</u> The regional working group has taken on board its experience of delivering on key ERDF funded projects, feedback from businesses involved in them and stakeholder feedback. The core elements of business support recommended for approval are based on the following key business support programmes. The

	<p>below outlines what those priorities are based on and background to what has already been achieved and delivered, which the proposals for UKSPF funding will build on:</p> <p>Start up activity – using South Yorkshire’s Launchpad programme (in its sixth year of operation with ERDF funding). Business Sheffield is the deliverer in Sheffield, the programme has provided start up support and support to early stage businesses through a team of advisors, a workshop programme delivered by advisors and specialist private sector organisations. The programme provides a front door for all start up enquiries, the ambition is that the new programme will bring together key stakeholders to avoid duplication of support in the future a key driver for the working group going forward.</p> <p>The Accountable body Barnsley MBC for the programme with the Council via Business Sheffield acting as a delivery partner in Sheffield, ensuring a front door to all Sheffield start-up enquiries and working with other stakeholders in the city to avoid duplication and ensure the recommendations of the Synergy report are taken on board in any future delivery.</p>
	<p>Specialist advisors – based on the success of the Recovery Action Plan Advisors, funded with Recovery Action Plan monies for the last two years from SYMCA. The Advisors are specialist consultants and work across sectors. The Advisors actively engage with businesses in activity that will increase their productivity, access to wider markets, digital innovation, an overall uplift in turnover and profit alongside specialist advise on carbon reduction across sectors. (This is not a UKSPF ask but will be funded from separate funds available through SYMCA but part of the key approach to the core elements of business support identified by the regional working group). There are four Specialist Advisors who provide a route for businesses to access strategic support and the toolkit of grants including productivity, digital adoption and low carbon support (see below).</p>
	<p>A toolkit for specialist advisors including-</p> <p>Low Carbon – audit and grants. Inundated since its inception in December 2021. The current project has coincided with an increase in energy prices resulting in substantial interest in the programme which provides free audits of carbon usage for businesses and the ability to be able to access a grant towards specific carbon reduction measures highlighted in the audit. So far the project has delivered 160 audits of which 65 are Sheffield businesses and a total of 81 grants across South Yorkshire of which 33 are Sheffield businesses (still rising as the project completes). Total annual carbon reduction of 802 tonnes.</p> <p>Sheffield City Council is the Accountable Body for the regional project.</p>
	<p>Digital Innovation Grants – Specialist Advisors have supported Sheffield businesses to apply for digital adoption grants which offer grants of up to £5,000 for total project costs of £10,000 that help businesses adopt new technologies. Many sector businesses are utilising old technology and paper</p>

	<p>based administrative, stock management and order processing and at a time when cash readiness within businesses has been limited because of covid the project has been well received. 99 out of a total of 196 South Yorkshire applications (still rising as the project completes).</p>
	<p>Productivity Grants – businesses have been able to access 50% grant funding towards small items/equipment that increase productivity in the business, total project costs are up to £24,999.</p> <p>Through a strong communications campaign and active specialist advisors Business Sheffield has supported 103 Sheffield businesses (out of a total 307) with productivity grants. In all instances businesses have produced productivity efficiencies on processes so they can utilise their team on more skilled areas of production in many cases have created jobs. In addition the project has helped many businesses hit during Covid to bring forward growth plans that they would otherwise have put on hold and in many instances, it has opened up businesses to new markets and efficiencies.</p>
1.3	<p>Core UKSPF Local Business Support proposals</p> <p>That £4.55 million of UKSPF revenue funding is used to provide business support to Sheffield businesses through the following four core projects in the financial years 23/24 and 24/25. Whilst the funding available is significantly less than ERDF monies, by concentrating on avoiding duplication and prioritising core activity, the following proposals will retain staffing to current levels. An overview of the core elements is below:</p>
	<p>Launchpad – £850,000 UKSPF revenue funding for start-up and early stage business support including workshop programme, specialist advisor 1-2-1 support and a small grants programme for start-up businesses.</p> <p>Launchpad is a regional business support programme and will act as Accountable Body for the programme, Business Sheffield will function as the accountable body in Sheffield, Barnsley. The project funding will be split into two financial years 2023/24 and 2024/25 Barnsley MBC are the accountable body for the project and Business Sheffield, SCC the delivery partner for Sheffield.</p> <p>The project provides entrepreneurs in SY with the opportunity to explore and challenge their business ideas. Aimed at those wanting to start in business and those in their early stages in business.</p> <p>The project costs for the proposal for Sheffield are to fund the existing Advisor Team which is currently match funded by ERDF and consists of 2 x Start Up Advisors, 2 General Business Advisors, part fund a Marketing and Sales Advisor and support with marketing and project support. Other key costs will cover flexible costs for the delivery of a workshop programme both face to face and virtually and for costs to fund space for workshop delivery to take place both in the city centre and in our neighbourhood centres. The remaining revenue funding of the staffing posts is secured through core costs.</p>

	<p>The Council will contribute £77,250 in Year 1 and £103,000 in Year 2 towards staffing costs. Utilising UKSPF for the project will mitigate some of the budget issues faced by losing ERDF on both staffing costs and on delivery for the Launchpad programme. These costs are already accounted for and available in budget.</p> <p>Outputs for the Sheffield Launchpad project include –</p> <ul style="list-style-type: none"> • Number of potential entrepreneurs provided with assistance to be business ready – 260 • Number of businesses receiving grant – 80 • Number of businesses receiving non financial support 103 • Number of jobs created 51 • Number of new businesses created 61
	<p>Productivity grants</p> <p>Productivity grants – £2.1 million UKSPF revenue funding for SME’s to access grants to support productivity gains in the business. The funding split for the two years is £800k in 2023/24 and £1.3 million 2024/25.</p> <p>The project will support SME’s to improve their productivity through grants to improve how they capture and measure productivity gains. The root cause of any productivity issue tends to be one of three factors, cost, capacity and response. Resolving them will provide businesses the opportunity to improve their productivity.</p> <p>In Sheffield we will combine the success of the digital adoption grants project to utilise two size of grant pots for smaller digital adoption projects aswell.</p> <p>A relatively small delivery team in Sheffield with specialist consultants to support helping businesses to identify productivity opportunities and support businesses with their applications. Alongside advisors to support businesse the project will part fund programme support consisting of 0.7 Grants and Claims Officer, 0.3 Programme Manager and 0.2 Business Growth Manager resulting in match funding for Business Sheffield and Programme Management teams for substantive positions, match funding from the Council of £32,698 in Year 1 and Year 2 mitigating some of the key issues identified by ERDF funding coming to an end. These costs to the Council are accounted for within existing budgets.</p> <p>The grant funding has been split into the following for Sheffield SME’s:</p> <p>110 productivity grants – £12,500 grant for projects – 50% match funding minimum (financed by the business). 75 digital adoption grants - £5,000 grant for projects – 50% match funding minimum (financed by the business)</p> <p>The outputs for the Sheffield delivery include –</p>

	<ul style="list-style-type: none"> • Number of businesses receiving grant 185 <p>Changes to the current productivity and digital grant programmes include flexibility around total project costs, to support larger capital expenditure, the ability to work with sectors that have been precluded from support in the current productivity project, especially the care sector which is a critical sector of support in Sheffield and one which can benefit from productivity and digital adoption improvements.</p> <p>Business Sheffield already has a pipeline of businesses that have missed out on grants due to the financial completion of the current digital adoption project and reaching the Sheffield limit for productivity grants. We fully expect to hit the ground running with these grants.</p>
	<p>Low Carbon/Net Zero – £1.3 million UKSPF revenue funding used to provide sustainability audits and grants to improve the energy efficiency, reduce carbon consumption of Sheffield SME businesses.</p> <p>Sheffield City Council will be the regional Accountable Body for the project with delivery partners in the other three local authorities. The total project across South Yorkshire is estimated to be £6.4m which includes private match from the individual businesses and the other SY SPF (total UKSPF allocation £3,424,482) allocations will be utilised for the specialist support, audits and grants in their areas.</p> <p>Building on the current low carbon project the following key things take on board feedback from businesses and the key delivery partners already engaged in the current programme –</p> <p>The low carbon audits provided by a framework of sustainability consultants will build on the current programme, the audit approach will be more flexible and highlight wider sustainability improvements for businesses including waste reduction measures and supply chain improvements. Example interventions could include LED lighting, insulation air/ground source heat pumps and associated works (eg replacement radiators), double/triple glazing and solar panels.</p> <p>Alongside Specialist support for businesses the project will contribute SPF funding to a full time Project Support Officer and 0.7 of a Programme Manager supporting the existing staffing costs of the team, mitigating the risks identified by ERDF ending.</p> <p>Also building on feedback to the existing project it will vide access to the following grant package to allow for bigger carbon reduction measures and larger projects:</p> <p>Grants up to 5,000 – 10,000 total project costs Grants up to 12.500 – 25,000 total project costs Larger grants for projects above £12,500</p>

	<p>(match funding required at 50% minimum from the business for all of the above).</p> <p>Marketing and comms to promote the grant to a large Sheffield business base will be utilised alongside existing relationships within Business Sheffield and the businesses already on the reserve list for the current project will be actively targeted to meet these ambitious targets.</p> <p>The main outputs for the project are as follows:</p> <p>Number of businesses receiving non financial support – 260 SY (104 Sheffield) Number of businesses receiving financial support – 220 SY (88 Sheffield) Increased amount of low or zero carbon energy infrastructure installed (SY 2,000 sq metres)</p> <p>The programme will be administered by the Programme and Accountable Body Team within City Growth who have experience of delivering the current Low Carbon project.</p> <p>A Steering Group for the project will be developed to include Sustainability Team representation, SY local authority partners and private sector representation.</p>
	<p>RISE – £300,000 UKSPF allocation for a business support programme that will place graduates into SME business vacancies, the new programme will operate in a slim down approach and work with the business support teams to find job vacancies, advertise vacancies and support from the universities to assist graduates to successfully apply for those positions with Sheffield Hallam University and University of Sheffield providing ongoing support.</p> <p>Sheffield City Council will be the regional Accountable Body for the project with delivery partners in the other three local authorities. The total project across South Yorkshire is in development will not exceed £500,000 (remaining budget required from other SY local authority partners).</p> <p>It is expected that the slimmed down version of the programme will provide 100 graduate jobs and;</p> <ul style="list-style-type: none"> • Number of businesses receiving non financial support – 100 <p>The Council will operate as accountable body for the regional programme.</p>
	<p>Specialist Advisors</p> <p>The link into the toolkit and wider strategic support required by the business base will be provided by a team of Specialist Advisors. Not a UKSPF funding requirement SYMCA will continue to fund four Specialist Advisors in Sheffield over the next 24 months to engage a wide SME business base to access the above products and support businesses to reach their full potential during a challenging time for many business sectors.</p>

1.4	Additional priorities identified
1.4.1	UKSPF will support the funding of those individuals and products that have been funded by ERDF and keep going the good support and momentum built. However this is only going to keep us where we are or marginally move us forward without addressing the significant and entrenched issues in our business support ecosystem. For transformational change a series of wider priorities and transformational priorities have been identified by SYMCA and the regional working group.
	<p>These wider transformational priorities are listed below with estimated SY costs:</p> <p>Acceleration programmes –£3m with private sector match Entrepreneurship and intrapreneurship - £1m Early-stage finance Co-working space and incubation - £1m capital Culture and creative programmes - £1m Innovation activities - £2m Ownership Hub models - £1.4m Supply Chain - £tbc Social Enterprise - £tbc</p>
1.4.2	There is no identified funding source for these wider priorities outside the small amount of remaining UKSPF Funding. To date SYMCA report spending £2.24m of the initial £6.91 has been committed from Recovery Action Plan programmes. The proposal to fund the Specialist Advisors will take up £1.6m of the budget. This will leave £3m of the initial allocation not yet committed. Leaving an overall funding gap for the additional transformational priorities as £7.4m.
1.4.3	Further development of the priorities will take place by SYMCA and the regional task and finish working group over the coming weeks including exploring the funding gap and access to wider regeneration funds. Progress of these priorities will be brought to the Committee through additional workshops and formal Committee papers.
2.	HOW DOES THIS DECISION CONTRIBUTE?
2.1	The Shared Prosperity Fund Prospectus outlines the investment priority to support local businesses and this fits the objective to increase private sector investment in growth activities, through targeted support for small and medium sized businesses to undertake new to firm innovation, adopt productivity enhancing, energy efficient and low carbon technologies and techniques and start and grow their export.
2.2	The South Yorkshire Shared Prosperity Fund Investment Plan highlights the key challenges and priorities for South Yorkshire under the local business support objective this project will specifically target Objective 29 to support decarbonisation and improve the natural environment whilst growing the local economy. Maximising existing or emerging local strengths in low carbon

	technologies, goods and services to take advantage of the growing global economy and by funding a direct grants programme to support businesses to take substantive action to decarbonise consequently the low carbon project directly meets theme seven of the green economy under this measure supported also by private sector match funding which is key part of the proposal – with private sector contribution for all three level of grants at 50% intervention rate as a minimum.
2.3	The activity will directly contribute to the Council’s Cost of Living Crisis Strategy and Action Plan. In addition, support to the businesses aligns with the Covid Business Recovery Plan.
2.4	The project will support the Council’s low carbon ambitions by supporting businesses to reduce their carbon usage. The Council has a 10 point plan and is developing a business decarbonisation plan of which the low carbon project is a specific and effective tool to encourage better understanding from businesses about their carbon emissions and how they can reduce them, alongside grant incentives to fund specific actions to reduce their carbon usage and look to more efficient and less damaging solutions. By supporting businesses, the project will help businesses to actively survive and grow.
3.	HAS THERE BEEN ANY CONSULTATION?
3.1	The core proposals have been developed by a Task and Finish Working Group involving all four local authority business leads, Hallam University, University of Sheffield and SYMCA.
3.2	The priorities for future UKSPF funding were highlighted in the Economic Development and Skills Committee Meeting on 30 th November 2023, in the item ‘Cost of Living Crisis and Support for Business’ which committee members were supportive.
3.3	A further workshop with Economic Development and Skills Committee members on 30 th January 2023 was undertaken to outline the specific proposals outlined in the paper and all were supportive of the content of the proposals covered in this paper.
3.4	We will seek further consultation on additional priorities and proposals as they are developed through both Committee workshops and formal Committee papers for approval.
4.	RISK ANALYSIS AND IMPLICATIONS OF THE DECISION
4.1.1	<p><u>Equality of Opportunity Implications</u></p> <p>An EIA was undertaken for the wider UKSPF Programme as part of the Finance Sub Committee report in November 2022, EIA 1270, Appendix 1. The assessment determined that the proposals should have a positive impact as the purpose of UKSPF is to Government’s ambition to ‘level up’. The South Yorkshire Investment Plan for UKSPF had further developed this to a series of</p>

	<p>themes that directly relate to the local economy and social needs and should see positive interventions across a range of vulnerable sections of our community.</p>																																																		
4.1.2	<p>The initial EIA identified potentially positive impacts in relation to several protected characteristics and equality impacts, including Age, Disability, Race, Financial Inclusion and Cohesion.</p> <p>The proposals maintain the position of the EIA by supporting the ability to support businesses to survive and grow, access grants at a time when costs in businesses are high and ability to fund growth is limited without support.</p>																																																		
4.1.3	<p>Finally, the EIA undertaken for the Race Equality Commission, EIA 1323, Appendix 2, and the Business Growth Response highlights in detail the development of Business Sheffield and all its business support projects. This EIA in particular will form the basis of developing our approach across these core projects with a view to better reporting of equalities data alongside developing business support to reach wider business bases and individuals looking to start a business.</p>																																																		
4.2	<p><u>Financial and Commercial Implications</u></p> <p>Estimated Budgets 2023/24 to 2024/25</p> <p>The draft Sheffield costs for the four proposals are outlined below, including the budget for UKSPF and remaining allocation:</p> <table border="1"> <thead> <tr> <th>Local Business Support UKSPF</th> <th></th> <th>2023/24</th> <th>2024/25</th> <th>TOTAL</th> </tr> </thead> <tbody> <tr> <td>REVENUE BUDGET</td> <td>255159</td> <td>1606544</td> <td>3565462</td> <td>5427165</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Priority</th> <th></th> <th></th> <th></th> <th></th> </tr> </thead> <tbody> <tr> <td>Info Officers</td> <td>255,159</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Low Carbon</td> <td></td> <td>593,368</td> <td>698,086</td> <td>1,291,454</td> </tr> <tr> <td>Launchpad</td> <td></td> <td>415,000</td> <td>426,500</td> <td>841,500</td> </tr> <tr> <td>Productivity</td> <td></td> <td>770,209</td> <td>1,295,209</td> <td>2,065,418</td> </tr> <tr> <td>RISE</td> <td></td> <td>150,000</td> <td>150,000</td> <td>300,000</td> </tr> <tr> <td>TOTAL</td> <td></td> <td>1,928,577</td> <td>2,569,795</td> <td>4,498,372</td> </tr> <tr> <td>REMAINING</td> <td>-</td> <td>322,033</td> <td>995,667</td> <td>673,634</td> </tr> </tbody> </table>	Local Business Support UKSPF		2023/24	2024/25	TOTAL	REVENUE BUDGET	255159	1606544	3565462	5427165	Priority					Info Officers	255,159				Low Carbon		593,368	698,086	1,291,454	Launchpad		415,000	426,500	841,500	Productivity		770,209	1,295,209	2,065,418	RISE		150,000	150,000	300,000	TOTAL		1,928,577	2,569,795	4,498,372	REMAINING	-	322,033	995,667	673,634
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4.3	<p>The estimated budgets have been proposed to SYMCA and all the regional partners. Costs take into account current ERDF projects ending in June 2023.</p>																																																		

	<p>All revenue funding will be secured via UKSPF revenue funding. Important to note that the remaining £673,634 of UKSPF will be considered under wider priority setting. It is important to note that in addition the funding could be used to top up grant numbers.</p>
4.4	<p><u>Third Party Grants</u></p> <p>Acting as Accountable Body for the Low Carbon project and RISE the Council will be required to enter into grant funding agreements with third parties; Barnsley Council, Doncaster Council and Rotherham Council. The relevant terms and conditions of the Funding Agreement with SYMCA will be transferred across to the third party to mitigate any risk of clawback.</p> <p>The Council will enter into a contract with Barnsley Council on Launchpad and Productivity, who will act on behalf of SYMCA for the two regional projects.</p>
	<p>In November 2022 Finance Sub-Committee approved that Sheffield City Council should act as Accountable Body for the UK Shared Prosperity Fund for activity within Sheffield and South Yorkshire (where necessary) and authorised the Council to enter into funding agreements with the SYMCA to accept grants associated with UKSPF.</p> <p>Finance Sub-Committee have already approved the ability for the Council to enter into a grant agreement with SYMCA and award grants up to £250,000. However, in the unlikely event that the grant terms from SYMCA significantly differ from the draft example received then further approval will be sought prior to entering into the Agreement.</p>
4.5	<p><u>Procurement</u></p> <p>All public sector procurement is governed by and must be compliant with UK National Law and the Grant Agreement. In addition, all procurement in SCC must comply with its own Procurement Policy, and internal regulations known as 'Contracts Standing Orders' (CSOs).</p> <p>Contracts Standing Orders requirements will apply in full to the procurement of services, goods or works utilising grants. All grant monies must be treated in the same way as any other Council monies and any requirement to purchase/acquire services, goods or works must go via a competitive process.</p> <p>Procurement requirements will also be passed on to grant beneficiaries where the Council provides UKSPF to a third party via a grant agreement.</p>
4.6	<p><u>Legal Implications</u></p> <p>The Council is expected to be awarded up to £3.43m UKSPF funding by SYMCA for the UKSPF for the delivery of the Low Carbon project, £1.3m is allocated from Sheffield's UKSPF allocation for spend in Sheffield.</p>

	The Council is expected to be awarded up to £2.95 funding on behalf of SYMCA by Barnsley Council for Launchpad and Productivity projects.
	The Council is expected to be awarded up to £500k funding by SYMCA for the delivery of the RISE programme.
	The Council has a general power under Section 1 of the Localism Act 2011 to do anything that an individual may generally do provided it is not prohibited by other legislation and the power is exercised in accordance with the limitations specified in the Act which enables the Council to accept the funding.
	The Council will be required to enter into grant agreements with SYMCA, officers working on this project must be aware of these requirements and ensure they are complied with. Any subsequent onward grant agreements with key delivery partners will mirror down the grant terms between the Council and SYMCA.
	The Council must comply with all applicable legislation and regulations.
4.7	<ul style="list-style-type: none"> • Subsidy Control <p>It is anticipated that the majority of support to businesses will represent a subsidy under the terms of the Subsidy Control Act 2022.</p> <p>Where grants are considered to be Subsidy the Council will apply one of three approaches:</p> <ul style="list-style-type: none"> - Award funding under the Minimal Financial Assistance scheme that allows subsidy awards up to £315k in a three-year period. - Award an ad hoc subsidy which will need to be notified on the Subsidy Control database once a justification has been written and considered by the Executive Director of City Growth. - Award funding under streamlined rates.
4.8	<p><u>Climate Implications</u></p> <p>A Climate Impact Assessment has been completed and is attached at Appendix 3. The international and national position in respect to climate change is well established and in 2019 the UK became the first major economy to pass laws to end its contribution to global warming by getting to Net Zero by 2050.</p> <p>In the same year the Council declared a Climate Emergency and subsequently set a target for city wide emissions to be net zero by 2030. Following the production of the Zero Carbon Mitigation Pathways for reducing both city wide emissions and emissions from the Council's own estate and operations by 2030, the Council adopted its 10 Point Plan for climate action in March 2022.</p> <p>The four programmes will be able to make a substantial contribution to reducing carbon emissions from SME's in Sheffield. Whilst the low carbon programme has a full focus on carbon reduction, the other 3 programmes may also contribute to emissions reductions through digital innovation and efficiency</p>

	improvements. All 4 programmes are likely to have positive climate benefits in the areas of energy use, economy and influence, and also support businesses to better manage other areas of impact such as transport, resource use and waste.
	The low carbon project will support the Council's low carbon ambitions by supporting businesses specifically to reduce their carbon emissions. With the requirement of an Energy Audit to be undertaken for each grant award the Council will be to accurately determine the carbon savings for each intervention. This information will be useful for identifying activity in the future and establishing a cost per CO2e benchmark. The project will also enable the provision of wider 'wraparound' sustainability advice on topics such as sustainability strategy, monitoring and measurement, supply chain management water and waste management.
5.	ALTERNATIVE OPTIONS CONSIDERED
5.1	<p>A do-nothing option would result in core business support programmes stopping altogether. The proposal as developed specifically looks to address strategic and financial support to increase productivity, reduce carbon emissions, reduce energy costs and help individuals to start businesses in the city.</p> <p>Alternative proposals would have less alignment with the themes developed in the SYSPF Investment Plan and might not be supported by SYMCA.</p>
6.	REASONS FOR RECOMMENDATION
6.1	<p>The underlying benefit that this proposal brings to secure external funding to deliver a programme of activity in Sheffield that will cover:</p> <ul style="list-style-type: none"> - Addressing the Cost-of-Living crisis - Support the community sector - Support to the cultural and visitor economy - Improvements to the built environment and reduce carbon emissions. <p>The estimated value of support from SPF to Sheffield is a minimum £4.55 over two years with an expectation of additional private and public match funding.</p>