
Report to: Inclusive Growth and Public Policy Panel

Date: 1 March 2019

Subject: **Funding for Inclusive Growth**

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1. Purpose of this report

- 1.1 To provide Panel members with an update on funding to drive inclusive growth in the City Region, in particular the Inclusive Growth element of the Growing Places Fund (GPF).

2. Information

Context and principles

- 2.1 As one of the first devolved funding streams to the City Region, the GPF is aimed at growth projects not able to source full funding on the open market.
- 2.2 Since the GPF was launched in 2011/12, the policy context has evolved:
- Economic and social conditions and priorities have changed, with the City Region refreshing its Policy Framework and the emerging Local, Inclusive Industrial Strategy, with Inclusive Growth at their heart.
 - Other public grant and loan funding streams have become available, including the Revolving Investment Fund, European Structural and Regeneration Funds and Growth Deal.
- 2.3 With significant capital receipts returned to the GPF and more forecast to arrive by 2019/20, the LEP Board meeting of 20 September 2018 agreed to use the returned funds to support significant ongoing returnable investment and grant funding to drive Inclusive Growth across the City Region. LEP Board members agreed in principle that capital returned funds generated through the Growing Places Fund are used as follows:
- To continue providing investment capital on a returnable basis which was agreed to comprise the significant majority of funds (e.g. 80%) to continue to generate the scale of returns to provide longevity.

- To allocate funding to directly (grant) fund projects that improve outcomes that support Inclusive Growth. It was agreed this should constitute about 20% of the GPF capital returned funds.
- 2.4 The available element of the GPF for new inclusive growth activities across the City Region is currently circa £700,000. Panel members will receive regular updates about future funding available.
- 2.5 The role of Panel members will be to advise on funding allocation across:
- a) A range of new Inclusive Growth programmes to be approved by the Panel (see section 2.6 for more details).
 - b) Existing/planned programmes to ensure these are delivered in an inclusive way. Examples of existing/planned programmes with an explicit consideration of inclusion include:
 - Enterprise Advisors giving careers advice and employability skills to disadvantaged students
 - Inclusive Growth element of Business Grants (see item 10 for details)
 - Pop-up Business Advice Café to bring business advice into communities
 - Inclusive Growth Corridors with ongoing work to ensure transport connections benefit deprived communities
 - Business Rate Pool projects aimed at driving Inclusive Growth (see item 10 in the December 2018 IGPPP papers).

Next steps

- 2.5 Options on guiding principles for the prioritisation of the Inclusive Growth funding will be presented at the next meeting. The principles could be related to funding projects that are addressing particular 'exclusion challenges' in the City Region, aligned with those identified in the Inclusive Growth strategic Framework. For example, they could cover ensuring inclusive access to:
- Skills and training
 - Affordable housing
 - 'Good work' and in-work progression
 - Organisations that increase digital access
 - Healthy workplaces
 - Business investment for third sector organisations which directly address exclusion of particular communities/ groups of residents
 - A greater awareness of local employment opportunities
 - Accessible and affordable transport connections
 - Employment opportunities for residents with disabilities

In particular, the funding could build on the inclusive growth corridor work already undertaken.

- 2.6 Potential options of complementing the Inclusive Growth funding with ESF match-funding will also be presented at the next Panel meeting.

3. Financial Implications

- 3.1 Decisions about the principles for the reinvestment of returned funds from the Fund (by the Inclusive Growth and Public Policy Panel and the LEP Board) will have financial implications. A further report will be required to provide more details on the financial implications based on the operationalisation of the LEP Board's decision. This will need to look at all potential costs and income from the fund including interest, technical support, resource and potentially balancing a portfolio of risk.

4. Legal Implications

- 4.1 There are no direct legal implications as a result of this report.

5. Staffing Implications

- 5.1 There are no direction staffing implications arising from this report.

6. External Consultees

- 6.1 There are no external consultations arising from this report.

7. Recommendations

- 7.1 That the Panel notes the update on available funding to drive Inclusive Growth either through existing/ planned programmes or new targeted programmes.
- 7.2 For Panel members to provide comments on the development of tangible principles on the prioritisation of Inclusive Growth funding.

8. Background Documents

- 8.1 None

9. Appendices

- 9.1 None