

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO CABINET

17 DECEMBER 2019

REPORT OF THE CHIEF EXECUTIVE

WELSH GOVERNMENT FOUNDATIONAL ECONOMY CHALLENGE FUND

1. Purpose of Report

The purpose of this report is to update Cabinet on an application for funding to the Welsh Government Foundational Economy Challenge Fund and to seek Cabinet approval to accept a funding offer and enter into agreements with delivery partners as appropriate.

2. Connection to Corporate Improvement Objectives/Other Corporate Priorities

2.1. This report supports the following corporate priorities:

- Supporting a successful economy – taking steps to make the county a good place to do business, for people to live, work, study and visit, and to ensure that our schools are focused on raising the skills, qualifications and ambitions of all people in the county.
- Smarter use of resources – ensuring that all its resources (financial, physical, human and technological) are used as effectively and efficiently as possible and support the development of resources throughout the community that can help deliver the Council's priorities.

3. Background

3.1. The Welsh Government considers that the foundational economy consists of basic services and products, that people rely on these services and products and they keep the population safe, sound and civilised.

3.2. Examples of the foundational economy cited by Welsh Government are:

- Care and health services
- Food
- Housing
- Energy
- Construction
- Tourism
- Retailers on the high street

3.3. Furthermore, it is estimated that the foundational economy in Wales provides four in ten jobs and £1 in every £3 spent is in the foundational economy.

- 3.4 The Welsh Government's approach to supporting and developing the foundational economy focuses on three areas:
- A £4.5m Foundational Economy Challenge Fund: This will support a series of experimental projects that will enable the testing of approaches to support the foundational economy.
 - A renewed focus on growing the 'missing middle': A focus on increasing the number of grounded firms in Wales to establish a firm base of medium sized Welsh firms which are capable of selling outside Wales but have decision making rooted firmly in Welsh communities.
 - Spreading and scaling best practice: A focus on social value within procurement. Support will be provided to Public Service Boards to use and strengthen local supply chains. The Well-being of Future Generations (Wales) Act methods will assist with progress.
- 3.5 To support this, the Welsh Government have established the following:
- The Economic Action Plan (EAP) which has set the direction for a broader and more balanced approach to economic development with a shift towards a focus on 'place' and making communities stronger and more resilient.
 - A Ministerial Advisory Board Task and Finish Group on the Foundational Economy to provide advice to Welsh Ministers on current and future interventions and best practice; support wider engagement with stakeholders in the foundational economy; and promote a joining-up of relevant government and non-governmental initiatives.
- 3.6 The Foundational Economy Challenge Fund was launched in summer 2019 to encourage new and experimental approaches towards supporting the foundational economy across Wales. The budget for the fund was set at £4.5m, which includes £2.4m from the Valleys Taskforce budget, specifically ring-fenced for projects in the Valleys Taskforce area.
- 3.7 Following the launch of the fund, officers submitted a proposal for funding the B-Ridges project in July 2019.

4. Current Situation / Proposal

- 4.1. Bridgend County Borough Council (BCBC) has received notification from Welsh Government that the proposal for the B-Ridges project has been approved. The B-Ridges project will have the strapline of: Bridgend County – Retail | Invest | Develop | Grow | Evolve | Sustain.
- 4.2. The B-Ridges project aims to create a support package to allow business start-ups in Bridgend and Maesteg town centres to become sustainable. These areas are targeted as they fall within the Valleys Taskforce area and are therefore eligible for the ring-fenced funding. Officers will however engage with other funders to seek opportunities to further extend the approach being undertaken by the B-Ridges project into other areas of the County Borough.

- 4.3. The project will support Bridgend and Maesteg town centres by utilising vacant premises. Based on the very successful 'Meanwhile' project in Merthyr, the B-Ridges project will ensure that entrepreneurs will be fully supported with a consistent and co-ordinated approach to business advice utilising the combined resources of the existing business networks, enhanced by harnessing the support of the private property sector. This will support the sustainability of the businesses that take part, eventually allowing them to trade independently of the project.
- 4.4 By adding value to the existing Kickstart business start-up grant delivered by BCBC and the Pop-Up business school funded by BCBC the B-Ridges project will:
- Enable new foundational economy business to start trading from the town centres
 - Support currently empty retail units to become occupied
 - Provide business advice support to start-up foundation economy businesses
 - Assist new business to create new jobs
- 4.6 The proposal for the B-Ridges project has been offered a £75,000 grant towards a total project cost of £100,000.

5. Effect upon Policy Framework & Procedure Rules

- 5.1 There is no direct impact on the Council's policy framework and procedure rules.

6. Equality Impact Assessment

- 6.1 An initial assessment has identified that there are no equality issues related to this report.

7. Well-being of Future Generations (Wales) Act 2015 implications

- 7.1 The Well-being of Future Generations (Wales) Act 2015 Assessment Template has been completed and a summary of the implications from the assessment relating to the five ways of working is below:
- Long-term: The activities that form part of the scheme have been identified by a wide range of local stakeholders in response to issues facing both town centres. The ability of the project to test different ways of working will provide opportunities for new and existing businesses to learn from one another and develop long-term approaches.
 - Prevention: On their own none of the partners would be able to achieve the scale of impact that such a partnership approach offers. Therefore delivering in this way offers the opportunity to build on lessons learnt from other areas to date and prevent a deterioration of the town centres.
 - Integration: The scheme will achieve this way of working by recognising the approaches that are proposed for support are those that have been identified by partner organisations due to their synergy with local, regional and national priorities.
 - Collaboration: The proposals have been developed and will be delivered through a strong partnership between BCBC and key stakeholders in the town centres.

- Involvement: The scheme will be delivered in close partnership with a range of local stakeholders in each town. Discussions and development with neighboring Authorities has taken place through BCBC's Economy, Natural Resources and Sustainability team along with the Town Centre Manager and relevant officers from neighbouring Authorities as well as representatives from a range of private and third sector partners.

8. Financial Implications

- 8.1 Welsh Government have offered £75,000 for delivery of the project towards an overall project cost of £100,000.
- 8.2 The remaining £25,000 required as match funding will be provided by a ring-fenced contribution from the BCBC Kickstart fund, supported through the Council's Strategic Regeneration Fund (SRF).
- 8.3 The Funding relates to the period 01/11/2019 to 31/3/2021 and must be claimed in full by 21/04/2021.
- 8.4 The Section 151 Officer will ensure that the grant funding provided is used solely for the purposes outlined in the grant offer letter. Expenditure of the grant will comply with all statutory requirements for accounting and internal audit (including supporting records and all systems of internal checks and control), and will be included with any internal or external audit of the Council's funding.

9. Recommendation

Cabinet is recommended to:

- 9.1 Note the approval of funding from Welsh Government for the delivery of the B-Ridges project to trial new approaches to enable new foundation economy business to start trading from the town centres; support currently empty units to become occupied; provide business advice support to start-up foundation economy businesses; assist new business to create new jobs.
- 9.2 Authorise the Head of Operations – Community Services, in consultation with the Section 151 Officer and Head of Legal and Regulatory Services, to enter into appropriate agreements to accept the funding and deliver the project.

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Chief Executive
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Background documents:

None