

Report to: Cabinet



Date of Meeting 6 October 2021

Document classification: Part A Public Document

Exemption applied: None

Review date for release N/A

Innovation and Resilience Fund (IRF) – Contract Standing Order Exemption for Project Sponsor Services

Report summary:

This covering report sets out the action taken by officers to commission specialist project sponsor support to help East Devon business owners prepare robust applications to the Innovation and Resilience Fund (IRF). This assistance will ensure the required IRF scoring criteria are addressed wherever possible by the project proposals put forward. The external support will allow officers to focus on the assessment and reporting of full submissions ahead of member Panel decision making and will maximise the likelihood of EDDC being able to allocate our total ARG top up (£1.14m) before the Government spend deadline of 31 March 2022.

Is the proposed decision in accordance with:

Budget Yes No

Policy Framework Yes No

Recommendation:

That Cabinet note that a Contract Standing Order Exemption for the provision of project sponsor services, up to the value of £45,277.50 over 2 years, has been authorised for the upcoming Innovation and Resilience Fund (IRF) scheme.

Reason for recommendation:

Where the value of an exempted contract is £20,001 or above, Rule 3.2 of the Contract Standing Order procedure requires officers to present a report for Cabinet to note their support for the action taken.

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Portfolio(s) (check which apply):

- Climate Action and Emergencies
- Coast, Country and Environment
- Council and Corporate Co-ordination
- Culture, Tourism, Leisure and Sport
- Democracy and Transparency
- Economy and Assets
- Finance
- Strategic Planning
- Sustainable Homes and Communities

Equalities impact Low Impact

Climate change Low Impact

Risk: Low Risk;

Links to background information

Link to [Council Plan](#):

Priorities (check which apply)

- Outstanding Place and Environment
 - Outstanding Homes and Communities
 - Outstanding Economic Growth, Productivity, and Prosperity
 - Outstanding Council and Council Services
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Report in full

To deliver the upcoming IR Fund (Innovation and Resilience Fund), the Economic Development team will require external support to assist applicants with their IRF application.

Funding from this scheme will only be awarded to applicants if they have brought together a robust application and a detailed project plan for a particular innovation or project to improve their resilience.

The fund is not aimed at funding existing activity and will not provide any form of wage supplement irrespective of the impact of previous periods of restrictions. In this way, it is entirely separate to previous discretionary grant schemes which focussed at mitigating the impact of fixed business costs and preserving employment during periods of reduced trade. The IRF Policy makes clear, this fund is only focussed on supporting the recovery of our economy through supporting new projects which deliver innovation, adaptation and/or increased resilience.

If an applicant to the IRF presents a Policy compliant expression of interest, they will be invited to access 'project sponsor' support from our commissioned supplier Business Information Point (BIP) to develop their full application to the IRF, along with any supplementary information such as business plans and feasibility studies. If the applicant opts to peruse this support, they will receive advice from an accredited business advisor with specific local knowledge and direct experience in providing support to East Devon organisations developing submissions to publicly funded enterprise programmes.

This bespoke assistance in thinking through every element of their proposed project and in preparing their application will ensure the IRF scoring criteria are addressed wherever relevant. This will strengthen both the eventual submission and the likelihood of successful delivery.

A further benefit of this external support is that in utilising BIP as project sponsors, applicants will not need to seek the same support from EDDC officers who will be focussed on appraising full applications ahead of reporting to our IRF Member Panel for decision making.

Reasons for this exemption:

Loss of Income: The contract services required will enable EDDC to effectively spend its remaining ARG (Additions Restrictions Grant) allocation from Government by the spend deadline of 31 March 2022. There is insufficient time to both procure these services via the usual methods and meet our spend deadline.

Limited Markets: The preferred supplier has a unique knowledge of businesses in the East Devon district and has a good experience of supporting similar schemes in East Devon with the specific form of applicant support we require. They provided Project Sponsor support to local

organisations and individuals in preparing robust submissions to the LEADER 'Making it Local' Programme and the role of this support was instrumental in both the number of projects supported and the national recognition received by this Local Action Group. We are not aware of any suppliers who provide similar services with the distinct local knowledge and experience held by the preferred supplier.

Reputation: Failure to proceed with the launch of the IRF until a competitive procurement process is completed to identify a specialist Project Sponsor support provider would limit our ability to spend our ARG allocation in full before the Government deadline of the end of March 2022 when any unspent sum is to be recovered. This is already just 6 months from our planned launch in September 2021. If we were to proceed without external Project Sponsor support to IRF applicants, we risk an unmanageable degree of officer time being required to advise individual applicants. This would remove resource from our verification, due diligence and assessment of submissions and increase the risk of delay and less robust recommendations being made to our discretionary grants Panel. Both a potential ARG underspend and/or a less rigorous assessment process could have a negative reputational effect on the Council.

Financial Implications:

The indicative figure to commission this project sponsor support is £45,277.50. Payment of this will be covered by the GDP Economic Development business support budget which has sufficient funds remaining in the current financial year.

In not funding this external support to the IRF from the ARG pot, we will enable EDDC to deliver its ambition that the entirety of this £5.3m discretionary grant allocation be distributed as grants to support local businesses.

Conclusion:

This appointment of business support to facilitate effective ARG allocation is consistent with Government guidance to Local Authorities in administering discretionary grant funds.

Delivery of the IRF is a key component of our Economy response endorsed by Cabinet to mitigate the severe and protracted impact of national restrictions on East Devon businesses and will form a primary driver of both economic recovery in the district and increased resilience to future shocks.

The Exemption will enable EDDC to have project sponsor services in place for the planned launch of the IR Fund in early September 2021.

Quality project sponsor services delivered by a team with years of experience and local knowledge will significantly decrease the number of inadequate applications received by EDDC officers, thereby reducing the time needed to request additional information and evidence from applicants.

With EDDC officers left to concentrate on appraising applications, the likelihood of spending our ARG allocation by the end of March 2022 will increase significantly.

Financial implications:

Financial details are contained in the report and the proposal can be met within the existing approved budget.

Legal implications:

The contract value falls below the threshold set out in the Public Contracts Regulations 2015 and therefore the EU procurement procedure (which is still currently relevant) does not apply and an exemption can be validly relied upon pursuant to the Council's Contract Standing Orders Rule 3.2. The reason for using the exemption in this case appears justified.