

Initiation Form

Summary		Reference:	
		BUS003	
Activity Name:	<i>Strategic Business, Enterprise and Research & Development Infrastructure</i>		
Activity Description:	<i>Site specific development support to include development costs and/or capital support to accelerate developments that will enable CloS to capitalise on our economic opportunities</i>		
Investment Priority:	Supporting Local Business	Intervention:	<i>E22: Enterprise infrastructure & employment / innovation sites E31: Support relevant feasibility studies</i>
Funding Available:	£ 18.7m (Total)	£ 17.950m (Capital)	£ 0.75m (Revenue)
Type of funding opportunity:	This invitation to bid will be open and ongoing during the period outlined below with specific review points. Project applications received before each review point will be considered at that point in time.		
Open Date (Capital): Application	05/08/2022	Close Date:	04/08/2023
Open Date (Revenue): Application	05/08/2022	Close Date:	04/08/2023
Review Point 1:	02/09/2022	Review Point 2:	02/12/2022
Review Point 3:	03/04/2023	Review Point 4:	04/08/2023

Context	
Description:	Description of the activity and what is expected to be achieved
<p>The investment will unlock or accelerate the development or delivery of infrastructure for businesses, enterprises or organisations, to enable them to grow and fulfil their potential. Funding will be targeted for;</p> <ul style="list-style-type: none"> • Development costs (i.e. revenue costs, such as, feasibility studies, design, planning, specialist advice) • Delivery phase (i.e. capital costs, such as, construction, enabling works or infrastructure). <p>Investment will be prioritised for projects that demonstrate a need for grant (i.e. viability gap) and where a project would otherwise not have been delivered. Projects that are ready to be delivered but stalled, with ownership secured and statutory permissions in place, will be at an advantage.</p>	

Projects that can contribute to supporting the green industrial revolution and Cornwall unique sectors opportunities will be prioritised. This will include Clean Energy Resources, Geo Resources, Data and Space, Visitor Economy and Agri-food. Support to organisations involved in research and development (R&D) will be preferred.

Improvements to digital connectivity is a key objective for the programme and projects that can help to achieve this ambition are encouraged.

Evidence of market failure and requirement for public support will be required. Projects are likely to fall within the following planning classifications; office: B1a and b; industrial: B1c, B2 and B8, and projects that are located in towns or in strategic employment sites would be preferred.

Projects must demonstrate how it addresses the issues presented in the CIOS Good Growth Investment Plan in particular how the project will enhance business productivity and competitiveness.

Strategic Alignment: Description of how proposals should meet strategic objectives, local need and the programme priorities. Expectations for coordination with other funding programmes.

Proposals should demonstrate evidence, showing their strategic fit and link to local community, social or economic needs.

This opportunity contributes significantly to the achievement of Government’s Mission 1 for Levelling Up: Improve productivity and pay, closing the gap between regions.

This opportunity contributes significantly to the achievement of Government’s Mission 2 for Levelling Up: Public investment in R&D will increase significantly.

The UK SPF has been launched by UK Government’s as part of its wider commitment to level up all parts of the UK and on the key metrics identified in the Levelling Up White Paper Cornwall and the Isles of Scilly is one of the areas in the UK that is most in need of levelling-up. In its Levelling Up White Paper Government outlined that at national level the UK SPF will have a particular focus on the following objectives:

- Boost productivity, pay, jobs and living standards by growing the private sector, especially in those places where they are lagging.
- Spread opportunities and improve public services, especially in those places where they are weakest.
- Restore a sense of community, local pride and belonging, especially in those places where they have been lost.
- Empower local leaders and communities, especially in those places lacking local agency
- To increase levels of functional numeracy in the adult population

This invitation to bid is part of the Supporting Local Business Investment priority which has the following objectives:

- Creating jobs and boosting community cohesion building on existing industries and institutions, from support for starting businesses to visible improvements to local retail, hospitality and leisure sector facilities.
- Bringing together businesses and partners within and across sectors to share knowledge, expertise and resources, and stimulate innovation and growth.
- Increasing private sector investment in growth - enhancing 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 or grow their exports.

Interventions:

- E22: Enterprise infrastructure & employment / innovation sites.

- E31: Funding to support relevant feasibility studies

Low productivity and low wages are a key challenge for businesses in CloS. The productivity gap between CloS and the rest of the country is widening. In 2021 total workplace median annual full-time earnings in CloS were £25,013 in (79% of the UK average). Of particular concern in our economy is the fact that 29.3% of all employee jobs are paid below the Real Living Wage compared to 20.3% for the UK as a whole.

A number of key strategies and plans including the Cornwall Local Plan and Local Industrial Strategy identifies the issue of limited infrastructure in Cornwall alongside ambitions for full green infrastructure and support to the R&D sector, as a low area of investment.

Cornwall Council Business Plan 2022 – 2026 recognises the need for ‘good jobs’ in the high growth sectors. By facilitating growth and investment in Cornwall’s green economic, can help to achieve the ambition of a decent income for all.

Our business base consists of 24,825 enterprises, 99.8% of these are SMEs and 88.8% are classed as micro businesses. Almost a third of total employment is in micro businesses which is the highest of any LEP area in England. In contrast we also have the lowest number of large businesses of any LEP area in England. Smaller businesses face larger restrictions in opportunities for growth enabled by investment in infrastructure. Projects that can help to facilitate growth for SMEs and micros businesses will be welcomed.

CloS’ business base has historically had low levels of innovation with research and development spend at 0.35% of GDP in 2018, the second lowest share of any region in the UK, compared to a UK figure of 1.73%. Investment made that supports research and development will be a priority.

Please note:

- **Cornwall Council reserves the right to allocate more or less funding than the values set out in this invitation to bid.**
- **This invitation to bid is subject to DLUHC sign-off of the CloS Good Growth SPF Investment Plan**

All funding expended should contribute to the “Good Growth” requirements outlined in the CloS UK SPF Investment plan. Higher levels of funding distribution may be spent on projects, activity or initiatives that deliver the greatest contribution to these objectives, especially where they are located and/or target the areas and people of Cornwall and the IoS most in need of levelling up.

Route to Market: Open Invitation

Explain the chosen route to market:

In order to meet subsidy control requirements and identify the projects that will deliver best value for money an open invitation to bid is viewed as the most appropriate route to market.

This route to market will enable all relevant and interested organisations in Cornwall and the Isles of Scilly the opportunity to apply for funding to deliver their ambitions. Project(s) must be delivered by a legally constituted organisation that can receive public funds.

Specific Requirements: Please identify any specific requirements

Construction projects will be required to deliver against high quality standards and demonstrate that environmental principles have been considered in the design, this will include ambitions to achieve carbon net zero and net biodiversity impact. Experience of delivering similar projects will be advantageous.

The minimum contact award value for capital investment is set at £500,000. We reserve the right to ask applicants to submit a full Business Case prior to contracting where appropriate, therefore the timeline for contracting on successful capital funding request will be confirmed but will unlikely be until early 2023.

The maximum intervention has been set at 100% of total project costs for both capital and revenue requests (subject to UK Subsidy Control rules). Cornwall Council encourages applicants to maximise the leverage of other funding. However, we recognise not all projects, or applicants will be able to secure match funding. Applicants should note value for money will be a selection consideration as it has a number of benefits, including enhanced alignment with other provision and efficient delivery which increases value for money. Therefore, we will take the overall funding package for each project, including any match funding, into account.

Any match funding for the remaining of costs is expected to be secured prior to application, and match funding from private sector will be preferred.

Market evidence will be required that supports the need for the investment and demonstrates demand is evident. Displacement without growth is not acceptable.

Budget & Spend Profile								
Funding Available:	£ 18.700m		£ 17.950m		£ 0.750m			
	(Total)		(Capital)		(Revenue)			
Minimum Award:	£0.500m (Capital)		Maximum Award:		£5.000m (Capital)			
	£0.020m (Revenue)				£0.100m (Revenue)			
	22/23		23/24		24/25		Total	
Intervention (E)	Capital (£m)	Revenue (£m)	Capital (£m)	Revenue (£m)	Capital (£m)	Revenue (£m)	Capital (£m)	Revenue (£m)
<i>E22: Enterprise infrastructure & employment / innovation sites]</i>	£2.650	£0	£4.400	£0	£10.900	£0	£17.950	£0
<i>E31: Support relevant feasibility studies</i>	£0	£0.250	£0	£0.250	£0	£0.250	£0	£0.750
Total	£2.650	£0.250	£4.400	£0.250	£10.900	£0.250	£17.950	£0.750
Total per year	£2.900		£4.650		£11.150		£18.700	
Intervention Rate:	1 - 100% (Maximum)			Target Leverage:	£9.350m (Total)			
Spend Start:	01/04/2022			Spend End:	31/03/2025			

Good Growth Principles

All SPF investments must be made in consideration of the Equality Act 2010. It is mandatory for all applications to assess impact of their project between people who share a protected characteristic and those who do not.

In addition, the following specific good growth principles must be considered for this activity:

Clean and Green		Business / Economy		Equality/Inclusive growth	
C1 Reduction in CO2 emissions	<input type="checkbox"/>	BE1 Increase % of workforce earning real living wage	<input checked="" type="checkbox"/>	EQ1 Invest in projects that encourage a healthy lifestyle	<input type="checkbox"/>
C2 Circularity - reduction in use of virgin raw materials. Recycle reuse principles	<input checked="" type="checkbox"/>	BE2 Improve productivity of businesses in CloS	<input checked="" type="checkbox"/>	EQ2 Reduce gender pay gap	<input type="checkbox"/>
G1 Nature recovery	<input type="checkbox"/>	BE3 Contribute positively to CloS economy, environment and equality through purchasing/procurement	<input checked="" type="checkbox"/>	EQ3 Increased levels of functional numeracy and literacy in the adult population	<input type="checkbox"/>
G2 Attracting private sector green finance income to Cornwall	<input checked="" type="checkbox"/>			EQ4 Maximise opportunity for people with disability and ill health (including mental health)	<input type="checkbox"/>
Contribute to the Environmental Growth Strategy for Cornwall and Isles of Scilly	<input type="checkbox"/>			EQ5 Maximise work based opportunities for those with SEND particularly relating to spectrum disorders and dyslexia	<input type="checkbox"/>
				EQ6 support for the ageing population to remain economically active	<input type="checkbox"/>
				EQ7 Support young (under 30) entrepreneurs	<input type="checkbox"/>
				EQ8 Levelling-up of towns and neighbourhoods throughout CloS	<input checked="" type="checkbox"/>
				EQ9 Increased capacity and place-based leadership in communities	<input type="checkbox"/>
				EQ10 Advance equality of opportunity between people who share a protected characteristic and those who do not (Equality Act 2010)	<input type="checkbox"/>
				EQ11 Assist individuals with complex barriers to	<input type="checkbox"/>

				employment to access opportunities	
				EQ 12 Have a positive impact on children and promote and uphold children's rights under UNCRC	<input type="checkbox"/>

Outputs/Outcomes

For this invitation to bid we are looking for activity that delivers the following outputs and outcomes:

E22: Enterprise infrastructure & employment / innovation sites	Output / Outcome	Total for the period 2022/23 – 2024/25
Number of commercial buildings developed or improved	Output	7
M2 of commercial buildings developed or improved	Output	3742
Jobs created	Outcome	64
Increased amount of investment (£)	Outcome	17,950,000
Number of premises with improved digital connectivity	Outcome	7
E31: Support relevant feasibility studies	Output / Outcome	Total for the period 2022/23 – 2024/25
Number of feasibility studies supported	Output	48
Increased number of projects arising from funded feasibility studies	Outcome	16

The outputs and outcomes stated here reflect our Investment Plan submission to Government. Applicants should note Cornwall Council reserves the right to adjust and refine these outputs and outcomes as delivery progresses during the duration of our SPF programme and further national guidance becomes available.

Appraisal Criteria			
Strategic Alignment	Good Growth	Deliverability	Value for Money
30%	20%	25%	25%
Explanation for criteria weighting			
Balanced weighting across all four areas, with slight preference for strategic alignment given the potential value of awards made.			

For further information on the programme please refer to the [Good Growth website](#). Completed Applications and relevant documentation must be submitted via email to goodgrowth@cornwall.gov.uk before the deadline stated on this Form.

Support and guidance to assist applicants through the application process is available at [Good Growth website](#).

More information on Shared Prosperity Fund can be found on the UK Government website; <https://www.gov.uk/government/publications/uk-shared-prosperity-fund-prospectus>

Date Updated:	02/08/2022	Lead:	Good Growth Team
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