

# WEST NORTHAMPTONSHIRE COUNCIL CABINET

7<sup>TH</sup> DECEMBER 2021

## CABINET MEMBER WITH RESPONSIBILITY FOR ECONOMIC DEVELOPMENT, TOWN CENTRE REGENERATION AND GROWTH: COUNCILLOR LIZZY BOWEN

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**Report Title** Northampton Towns Fund – Skills and Social Enterprise  
Development Fund

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### List of Appendices

Appendix A – Northampton Town Investment Plan

Appendix B – Skills and Social Enterprise Development Fund Business Case

Appendix C – Skills and Social Enterprise Development Fund Appraisal Report

### 1. Purpose of Report

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- 1.1 This report requests approval of the business case for the Skills and Social Enterprise Development Fund project to allow the funding to be drawn down from Northampton's Towns Fund grant allocation.

## **2. Executive Summary**

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- 2.1 The Towns Fund is part of the Government's plan for levelling up the UK economy. Towns across England will work with the Government to address growth constraints and to ensure there is a course of recovery from the impact of COVID-19. The overarching aims of the Towns Fund are to drive the sustainable economic regeneration of towns to deliver long term economic and productivity growth.
- 2.2 In September 2019, Northampton was one of the 101 places invited to develop proposals for a Town Deal, as part of the £3.6b Towns Fund. In December 2020, led by the Northampton Forward Board, Northampton submitted a town investment plan (TIP) to Government setting out ten project proposals to deliver long term sustainable economic growth in Northampton.
- 2.3 In March 2021, Northampton was offered a Town Deal of a value of £24.9m with a set of draft Heads of Terms, which have subsequently been signed, and are subject to conditions that need to be met to access the funding.
- 2.4 For each Towns Fund project, a HM Treasury compliant business case needs to be developed and go through a local assurance framework. This process was formally signed off by Cabinet on 13 July 2021.
- 2.5 The Skills and Social Enterprise Development Fund project is the third Towns Fund project to come forward. This report seeks approval of the business case to draw down on £500,000 of funding to enable project delivery.
- 2.6 The Skills and Social Enterprise Development Fund project covers two elements, firstly the establishment of a Social Enterprise Hub in Northampton town centre which would be the recognisable centre of the sector, and secondly the establishment of a grants programme for the sector.
- 2.7 The project will provide grants to social enterprises in the town which will support their establishment and growth, encouraging them to take up vacant units in the town centre. The grants will specifically build organisational capacity, support the re-use of town centre retail and office premises, support access to businesses and marketing skills training for social entrepreneurs, IT and other specialised equipment required for business growth or development of new offers and funding for marketing engagement activities.

## **3. Recommendations**

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- 3.1 It is recommended that Cabinet:
  - a) Approves the business case for the Skills and Social Enterprise Development Fund project to draw down on £500,000 of Towns Funding
  - b) To note the next steps of project development that officers will finalise the grant criteria, scheme and process the grants in partnership with West Northamptonshire Social Enterprise Towns - WNSET (please see below for further detail on WNSET)

#### **4. Reason for Recommendations**

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- 4.1 The recommendation is being made so the regeneration of Northampton town centre can continue as set within the TIP.

#### **5. Report Background**

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- 5.1 In September 2019, the Government announced the initial 101 places invited to develop Town Deal proposals as part of the £3.6b Towns Fund. The purpose of the Towns Fund is to drive the sustainable economic regeneration of towns to deliver long term economic and productivity growth. It focuses around the three streams of urban regeneration, land use planning and infrastructure, and skills and enterprise.
- 5.2 Northampton was included in the initial 101 places and in December 2020 Northampton's TIP was submitted to Government and subsequently succeeded in being awarded almost £25m.
- 5.3 The submission was overseen by the Northampton Forward Board. Northampton Forward is an informal partnership with the primary role of coordinating and driving forwards the integrated regeneration and growth within Northampton, including Northampton town centre. The board consists of West Northamptonshire Council (WNC), South East Midlands Local Enterprise Partnership (SEMLEP), The University of Northampton, private sector representatives, Northamptonshire Police, Northamptonshire Chamber of Commerce, Royal and Derngate, community representatives, Northampton Town Centre Business Improvement District and other partner organizations as needed.
- 5.4 The projects submitted as part of the TIP have a total ask of £25m. The final list of projects is as follows:
- St Peter's Church and the Old Black Lion
  - Town centre public realm
  - 41-45 Abington Street (former M&S building)
  - 35-39 Abington Street (former BHS building)
  - Marefair Heritage Gateway
  - Four Waterside
  - 24 Guildhall Road Art Centre
  - 78 Derngate extension: The Charles Rennie Mackintosh Museum
  - Emporium Way
  - Skills and Social Enterprise Development Fund
- 5.5 The ten-year vision will strengthen Northampton's position at the centre of the Oxford-Cambridge Arc by providing modern spaces for creative businesses to capitalise on the town's manufacturing and entrepreneurial passion.

5.6 It will also:

- Build on the rich heritage and cultural offers to rejuvenate the town centre so it once again represents the aspirations of its residents
- Create high-quality housing, digital infrastructure and open spaces, enabling communities to grow and flourish to meet economic, health and wellbeing, and environmental challenges
- Improve access to skills and training while promoting first-rate higher and further education opportunities.

5.7 The funding for individual Towns Fund project will be subject to a local assurance framework, this process was approved by Cabinet on 13 July 2021.

5.8 The Skills and Social Enterprise Development Fund project is the third Towns Fund project to go through this process.

5.9 The business case was independently appraised by Hatch Associates Ltd at the end of October 2021 and subsequently approved by the Northampton Forward Oversight and Delivery Group.

5.10 Northampton has been accredited as a “social enterprise town” by Social Enterprise UK, the national development body for social enterprise. West Northamptonshire Social Enterprise Towns (WNSET) was born out of this, to promote and sustain social enterprises locally. WNSET is a partnership of social enterprises based in West Northamptonshire and includes partners such as the University of Northampton, Hope Enterprises, The Good Loaf, Goodwill Solutions and Northampton Leisure Trust.

5.11 Social enterprise offers an alternative, non-profit driven model of business development. In the “building back” process from COVID, social enterprise is uniquely placed to offer creative solutions that will make a real difference to communities in Northampton. Social Enterprises are businesses whose objective is primarily social change rather than profit – such as job creation, supporting vulnerable people, improving health and well-being, promoting education and literacy, and protecting the environment.

5.12 This project seeks to fund start up and scale up social enterprises to enable them to tackle issues locally such as:

- **Tackling unemployment:** Social enterprise provides employment opportunities for people in these categories who struggle to find other work without the support a social enterprise style business often supplies. There is clear potential to reduce unemployment and improve skills and employability through investment on social enterprises.
- **Tackling significant local issues:** During COVID social enterprises, including in Northampton, were at the forefront of delivering practical support and opportunities to those most affected, through food aid and much more. Creating and supporting a network of dynamic social enterprises tackling issues like homelessness, addiction,

autism, mental health and disability challenges through economic solutions and work opportunities, will make a significant impact on these problems in our community

- **Diversifying and improving the economic offer in Northampton:** Social enterprise status offers a way of supporting new businesses and providing them with a unique market offer. Creating new and diverse products and services (including a major focus on those related to food) aligned to the tastes and interests of those with disposable income beyond Northampton town itself is a key way of improving inward local spend to create local economic prosperity. Social enterprises will make and sell products and services that are new, innovative, and attractive to new buyers from a wider area.
- **Improve the opportunities for investment for SE businesses:** Traditional loans and grants from corporate givers tend not to support social businesses, whereas the proposed grant fund on offer will target this type of business as they emerge and become a success by achieving a local market.
- **Enhance other Towns Fund projects:** There is synergy with other town centre developments that will provide some opportunities for social enterprises – for example the Market Square development, or the Old Black Lion – with new products and delivery offers.
- **Improving the social impact of businesses:** Social enterprises can demonstrate the highest level of social impact from their activities from within the business sector, something the modern consumer is seeking more and more. A YouGov survey in July 2020 showed 85 per cent of consumers would prefer to buy from businesses that had a strong record for good conduct.

5.20 Once funding is approved for the project, a grant management committee will be set up, involving WNC and representatives from WNSET. The grant management committee will be responsible for the the assessing and interviewing of reciepents before progressing to the council for payment.

5.21 In addition to providing grants to local social enterprise businesses, WNSET will establish a presence in Northampton town centre, in serviced accommodation like the Vulcan Works Creative Hub. Out of the £500,000 grant allocation, £400,000 will be spent directly on grants to social enterprises and £100,000 will be used to support WNSET through leasing a business premises to be used for training and meetings. This will allow WNSET to provide promotion and collaborative opportunities for social entrepreneurs, the hub will be resourced by a combination of voluntary participation of the existing board as well as further resource, whose role it will be to promote access to the funding and facilities, which will help grow individual social enterprises as well as the overall local economy. WNSET will also continue to create and maintain collaborative relationships between social enterprises and other key local organisations such as WNC, SEMLEP, Northamptonshire Chamber of Commerce, other private sector funders and the University of Northampton.

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## **6. Issues and Choices**

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- 6.1 To approve the drawdown of the funding for the project as described in this report.
- 6.2 To not approve the funding for this project will mean that the project will not be able to take place as it is reliant on the Towns Fund. This would mean that the funding allocated by Government will be lost and not be used for the regeneration of Northampton town centre.
- 6.3 To approve the delegated authority to finalise and deliver the grant scheme.
- 6.4 To not approve the delegated authority in relation to the grant scheme. Without grant criteria and scheme in place, the delivery of the grants would not be able to take place which would mean the project is not delivered.

## **7. Implications (including financial implications)**

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### **Resources and Financial**

- 7.1 WNC is the accountable body for the Towns Fund Grant and will be utilising £500,000 of the Towns Fund grant to enable the delivery of this project. The funds will be governed by a grant funding agreement between WNC and WNSET and will be paid upon the successful assessment and interview of local social enterprises which are eligible.
- 7.2 WNC will not be required to make a financial contribution to this project and any risk associated with delivery and achievement of milestones lies with WNSET.
- 7.3 WNC's responsibility is the administration and monitoring of the grant funding. As such there are no finance implications arising from this proposal.
- 7.4 Government has agreed to forward fund five per cent of total Towns Fund allocations to local authorities to allow for spend to start sooner on projects. This five per cent has been received by WNC. Due to the short programme of this project and government asking that the five per cent forward funding is spent before further drawdowns are made, the £500,000 allocation will come out this forward funding.

### **Legal**

- 7.5 It is noted at paragraph 5.20 above that it is the intention of the council to establish a grant management committee to support the delivery of Skills and Social Enterprise Development Fund, the provisions of which are still to be established. It is recommended if Cabinet approves the recommendations contained in this report that legal advice and support be obtained to support the establishment of the grant management committee, and the work that may result from it, to ensure compliance with the Town Deal overall and to secure the the appropriate legal documentation to support the delivery of the Skills and Enterprise Development Fund.
- 7.6 The council is the accountable body for the Towns Fund Grant where there will be key obligations to be met, and milestones to achieve, accordingly the grant funding agreement must receive

early legal advice to ensure that appropriate protection is provided where certain responsibilities rest with an external delivery partner.

## **Risk**

- 7.7 If the Towns Fund projects are not delivered, there will be significant financial, reputational, and political risks for both the council and WNSET.
- Financial risks: If the projects are not delivered within time and deadlines are not met, the council risks losing external funding and investment.
  - Reputational risks: If the programme of work is not delivered timely, then it weakens the council's position to leverage funding from Government and other external funders in the future. There would also be a reputational hit with the public with many of these schemes already heavily promoted.
  - Political risks: As a new authority, the council is under increased scrutiny from Government and the public and if the projects are not delivered efficiently or effectively then this can seriously harm the council's image to these audiences.
- 7.8 Each project will have a project board established, with a wide range of representatives from the council. A project specific risk register will be developed and regularly monitored by the project board.

## **Consultation**

- 7.9 The development of the TIP was guided by community and stakeholder consultation. The TIP builds on the initial consultation work undertaken to inform the development of the Town Centre Masterplan which seeks to address many of the challenges outlined in the TIP. The consultation exercise for the masterplan informed the early development of the project longlist.

### **Online Consultation**

- 7.10 Online consultations on the potential TIP proposals were held in September 2020 to determine the community's priorities for investment, gain feedback and opinions on a range of proposed investment areas and determine the challenges/opportunities for the town.
- 7.11 A total of 434 individuals replied to the questionnaire creating a total of 1,495 pieces of project level feedback. The responses were evenly split between males and females. 18 per cent of respondents were aged under 35 and 15 per cent were over 65.
- 7.12 Overall, the majority of responses were positive about how beneficial the projects would be to improve the town centre. The main challenges highlighted were a lack of quality goods offered in the town centre, poor appearance of the town centre and competition from other areas. The main opportunities were bringing disused buildings/public space back into use and improving

the public realm. The initial survey was followed by more detailed questioning of a web community across three days.

- 7.13 This builds on over two years of consultation completed on the ground and through all media channels. The online consultation completed for the Town Centre Masterplan in 2019 informed the development of the longlist of projects developed for this TIP.
- 7.14 Key local priorities identified at that stage include the restoration and upkeep of historic buildings, improving the quality of retail, the quality of public realm and greenspace in enhancing the town centre, pedestrianisation in the town centre, and the potential to accommodate new homes.

### **Consultation Workshops**

- 7.15 A series of consultation workshops were completed in October 2020 focusing on urban regeneration, deprivation and inequality, and business, enterprise, and skills. Approximately 150 stakeholders were approached to take part in the workshops. Workshops were attended by key stakeholders in Northampton including local businesses, social enterprises (WNSET), community town safety teams, Northampton Digital, NN Contemporary and University of Northampton.
- 7.16 Engagement with private sector bodies aided understanding of growth barriers and helped to ensure the plan remains responsive in uncertain times. Engagement with public sector and community organisations highlighted how social enterprises can be incorporated into projects.
- 7.17 The consultations produced a number of themes for the TIP including re-energising cultural and historic assets, diversifying the housing offer to match the needs of the community, make the town centre feel safer and upgrade/improve management of key public spaces. The TIP consultation findings can be found in the appendices.
- 7.18 Stakeholder Engagement Plan has been developed to accompany Northampton's TIP. This document sets out our commitment to develop ongoing relationships with key stakeholders to ensure implementation of the TIP remains responsive to the overarching needs of the town.

## **8. Consideration by Overview and Scrutiny**

- 8.1 N/A

## **9. Climate Impact**

- 9.1 The council will undertake environmental impact assessments in line with the Towns Fund guidance and the stage two business cases will look at the climate and environmental impact as part of their development.

## **10. Community Impact**

- 10.1 The council will undertake programme-wide level impact assessments, relevant project-level impact assessments and equality and impact assessments when required.
- 10.2 Significant consultation with the public has taken place, with many of these projects delivering assets which will benefit the community.

## **11. Communications**

- 11.1 The document has been assessed for readability and accessibility.

## **12. Background Papers**

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- 12.1 Towns Fund Cabinet Report – Tuesday 13 July 2021.