

EXECUTIVE DECISION

made by a Cabinet Member



REPORT OF ACTION TAKEN UNDER DELEGATED AUTHORITY BY AN INDIVIDUAL CABINET MEMBER

Executive Decision Reference Number – L23 21/22

Decision	
1	Title of decision: New Inclusive Economy Fund
2	Decision maker (Cabinet member name and portfolio title): Councillor Nick Kelly, Leader
3	Report author and contact details: Anna Peachey, Inclusive Economy Team Manager anna.peachey@plymouth.gov.uk 01752 307840
4	<p>Decision to be taken:</p> <ul style="list-style-type: none"> • That the design and governance of the new fund as outlined below is approved and that the funding tools of project specific loans, convertible loans to equity, equity and social investment bonds are employed as a means of making awards, each subject to a funding agreement with the recipient • Within the Social Enterprise Investment Fund (SEIF) budget that £40,732.59 of loan budget and £10,293.98 of revenue budget be reallocated to the capital grant budget • That £159,371.71 unallocated monies from the SEIF is transferred to the new Inclusive Economy fund • That £869,360.35 from the Coops and Mutuels fund is transferred to the new Inclusive Economy fund • That any continued capital receipts from SEIF loan repayments be ring-fenced to the new fund
5	<p>Reasons for decision:</p> <p>In order to inform a new investment programme based around the Inclusive Economy, it is desirable that the fund evolves to respond to the impacts that COVID-19 has had on the voluntary community and social enterprise sector and also to build on the success of the SEIF and Co-ops & Mutuels Development Funds.</p> <p>The aims should remain the same, namely to:</p> <ul style="list-style-type: none"> • Build the culture of entrepreneurship in the city, especially in the north of the city. • Remove financial barriers from groups in disadvantaged areas trying to establish or grow a new enterprise. • Be a catalyst for local social enterprise growth addressing local needs. <p>The new fund will embrace the principle of “impact” investment which is an approach to investment that aims to generate specific beneficial social or environmental outcomes in addition to financial return. Understanding, quantifying and reporting the social or environmental impact that results from investment decisions is a crucial component of impact investing. The most appropriate funding tools for this approach are:</p> <ul style="list-style-type: none"> • Project specific loans • Convertible loans to equity

	<ul style="list-style-type: none"> • Equity • Social Investment Bonds <p>Reference number of original executive decision or date of original committee meeting where delegation was made:</p> <p>L39 14/15 - Social Enterprise Investment Fund – signed 27th March 2015</p> <p>L29 – Co-operatives and Mutuals Development Fund - signed 13th February 2019</p>																
6	<p>Alternative options considered and rejected:</p> <p>Other funding tools that were considered and rejected included :</p> <ul style="list-style-type: none"> • Grants converted to loans • Grants converted to equity • Venture equity investment 																
7	<p>Financial implications and risks:</p> <p>To mitigate the risk of supporting innovative ideas and projects the risk will be spread across multiple funders and to ensure PCC is not liable for any bad debt. The IEF process supports a partnership approach with other funders who share similar aims. This would support applicants to find a mix of complementary investments for their projects.</p>																
8	<table border="1"> <thead> <tr> <th>Is the decision a Key Decision? (please contact Democratic Support for further advice)</th> <th>Yes</th> <th>No</th> <th>Per the Constitution, a key decision is one which:</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td>x</td> <td>in the case of capital projects and contract awards, results in a new commitment to spend and/or save in excess of £3million in total</td> </tr> <tr> <td></td> <td></td> <td>x</td> <td>in the case of revenue projects when the decision involves entering into new commitments and/or making new savings in excess of £1 million</td> </tr> <tr> <td></td> <td></td> <td>x</td> <td>is significant in terms of its effect on communities living or working in an area comprising two or more wards in the area of the local authority.</td> </tr> </tbody> </table> <p>If yes, date of publication of the notice in the Forward Plan of Key Decisions</p>	Is the decision a Key Decision? (please contact Democratic Support for further advice)	Yes	No	Per the Constitution, a key decision is one which:			x	in the case of capital projects and contract awards, results in a new commitment to spend and/or save in excess of £3million in total			x	in the case of revenue projects when the decision involves entering into new commitments and/or making new savings in excess of £1 million			x	is significant in terms of its effect on communities living or working in an area comprising two or more wards in the area of the local authority.
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9	<p>Please specify how this decision is linked to the Council's corporate plan/Plymouth Plan and/or the policy framework and/or the revenue/capital budget:</p> <p>Corporate Plan – Unlocking the City's potential : A vibrant economy developing quality jobs and skills</p>																
10	<p>Please specify any direct environmental implications of the decision (carbon impact)</p> <p>Recipients of capital expenditure will be invited to be a signatory to the Resurgam Charter (if not already) and deliver against the five themes – employ, upskill, spend, environment and community</p>																

Urgent decisions			
I 1	Is the decision urgent and to be implemented immediately in the interests of the Council or the public?	Yes	(If yes, please contact Democratic Support (democraticsupport@plymouth.gov.uk) for advice)
		No	x (If no, go to section I 3a)
I 2a	Reason for urgency:		
I 2b	Scrutiny Chair Signature:		Date
	Scrutiny Committee name:		
	Print Name:		
Consultation			
I 3a	Are any other Cabinet members' portfolios affected by the decision?	Yes	
		No	x (If no go to section I 4)
I 3b	Which other Cabinet member's portfolio is affected by the decision?	Councillor Mrs Vivien Pengelly Cabinet Member for Homes and Communities	
I 3c	Date Cabinet member consulted	9 th December 2021	
I 4	Has any Cabinet member declared a conflict of interest in relation to the decision?	Yes	If yes, please discuss with the Monitoring Officer
		No	x
I 5	Which Corporate Management Team member has been consulted?	Name	Brendan Arnold
		Job title	Service Director for Finance
		Date consulted	12 March 2021
Sign-off			
I 6	Sign off codes from the relevant departments consulted:	Democratic Support (mandatory)	DS73 21/22
		Finance (mandatory)	pl.21.22.172
		Legal (mandatory)	MS/3/15.11.21
		Human Resources (if applicable)	N/A

Cabinet Member Signature			
20	I agree the decision and confirm that it is not contrary to the Council's policy and budget framework, Corporate Plan or Budget. In taking this decision I have given due regard to the Council's duty to promote equality of opportunity, eliminate unlawful discrimination and promote good relations between people who share protected characteristics under the Equalities Act and those who do not. For further details please see the EIA attached.		
Signature		Date of decision	9 March 2022
Print Name	Councillor Nick Kelly, Leader of Plymouth City Council		