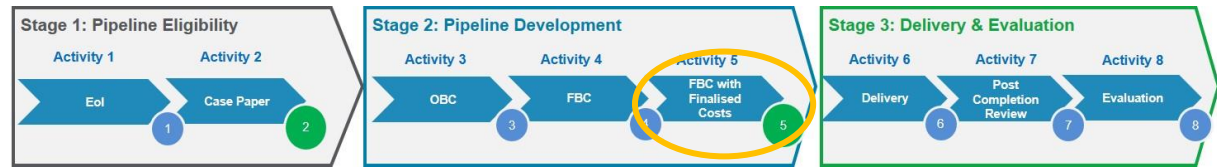


Scheme Summary

Name of Scheme:	Strategic Business Growth Programme
PMO Scheme Code:	WYCA-EU-001
Lead Organisation:	WYCA
Senior Responsible Officer:	Sue Cooke
Lead Promoter Contact:	Neill Fishman
Applicable Funding Stream:	ESIF and Access to Capital Grants (Local Growth Funding)
Growth Fund Priority Area (if applicable):	Priority 1 of SEP: Boost business growth, productivity, exports and investment by linking business to support and funding.
Forecasted Full Approval Date (Decision Point 5):	18 th October 2017
Forecasted Completion Date:	January 2020
Total Scheme Cost (£):	£7,057,734
WYCA Funding (£):	£3,146,138 (ESIF - £2,156,138 & WYCA Capital Grants - £990,000)
Total other public sector investment (£):	£0
Total other private sector investment (£):	£3,911,596 (Match funding from SMEs receiving support and grants through programme)
Is this a standalone Project?	Yes
Is this a Programme?	No
Is this Project part of an agreed Programme?	No
Current Funding Allocation:	Yes – ESIF funding is secured for the project along with nominal allocation from Growth Deal.

Current Assurance Process Activity:



Scheme Description:

The project will engage with small and medium sized enterprises (SMEs) across the Leeds City Region (LCR) with ambition and aspirations to grow through providing an integrated package of support. The package will comprise of tailored advice along with the financial support (capital grants) to help them grow and create new employment opportunities.

The support will be targeted at SMEs operating within the LEPs priority sectors of; manufacturing, low carbon and environmental, financial and business services, digital and creative and health & life sciences.

The programme will run until January 2020, funded through a combination of local and EU funding, matched by the enterprises engaged in the project and will deliver the following:

- Provide one-to-one and one-to-many support to a minimum of 302 businesses;
- Provide financial support to a minimum of 44 businesses (as part of the total of 302)
- Create a minimum of 604 jobs within the Leeds City Region
- Seek to lever at least £3.91m of private sector funding;
- Support the growth of business in LCRs priority sectors
- Realise additionality in complement projects.

Business Case Summary:

Strategic Case

The project addresses Priority 1 of the SEP: Growing Business. It provides a capital grant and tailored support aimed at assisting SMEs from targeted sectors to grow and create new jobs.

The project will boost business growth by linking business to structured one-to-one and one-to-many support, as well as funding for capital investment.

Business Growth through the Strategic Business Growth Programme will be seen in terms of job creation and production of new products, which fits with the vision in the SEP to *'be a globally recognised economy where good growth delivers high levels of prosperity, jobs and quality of life for everyone'*. The project will contribute to the targets of 35,000 additional jobs and £3.7 billion of annual economic output by 2036. Through working with firms that could double or even triple in size over the lifetime of the SEP.

The project will be a key element of WYCA's Growth Service, which acts as a single access point for all publically funded business support across the City Region.

The scheme has been designed in response to the call for projects through the European Regional Development Fund (ERDF), which aims to improve competitiveness of SMEs by increasing capacity and capability. Funding has been allocated to this project from ERDF as it clearly demonstrates the strategic fit to this funding stream as well as an identified gap in provision.

<p>Commercial Case</p>	<p>Closure of the National Business Growth Service (BGS) in March 2016 due to funding cuts, has led to gaps in advisory provision for growth in the LCR. Assistance with strategic business planning is a common issue for many businesses that contact support services, particularly the need for some expert coaching and mentoring to develop and implement a plan capable of unlocking their growth potential. This project and the availability of supporting funding through the ESIF programme provides the opportunity to address this gap in provision and address the needs of SMEs with growth potential.</p> <p>The project will help SMEs in LCR to:</p> <ul style="list-style-type: none"> • Understand and undertake strategic planning to support growth of their business • Prepare for securing external finance • Accelerate growth leading to an increased economic contribution to the LCR (increased GVA and Growth) <p>The companies will be targeted through referrals from a range of partners and agencies.</p> <p>A delivery partner has been procured through competitive tender to recruit SMEs to the project and deliver the specialist support and guidance. The capital grants element will be administered through the existing project team within WYCA through referrals from the delivery partner.</p> <p>Research has shown that a small proportion of SMEs create over half of all new jobs in the country and this project will provide the support necessary to enable SMEs in the region to grow, creating jobs and wealth. Complementary and previous comparable programmes have identified a gap in the market and need for this targeted support for SMEs, for example WYCA's Growth Service supported over 1,200 businesses in its first nine months of operation.</p> <p>It is anticipated that approximately 44 SMEs will be awarded a capital grant through the project with an average value of £22.5k through a competitive process. This will represent 10-30% of the value of works/investment with the residual amounts being funded through match funding from the businesses themselves. This will provide investment in new equipment as well as alterations and fit out of premises.</p>
<p>Economic Case</p>	<p>The project is designed to deliver the following outputs that will lead to economic growth within the region:</p> <ul style="list-style-type: none"> • Provide one-to-one and one-to-many support to a minimum of 302 businesses by 2020 • Provide financial support to a minimum of 44 businesses by 2020 (as part of the global figure of 302) where demonstrative evidence can be provided that financial intervention along with intensive business support will accelerate growth. • Create a minimum of 604 jobs within the Leeds City Region • Seek to lever at least £3.96m of private sector funding • Support the growth of business in LCRs priority sectors (manufacturing, low carbon and environment, financial & business services, digital & creative and health & life sciences)

	<p>Through the financial strand of the programme, realise additionality in complementary projects - either supporting investment that would not otherwise happen, bring forward investment so that it is realised sooner or ensuring that investment happens on a greater scale.</p> <p>The value for money position of the Project has been assessed based on the expectations of the outputs from the project. Enhancing the competitiveness of SME's is seen as the highest priority in terms of value of investment by both the European Commission and LEP. The Benefit to Cost Ratio has been determined to be 1.41:1 and the EU funding has been approved on this basis.</p>								
Financial Case	<p>Funding has been identified to deliver the project through a successful bid to EU European Structural and Investment Funds, along with an allocation from WYCA's access to Capital Grants. In addition the project anticipates match funding from Businesses supported through advice and grants.</p> <table border="1" data-bbox="448 741 1058 1003"> <tr> <td>ESIF</td> <td>£2,156,138</td> </tr> <tr> <td>WYCA Capital Grants</td> <td>£990,000</td> </tr> <tr> <td>Private Sector Match</td> <td>£3,911,596</td> </tr> <tr> <td>Total</td> <td>£7,057,734</td> </tr> </table> <p>The project will be plugging a gap in the market for support and advice to SMEs in the region. The Project costs and target outputs are based on previous similar initiatives and the delivery partner has been procured within expected costs.</p> <p>A detailed cost plan has been produced which is summarised below:</p> <ul style="list-style-type: none"> • Project Marketing £71,000 • Project Management Staff £250,522 • Other Staff Costs £4,800 • Consultancy (Delivery Partner) £1,743,833 • Overheads £37,578 • Capital Investment Items (business grants and SME contributions) £4,900,000 	ESIF	£2,156,138	WYCA Capital Grants	£990,000	Private Sector Match	£3,911,596	Total	£7,057,734
ESIF	£2,156,138								
WYCA Capital Grants	£990,000								
Private Sector Match	£3,911,596								
Total	£7,057,734								
Management Case	<p>The project is managed in accordance with best practice methodologies. WYCA is the lead contractor with responsibility for delivery of the project including procurement, marketing and managing the capital grants. A procured business support provider engages directly with the businesses and delivers the one-to-one and one-to-many business support.</p> <p>The project has a team in place to manage the project including a Project Manager, Grants Officer and Monitoring officer. There is also an Operational Steering Group in place with representatives from district Local Authorities, this group reviews the performance and progress of the overall project including the business support provider and capital grants.</p> <p>The project is being delivered in line with the Full Application submitted to DCLG and refreshed in July 2017. A clear programme plan is in place for delivery of the project in line with the target completion date.</p>								