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Report to: Overview and Scrutiny Committee

Date: 24 January 2018

Subject: Economic Services Business Grants

1 Purpose

1.1 To provide Overview and Scrutiny Committee with information relating to grant approvals made between 1 April 2015 and 30 November 2017 for programmes delivered by the Economic Services Directorate.

2 Information

2.1 WYCA is one of a number of organisations providing grant support to businesses within the Leeds City Region.

2.2 The business grant programmes currently being delivered by the Economic Services Directorate are detailed in 2.4 and 2.5. Some are already active and others are in the final stages of development.

2.3 **Appendix 1** provides an infographic of the current WYCA business support model. This sets out the key areas of business support currently being delivered, and in development, across the city region e.g. Access to Finance, Innovation, Skills and Export.

2.4 Active Programmes

- **Access Innovation (1 April 2017 – 31 December 2019)**
Provides grants of up to £50,000 to SMEs towards the cost of purchasing the expertise, equipment or facilities available through research intensive organisations to develop new products and processes.
- **Ad:venture (1 July 2016 – 30 June 2019)**
Provides advice, coaching, events, academic support, incubation workspace and finance brokerage for new and young businesses (in their first 3 years of trading). Grants of up to £25,000 are available towards capital expenditure. This programme is delivered by Leeds City Council (LCC) with WYCA contributing match-funding that is used for some of the grant awards.
- **Apprenticeship Grants for Employers (1 August 2015 – 31 July 2017)**
Supports small and medium sized businesses (SMEs) with fewer than 250 employees to recruit individuals aged 16-24 into employment through the

apprenticeship programme. It provides financial support to eligible businesses of up to £2,000 per apprentice. This programme is now closed to new applications.

- **Business Capital Expenditure Grants**

Marketed to businesses as the 'Business Growth Programme', capital expenditure grants are funded through two separate programmes; the Business Growth Programme and Access to Capital Grants.

Business Growth Programme (1 April 2015 – 31 March 2021)

Provides capital grants to businesses within priority sectors of the current Strategic Economic Plan for Leeds City Region that enables them to grow and create new jobs. It is split into a small-grants scheme, which provides grants of up to £100,000 and is currently administered by Leeds City Council (LCC) and a large-grants scheme providing grants of up to £250,000, which is administered by WYCA. WYCA approves all grants on both schemes.

At the inception of the programme, LCC was the accountable body for the Leeds City Region Enterprise Partnership (LEP) and also, therefore, for the Business Growth Programme. For this reason, a small team within LCC with considerable experience of running grants programmes to businesses, has continued to deliver the front-end elements of the scheme since WYCA assumed the role of accountable body for the LEP.

A review as to the most effective way to deliver the Business Growth Programme was undertaken in mid-2017. Following this review, a tender opportunity for the delivery of the small-scheme was advertised to all local authorities in the Leeds City Region. LCC was the only respondent and contract negotiations are currently underway, with the new delivery model to be adopted from April 2018 for three years.

Access to Capital Grants (1 April 2016 – 31 March 2021)

Provides grants of up to £10,000 to accelerate the growth of new-start and early stage businesses with growth potential, and capital investment of £10,000 - £100,000 for businesses with under 250 employees to exploit innovation and supply chain opportunities. Access to Capital Grants is delivered through the BGP small scheme. Funding from this programme supports some of the grants available to businesses in Leeds City Region via Ad:venture and Digital Enterprise.

Business Flood Recovery Fund (January – December 2016)

Between 25 and 27 December 2015, the Leeds City Region was hit by Storm Eva with several districts badly affected. A sub-fund of the Business Growth Programme was established in order to support flood affected businesses in the process of returning to their pre-flood levels of operation. £3.18 million has been committed to 64 businesses, predominantly in Calderdale and

Leeds. A number of businesses in Bradford, Kirklees and York have also been supported. These projects have helped to safeguarded 1,608 jobs. To date, £2.62 million has been paid out to businesses.

- **Digital Enterprise (1 September 2016 – 31 August 2019)**
Incentivises businesses to invest in digital technologies through a grant scheme and associated workshops and masterclasses. Grants of up to £5,000 are available. This programme is delivered by Leeds City Council, with WYCA contributing match-funding that is used for some of the grant awards.
- **Resource Efficiency Fund (16 November 2016 – 31 October 2019)**
Provides advice and funding to small and medium sized enterprises (SMEs) to identify and implement improvements related to their use of resources i.e. water, waste and energy. Grants of up to £10,000 are available.
- **Strategic Business Growth Programme (1 April 2017 – 31 December 2019)**
Provides advice to businesses with planning for high growth through workshops, peer to peer support and coaching. Grants of up to £40,000 are available towards capital expenditure, alongside a package of advice.
- **Strategic Inward Investment Fund (7 July 2017 – 31 March 2021)**
Supports strategic investments into the Leeds City Region with grants of between £250,000 and £1 million (or more in exceptional cases) available. Grants are specifically linked to the creation of significant numbers of new and/or safeguarded jobs.

2.5 In Development

- **Digital Sector Soft Landing Programme (January 2018-31 March 2021)**
Supports new business investments into the Leeds City Region specifically linked to the digital sector. Grants of up to £50,000 are available and are linked to the creation of new jobs.

2.6 All grants awarded by WYCA are listed in summary form on the LEP website and updated quarterly.¹

2.7 Not all grants are available in every district, depending on funding arrangements, so where this is the case, it is shown on the appendices as 'not applicable'.

3 Financial Implications

3.1 There are no financial implications arising from this report.

¹ <http://www.the-lep.com/about/governance-and-funding/grants-for-business/>

Legal Implications

4.1 There are no legal implications arising from this report.

5 Staffing Implications

5.1 There are no staffing implications arising from this report.

6 External Consultees

6.1 None.

7 Recommendations

7.1 That the Overview and Scrutiny Committee notes the content of this report.

7.2 That further updates are provided on an annual basis, if the Committee so wishes.

8 Appendices

8.1 **Appendix 1** is an infographic of the LEP business support model.

8.2 **Appendix 2** is a summary sheet by programme detailing all grant approvals made between 1 April 2015 and 30 November 2017 for all programmes delivered, or part funded, by the Economic Services Directorate.

8.3 **Appendix 3** is a summary sheet **by district** detailing all grant approvals made between 1 April 2015 and 30 November 2017 for all programmes delivered, or part funded, by the Economic Services Directorate.

8.4 **Appendix 4** is a summary of the number and value of grant awards made in each district. A sheet is provided **for each programme** delivered, or part funded, by the Economic Services Directorate.

8.5 Following a request from the Overview and Scrutiny Committee, **Appendix 5** is a tracker for projects approved in 2015/16 for the Business Capital Expenditure Grants and for all approved Resource Efficiency Fund projects. This shows **progress against targets on an individual project level**. This is to provide the Committee with details of the outcomes delivered over the medium term.

8.6 Grants of up to £100,000 paid to recipients of Business Capital Expenditure Grants are paid 75% on completion of the investment, and 25% on completion of the associated jobs. Grants of over £100,000 paid to recipients of Business Capital Expenditure Grants are paid 90% on completion of the investment, and 10% on completion of the associated jobs. All Resource Efficiency grants are paid on completion of the project and associated outputs.

8.7 All projects are regularly monitored to ensure progress against contracted outputs. For grant awards of over £100,000, monitoring takes place over a longer period to reflect the size of the projects and the number of jobs to be created.