

Appendix 2

Business Growth Programme Grant criteria

The Leeds City Region Enterprise Partnership (LEP) is incentivising business to pay the real Living Wage through its Business Growth Programme (BGP). Recipients are expected to meet certain core criteria, including:

- Investment projects must create permanent new jobs in the Leeds City Region
- Applicants will be incentivised to employ staff on or above £9 per hour, by allocating more grant per new job for those paying that rate
- All new jobs funded by the LEP grant must be paid at least the National Living Wage or Minimum Wage (£7.83 per hour from age 25+ as of April 2018)
- Apprenticeship jobs are permissible but applicants are expected to pay the apprentice at least the National Minimum Wage appropriate for the age of the apprentice (rather than the lower national apprenticeship wage)
- For each new job created, the following maximum amounts will be available to the applicants:

Pay Rates for New Jobs Created with LEP Grant	Maximum Amount per new job
Pay £9 per hour (Real Living Wage)	£12,500
Pay £7.83 per hour (National Living Wage / Minimum Wage)	£7,500

- Applicants must have private finance available: either of their own, from a bank, or other commercial finance to invest alongside the grant
- For every £1 of LEP funding sought, applicants must be able to provide at least £4 of private sector investment
- The minimum grant level is £10,000 and total project cost must be at least £50,000 - therefore applicants must have at least £40,000 of private sector finance to invest for every £10,000 of grant
- Applicants must be established for at least 12 months and must operate from commercial premises
- Applicants must generate the majority of their turnover by trading with other businesses, or applications must demonstrate how the grant-supported project will lead to this
- Projects must support the City Region's key growth sectors and/or their direct supply chains: specifically health and life sciences, digital and creative industries, low carbon and environmental industries, manufacturing, financial and professional services or business to business services

- Refurbishment or renovation projects will only be supported where the applicant will be the sole occupier within the refurbished or renovated property
- Businesses engaged in retailing or providing localised business to consumer services are not eligible for grant support. However, applications from businesses who derive their turnover exclusively from e-commerce/internet sales will be considered on a case by case basis

Additional Inclusive Growth Commitments

Businesses receiving grants of over £50,000 will be expected to offer additional “inclusive growth” commitments as outlined below:

- Inspire the next generation by working with schools and/or colleges
- Develop a Skills Plan including Apprenticeships
- Offer training to low paid staff to help them progress
- Offer work opportunities to local people with disabilities or health issues
- Offer more sustainable ‘green travel’ options to employees
- Undertake an energy audit to identify ways to reduce energy consumption
- Undertake a supply chain audit to identify opportunities to buy more from local suppliers
- Pay small business suppliers in accordance with the Prompt Payment Code - <http://www.promptpaymentcode.org.uk/> - including a commitment to pay all suppliers within 60 days and to commit to 30 days as the norm.
- Commit to paying staff the Real Living Wage within an agreed timescale.

The expected commitment will vary depending on the level of grant awarded:

- For grants from £50,000 - £99,000, the applicant is expected to agree to **two or more** of the additional commitments.
- For grants from £100,000 -£249,000, the applicant is expected to agree to **three or more** of the additional commitments.
- For grants over £250,000, the applicant is expected to agree to **four or more** of the additional commitments, one of which must be paying staff the Real Living Wage.