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**Report to:** Business Investment Panel

**Date:** 30 April 2019

**Subject:** **Business Grants Programme**

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## 1. Purpose of this report

- 1.1 To outline the current position regarding progress in committing grants through the Leeds City Region Enterprise Partnership (the LEP) Business Grants Programme (BGP).
- 1.2 That Panel members consider the proposed changes to programme criteria and guidance, as outlined at **Appendix 1**.

## 2. Information

- 2.1 Spend and outputs for the grant schemes funded through the Local Growth Fund (LGF) are detailed below. Achievements against these targets can be made through the three capital grants schemes which make up the BGP; the big scheme, the small scheme and the Business Flood Recovery Fund. The big scheme is for grants over £100,000, the small scheme is grants of between £10,000 and £100,000 and the Business Flood Recovery Fund is grants of £10,000 to £100,000 for businesses affected by the Boxing Day Floods of 2015 (note that this programme is now closed to new applications).

Performance indicator	Target	Big scheme committed	Small scheme committed	Flood grants committed	Total commitments	Actual outputs (16/04/19)
Direct jobs	4,100	2,980	2,455	n/a	5,435	4,012
Safeguarded jobs	n/a	152	0	1,541	1,693	1,682
Number of grant awards	765	42	604	63	709	615
Total investment	£168,500,000	£159,549,164	£174,478,124	£12,793,515	£346,820,803	£268,410,933
Programme Spend	£44,316,000	£9,499,356	£20,527,499	£2,860,375	£32,887,230	£28,476,718
Cost per job	n/a	£3,188	£8,363	n/a	£6,052	£7,098.59

Performance indicator	Target	Big scheme committed	Small scheme committed	Flood grants committed	Total commitments	Actual outputs (16/04/19)
Cost per job (including safeguarded jobs)	n/a	£3,033	n/a	£1,856	£4,614	£5,001.53

- 2.2 To date commitments of £30.03 million have been made through a combination of the big and small schemes.
- 2.3 As outlined in previous Business Investment Panel papers, grants are now funded through a combination of the Business Growth Programme and Access to Capital Grants, both of which are funded through the LGF.
- 2.4 Commitments through the Business Flood Recovery Fund currently stand at £2.86 million. Of a total of 66 projects approved, three have been withdrawn, 58 are complete and £119,528 is left to pay to five businesses whose projects are still live.
- 2.5 All grant awards are listed in summary form on the LEP website and updated quarterly.<sup>1</sup>

### **3. New large programme applications**

- 3.1 There are no new applications for consideration.

### **4. Update on large programme application considered at Panel on 7 March 2019**

- 4.1 At Panel on 7 March 2019, Members considered two applications:
- The first from a lighting manufacturer based in Bradford requesting a grant of £200,000 towards a total investment of £1.058 million for a range of capital equipment and improvements to premises in order to increase production capacity. Panel members recommended that the application be supported, but at a lower level of £137,000, on the basis that the grant matched the contribution the company was making to the investment directly from its own reserves. The application was formally approved by the Combined Authority's Managing Director on 29 March 2019. A funding agreement is now being finalised, with the business contracted to the creation of 14 new jobs (9 of which must pay the Real Living Wage or above), plus one apprentice. The grant is to be released in arrears, upon evidence of defrayal of expenditure being provided and a site visit being undertaken.
  - The second application was from a Wakefield based distribution business seeking to relocate to larger premises in order to facilitate expansion. The new premises require complete fit-out, along with investment in warehouse management software. Total project costs amount to £1.48 million and the company requested a grant of £148,000 linked to the creation of 12 new jobs.

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

Panel members were minded to approve the application, but recommended that it be linked to 20 new jobs. The application was formally approved by the Combined Authority's Managing Director on 29 March 2019 on this basis. A funding agreement is now being finalised, with the business contracted to the creation of 20 new jobs, all paying the Real Living Wage, or above. The grant is to be released in arrears, upon evidence of defrayal of expenditure being provided and a site visit being undertaken.

## **5. Proposed changes to programme criteria and guidance**

- 5.1 Panel members are asked to consider proposed changes to programme criteria and guidance as outlined at **Appendix 1**.

## **6. Financial implications**

- 6.1 There are no financial implications directly arising from this report.

## **7. Legal implications**

- 7.1 There are no legal implications directly arising from this report.

## **8. Staffing implications**

- 8.1 There are no staffing implications directly arising from this report.

## **9. External consultees**

- 9.1 No external consultations have been undertaken.

## **10. Recommendations**

- 10.1 That the Panel notes the progress report.
- 10.2 That the Panel considers proposed changes to programme criteria and guidance as outlined at **Appendix 1**.

## **11. Background documents**

- 11.1 None.

## **12. Appendices**

- 12.1 Appendix 1 - proposed changes to programme criteria and guidance.