
Report to: LEP Board

Date: 18 July 2019

Subject: **Business Growth Programme**

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1. Purpose of this report

- 1.1 To update LEP Board on performance of the Business Growth Programme (BGP).
- 1.2 To seek approval from the LEP Board on the proposed changes to BGP guidance and criteria as set out in **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 was for 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 (25/06/19)
Direct jobs	4,100	3,030	2,518	n/a	5,548	4,021
Safeguarded jobs	n/a	152	0	1,541	1,693	1,682
Number of grant awards	765	43	632	63	738	637
Total investment	£168,500,000	£161,599,164	£182,588,300	£12,793,515	£356,980,979	£277,092,696
Programme Spend	£44,316,000	£9,704,356	£21,419,872	£2,860,375	£33,984,603	£29,182,443
Cost per job	n/a	£3,203	£8,508	n/a	£6,126	£7,257
Cost per job (including safeguarded jobs)	n/a	£3,050	n/a	£1,856	£4,694	£5,117

- 2.2 To date commitments of £31.12 million have been made through a combination of the big and small schemes. Eight applications to the small scheme, with a combined grant value of £310,863, were approved under sub-delegations in May 2019.
- 2.3 Grants are funded through a combination of the Business Growth Programme and Access to Capital Grants, both of which are funded through the Local Growth Fund.
- 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 Of a total of 66 projects approved, three have been withdrawn, 58 are complete and £119,528 is left to pay to five businesses whose projects are still live.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.¹

Proposed changes to programme criteria

- 2.6 With demand for the programme remaining high, the overall budget reducing and the closure date of March 2021 on the horizon, the Business Investment Panel (BIP – as the panel that considers large BGP applications) requested that a review of the criteria and guidance be undertaken to help inform their consideration of applications. Added to this, was the increasing number of more borderline applications coming before the BIP, particularly in relation to additionality and affordability, productivity and sector priorities.
- 2.7 Therefore, proposed changes to the criteria and guidance, informed by the views of the BIP, were produced and then considered by the Business, Innovation and Growth Panel (BIG - as the panel with strategic responsibility for the programme) in May 2019. As a result of the above consultation, further revisions have been made to the criteria and guidance, and these are set out at **Appendix 1** for consideration and approval by the Board.

3. Financial implications

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

4. Legal implications

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

5. Staffing implications

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

6. External consultees

- 6.1 No external consultations have been undertaken.

¹ <https://www.the-lep.com/about-us/transparency/grants-for-business/>

7. Recommendations

8.1 That LEP Board notes the progress report.

8.2 That LEP Board approves the proposed changes to programme guidance and criteria as outlined in **Appendix 1**, and that the changes are implemented from Quarter 3 of 2019/20 onwards.

8. Background documents

8.1 None.

9. Appendices

Appendix 1 – proposed changes to programme guidance and criteria.