

Proposed new criteria for capital grants to businesses

1. Business Growth Programme

1.1 All grant recipients will be expected to meet the criteria outlined in 1.2. The criteria in bold text are new criteria, which it is proposed are implemented in 2018/19.

1.2 Business Growth Programme – Draft Revised Criteria

- Your business must be based in the Leeds City Region which includes the local authority areas of Barnsley, Bradford, Calderdale, Craven, Harrogate, Kirklees, Leeds, Selby, Wakefield and York;
- Your project must create permanent new jobs **and/or upskill existing jobs to higher wage rates** in Leeds City Region*;
- **All new or upskilled jobs funded by the LEP grant must be paid at least the Living Wage Foundation rate (currently £8.75 per hour from age 18+);**
- **Apprenticeship jobs are permissible but we expect you to pay the apprentice at least the National Minimum Wage appropriate for the age of the apprentice (rather than the lower national apprenticeship wage);**
- You must have private finance available: either your own, from a bank, or other commercial finance to invest alongside the grant;
- For every £1 of LEP funding sought, you 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 you must have at least £40,000 of private sector finance to invest for every £10,000 of grant;
- Your business must be established for at least 12 months and must operate from commercial premises;
- Your business must generate the majority of its turnover by trading with other businesses, or your application 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.

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.**

* In return for this grant it is expected that the project will create new or upskilled jobs, calculated at a maximum contribution of £10,000 of grant per job. This is increased to £12,500 for jobs created at NVQ Level 3 and above and/or which pay the Leeds City Region average salary of £21,000 per annum or above.

2. Inclusive Growth Commitments

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

2.2 Additional Inclusive Growth Commitments

- 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 the Living Wage** to all employees/become a Living Wage Foundation employer within 2 years.

2.3 The commitment will vary depending on the level of grant awarded.

- For grants from £50k - £99k we expect the applicant to agree to **two or more** of the additional commitments;
- For grants from £100k -249k we expect the applicant to agree to **three or more** of the additional commitments;
- For grants over £250k we expect the applicant to agree to **four or more** of the additional commitments **and** pay the Living Wage** to all employees/become a Living Wage Foundation employer within two years.

**see appendix two for definitions of the Living Wage.