

Report to: Business Investment Panel

Date: 9 August 2018

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).

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 grants of between £10,000 and £100,000 and the Business Flood Recovery Fund 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 (19/07/18)
Direct jobs	4,100	2,863	2,073	n/a	4,936	3,033
Safeguarded jobs	n/a	152	0	1,541	1,693	1,682
Number of grant awards	765	36	527	63	626	520
Total investment	£168,500,000	£144,441,164	£149,173,201	£12,793,515	£306,407,880	£231,586,970
Programme Spend	£38,963,000	£8,681,754	£18,026,193	£2,860,375	£29,568,322	£24,339,154
Cost per job	n/a	£3,032	£8,698	n/a	£5,991	£8,026

Performance indicator	Target	Big Scheme Committed	Small Scheme Committed	Flood Grants Committed	Total Commitments	Actual Outputs (19/07/18)
Cost per job (including safeguarded jobs)	n/a	£2,880	n/a	£1,856	£4,461	£5,163

*It should be noted that 1,400 of committed jobs under the Big Programme relate to one major project within the Wakefield District. Initial monitoring of the project has now been completed and a total of 290 new jobs have been created to date.

- 2.2 To date commitments of £26.71 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. A total of £3.18 million was approved through the fund, but 3 projects (totalling £168k) have been withdrawn and a further 16 projects have gone ahead, but at a lower level, thereby reducing commitments by £152k. Of a total of 66 projects approved, 3 have been withdrawn, 52 are complete and £185k is left to pay to 11 businesses whose projects are still live.
- 2.5 A full list of all LEP grant approvals is available on the LEP website.¹

3. New applications

- 3.1 Members are asked to consider the following applications. Grant applications and appraisals are attached as detailed.

Project Ref	District	Total Investment £	Grant Requested £	Proposed New Jobs	Appendix
1098371	Bradford	5,610,000	250,000	28	2
1098145	Kirklees	1,968,000	125,000	10	3
		7,578,000	375,000	38	

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

4. Project updates

- 4.1 Panel members were asked at the last Panel meeting on 12 June 2018 to reconsider BGP 964, an application previously approved in February 2017. At the meeting on 12 June 2018 members requested that officers seek further clarifications from the business. The business provided answers to the queries raised and a document was circulated via e-mail to panel members on 9 July 2018. As the queries have now been satisfactorily resolved, officers are progressing with completion of the funding agreement for issue to the business.
- 4.2 A grant of £140,580 was approved to BGP 694 in December 2015, a company based in Calderdale. The investment is now complete, however for a variety of reasons, the job creation associated with the project has proceeded at a lower level to that envisaged in the original application. A reduced offer of £62,500 has now been made to the business, to reflect five jobs created (at £12,500 per new job), all paying above the city region average salary of £21,800 per annum.

5. Revised criteria

- 5.1 At the Panel meeting on 12 June 2018, Members were updated on proposals to implement additional inclusive growth criteria for applications of over £50,000. These changes will take effect to new applicants from 31 July 2018, although businesses that had commenced the application process prior to this will be able to apply under the previous criteria until the end of September 2018.
- 5.2 **Appendix one** sets out the revised criteria.

6. Financial implications

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

7. Legal implications

- 7.1 The information contained in **Appendices 2, 3, 4 and 5** is exempt under paragraph 3 of Part 1 to Schedule 12A of the Local Government Act 1972 as it contains information relating to the financial or business affairs of any particular person (including the authority holding that information). It is considered that the public interest in maintaining the content of the appendices as exempt outweighs the public interest in disclosing the information as publication could prejudice current and future decision making.

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 BGP progress report be noted.
- 10.2 That the grant applications detailed at 3.1 and attached at **Appendices 2, 3, 4 and 5**

11. Background documents

None.

12. Appendices

Appendix 1 – revised criteria for the Business Growth Programme.

Appendix 2 – application and appraisal for project reference 1098371 (CONFIDENTIAL).

Appendix 3– LEP Grant Application Form (CONFIDENTIAL)

Appendix 4 – application and appraisal for project reference 1098145 (CONFIDENTIAL).

Appendix 5 – LEP Grant Application Form (CONFIDENTIAL)