

Executive Decision Report

Growth Hub

Decision to be taken by: City Mayor

Decision to be taken on: 21 August 2019

Lead director: Mike Dalzell



City Mayor

Useful information

- Ward(s) affected: All wards
- Report author: Joanne Ives
- Author contact details: 37 2934
- Report version number: 1

1. Summary

This report is seeking approval for:-

- Delivery of the Growth Hub project funded by the European Regional Development Fund (ERDF) which will support businesses in Leicester and Leicestershire to access business support, including events, workshops, capital business grants and one to one support for businesses.

2. Recommendations

That the City Mayor:

2.1 Accept the ERDF funding (£3.9m) and agree for the city council to act as accountable body in relation to it;

2.2 Add £1.4m to the capital programme, in respect of SME grants; and

2.3 Approve a City Council match funding contribution of £516k from existing budget resources.

2.4 Delegate to the Director of Tourism, Culture & Inward Investment in consultation with the Director of Finance the authority to distribute and allocate the ERDF funding to further the aims of the project subject to the terms of any agreements required in consultation with Legal Services.

3. Supporting information including options considered:

An application was made for European Regional Development Funding (ERDF) for the development of a business support, business grant, investor readiness, scale-up and property support scheme in April 2018. The project has been approved and a contract received.

The total project cost is £7.9m, the table below provide details of the contributions from each match funding partner.

Partner	Match	ERDF	Total
City Council	£516k	£1,116k	£1,632k
LLEP	£503k	£476k	£979k
Chamber	£169k	£912k	£1,081k
County Council	£187k	£64k	£251k
Grant (SME)	£2,600k	£1,400k	£4,000k
Total	£3,975k	£3,968	£7,943k

The project proposal has been led by Leicester City Council, and developed as a partnership with Leicestershire County Council, the East Midlands Chamber and the Leicester and Leicestershire Enterprise Partnership (LLEP), building on existing joint working.

The project runs from 1st January 2019 to 31st December 2021.

Leicestershire Growth Hub covers the whole of the Local Enterprise Partnership area and will support 536 SMEs and create 212 new jobs through the following key activities:

- A core information service: a dedicated marketing and first point of call and referral service for business support (virtual, phone line and physical);
- A localised SME intensive support programme (IDB Business Advice, access to a wider network of business support providers);
- Access to finance through a dedicated grant scheme offering 35% funding for growth businesses, access to complementary schemes such as the Digital Growth Programme
- LEP-wide: business related events, strategic workshops and an annual Business Conference;
- Enhanced business support including a dedicated Scale Up Programme; Investor Readiness Programme and Property support service.

The City Council is experienced in delivering and managing business support grant programmes including the successful Enterprising Leicester, Collaborate (ERDF funded) and Enterprising Leicestershire schemes (RGF funded) which operated throughout 2014, 2015 and Collaborate scheme finishing in Sept 2019. These schemes supported around 270 businesses and created more than 600 jobs at an average cost of £5,600 per job. The new capital grant scheme is anticipated to support around 86 businesses and deliver 212 jobs

4. Details of Scrutiny

Scrutiny Briefing 17th January 2019

5. Financial, legal and other implications

5.1 Financial implications

The report proposes approval to accept £3.9m of ERDF funding and to act as accountable body. The City Council's match funding contribution is from existing resources, notably staff time. The SME grants of £1.4m will be capital spending, and hence should be added to the capital programme.

Colin Sharpe, Head of Finance, ext. 37 4081

5.2 Legal implications

The conditions of the ERDF funding will need to be reviewed by legal though given these are Central Funds these are likely to be non-negotiable in any case.

The use of the funding and any grant awards of the funding to third parties will need to reflect the requirements on the Council (and step-down obligations where appropriate) under the ERDF funding terms. In addition, State Aid will need to be considered.

The Leicestershire Growth Hub Project should be underpinned by a partnering agreement to secure the respective rights and obligations of the partners as soon as possible.

Mannah Begum, Principal Solicitor (Commercial, Property & Planning) ext 37 1423

5.3 Other Implications (You will need to have considered other implications in preparing this report. Please indicate which apply?)

5.3.1 Equality Implications

Under the Equality Act 2010, public authorities have a Public Sector Equality Duty (PSED) which means that, in carrying out their functions, they have a statutory duty to pay due regard to the need to eliminate unlawful discrimination, harassment and victimisation, to advance equality of opportunity between people who share a protected characteristic and those who don't and to foster good relations between people who share a protected characteristic and those who don't.

Protected Characteristics under the Equality Act 2010 are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation.

There are no direct equality implications arising from the report. All activities in relation to ERDF must be delivered in line with regulatory and legal requirements relating to the Equality Act and PSED.

Surinder Singh Equalities Officer Tel 37 4148

6. Background information and other papers:

Economic Development, Tourism and Transport Scrutiny 17th January 2019 – Business support paper

7. Summary of appendices:

8. Is this a private report (if so, please indicate the reasons and state why it is not in the public interest to be dealt with publicly)?

No

9. Is this a “key decision”?

Yes

10. If a key decision please explain reason

Acceptance of European Regional Development Fund capital and revenue to value of £3.9m and addition to the capital programme of £1.4m.