

<b>Report of:</b>	<b>Head of Economic Development</b>
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<b>Portfolio Leader:</b>	<b>Economic Development and Planning Portfolio Leader</b>
<b>Key Decision:</b>	<b>Yes</b>
<b>Report Track:</b>	<b>Cabinet: 10/12/15</b>

**CABINET**  
**10 DECEMBER 2015**  
**ESIF MATCH FUNDING OPPORTUNITIES (BUSINESS SUPPORT RELATED)**

**1 Purpose of Report**

- 1.1 To secure approval in consultation with the Cabinet Leader for Economic Development & Planning, to pursue appropriate funding opportunities through the European Structural & Investment Funds (ESIF) programme in response to the needs and opportunities of the District.
- 1.2 To approve the use of available monies from the Economic Development budget for future match funding purposes when the new ESIF funding programmes for business support goes live.

**2 Recommendations**

- 2.1 That Cabinet authorises the Head of Economic Development, in consultation with the Cabinet Leader for Economic Development & Planning, to support the preparation and submission of applications to secure funding for appropriate business support and grant programmes, opportunities to support skills, develop the tourism sector and support Enterprise Belt activity, through the European Structural & Investment Funds (ESIF) programmes.
- 2.2 That subject to any financial implications being contained within existing budgets, the Head of Economic Development is authorised, in consultation with the Cabinet Leader for Economic Development and Planning, to enter into Service Level Agreements (SLAs) and other forms of legal agreement as required by the securing of funding support through ESIF and other forms of financial assistance.

**3 Key Issues and Reasons for Recommendation**

- 3.1 Many European funded programmes for business support and grants have now closed due to funds being depleted and the current round of funding (2007/2013) coming to an end. There is currently a lull in the availability of support for business, skills and innovation which will have a negative impact on local economic growth. Approving the recommendations in this report will facilitate the availability of funds as and when the ESIF projects are launched.
- 3.2 New ESIF projects are currently under development. In order to ensure that the Council can respond quickly to such opportunities it is recommended that the Head of Economic Development be authorised to pursue such opportunities in consultation with the Cabinet Leader for Economic Development & Planning.
- 3.3 There is only one project at present that has asked for cash match funding of £10,000 per annum over three years (2016/17, 2017/18 & 2018/19) which can be covered by Economic Developments existing reserves.
- 3.4 The ESIF allocation for the Greater Birmingham and Solihull Local Enterprise is £239m and for the Stoke on Trent and Staffordshire Local Enterprise Partnership is £142m covering the period of 2014-2020.

**4 Relationship to Corporate Priorities**

- 4.1 This report supports the Council's Corporate Priorities as follows:
  - (i) Working with partners to facilitate the development of ESIF projects and interventions will support SME competitiveness and Start Up provision available locally.
  - (ii) Better jobs and skills is one of the main strategic objectives for the Council. Helping businesses to access funding will support the growth and expansion of local companies which in turn creates jobs and therefore helps to reduce the number of people unemployed across the District.

**5 Report Detail**

- 5.1 Cabinet accepted the invitation to join the Stoke & Staffordshire LEP (SSLEP) in October 2010 and was admitted to the Greater Birmingham & Solihull LEP (GBSLEP) in November, 2010. This resolution was taken to ensure the best interest of the District was considered for future activities such as strategy formulation, fund applications and promotional activities.
- 5.2 Since membership with these LEPs, the Council has been a very active partner at member and officer levels creating several opportunities to join as a partner in European Structural Fund (ESF) and European Regional Development Fund

(ERDF) business development and enterprise support programmes. As an example, the Council was invited to join in the Business Development Programme and subsequently became a delivery partner along with other local authorities within the GBSLEP area.

- 5.3 In September 2012, Cabinet resolved to ensure the needs of the Cannock Chase District continue to be recognised in the ongoing work of the LEPs via funding applications, strategy formulation and promotional activities. Authority was given to enter in to Service Level Agreements (SLAs) and other forms of legal agreements as required by the securing of funding support European Regional Development Fund (ERDF), The Growing Places Fund (GPF) and other forms of financial assistance.
- 5.4 The Business Development Programme was an ERDF funded programme launched in September, 2012 and was widely promoted to local businesses. The programme offered grant assistance to businesses within the GBSLEP area for expansion and relocation projects of a minimum cost of £22,989 to qualify for a grant of £10,000 up to a maximum of £15,000.
- 5.5 The main benefits gained from being involved as a delivery partner on Business Development Programme are summarised below:
- 17 local businesses have successfully gained approval for the Business Development Programme grant; only 16 of these businesses actually took the grant offered.
  - The total project value of these investment and growth projects is £537,025.67
  - 67 jobs expected to be created (56 actually created to date) within the district.
- 5.6 Other performance indicators highlight the success of the collaborative approach taken in delivering the Business Development Programme which are summarised below:
- The quality of service delivery by the Economic Development Services Team sustained 100% conversion rate of applications being approved by the assessment panel.
  - The Business Development Programme was acknowledged by the Federation of Small Business (FSB) at the 2014 FSB Staffordshire and West Midlands Region Local Authority Awards for 'Collaborative Working'.
  - The Business Development Programme was closed 17 weeks earlier than scheduled (March 2015) because all funds had been allocated by the close of November 2014.
- 5.7 In addition to the closure of the Business Development Programme other business grant schemes closed earlier than anticipated due to full allocation of funds which further demonstrates the shortage of business support on offer to local businesses (listed below some of the schemes that closed early):
- Business Innovation Centre (BIC) Small Business Grant

- Green Bridge Supply Chain Programme
- Innovation Growth in Stoke and Staffordshire (IGISS) and
- Staffordshire Business Enterprise Fund
- Business Innovation Programme

5.8 The Business Development Programme is just one example of what we need to offer in future ESIF funded programmes for business, skills and innovation. It is hopeful that this programme will be reborn within the comprehensive suite of new programmes which were expected Q2 2015. Unfortunately, the indicative date for launching these programmes will not be until the end of Q4 in 2015 but there is no confidence that this timeline will be achieved given the delays incurred to date.

5.9 The Head of Economic Development in consultation with the Cabinet Leader for Economic Development and Planning is asking Cabinet to support a global position for use of the Economic Developments existing budget for future EU match funded programmes as and when they are launched. This will enable the economic development services team to maximise opportunities and the impact we can achieve locally.

<b>6 Implications</b>
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**6.1 Financial**

As referred to in para 3.3 there are sufficient resources held in the LEP Reserve to fund the £30,000 (*over 3 years*) cash funding currently requested by one of the new projects; the current balance being £42,439.

The remaining balance is available to pursue appropriate funding opportunities through the European Structural & Investment Funds (ESIF) programme in response to the needs and opportunities of the District.

The report requests that future funding opportunities be authorised by the Head of Economic Development in consultation with the Cabinet Leader for Economic Development and Planning; up to the remaining level held in the reserve.

**6.2 Legal**

There are no Legal Implications arising from this report.

**6.3 Human Resources**

There are no Human Resources Implications arising from this report.

**6.4 Section 17 (Crime Prevention)**

There are no identified Section 17 (Crime Prevention) Implications arising from this report.

**6.5 Human Rights Act**

There are no identified Human Rights Act Implications arising from this report.

**6.6 Data Protection**

There are no identified Data Protection Implications arising from this report.

**6.7 Risk Management**

Without the support of a global position for use of the Economic Development budget and staff time for future ESIF match funded programmes as and when launched, businesses will be left with very little support available to help them to grow and expand. Actively engaging in these activities will contribute to the Council's strategic risk of ensuring that the needs of the District are recognised.

**6.8 Equality & Diversity**

There are no identified Equality & Diversity Implications arising from this report,

**6.9 Best Value**

There are no identified implications for Best Value directly arising from this report.

**7 Appendices to the Report**

None

**Previous Consideration**

Local Enterprise Partnerships (LEPs) Cabinet  
– Update

20 September 2012

**Background Papers**

None