

**Report of Programme Manager for Digital Enterprise**

**Report to Chief Officer - Economy and Regeneration**

**Date: 12 September 2016**

**Subject: Digital Enterprise Project Funding Agreement**

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

**Summary of main issues**

1. Approval sought on the Funding Agreement for the Digital Enterprise business support programme issued by the Secretary of State for Communities and Local Government (DCLG) in August 2016.

**Recommendations**

2. The Chief Officer Economy and Regeneration is recommended to sign the Agreement for and on behalf of Leeds City Council. Authorisation to enter into the Funding Agreement was approved at the Council's Executive Board on the 9 March 2016.

## **1 Purpose of this report**

- 1.1 To seek authorisation to proceed with signing the Funding Agreement issued by the Department for Communities and Local Government regarding the Digital Enterprise business support programme.

## **2 Background information**

- 2.1 Digital Enterprise will deliver a comprehensive package of services to at least 1000 eligible SMEs in the Leeds city region area over a 3 year period. It will encourage firms to take-up faster digital connectivity or introduce enhanced ICT systems to improve business performance, through the provision of grants.
- 2.2 The programme will be delivered by Leeds City Council on behalf of a partnership of local authorities within the Leeds city region and the West Yorkshire Combined Authority.
- 2.3 The scheme will enhance the digital capabilities of SMEs by providing an integrated programme of information, advice and financial support, to achieve practical implementation. Also, it will raise the confidence of SMEs in using digital technology and will support them to increase their levels of productivity and competitiveness to achieve business growth.

## **3 Main issues**

- 3.1 The funding model for Digital Enterprise is dependent upon a sizeable private sector SME match funding contribution of over £3 million. The assumption is that approximately 800-1000 firms will provide match funding of around £3000, which would lever in the full allocation of £4.2 million of ERDF.
- 3.2 ERDF compliance will be a major priority for the programme management team, to ensure that all activity is fully eligible. Several compliance priorities exist for the programme, including SME eligibility, grant claims supported by appropriate evidence and eligible digital projects

## **4 Corporate Considerations**

### **4.1 Consultation and Engagement**

- 4.1.1 Early engagement with the digital supply sector across the Leeds city region has been undertaken on the programme, which will help to drive demand for grants.
- 4.1.2 Local authority partners have been consulted on the development of the programme, via several Steering group meetings.
- 4.1.3 Small and medium sized businesses have been surveyed via an online survey in February/March 2016 about their ICT/digital technology requirements – the results used to design the programme.

## **4.2 Equality and Diversity / Cohesion and Integration**

4.2.1 Programme delivery will adhere to Leeds City Council Equality and Diversity frameworks.

## **4.3 Council policies and Best Council Plan**

4.3.1 Programme delivery will operate within Leeds City Council policies and the Best Council Plan.

## **4.4 Resources and value for money**

4.4.1 Value for money considerations to be adopted throughout all aspects and process of programme delivery.

## **4.5 Legal Implications, Access to Information and Call In**

4.5.1 None.

## **4.6 Risk Management**

4.6.1 Risk log completed as part of the ERDF Application procedure and available to view.

## **5 Conclusions**

5.1 The external funding provided via the ERDF grant provides significant external financial resources to deliver an important business support programme to help businesses in the Leeds city region adopt and utilise digital technology to achieve business growth and development.

## **6 Recommendations**

6.1 The Chief Officer Economy and Regeneration is recommended to sign the Agreement for and on behalf of Leeds City Council. Authorisation to enter into the Funding Agreement was approved at the Council's Executive Board on the 9 March 2016.

## **7 Background documents<sup>1</sup>**

7.1 None.

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<sup>1</sup> The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.