

---

**Report of : Cover Report for Delegated Decision Notice**

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

**Date: 20/09/2016**

**Subject: The Ad:Venture Business Support Programme Delegated Decision Notice**

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 checked="" type="checkbox"/> Yes	<input 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. Leeds City Council as lead partner of a regional funding consortium has been successful in securing 6.1 million ( 12.3 million total funding) from European Regional Development Funds ( ERDF), for Ad : Venture a programme to support new and young business across the Leeds City Region
2. The Department for Communities and Local Government (DCLG) issued a final ERDF Funding Agreement on the 9<sup>th</sup> September 2016. The funding agreement needs to be signed by Senior Responsible Officer on behalf of Leeds City Council and returned to DCLG, within 30 day to enable delivery on the programme to start.

**Recommendations**

3. 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 (Minute 146).

## **1 Purpose of this report**

- 1.1 To secure signature of the Grant Funding Agreement through a Delegated Decision Notice to enable the delivery of Ad;Venture to progress.

## **2 Background information**

### **2.1 Summary of Programme**

- 2.1.1 Ad: Venture is an ambitious cross sectoral programme that will deliver across Leeds City Region. The programme will provide a range of support to new and young business ( up to 3 years old) and will be delivered by a consortium of nine city region local authorities ( excluding Barnsley<sup>1</sup> ), two chambers of commerce, the Business Enterprise Fund , a number of the city regions universities and the Princes Trust. Project partners will have a variety of roles with some directly involved with deliver and some providing match funding. Aspect of the programme will also be procured. The programme is being match funded by a contribution from the LEP, remaining match project is provided by project partners, and a contribution from SMEs provided with grant support.
- 2.1.2 Over the course of the 3 year project, the programme will support 1240 businesses, and create around 2400 jobs. The support provided by the programme is not currently offered by any other programmes in this area, and address a clear need identified by partners across the city region to support the growth of early stage businesses.
- 2.1.3 The programme will provide access to a “core offer” delivered through-out the city region, which will be supplemented with specific activity in individual district part funded through additional contributions from those districts.
- 2.1.4 The key Element of delivery are as follows ;
- Core Business Support Offer: A comprehensive programme of workshops; covering key aspects of business development including: selling, marketing, product development and cash flow. Supported with one to one business support and mentoring including access to finance advice.
  - Capital Grants Scheme : Covering a rage of grants from a small £250 market research grant to demonstrate market demand, through a £ 2,000, business start-up grant to support early stage development, to larger grant between £ 5,000- £ 50,0000 to support business with real growth potential.
  - A Programme of enterprise awareness event, delivered across multiple local venues.
  - Youth Enterprise – A dedicated programme of support for young entrepreneurs between the ages of 18-30, with a focus of those in deprived areas, delivered through the price trust.

---

<sup>1</sup> For ESIF Programme Barnsley sits within the Sheffield city region

- Directors Network: University lead peer to peer programme led by the University based on action learning principles open to new business across the city region.
- Area Specific Op-in, which focus on the particular needs of individual districts:
- Calderdale: Intensive Digital Start up Programme with a focus on creative business based in a university led business Incubators in the Calderdale.
  - Bradford: Digital Health Enterprise Zone focusing on business in the digital health field.
  - Wakefield: Creative, Digital and Professional services, intensive support for new business in these key Wakefield growth sectors.
  - Leeds – Tech Hub Programme – Support for young tech business within the new tech Hub facility in Leeds city centre.

## **2.2 Key Risks, Issues and Mitigations**

### **2.2.1 ERDF Compliance**

Leeds City Council as lead partner for the project will be responsible in the first instance any liability associated with non – compliance. Although the risk and liability associated with non- compliance with ERDF regulations for delivery partner, and sub-contractor will be passed down through legal agreements, Therefore, compliance with ERDF regulation is a risk that will need to be managed throughout the course of the project, and the programme team will have a strong focus on compliance during deliver, this will include:

- SME Eligibility – Ensuring that new businesses supported are eligibility for ERDF support, primarily ensuring that business meet the SME definition, and are not in ineligible sectors.
- State Aid – Ensuring that State Aid is managed within the programme. The majority of aid for the programme is through de minimis. It will be important to monitoring the level of public support provides to participants on the programme to ensure limits for the level of support are not surpassed.
- Procurement – Ensuring that procurement across the programme is compliant with public procurement regulations.
- Output Verification – Ensuring that output claim meet verification requirements, standard definitions and have not been double counted across the programme. .
- Correct Record Keeping – Ensuring that financial and outputs claim, are support be an adequate audit trail, and that the required programme documentation is retained by, LCC, delivery partners and sub- contractors.
- Financial Claim- Ensuring that monies claimed by and through LCC, are consistent with new ERDF staff time calculation, overhead methodology and can be evidenced.

### **2.2.2 Match Funding**

Match funding for the project is provided from a number of sources, which include both cash provided directly to LCC, and match provided through the time of staff employed by deliver partners. The programme also depends on 2 million in SME contribution, provided by SMEs accessing grants as co-finance for the activity supported. To ensure the programme can be delivered at the scale of the original application, match funding profile of the programme will need to be carefully monitored throughout the life of programme, particularly the level of SME match. It will be important that this aspect of the programme is effectively marketed, and kept under review to ensure that level of take up is maintained, and the match secured.

### **2.2.3 Targeting Support**

Although, the programme will be open to all new business, the programme is committed to delivering target for both job created (2400) and new product (180). In order for the programme to deliver these targets, and also to ensure that the programme maximised the benefit of activities within the city region, supported business will need to have a clear orientation growth. Early, and targeted business engagement will be key to achieving this, the programme will also need to ensure it work effectively with existing support, and referral organisation in the city region.

### **2.2.4 Partnership Deliver**

The programme will be delivered through a consortium of organisations, drawing on the resources and expertise of a range of partners. The project also includes a number of partners that provide match funding but do not directly contribute to deliver. The successful delivery of the programme will depend on effective partnership, communication and governance. The programme currently has a steering group that has guided the development of the programme to date. To managed the next stage of the programme, the LLC Ad: Venture team will now develop a project board and officer groups. This will ensure delivery is monitor, and allowing project risks and issue to be identified and addressed effectively.

## **3 Main issues**

- 3.1 Ad: Venture is a 12 million programmes, part funded by the European Economic Development Fund (ERDF), which will support new and young business across the Leeds city region achieve their growth potential. The programme is managed by Leeds City Council, delivered and supported by a wide partnership of organisation, including, local authorities, chambers of commerce, universities, the Local Enterprise Partnership and social enterprises . The programme will offer range different support including, grants, one to one advice and mentoring, workshops and events.
- 3.2 There are a range of risk and issues that will be important to manage during the delivery of the programme. These include;

ERDF compliance -ensuring that programme delivery is consistent with the specific rule and regulation that apply to ERDF funding,

Partnership deliver: ensuing that that partnership of organisations that will deliver programme is effective.

Match funding: ensuring match funding the programme needs from SME contributions to delivery is secured.

Targeting support: ensuring that the support is targeted at the right kind of business to maximise impact.

- 3.3 These risks have been fully considered during development of the programme, and actions will be taken during delivery to ensure these risks are managed and mitigated.

## **4 Corporate Considerations**

### **4.1 Consultation and Engagement**

- 4.1.1 The application was developed by a wide consortium of organisations from across the city region, and therefore subject to extensive consultation during the development phase. The project has also been subject to consultation with the relevant councillor as part of Leeds City Council approval process.

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

- 4.2.1 Consideration of equality and diversity was integral to the development of the Ad:Venture programme, it was also an important part of the ERDF appraisal process. The programme has set out a number of measures to ensure support is open to all, and the participation of protected groups will be monitored on an on-going basis.

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

- 4.3.1 Council policy and Best Council principles were considered during the development of the programme.

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

- 4.4.1 The programme has been developed to ensure that the least resource are deployed in deliver, while maintaining the level and quality of outputs, and effectively managing risk.

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

- 4.5.1 The decision is not subject to Call-in, the programme is subject to freedom of information and data protection legislation. The decision will involve Leeds City Council entering into a legal contract as set out above.

### **4.6 Risk Management**

- 4.6.1 Significant risks and their migration are set out in detail section 2 and 3 of this report. Leeds City Council team and wider partnership developed a set of risk as part of application process, consistent with programme management best practice; the programme will continue to maintain a risk register.

## **5 Conclusions**

- 5.1 Leeds City Council as lead partner of a regional funding consortium has been successful in securing 6.1 million ( 12.3 million total funding) from European Regional Development Funds ( ERDF), for Ad : Venture a programme to support new and young business across the Leeds City Region. This is a positive, for both Leeds City Council and Leeds City Region, providing support for new business and young which is not currently offer in the city region.
- 5.2 Although, there are some risks associated with the delivery of the programme, these have been fully considered during development of the programme, and actions will be taken during delivery to managed and mitigated them. It is recommended that the Funding Agreement issued by DCLG is signed.

## **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 (Minute 146).

## **7 Background documents<sup>2</sup>**

- 7.1 None.

---

<sup>2</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.