

**North Yorkshire County Council**

**Business and Environmental Services**

**Executive Members**

**30 March 2022**

**Acceptance of Grant Funding for Small and Medium Enterprise (SME)  
Business Support  
(York and North Yorkshire Local Enterprise Partnership)**

**Report of the Assistant Director – Economic Partnership Unit**

**1.0 Purpose Of Report**

- 1.1 To seek approval from the Executive Member for Open to Business, in consultation with the Corporate Director – Business and Environmental Services, Corporate Director - Strategic Resources and Assistant Chief Executive - Legal and Democratic Services to authorise the Corporate Director - Strategic Resources to accept grant funding for Small and Medium Enterprise (SME) business support to be delivered via York and North Yorkshire Local Enterprise Partnership's Growth Hub service as follows :
- £120,000 from City of York Council
  - £65,000 from Harrogate Borough Council

**2.0 Background**

- 2.1 The York and North Yorkshire Local Enterprise Partnership (YNY LEP) has been requested to provide business support via the YNY Growth Hub targeted into City of York Council (CYC) and Harrogate Borough Council (HBC) areas. Both local authorities have delivered significant levels of local support for SME business through their Additional Restrictions Grant (ARG) support from Central Government.
- 2.2 The reason for requesting this decision through Urgency procedures is due to the grant being time limited to direct delivery by 31 March 2022, and the residual balances of ARG for the respective Councils have been determined at:
- £120,000 for City of York Council area
  - £65,000 for Harrogate Borough Council
- 2.3 However, under the terms of the ARG funding from Government to local authorities, agreements are permitted to contract for delivery of business support activity by 31 March 2023, as long as the grant is paid to the contracted third party by 31 March 2022 deadline.
- 2.4 Across the York and North Yorkshire area, the YNY LEP Growth Hub is the primary conduit for SME business support, under contract from the Department of Business Energy and Industrial Strategy (BEIS). Both local authorities have therefore approached the YNY LEP Growth Hub to arrange delivery that can be contracted to continue during 2022/2023 financial year, subject to payment of their residual balances being made to YNY LEP by 31 March 2022. The total amount of these grants will exceed the officer delegation threshold for external grant acceptance.

- 2.5 The activity to be enabled by the grant funding replicates similar activity that has been taking place during 2021/2022. The proposed arrangements will offer more support to be accessed in these localities, and/or reach more businesses, up to the extended deadline which will apply to the activity taking place by 31 March 2023.
- Harrogate BC - The YNY Growth Hub has already provided a package of business support under contract to HBC, and the proposal is to extend that offer to utilise the £65,000;
  - City of York Council - to date, CYC has delivered business support activity directly, however, a similar model to that offered in Harrogate has been agreed with CYC for the proposal to utilise the £120,000 of contracted business support delivery.
- 2.6 Acceptance of the grants will secure the full benefits of the ARG for SME businesses in York and Harrogate. The proposed delivery through the YNY LEP Growth Hub will be used to develop a “menu” of business support in partnership with a range of external delivery partners (ie Intermediaries, consultancies, business training providers etc). This will be offered through existing YNY LEP Growth Hub channels with promotion and marketing under the YNY LEP Growth Hub brand. Businesses will be able to select the relevant types of support to help them address current challenges and access opportunities for them to grow and develop within the local economy.

### **3.0 Funding and Capacity**

- 3.1 North Yorkshire County Council (NYCC) serves as the Accountable Body for YNY LEP and so the acceptance of the grant funding and all delivery activity is subject NYCC's robust Financial Management and Control systems. Funding Agreements are being arranged with CYC and HBC to ensure compliance.
- 3.2 Project risks are set out in the attached Annex 1.
- 3.3 The grant will include the ability to cover the costs of YNY LEP staff resources to manage the programme management and delivery, and ensure compliance both with NYCC Accountable Body requirements and those of the funders (CYC/HBC). This will include a Programme Management role within the YNY Growth Hub which will be 100% funded through the grant, to ensure robust performance management of the external delivery partners providing the business support to beneficiaries. It will also be permissible to recover professional fees for other NYCC Departments that need to be involved eg Finance, Legal.
- 3.4 The work proposed is consistent with routine YNY LEP Growth Hub delivery and therefore the YNY LEP has the skills and expertise to manage both the funded activity and the Accountable Body role, with support from NYCC Finance, Legal, Procurement, etc.

### **4.0 Equalities**

- 4.1 There are no equality impacts as all activities will be fully accessible and inclusive to all SME businesses thus ensuring equal access to support, in accordance with the Equality Act 2010 and NYCC Equality and Diversity policies. An initial equality impact assessment screening form is provided at Annex 2.

## 5.0 Finance

- 5.1 The payment of revenue grant (£120,000 from City Of York Council and £65,000 from Harrogate Borough Council) will be an initial payment in full which must be paid by the respective local authorities by 31 March 2022 for delivery by 31 March 2023. Detailed reporting on the activities delivered by the grant will be required under the terms of the grant acceptance. The grant will include the ability to cover the costs of staff resources to manage the programme management and delivery, and ensure compliance both with NYCC Accountable Body requirements and those of the funders (CYC/HBC). Further details are set out in paragraph 3.3 above.
- 5.2 Both Local Authorities have set out the requirements of how the funding is to be used for business support activity in the respective areas. In the event that the funding is not fully spent by 31 March 2023 it would be possible to retain the funds to pay for activity during 2023/24. However, every effort will be made to complete the activity by 31 March 2023, and the risk of any funding remaining at that time is low (this scenario is included at Annex 1 Project Risk Register).
- 5.3 As accountable body, NYCC will be responsible for collecting and reporting the Key Performance Indicators (KPIs) for the delivery activity, and for collecting the necessary data from the external delivery partners to be shared with the funders as required.
- 5.4 No match funding is required from NYCC as a result of accepting the grants.

## 6.0 Legal

- 6.1 There are no legal implications arising from acceptance of the grant, and there are no subsidy control implications.
- 6.2 Any procurement exercises will be carried out in accordance with the Council's Procurement and Contract Procedure Rules, and if relevant, the Public Contracts Regulations 2015.

## 7.0 Climate Change

- 7.1 There are no direct impacts for climate change.
- 7.2 However the packages of SME business support available will include opportunities to directly meet the needs of the green economy, by supporting the transition from high to low carbon, directly contributing to the achievement of the UK's net zero emissions target and helping mitigate climate risk. Significant delivery of the business support to be offered will be on line, so reducing carbon footprint.

## 8.0 Recommendations

- 8.1 It is recommended the Executive Member for Open to Business, in consultation with the Corporate Director – Business and Environmental Services, Corporate Director - Strategic Resources and the Assistant Chief Executive - Legal and Democratic Services, authorises the Corporate Director - Strategic Resources to accept the grant funding for Small and Medium Enterprise (SME) business support to be delivered via York & North Yorkshire Local Enterprise Partnership's Growth Hub service as follows
- £120,000 from City of York Council
  - £65,000 from Harrogate Borough Council

Name: James Farrar (Chief Operating Officer – York and North Yorkshire LEP)

Author of Report: Liz Philpot (Head of Delivery - York and North Yorkshire LEP)

Background Documents:

Annex 1: Project Risk Register

Annex 2 : Initial equality impact assessment screening form

## ANNEX 1 : Project Risk Register

RISK	RISK TYPE and RAG LEVEL	MITIGATION
Timing of grant payments	<b>Financial</b>	Agreements are being progressed to meet the deadline for payments by 31 March 2022; while this is a risk for the onward delivery, the risk to the Accountable Body is low, as if the deadline cannot be met by HBC and CYC no further activity will be required.
Completion of process for grant acceptance	<b>Delivery</b>	Arrangements are in place for grant payments to be made subject to the required approvals being in place to receive the grant funding; again the risk if this is not possible is primarily reputational, and the loss is the opportunity for businesses to benefit from the grant funding rather than for the Accountable Body
Full programme of business support activity	<b>Delivery</b>	Following payment of grant funding there is a full year to deliver the SME business support activity up to 31 March 2023
Procurement with external providers	<b>Financial/Delivery</b>	Proposals and quotes will be obtained; low risk as costs will be accommodated within available funds;
External provider performance	<b>Delivery</b>	Existing bank of reliable/reputable external providers that regularly deliver similar SME business support on behalf of YNY LEP Growth Hub; performance management of contracted delivery will ensure prompt remedial action is taken if necessary; payment to external delivery partners will be made in arrears for services provided therefore payments may be withheld if necessary
Limited interest from businesses	<b>Delivery</b>	Confidence in numbers to be supported based on similar engagement activities to date which have generated good levels of take up from SME businesses; external delivery partners are aware of known demand in their localities and have local networks that enable quick reach and engagement with target audience; existing Growth Hub communication channels will also be used to promote the targeted support;
Delay in project start	<b>Delivery</b>	Existing resource is in place and ready to mobilise subject to grant payments being approved/made; established delivery model is proposed which has been agreed with grant funding partners and can be rolled out quickly; delivery starts at beginning of financial year and plenty of time to mitigate underspend or implement new programmes to fully utilise available grant
Implementation of further pandemic restrictions	<b>Delivery</b>	Most SME business support provision will be available on line or can be quickly transferred to on line in the event of further national or local restrictions
Completion of activity/funding to be spent by 31 March 2023	<b>Financial/Delivery</b>	As there is no mechanism for clawback of the grant funding any remaining funds at 31 March 2023 will be retained and used for delivery in 2023/24. However, every effort will be made to complete the activity within that period.

**ANNEX 2 : Initial equality impact assessment screening form**

<b>This form records an equality screening process to determine the relevance of equality to a proposal, and a decision whether or not a full EIA would be appropriate or proportionate.</b>	
<b>Directorate</b>	Business and Environmental Services
<b>Service area</b>	The York and North Yorkshire Local Enterprise Partnership (YNY LEP)
<b>Proposal being screened</b>	SME Business Support in Harrogate and City of York
<b>Officer(s) carrying out screening</b>	Liz Philpot/Paul Clark
<b>What are you proposing to do?</b>	<p>This screening concerns the offer of grant funding for delivery of £185,000 of SME business support to be targeted into Harrogate and City of York during the financial year 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023.</p> <p>The proposed delivery through the YNY LEP Growth Hub will be used to develop a “menu” of business support in partnership with a range of external delivery partners (i.e. Intermediaries, consultancies, business training providers etc.). This will be offered through existing YNY LEP Growth Hub channels with promotion and marketing under the YNY LEP Growth Hub brand. Businesses will be able to select the relevant types of support to help them address current challenges and access opportunities for them to grow and develop within the local economy.</p>
<b>Why are you proposing this? What are the desired outcomes?</b>	<p>This will support continued recovery, resilience and growth of SME businesses in line with the <a href="#">YNY LEP Covid-19 - A Plan to Reshape our Economy : Greener Fairer Stronger</a>, particularly under the “Stronger” theme :</p> <p><i>The economy is more resilient, able to adapt to challenges and harness growth potential</i></p> <p>Delivery of this activity through YNY LEP Growth Hub will enable a diverse offer of support to be developed for SME businesses across a range of topics aimed at reaching as many businesses as possible in the target areas. Previous beneficiaries of Growth Hub business support have been very positive eg with 83% reporting that one social media webinar had increased their confidence using different platforms and improved their marketing skills.</p>

	<p>The support will contribute to planned actions for Place and Infrastructure priority actions :</p> <ul style="list-style-type: none"> <li>• Co-ordinated programme of support and assistance for our high streets, city and town centres;</li> <li>• Develop a package of support to capitalise on the potential of smart technology.</li> </ul> <p>And under Business and Innovation priority actions :</p> <ul style="list-style-type: none"> <li>• Ensure that all business support offers are co-ordinated and effectively delivered to local businesses across York and North Yorkshire;</li> <li>• Provide information, advice, training and support to businesses;</li> <li>• Provide support to new/start-up businesses;</li> <li>• Enable businesses to be resilient and adopt circular economy principles.</li> </ul> <p>These activities are consistent with existing delivery of SME business support via YNY LEP Growth Hub and will be scaled up accordingly, enabled by the proposed grant funding in the target areas of Harrogate and York.</p>
--	---

<p><b>Does the proposal involve a significant commitment or removal of resources?</b> Please give details.</p>	<p>N/A</p>
--	------------

**Impact on people with any of the following protected characteristics as defined by the Equality Act 2010, or NYCC’s additional agreed characteristics**  
*As part of this assessment, please consider the following questions:*

- *To what extent is this service used by particular groups of people with protected characteristics?*
- *Does the proposal relate to functions that previous consultation has identified as important?*
- *Do different groups have different needs or experiences in the area the proposal relates to?*

The external delivery partners will be expected to promote equality and diversity through the SME business support provided and offer appropriate, timely and impartial information, advice and guidance. They will put measures in place that will prevent any unlawful discrimination relating to discrimination (whether in race, gender, religion, disability, sexual orientation, age or otherwise) in employment.

**If for any characteristic it is considered that there is likely to be an adverse impact or you have ticked ‘Don’t know/no info available’, then a full EIA should be carried out where this is proportionate. You are advised to speak to your [Equality rep](#) for advice if you are in any doubt.**

Protected characteristic	Potential for adverse impact		Don’t know/No info available
	No	No	

Age		✓	
Disability		✓	
Sex		✓	
Race		✓	
Sexual orientation		✓	
Gender reassignment		✓	
Religion or belief		✓	
Pregnancy or maternity		✓	
Marriage or civil partnership		✓	
<b>NYCC additional characteristics</b>			
People in rural areas		✓	
People on a low income		✓	
Carer (unpaid family or friend)			N/A
<b>Does the proposal relate to an area where there are known inequalities/probable impacts (e.g. disabled people's access to public transport)? Please give details.</b>	N/A		
<b>Will the proposal have a significant effect on how other organisations operate? (e.g. partners, funding criteria, etc.). Do any of these organisations support people with protected characteristics? Please explain why you have reached this conclusion.</b>	The SME business support will be delivered in partnership with a range of external delivery partners (i.e. intermediaries, specialist business consultancies, business training providers). These organisations will ensure that all activities will be fully accessible and inclusive to all learners thus ensuring equal access to support, in accordance with the Equality Act 2010 and NYCC Equality and Diversity policies.		
<b>Decision (Please tick one option)</b>	EIA not relevant or proportionate:	✓	Continue to full EIA:
<b>Reason for decision</b>	<p>There are no equality impacts as all activities will be fully accessible and inclusive to all SME businesses thus ensuring equal access to support, in accordance with the Equality Act 2010 and NYCC Equality and Diversity policies.</p> <p>The Local Enterprise Partnership operates in accordance with the National Local Growth Assurance Framework, and its own Local Assurance Framework, which contains a Diversity Statement setting out its commitments to fairness and inclusivity in its procurement and partnership arrangements.</p> <p>Screening exercises will continue throughout the project and where necessary and proportionate, an Equality Impact Assessment will be undertaken.</p>		



<b>Signed (Assistant Director or equivalent)</b>	James Farrar
<b>Date</b>	25/03/22