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## Individual Executive Decision Notice

|  |   |  |
|--|---|--|
| <b>Report title</b>                            | Black Country Transformational GOLD payments of grants to SME's |  |
| <b>Decision designation</b>                    | GREEN   |  |
| <b>Cabinet member with lead responsibility</b> | Councillor John C Reynolds<br>City Economy                      |  |
| <b>Wards affected</b>                          | (All Wards);  |  |
| <b>Accountable Director</b>                    | Julian Wain, Director of Regeneration                           |  |
| <b>Originating service</b>                     | Enterprise  |  |
| <b>Accountable employee</b>                    | Robert<br>Harrington<br>Tel<br>Email                            | Black Country Transformational GOLD<br>Project Manager<br>01902 323274<br>robert.harrington@wolverhampton.gov.uk |
| <b>Report to be/has been considered by</b>     | Not applicable  |  |

### Summary

This report seeks approval to approve payments of grants to SME's (small and medium sized enterprises) under Black Country Transformational Growth Opportunities Local Delivery (GOLD) project.

### Recommendations for decision:

That the Cabinet Member for City Economy, in consultation with the Director of Regeneration approve the following payments of grant to SME's

| <b>Dudley SMEs</b>                      | <b>£</b>      |
|---|---------------|
| Taylex Ltd                              | 9,210         |
| Switch and socket Ltd                   | 3,144         |
| Black Country T Shirts Ltd              | 2,124         |
| Essential Services and Distribution Ltd | 17,450        |
| <b>Total Dudley</b>                     | <b>31,928</b> |

|                       |               |
|-----------------------|---------------|
| <b>Sandwell SMEs</b>  | <b>£</b>      |
| Bodill Parker Ltd     | 19,640        |
| Hewigo Ltd            | 18,000        |
|                       |               |
| <b>Total Sandwell</b> | <b>37,640</b> |

|                          |               |
|--------------------------|---------------|
| <b>Walsall SME's</b>     | <b>£</b>      |
| One Lux Ltd              | 15,000        |
| Feldman Fabrications Ltd | 25,971        |
|                          |               |
| <b>Total Walsall</b>     | <b>40,791</b> |

|                            |               |
|----------------------------|---------------|
| <b>Wolverhampton SME's</b> | <b>£</b>      |
| Imperial Bathrooms         | 27,510        |
| Watstech Ltd               | 4,621         |
|                            |               |
| <b>Total Wolverhampton</b> | <b>32,131</b> |

\_\_\_\_\_  
Signature

Date:

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Signature

Date:

## **1.0 Background**

- 1.1 Cabinet (Resources) Panel agreed on 26 April 2016 to delegate authority for the Cabinet Member for City Economy in consultation with the Service Director, City Economy, to agree grants to small and medium size enterprises (SMEs) of up to £25,000 through the European Regional Development Fund (ERDF) funded Black Country Transformational Growth Opportunities Local Delivery (GOLD) project. The amount delegated has subsequently been amended by Cabinet (Resources) Panel on 19 July 2017 to £50,000.
- 1.2 Black Country Transformational GOLD project issues grants to SMEs to enable a sustainable step change in their working processes, business development and performance.

## **2.0 Black Country Transformational GOLD — Payments of Grants to SMEs**

- 2.1 As part of Black Country Transformational GOLD, SMEs apply for grants using an application process. Decisions will be made by the Investment Decision Group (IDG) the membership of which includes private sector representatives from financial and legal specialists, including Barclays and Santander.
- 2.2 Details for grants awarded under Black Country Transformational GOLD are included in Appendix 1.

## **3.0 Evaluation of alternative options**

- 3.1 This is a European Funded project. The alternative would be for the Council to provide the grant funding direct to the SME's at its own cost or not to participate in grant funded schemes to support SME's.

## **4.0 Reasons for decision**

- 4.1 To approve grant awards to SMEs under the Black Country Transformational GOLD project.

## **5.0 Financial implications**

- 5.1 Black Country Transformation GOLD bid secured £1.6 million ERDF towards of a total project cost of £5.0 million with £3.4 million private sector match funding and £124,000 match from Black Country partners. The project will aim to issue grants to SMEs of up to £25,000 with an intervention rate ranging from 10% to 50% of eligible project costs. Grants will fund an average intervention rate of 30% with an average ERDF grant award of £9,000.
- 5.2 Cabinet (Resources) Panel agreed on 19 July 2017 to delegate authority for the Cabinet Member for City Economy in consultation with the Service Director, City Economy, to agree grants to small and medium size enterprises (SMEs) of up to £50,000 through the ERDF funded Black Country Transformational GOLD project.

- 5.3 A project change request to ERDF was requested and subsequently agreed on 26 March 2018 whereby the level of capital funding has been increased to £3,845,910 and revenue funding decreased to £1,209,014. Through this change the scheme can now issue capital grants of £1,153,772 and revenue grants of £284,662. The target number of business assists to be achieved is now 140 with 100 new jobs created. Each project is appraised by a monthly Investment Decision Group.
- 5.4 This report considers the SME project grant applications submitted to the May 2018 Investment Decision Group (IDG). The IDG recommends approval and payment to the ten companies listed. The total grant to be allocated to the projects set out in this report is £142,670 (£126,698 capital and £15,972 revenue). The grants will attract match funding from the businesses of £443,496 and will therefore enable projects to take place with a total value of £586,166. The projects included in this report have the potential to create 18 new jobs.
- 5.5 A number of previously approved projects have spent less than anticipated and the grants awarded have been reduced accordingly. A number of grants have also time expired or clients have requested that applications are withdrawn. Since the last IEDN these changes amount to £18,569 of grants which can now be reallocated leaving a balance of £143,783 of which £102,723 is capital and £41,059 revenue, to allocate. [ES/06062018/P]

## **6.0 Legal implications**

- 6.1 As detailed in the body of the report, the City of Wolverhampton Council will enter grant agreements with SMEs who secure grants through this project. The SMEs will be required to enter into appropriate grant agreements with the Council. [RB/06062018/H]

## **7.0 Equalities implications**

- 7.1 Equal opportunities is a cross cutting objective of all European funded bids, therefore must be considered in the delivery of all European funded projects with equalities data are monitored as part of delivery.

## **8.0 Environmental implications**

- 8.1 Sustainability is a cross cutting objective of all European funded bids, therefore must be considered in the delivery of all European funded projects.

## **9.0 Human resources implications**

- 9.1 There are no human resource implications.

## **10.0 Corporate landlord implications**

10.1 There are no corporate landlord implication

**11.0 Schedule of background papers**

11.1 Cabinet (Resources) Panel 25 April 2016 report - External Funding Update

11.2 Cabinet (Resources) Panel 18 July 2017 report - External Funding Update

**12.0 Appendices**

12.1 Appendix 1 - – Details of grants under Black Country Transformational GOLD

Appendix 1

| Ref          | Company                  | Total Project Value £ | SME Project Match £ | Capital Grant £ | Revenue Grant £ | Total Grant £  | Poss. Jobs |
|--------------|--------------------------|-----------------------|---------------------|-----------------|-----------------|----------------|------------|
| 110/18       | Taylex Ltd               | 30,700                | 21,490              | 9,210           | 0               | 9,210          | 7          |
| 111/18       | Switch and Socket Ltd    | 10,480                | 7,336               | 3,144           | 0               | 3,144          | 2          |
| 112/18       | Bodill Parker Ltd        | 65,467                | 45,827              | 19,640          | 0               | 19,640         | 1          |
| 113/18       | One Lux Ltd              | 50,000                | 35,000              | 0               | 15,000          | 15,000         | 0          |
| 114/18       | Imperial Bathrooms Ltd   | 91,697                | 64,187              | 27,510          | 0               | 27,510         | 3          |
| 115/18       | Black Country T shirts   | 7,079                 | 4,955               | 2,124           | 0               | 2,124          | 0          |
| 116/18       | Essential Service & Dist | 69,800                | 52,350              | 17,450          | 0               | 17,450         | 2          |
| 117/18       | Feldman Fabrications Ltd | 173,140               | 147,169             | 25,971          | 0               | 25,971         | 1          |
| 118/18       | Hewigo Ltd               | 72,397                | 54,397              | 18,000          | 0               | 18,000         | 0          |
| 119/18       | Watstech Ltd             | 15,406                | 10,785              | 3,649           | 972             | 4,621          | 2          |
|              |                          |                       |                     |                 |                 |                |            |
| <b>TOTAL</b> |                          | <b>586,166</b>        | <b>443,496</b>      | <b>126,698</b>  | <b>15,972</b>   | <b>142,670</b> | <b>18</b>  |