

8th September 2015

Agenda Item: 6

REPORT OF THE GROUP MANAGER, CORPORATE STRATEGY**THE NOTTINGHAMSHIRE ECONOMIC DEVELOPMENT CAPITAL FUND****Purpose of the Report**

1. To report on progress with the Nottinghamshire Economic Development Capital Fund (NEDCF).

Information and Advice

2. This Committee last considered the NEDCF at its February Committee meeting which then confirmed the re-opening of the Fund in January 2015 to new applications (Round 2) and confirmed the projects at that stage being the subject of support from Round 1.
3. This report offers an update on both rounds and offers members the scope of a review to be undertaken before any further Rounds are announced with the results of that review to be brought to a future Committee.
4. Committee Members will recall that the NEDCF was established to support small and medium sized companies in Nottinghamshire to expand through a capital grant – largely related to equipment purchase, extension of premises or the acquisition of new premises to enable expansion. In addition, development schemes led by partners were also encouraged to bid for capital funding support. The Fund's targets for the first £3 million of investment were as follows:
 - Jobs created – 200
 - Jobs safeguarded – 150
 - Leverage - £6million
 - Business sites improved – 20ha
 - Businesses assisted - 40

Round 1 Update

5. The table at Appendix A identifies the final position regarding Round 1. In total £943,135 has been allocated from the Round 1 process and the expected outcomes are as shown below

Jobs created	56
Apprenticeships created	16

Benchmark cost per job [as per D2N2 benchmark]	£26,000
Projected investment per job	c £16,600

6. The schedule of payments to companies is agreed as part of the Deed of Agreement and funds will be paid out over the 15/16 and 16/17 financial years.

Round 2 Update

7. A total of £2,056,865 was available under Round 2. A call for new projects was made in January 2015 and applications were received from 28 organisations. All the applications went through a gateway eligibility check and 26 applications proceeded to the stage 1 assessment. Following this assessment 15 companies are going through the Stage 2 process which includes a technical appraisal from our external assessors.

Invited to stage 2	15
Secured funding elsewhere	2
Decided to withdraw	4
Ineligible	2
Failed to meet Stage 1 threshold	4
Held in reserve	1
TOTAL	28

8. At the time of writing, seven projects have been approved and the Deed of Agreements are being finalised, please see Appendix A for details
9. Should all of the round 2 projects currently the subject of the Stage 2 assessment progress to approval, the following will be achieved

Jobs created	251
NEDCF sought	£2,047,932
Total project costs	£14,407,801
Leverage	£12,359,869
Benchmark investment per job [as per D2N2 benchmark]	£26,000
Projected investment per job	c £8,000

10. Communications colleagues are working with successful round 1 and 2 companies to publicise the awards and Jelly Products, the company which has re-invented the wheel, was featured on East Midlands Today.

Next Steps

11. This Committee has regularly reviewed the Fund in order to ensure it retains its “fit” with other related public-sourced funding available as well as ensuring that the Fund’s criteria and the adopted process achieves the appropriate balance

between the needs of businesses and the importance of having due probity for limited public finances.

12. Assuming the take-up of the Fund progresses as referenced in the previous sections, the Capital Fund has approximately a further £3M available up to and including the 2019/20 financial year – with the on-going flexibility within which years it is spent. Before re-opening the Fund to a further round, it is suggested that the Economic Development team undertake a review for consideration by this Committee at a future meeting. This will determine when and how any further round is to be announced and help shape the Fund's criteria to be as effective as possible in meeting gaps in business finance. This will be particularly important given the new programmes funded through the D2N2 European funding which are likely to come on stream in the early part of 2016.

Other options considered

13. None. The report is for noting only.

Reason(s) for Recommendations

14. This report is offered to support the Committee's understanding of the latest position regarding the NEDCF and its delivery of jobs and investment in the county.

Statutory and Policy Implications

15. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the public sector equality duty, safeguarding of children and vulnerable adults, service users, sustainability and the environment and ways of working and where such implications are material they are described within the body of the report.

RECOMMENDATIONS

16. It is recommended that Economic Development Committee notes the content of this report.

Celia Morris
Group Manager, Corporate Strategy

For any enquiries about this report please contact:
Trish Adams ext 72042

Constitutional Comments [SLB 27.08.2015]

This report is for noting only.

Financial Comments [NDR 26/08/2015]

There are no financial implications arising directly from the report.

Background Papers

Economic Development Committee Report 3 February 2015
Economic Development Committee Report 16 September 2014
Economic Development Committee Report 11 February 2014
Economic Development Committee Report 12 December 2013

Electoral Division(s) and Member(s) Affected

The NEDCF operates across Nottinghamshire, potentially impacting therefore on all electoral divisions; specific approvals will impact on specific divisions and members have been alerted as projects have been progressed.