

Paper B – Annex 2

Growing Places Fund – New Programme Proposal Framework

	Proposal	Notes
Duration	Apr 2022 – Mar 2025	3yr programme with opportunity to review towards the end of this period
Sponsor / Contracting body	Hull City Council	Delivery and administration undertaken by LEP-based Investment Team with support from HCC.
Governance	LEP Board structure	Overseen by Business Support Board, decisions delegated to Investment Panel
Funds available for investment	£3.25m	Expecting to start in April with approx. £3.25m GPF. Repayment top-ups expected in 23/24 (£1.2m) and 24/25 (2.4m) – use to be reviewed.
M&A allocation	£0.45m	Ring-fenced on the basis of £150k p/a – covers 2 x programme delivery roles, external DD, AB support etc. Arising surplus to be carried forward.
Funding type		
Capital Grant	Yes	Assumption that this is primarily a grant programme but with option to offer loans as appropriate.
Capital Loan	Yes – with caveat	Flexibility to award as a loan by request/recommendation. Projects of commercial benefit with payback over reasonable time (up to 5yrs) to be considered for loan instead of grant - min £75k.
Revenue grant/loan	No	Not eligible under terms of funding
Activity		
Cap Ex to support business growth and diversification		Emphasis on growth and job creation with preference for minimal environmental impact / embedded sustainability
Cap Ex to support resource efficiencies and waste reduction	Target – 50% fund	Emphasis on circular economy approach - reduce/reuse/recycle with measured benefits
Cap Ex to support CO2 reduction		Emphasis on transition to net zero and measured CO2 savings - switching to low-carbon energy/technology, installation of EV charging infrastructure etc
Cap Ex to support community resilience and sustainability		Emphasis on Just Transition (expected to be primarily rural?) – community energy projects, installations and services (e.g. facility upgrade/insulation, community EV charging infrastructure, EV as replacement service vehicle etc) <i>N.B. Need to ensure doesn't cross-over with Shared Prosperity Fund</i>
Eligible organisations:		
Businesses	Yes	
Charity / third sector (business arm)	Yes	
Community Group / organisation	Yes – with caveat	Application needs to be led by a registered business, registered charity or public body
Public sector	Yes – with caveat	Only as lead partner delivering with or on behalf of community groups
<1yr trading	Yes	Flexibility to consider on a case by case basis. Subject to a grant cap of £20k and any previous trading history / experience.
>1yr trading	Yes	At least 1yr trading accounts
Micro enterprise	Yes	Subject to UK Subsidy control and business case
Small enterprise	Yes	Subject to UK Subsidy control and business case
Medium enterprise	Yes	Subject to UK Subsidy control and business case
Large enterprise	Yes – with caveat	Only in exceptional cases and subject to UK Subsidy control and business case. Preference for loan rather than grant.
Farming / food production	Yes – with caveat	Flexibility to consider subject to UK Subsidy control and business case. Emphasis on diversification.
Retail (wholesale, online etc)	Yes	Subject to UK Subsidy control and business case
Retail (local service)	Yes – with caveat	In relation to community resilience and CO2 reduction only. Subject to UK Subsidy control and business case
Fishing	Yes - with caveat	When other sources of funding/subsidy closed and only to equivalent value of fisheries de Minimis. Subject to UK Subsidy control and business case
Hospitality and leisure	Yes	Flexibility to consider subject to UK Subsidy control and business case
Other local services	Yes – with caveat	Only in relation to community resilience and sustainability. Subject to UK Subsidy control and business case
Businesses in difficulty	No	Interpretation of 'in difficulty' as demonstrating progressive (pre-COVID) decline or is subject to insolvency proceedings

Commented [OSK1]:

Projects with other public sector funding	No	
Eligible costs:		
Equipment / machinery / plant	Yes	Expectation of resource/energy efficiency as a consideration
Energy technology installations	Yes	Low(er) carbon / renewable only. Preference for supporting those with longer-term payback (10+ years?). Reserve the right to take a charge on assets.
Property purchases	Yes - by exception	Flexibility to consider on a case by case basis. Reserve the right to take a charge on assets.
Transport / vehicles	Yes – with caveat	Only in relation to community resilience – e.g. cycles, food van etc. Tied to a business proposition. Net zero – EV commercial vehicle etc (viability gap). Reserve the right to take a charge on assets.
Professional fees	No	Projects should be ready to deliver at the point of application
Feasibility studies and surveys	No	Funds available to support the implementation of recommendations from studies and surveys
Marketing promotion and sales	No	
Internal labour costs	Yes – with caveat	Only at base salary rate and subject to review of how reasonable (QS or similar)
Parameters:		
Min grant	£5k	In line with previous programmes for consistency and value
Max grant	£250k	Most grants expected to be approx. £30k - £60k.
Grant DD threshold	£200k	May also be undertaken on lower grant requests as required.
Min loan	>£75k	
Loan DD threshold	All	
Intervention Rates		
Up to 10%	Large enterprises	By exception and subject to Subsidy Control requirements. No other public sector funding.
Up to 20%	Medium enterprises	Across all areas and subject to Subsidy Control requirements. No other public sector funding.
Up to 30%	Small enterprises	Across all areas and subject to Subsidy Control requirements. No other public sector funding.
Up to 50%	Micro enterprises / Community groups	Community resilience and sustainability only and subject to UK Subsidy control and business case. No other public sector funding.
Outputs:		
New jobs	100	@£15k per job target (average)
Safeguarded jobs	50	@£10k per job target (average)
CO2 reductions	3,000	@5 tonnes per £1k grant (based on gov 2020 carbon values – central series)
Commercial floorspace (new/refurbished)	20,000m ²	Must be linked to job creation
Ultra-fast charge points installed	5	Appraisal to reference available geospatial modelling / recently commissioned Jacobs report.
Other element reductions as appropriate (e.g. litres water, kilowatt hours)		Added value, not core metric
Kg waste material reused / diverted from landfill		Added value, not core metric
Others as appropriate		Added value, not core metric