



Report sponsor: Strategic Director of
Communities and Place
Report author: Jane Kirby, DEGF Manager

Derby Enterprise Growth fund (DEGF) Approval

Purpose

- 1.1 DEGF Panel have recommended the award of a £173,600 Grant from the D2N2 Growth and Innovation Programme (GIP3) capital budget to an applicant company; given the value of the proposed Grant, subject to Cabinet Member approval and satisfactory due diligence.
- 1.2 Revised Terms of Reference for the Derby Enterprise Growth Fund (DEGF) Panel were approved by Cabinet on 12 September 2018 (Council Minutes ref 60/18). As a result of this revision, DEGF Panel recommendations with a value above £100k require formal ratification by the relevant delegated authority within the Council before the Agreement can be executed by the Council.

Recommendation

- 2.1 To approve in principle that a grant of £173,600 from the Growth and Innovation Programme capital budget, subject to the confirmation of a satisfactory due diligence outcome and state aid position.
- 2.2 Subject to receipt of a satisfactory due diligence report and state aid/ subsidy control compliance, to delegate authority to award the grant to the Strategic Director of Communities and Place and Strategic Director of Corporate Resources.

Reasons

- 3.1 To comply with Financial Procedure Rules.
- 3.2 To comply with DEGF Panel Terms of Reference.
- 3.3 To support projects as recommended by the Investment Panel.

Supporting information

- 4.1 This recommendation was made by Panel and is subject to due diligence and contracting.
- 4.2 The grant offer will only be made on receipt of a satisfactory due diligence Report.

- 4.4 The project will be contracted to create 36 full time jobs which will be used to support the delivery of the GIP3 programme outputs. These are conservative forecasts and likely to be higher.

Public/stakeholder engagement

- 5.1 This application has been reviewed and recommended for support by the Derby Enterprise Growth Fund Investment Panel

Other options

- 6.1 Do nothing and lose the opportunity to deliver GIP3 outputs and support the Council's economic recovery plans.

Financial and value for money issues

- 7.1 The grant will be the first capital grant from the GIP3 capital budget of £402,000.

Legal implications

- 8.1 The due diligence exercise will clarify whether or not the award will be suitably protected and compliant with both the scheme rules and state aid/ subsidy controls requirements. If this is not the case, then additional legal advice will be sought to ensure the grant award can be made compliant.
- 8.2 We consider that the grant should be awarded under the EU State Aid regulations, notwithstanding the UK's exit from the EU, because EU state Aid rules continue to apply to European Regional Development Funds (ERDF) of which the GIP fund is part funded by.

Climate implications

- 9.1 Environmental sustainability is not a criteria of the scheme. However many of the DEGF applications are for new kit and equipment which are often made to be more energy efficient and sustainable to the environment. We work closely with the De Carbonise Team often referring and encouraging applicants to take advantage of the energy audits that are provided.

Other significant implications

- 10.1 n/a

This report has been approved by the following people:

Role	Name	Date of sign-off
Legal	Olu Idowu, Head of Legal Services	09/12/21
Finance	Carolyn Wright, Principle Accountant	09/12/21
Service Director(s)	David Fletcher, Director of City Development & Growth Rachel North, Strategic Director of Communities and Place	09/12/21
Report sponsor Other(s)		

Background papers: List of appendices:
