

Cyngor Sir CEREDIGION County Council

REPORT TO:	Thriving Communities Overview and Scrutiny Committee
DATE:	18 March 2024
LOCATION:	Neuadd Cyngor Ceredigion, Penmorfa, Aberaeron / remotely via video conference
TITLE:	The availability of grants for organisations and businesses in Ceredigion

Background

In Ceredigion, a range of grants are made available to organisations and businesses for various purposes, primarily to support their growth, innovation, and contribution to the economy. Some common reasons why businesses receive grants from the public sector would include:

1. **Research and Development (R&D):** Grants are often provided to businesses engaged in research and development activities to encourage the creation of new products, processes, or technologies that can enhance competitiveness and drive economic growth.
2. **Job Creation:** Grants may be awarded to businesses that demonstrate the potential to create new jobs or retain existing ones, particularly in economically disadvantaged areas or industries, as part of government efforts to stimulate employment.
3. **Innovation and Entrepreneurship:** Grants can support entrepreneurial ventures and innovative startups by providing funding for early-stage development, prototyping, and market testing of new products or services.
4. **Industry-Specific Initiatives:** Governments or organisations may offer grants to businesses operating in specific industries or sectors to stimulate growth, address industry challenges, or promote sustainability and environmental initiatives. In Ceredigion, grants to support the agri-food sector and tourism have been available at certain times.
5. **Regional Development:** Grants are sometimes used as a tool for regional development, aiming to support businesses in underdeveloped or rural areas to spur economic growth and create employment opportunities.
6. **Export Promotion:** Grants may be awarded to businesses looking to expand into

international markets or increase their export activities, helping to boost foreign **trade** and strengthen the country's economy.

7. Social Impact: Some grants are provided to businesses that demonstrate a commitment to social responsibility, sustainability, or community development, supporting initiatives that benefit society while also achieving business objectives.

Overall, grants serve to incentivise business growth, innovation, and socio-economic development by providing financial assistance and support to deserving businesses.

Grants have also been made available for community organisations to support the development of initiatives that support the development of facilities and activities in those communities.

Increasingly, Governments tend to favour the use of recyclable money in the form of loans, or a mix of grant and recyclable funding, to make existing funds more sustainable to the future.

The information in this paper is only a representation of some of the support funding that is available currently to businesses and organisations in Ceredigion, and is not meant to be an exhaustive list. Governments or Government bodies launch funding programmes at various points to support Government priorities and policies, so the advice would always be to use advisors and search widely for support that may be available at any one time.

Grant funding currently available

Currently in Ceredigion, the UK Government's UK Shared Prosperity Fund has enabled the establishment of two grant schemes:

The Cynnal y Cardi Community Development and Support fund and The Cynnal y Cardi Supporting Local Business Fund.

The Cynnal y Cardi Community Development and Support Fund is delivered through 2 packages:

- 1. Small Grant Scheme £1,000 - £10,000**
- 2. Large Grant Scheme £10,001 - £50,000 (Larger bids will not be excluded but a robust rationale will be required)**

This fund supports a range of revenue and capital activities, which include.

- Support and engage local people, businesses and communities in delivering sustainable yet innovative solutions to address some of the economic, social and environmental challenges facing our areas.
- Pilot new ways of working
- Enabling communities to invest and restore community spaces and relationships.
- Creating the foundations for economic development at neighbourhood-levels

- Supporting the social fabric of communities enabling people to want to live, work, play and learn in

The fund focuses on;

- Improvements to existing, community and neighbourhood infrastructure including local green spaces.
- Development and promotion of local year-round events and experiences which encourage people to visit and explore the local area.
- Testing piloting approaches and feasibility studies
- Supporting the creative industries
- Investment in capacity building and infrastructure support for community groups including succession planning.
- Community measures to reduce the cost of living including measures to improve energy efficiency and combat fuel poverty and climate change.
- Investment and support for digital infrastructure for local community facilities

Cynnal y Cardi Supporting Local Business Fund is delivered through 2 packages.

1. **Small Business Grant £1,000 - £10,000**
2. **Business Development Grant £10,001 - £50,000 (Larger bids will not be excluded but a robust rationale will be required)**

The aim of this fund is to strengthen local entrepreneurial ecosystems and support businesses at all stages of their development to start, sustain, grow and innovate, including through local networks.

This fund supports a range of revenue and capital activities, which include;

- Boost the Ceredigion economy, support businesses and enable employment.
- Support new entrepreneurs with their business start-up aspirations.
- Support existing businesses with their growth plans.
- Facilitate and support the Social Enterprise Sector to realise their opportunities.
- Build resilience and knowledge within businesses particularly in relation to decarbonisation, energy efficiency and digital support.

The fund focuses on;

- Entrepreneurship activity
- Support Business start-up and growth development
- Innovation and Skills
- Digital exploitation for local businesses
- Support to strengthen decarbonisation and energy efficiency.
- Strategic commissioning / Feasibility work
- Enterprise hubs and collaborations to enable businesses to share good practice.

In Ceredigion also, the Arfor Enterprising Communities grant scheme has been available, but is

now largely fully committed. This has been focused on enabling businesses to create long term career opportunities for people to be able to develop and grow a career here in Ceredigion.

Through both schemes, over 50 businesses have already been supported, and the number is growing. Over 100 jobs will have been created through the current programmes of support.

Sector specific grants and support:

Tourism

Wales Tourism Investment Fund

The fund comprises a mix of repayable and non-repayable finance, targeting eligible capital investment projects in the tourism sector in Wales. It can be used either to upgrade existing, or create new, high-quality assets in the tourism sector.

To be considered for support from the Wales Tourism Investment Fund an applicant will need to:

- Commit to supporting the Welsh Government's Prosperity for All strategy and demonstrate a commitment to the four requirements of the Economic Contract – (Economic Strength & Adaptability, Fair Work, Promotion of Wellbeing, Low Carbon and Climate Resilient)
- Be based in Wales and demonstrate how the project will stimulate growth in new and existing markets and create and/or safeguard jobs.
- Demonstrate financial viability and repayment over the term of the funding package.

Agri-Food

The main grant programme of financial support that has been available for the food and drink industry in Wales recently has been the Food and Drink Accelerator scheme (FBAS), which has supported investments in the food and drink industry. It is not currently open as there is no budget.

Technical support and advice are still available to businesses (some 100% funded for small businesses) through the Helix programme, of which Ceredigion County Council through Food Centre Wales is a delivery partner.

Town Improvement grants

The Transforming Towns Place Making Grant, administered by Ceredigion County Council through Powys CC, which acts as the lead Authority in the mid region for this Welsh Government supported programme, offers support for a wide range of projects, from green infrastructure developments to internal and external commercial and residential improvements for business owners.

Potential projects will need to satisfy eligibility criteria which will include demonstrating clear links to a current Town Place Plan or Town Centre Strategy. Also, potential projects will need to satisfy

the Transforming Towns Place Making Grant Framework criteria.

Applicants can discuss potential projects with their local project officer who can advise whether the project could be eligible and help with the expression of interest process.

The grant will run for 3 years commencing 01/04/22, with projects needing to complete by 01/03/25.

The scheme is open to private businesses, including developers, third sector businesses, and the public sector. It is not available to private individuals.

Policy-targeted grants

Innovation support

There is lot of Government focus (both UK Government through UKRI) and Welsh Government on supporting Research and Development and Innovation.

In Wales, the Welsh Government's Flexible Innovation Support programme helps businesses, the third sector, public sector bodies and research organisations, to innovate and create new products and services, increasing commercialisation, improving skills and ensuring Wales remains competitive and strives towards carbon-free in the future.

SMART FIS helps by driving cutting-edge research and innovation. Its single aim is to help Welsh organisations achieve "Innovation Excellence" by developing Innovation Plans alongside a team of specialists who provide expertise, consultants and funding.

Skills

A wide range of programmes are available for businesses to support training and development for employees.

Government-backed loans

Development Bank for Wales

The Development Bank of Wales was set up by the Welsh Government to support the economy of Wales by making it easier for businesses to get the finance needed to start up, strengthen and grow.

It offers flexible business loans that can support the full business lifecycle from start-ups and growing businesses to succession transactions including employee buyouts.

Loans range from £1k to £10m over terms of up to 15 years with fixed interest rates.

British Business Bank – Investment Fund for Wales

The Investment Fund for Wales will deliver a £130 million commitment of new funding to the country.

The fund aims to drive sustainable economic growth by supporting innovation and creating local opportunity for new and growing businesses across Wales.

The Investment Fund for Wales offers a range of commercial finance options with smaller loans from £25,000 to £100,000, debt finance from £100,000 to £2 million and equity investment up to £5 million. The fund covers the whole of Wales, including rural, coastal and urban areas.

The fund operators have specific targets to support projects in mid Wales.

Growth Deal funding

The mid Wales Growth Deal will deliver several strategic investments in mid Wales, that will support the growth of the economy. It is not a business grant scheme, although some targeted support may be available for the development of new sites and premises for businesses (of which there is a shortage) through its Sites and Premises programme, which is currently in development.

PURPOSE OF REPORT:	To provide background and an update for the Committee on a snapshot of the support programmes available for businesses in Ceredigion, specifically focusing on financial (grant) support.
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REASON SCRUTINY HAVE REQUESTED THE INFORMATION:	Supporting the growth of businesses in Ceredigion is a key strand of the Economic Strategy, and the availability of financial support is a key part of achieving sustainable growth for some businesses. It is useful for the Scrutiny Committee to be able to assess the impact of the support mechanisms to inform future policy by providing evidence on the effectiveness of the programmes available.
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Has an Integrated Impact Assessment been completed? If, not, please state why	Not at this stage
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Summary:
Long term:

Integration:
Collaboration:
Involvement:
Prevention:

RECOMMENDATION (S): That the Thriving Communities Overview and Scrutiny Committee considers the report and provides feedback on the issues raised within it.

REASON FOR RECOMMENDATION (S):

To help ensure that the appropriate actions are being undertaken to support the growth of the economy in Ceredigion.

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Date of Report: 8/3/24

Acronyms:

Appendices: