

**AELOD CABINET: ADFYWIO, HAMDDEN, DIWYLLIANT A  
THWRISTIAETH  
11EG O FAWRTH 2024**

<b>Yr Aelod o'r Cabomet:</b> <b>Y Cyngorydd Hazel Evans</b>	<b>Portffolio:</b> <b>Adfywio, Hamdden, Diwylliant a Thwristiaeth</b>	
<b>CRONFA FFYNIANT GYFFREDIN – GRANT YMCHWIL A DATBLYGU BUSNES</b>		
<b>Pwrpas:</b> Ystyried y cynnig i ddarparu Grant Ymchwil a Datblygu newydd i'w ariannu o dan Angor Busnes y Gronfa Ffyniant Gyffredin.		
<b>Yr Argymhellion / Penderfyniadau Allweddol Sydd Eu Hangen:</b> Cefnogi'r cynnig i ddarparu Grant Ymchwil a Datblygu newydd gwerth £250 mil i'w ariannu gan y Gronfa Ffyniant Gyffredin – Angor Busnes, i ddiwallu anghenion busnesau ac i alluogi darparu cyllideb ac allbynnau ar gyfer y prosiect		
<b>Y Rhesymau:</b> Bod cynnig grant yn cyd-fynd â galw'r farchnad am ymchwil a datblygu cynhyrchion, prosesau a gwasanaethau newydd o fewn y cwmni, sector, ardal ddaearyddol, ac i alluogi cyflawni cyllidebau ac allbynnau ar gyfer Angor Busnes y Gronfa Ffyniant Gyffredin.		
<b>Y Gyfarwyddiaeth:</b>  <b>Enw Pennaeth y Gwasanaeth:</b> Jason Jones  <b>Awdur yr Adroddiad:</b> Mike Bull	<b>Swyddi:</b>  Pennaeth Adfywio, Polisi a Digidol  Rheolwr Busnes a Cyllid – Datblygu Economaidd.	<b>Cyfeiriadau E-bost / Rhifau ffôn:</b>  <a href="mailto:JaJones@sirgar.gov.uk">JaJones@sirgar.gov.uk</a> 01267 242336  <a href="mailto:MaBull@sirgar.gov.uk">MaBull@sirgar.gov.uk</a>

# EXECUTIVE SUMMARY

**CABINET MEMBER: REGENERATION, LEISURE, CULTURE & TOURISM  
11<sup>TH</sup> MARCH 2024**

## **SHARED PROSPERITY FUND – BUSINESS RESEARCH & DEVELOPMENT GRANT**

### **1. BRIEF SUMMARY OF PURPOSE OF REPORT.**

It is proposed that a new grant is established to specifically fund Research and Development activities for Carmarthenshire businesses. The £250k grant pot would be funded from within the budget allocated under the business anchor project which is funded by the UK Government Shared Prosperity Fund. Having awarded a number of grants under the Business Start Up and Growth Fund the business team have engaged with a number of businesses who aim to undertake very early stages of R&D, viability studies, prototyping, etc. so by the very nature of their proposed activity, the outcomes of job safeguarding and or creation will not be achieved until after the SPF funding period and therefore have been unable to support under the fund. R&D is an essential requirement in the development stages for those businesses which need to explore product, process or service development; so in order to meet their needs and if successful, will offer businesses a post SPF project legacy, we propose that we make available a grant which will cover the costs of specific R&D expenditure, which can be substantial, but will not necessarily see the economic & job related benefits until the process has been completed.

By the very nature of the R&D activity undertaken by the innovative companies to be supported, the intervention of this grant will allow the successful applicants to create extremely high quality and skilled jobs in the future, which will be essential to improving GDP in the local economy.

### Proposed Eligibility

In order to be considered we would expect the applicant to clearly demonstrate innovation, Research and Development and/or future proofing projects linked to the local innovation strategy <https://www.carmarthenshire.gov.wales/media/1231400/local-innovation-strategy.pdf>

### Projects Must also:

- Be innovative i.e., focussed on commercialising an idea or doing something different.
- Aim to introduce a new product or new/enhanced process.
- Access specialist expertise or technology that does not currently exist within the business.
- Clearly demonstrate commercial justification
- Demonstrate collaboration with one of more of the following UK based:
  - Industry partner
  - University
  - Recognised research organisation
  - Reputable consultant

**Eligible costs**

- Costs associated to developing and testing new products and / services, including prototyping, design, manufacture, monitoring, evaluation, etc.
- Costs associated to market research and development / market analysis / mapping and scoping / competitor analysis.
- Research and development of supply chain opportunities and skills requirements, e.g. Offshore Windfarms, Celtic Freeports, etc.
- Costs associated to feasibility and/or viability studies and reports for development of products, processes and/or services.
- Costs associated to patenting, inc. drafting and filing.
- Costs associated to commercialisation including specialist consultants, marketing, etc.

**SPF Proposed Outputs / Outcomes**

The Research & Development Grant will not during the lifetime of the SPF project achieve job safeguarding or job creation outputs for the SPF project. It will however result in several additional SPF outputs including businesses receiving grant, business engaged in new markets, businesses adopting new or improved products / services, businesses adopting new to the firm technologies or processes, number of R&D active businesses, Increase in number of innovation active SMEs, and number of new products to market. The Research & Development Grant will in the longer-term help create higher quality well paid skilled jobs.

Despite the proposed reduction in overall pot available for the Business Growth & Start Up Fund because of the £250k funding required for the Research & Development Grant it is still anticipated the SPF Jobs created & safeguarded output targets will still be achieved due to a lower grant to job ratio than originally anticipated.

**Grant Offer**

Grant of up to £50,000 with an intervention rate of 50% towards eligible project costs.

**Alternative Options**

If not approved businesses in Carmarthenshire will be at a disadvantage in the region as other regional partners are now delivering Research & development Grants.

**Recommendation:**

To support the proposal to deliver a new £250k Research & Development Grant to be funded by the Shared Prosperity Fund – Business Anchor, to meet the needs of businesses and to enable delivery of budget and outputs for the project.

<b>DETAILED REPORT ATTACHED?</b>	<b>YES</b>
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# IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report:

Signed: Jason Jones

Head of Regeneration, Policy & Digital

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets	Bio-diversity & Climate Change
<b>YES</b>	<b>YES</b>	<b>YES</b>	<b>NONE</b>	<b>NONE</b>	<b>NONE</b>	<b>NONE</b>	<b>NONE</b>

## 1. Policy, Crime & Disorder and Equalities

The Shared Prosperity Fund Business Research & Development Grant is aligned with both the South West Wales Economic Development Strategy, and Carmarthenshire's Economic Recovery Plan. The grant will provide much needed support to businesses in Carmarthenshire to enable them to grow and innovate. In addition, the grant aligns with Cabinet's Vision Statement in that it will continue regeneration plans to safeguard and support over 1,400 businesses as well as providing employment opportunities.

## 2. Legal

Support from legal will be required in relation to grant agreements for awards of over £10k.

## 3. Finance

The finance team will be required to support grant assessments by undertaking financial due diligence prior to panel decision for applications of £25,000 and above. They will be required to support with other financial matters in the payment of grants.

The funding will come from the UK Government Levelling Up - Shared Prosperity Fund – Business Start Up & Growth Fund

# CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below

Signed: Jason Jones

Head of Regeneration, Policy & Digital

**(Please specify the outcomes of consultations undertaken where they arise against the following headings)**

**1. Scrutiny Committee**

N/A

**2. Local Member(s)**

N/A

**3. Community / Town Council**

N/A

**4. Relevant Partners**

N/A

**5. Staff Side Representatives and other Organisations**

N/A

**Section 100D Local Government Act, 1972 – Access to Information**

**List of Background Papers used in the preparation of this report:**

**THESE ARE DETAILED BELOW**

Title of Document	File Ref No.	Locations that the papers are available for public inspection
Draft Guidance document for Research & Development Grant		Attached