

Boost – Lancashire Business Growth Hub – Lead Andrew Leeming

Background

Boost (Lancashire's Business Growth Hub) is a multi-tier, multi-agency programme, established in 2013. The programme is funded by the Ministry for Housing, Communities and Local Government (MHCLG), Department for Business, Energy and Industrial Strategy (BEIS) and Lancashire County Council. By 2018 Boost had engaged with over 5,800 businesses, created 2,200 new jobs and generated over £60m GVA for the Lancashire economy. The main focus of Boost 1 (2013-15) and Boost 2 (2016-18) was improving the competitiveness of high growth Lancashire businesses, job creation and helping to establish sustainable new enterprises within Lancashire.

Boost 3 has a total project value of **£6.083m** (£3.650m ESIF (60%) & £2.433m public match) to be defrayed from 1st January 2019 to 30th December 2021.

In addition c. **£328k** of BEIS funding per annum is used to provide sector specific support and assist beneficiaries who do not fit ERDF eligibility criteria.

Our #BoostYourRecovery campaign was launched in June 2020 to help Lancashire enterprises reset and plan their return from lockdown. Our #AskForHelp campaign, launched on day one of the lockdown, has already assisted more than 5000 Lancashire businesses.

Boost has started delivering **Peer Networks programme** for Lancashire. Peer Networks is a national peer-to-peer networking programme for SME leaders that want to grow and develop their organisation for future success. Delivered locally by Boost, we are creating diverse - cohort groups of individuals to collaboratively work through common business issues.

Peer Networks is funded by the Department for Business, Energy and Industrial Strategy (BEIS) in response to a commitment made in the 2019 Business Productivity Review. The programme includes interactive action learning, trained facilitators, small groups, flexible topic selection and one to one coaching.

By completing Peer Networks, an enterprise will overcome business challenges and recognise and act on new opportunities, build a trusted network of connections for immediate support as well as for the future, and improve their long-term personal and business performance.

The new **Boost your recovery Covid grant** funds has received in excess of 1000 expressions of interest, in total, over £3M of grant requests. The team has been assessing the returns; early indicators suggest 70% of these will be eligible to apply for a grant.

Performance

The Boost 3 project directly supports **Priority Axis 3** – 'Enhancing the Competitiveness of small and medium sized enterprises'. Specifically addresses the following Investment Priorities:

3a Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms.

3b The Growth Support Programme strand of Boost 3 is specifically designed to identify entrepreneurs who have business ideas with growth potential and to help them bring these to fruition. It provides customised support to equip new businesses with the skills, techniques and tools to understand the barriers to growth and help them to overcome these.

3c Supporting the creation and the extension of advanced capacities for products, services and development.

The newly introduced **Business Resilience Programme** together with the **Growth Mentoring Programme** encourages businesses to bring forward growth projects, products and services through ongoing support to develop commercial capabilities and growth strategies.

3d Supporting the capacity of small and medium sized enterprises to grow in regional, national and international markets and to engage in innovation processes.

The Business Resilience Programme assists existing businesses to examine and develop existing and potential markets at home and abroad. Working alongside the Department for International Trade and local Chambers of Commerce, the initiative helps them to evaluate the threats and opportunities posed by changes in international trade patterns and tariffs and to take action to grow their businesses.

In addition to delivering the specific ERDF related outputs identified, Boost 3 will result in:

- Increased business formation rates
- Improved business survival rates
- An increase in the number of scale up businesses in Lancashire
- Improved productivity and GVA
- Higher levels of innovation and growth
- Business diversification, new products and services
- Higher levels of international trade

Programme Milestones

Milestone	Start Date	Completion Date
LCC Cabinet Approval for match funding	July 2018	September 2018
Boost 3 Procurement	July – December 2018	January 2019
Boost 3 Core Delivery Commences	January 2019	December 2021
Project Delivery (Business Support)	January 2019	September 2021
Mid Term Evaluation*	March 2020	July 2020
Final Evaluation	October 2021	December 2021

* The mid programme review has been shared with key stake holders and delivery organisations.

Key Performance Indicators - as at 30th September 2020

Boost 1 and 2 programmes are fully complete and closed having achieved the targets.

The table below contains core Boost 3 outputs and outcomes as specified in the contracts with service providers and GFAs signed with Managing Authorities (MHCLG & BEIS).

BOOST 3

KPI	Target	Actual	Comments	RAG
New to Boost (NTB) businesses.	729	3,392 465%	271% of our overall programme target has been achieved, and we continue to proactively engage with Lancashire businesses who have not accessed publicly funded support previously. 85.72% of Diagnosis of Need were 'New to Boost' as of 30 th September 2020.	

(P13) Number of enterprises receiving information, diagnostic and brokerage support.	840	837 99.64%	Business Relationship Managers continue being at the forefront of the Growth Hubs #BoostYourRecovery campaign. Alongside the continued delivery of contracted outputs, which have remained on profile, records on Evolutive show that the BRMs supported a minimum of 772 businesses during this period (1st Apr 20 to 30th Sep 20) via additional "Covid conversations". Of the 772 businesses supported, this equated to 485 client hours , in providing advice.	
(C5) Number of new enterprises supported.	155	128 82.58%	C5 is one of the primary indicator for MHCLG. Covid-19 is adversely affecting sales amongst new businesses. Results were satisfactory for Oct and there is a healthy pipeline for Nov 20 in spite of Covid-19 constraints.	
Boost referrals to wider business support agencies.	437	2,233 510%	A core objectives of Boost is to connect businesses to the best support available from the private and public sector. Since 23 rd of March, Covid-19 crisis has resulted in an increased number of business engagements.	
(P11) Number of potential entrepreneurs assisted to be enterprise ready.	300	196 65.33%	There is a lack of confidence amongst potential entrepreneurs to set up their own businesses due to Covid-19. However, there is now a fixed path of outputs and outcomes, and for the last three weeks these have been met. The start-up programme is working to pre Covid-19 targets.	
(C1) Number of enterprises receiving support (12 Hours or more) . ** **We are working to pre Covid-19 targets.	810	565 69.75%	The Covid-19 pandemic triggered the sharpest economic contraction on record earlier this year as nationwide restrictions were brought in to try to contain the virus. Although the volume of business engagements have increased, 'immediate' needs take priority over 'long term goals' for some businesses, resulting in bursts of shorter interventions. With the added flexibility regarding the categories of businesses that service providers can now engage with, we are hoping that the shortfall in C1 outputs can be addressed by June 2020 (subject to market constraints). Delivery models have been adjusted to adopt to the challenges / changes faced by businesses, so that pre covid targets can still be achieved .	
(C8) Employment increase in supported enterprises.	550	645.67 117.39%	The Bank of England believes unemployment will rise sharply as government support schemes winds down. The Bank expects the economy to shrink by 2% in the final three months of 2020. It does not expect the UK economy to get back to its pre-virus size until the following year. Lancashire has seen a 15% surge in the number of firms operating under significant financial distress despite Government support schemes. The latest Red Flag Alert data for Q3 2020 has recorded a 15% year-on-year increase in the number of distressed firms in the region bringing the total to 10,034.	
(C28) Number of enterprises supported to introduce new to the market products.	58	06 10.34%	We have started to collect evidence of activities and are confident performance will improve. C28/C29 workshop was delivered for service providers to assist them with: Count Criteria/ Verification Evidence/Count Threshold. Service providers are collaborating with business support agencies.	
(C29) Number of enterprises supported to introduce new to the firm products.	58	12 20.68%	We have started to collect evidence of these activities and are confident performance will improve. This is one of the most complex and difficult target for all ERDF programmes. Core service providers are collaborating with other business support agencies.	
Unique website visits	8750	9,403 107.4%	Since Jan 1 2019, includes Startup Lancashire).	

GDPR Compliant database growth	1,500	1,847		
Grow Twitter community	1,458	1,507 103.36%		
4 Subject / Thematic campaigns pa	6	6 100%		

In terms of performance for the combined Boost 1, 2 and 3 programmes which contribute to the core LEP KPIs, these are as follows:

- Combined C8 (**Jobs Created**) = **Actual 3426.67 / Target 3,330.71**
- Combined C1 (number of **enterprises assisted**) = **Actual 3700 / Target 3945.**

Financial Performance

This section covers project performance in terms of actual expenditure against the profiled values contained in the Funding Agreement.

- The amount of Eligible Expenditure Defrayed within the claim period is **£553,123.70**
- The financial profile for this period was **£570,395.**
- Total cumulative expenditure to date is **£3,323,210.37** compared to approved profile of
- **£3,340,481.67.**

**** It is to be noted that Boost is working to pre Covid-19 targets with regards to job and wealth creation in the midst of an unprecedented economic crisis.** Britain's economy is heading for a prolonged recession lasting until next spring as the number of coronavirus infections climbs and tougher restrictions are introduced to contain the virus. As a Covid-19 second wave spreads and fresh measures are launched in Lancashire, economists warned that the fightback from the deepest recession in history begun this summer and was already running out of steam. According to Robert Wood, the chief UK economist at Bank of America growth in gross domestic product (GDP) would probably stall in the fourth quarter and the first three months of 2021. This situation is exacerbated by fading stimulus and EU risks. Britain's economy has entered the deepest recession since records began after shrinking by more than any other nation in the second quarter. **This has a direct impact on the business support landscape in Lancashire.**

The Growth Hub's core service providers are confident that output forecasts will **NOT** reduce as a consequence of the impact of COVID-19 on project delivery and adverse market conditions. Boost's main delivery organisations and programme management team are putting the extra spade work required to make this happen. Boost's programme management team continues to work closely with service providers, funding authorities and associated business support agencies to try and provide a rapid response to emerging issues. A project change request application will be sent to MHCLG in Quarter 1, 2021.

Risks

A new Single Portfolio Risk Register for the combined programmes has been created, which can be found at Appendix M to the main report.