



## **LEP – Sub Committee**

### **LEP - Business Support Management Board**

**Private and Confidential: No**

**Date: Thursday, 24 November 2022**

### **RedCAT**

**Report Author: Miranda Barker OBE, East Lancashire Chamber of Commerce**

#### **NEED –**

Historical new product/innovation support -

- Innovation not commercialisation
- Not output focused
- Time limited business support
- No demonstration facility
- Little direct grant facility
- No end to end continuity of support/funding
- “Valley of Death” major barrier to required funding

#### **ORIGIN -**

Created ecosystem of support over time (2017-2022) multi-layered & NOT time limited, individual companies now having received 200+ hours of support over 4 years in some cases

- a) Chamber Low Carbon – ERDF - revenue
- b) RedCAT (Lancashire centre for alternative technologies) – Getting Building Fund (capital)/CRF (revenue)

#### **PROCESS –**

- **Referral**
- **Initial review re eligibility**
  - Company size/status/geography re funding source stipulations
  - Technology suitability assessment
- **Support + Screening (powerpoint)**
  - Technology viability assessment
  - Market research
  - Competitor analysis
  - Customer identification
  - Demonstration opportunity
  - Development customer approach

- **RedCAT assessment re Grant Funding Agreement criteria (powerpoint)**
  - Jobs created
  - Jobs safeguarded
  - Additional investment/grant/new sales income
  - New manufacturing in Lancashire
  - New products to market
- **Ongoing support with sales/delivery**

**RESULTS** – REDCAT GBF SPECIFICALLY - £1.5M capital invested - amounts per firm from £20k to £300k over 2 years

(supported by revenue funded consultancy through ERDF/CRF c£1M over 5 years)

OUTPUT	TARGET	RESULTS END 2022	EST TOTAL RESULTS 2024
BUSINESSES SUPPORTED	6	9	9
JOBS SAFEGUARDED	30	240	267
JOBS CREATED	-	36	196
PRODUCTS MANUFACTURED IN LANCASHIRE - TO MARKET	6	6	29
ADDITIONAL INWARD INVESTMENT/SALES INCOME	£1,500,000	£4,147,333	£32,357,333

#### **EVOLUTION –**

**RedCAT Innovation** – revenue investment process as above - potential funding through UKSPF, local undertakings (unsecured pre investment plan approval) c £730k delivery ongoing through Chamber

**RedCAT Ventures** – moving to be FCA approved funding broker outside of Chamber

- Handheld process, preparation, introduction,
- British Business Bank – minimum % low carbon
- Recycling % investment return into RedCAT innovation grants/climate resilience fund (through Environment Agency)

#### **RedCAT/Development/Manufacturing Accelerators**

- Managed, manufacturing landing space
- Secures local manufacture
- Building initial supply chains
- Special Purpose Vehicles with LAs – part of wider RedCAT structure

#### **FUTURE DIRECTION OF TRAVEL -**

As Laid out in Energy & Low Carbon Sector Plan –

Hoping to see UKSPF funding secured for RedCAT Innovation on a district footprint or will be seeking alternative additional facilitation revenue funding

Ongoing pipeline Lancashire based low carbon tech innovations progressing with non-grant support - (residual ERDF/UKSPF)

Outside of Lancashire – supporting low carbon innovations with traditional RedCAT support to create local Lancashire manufacturing/non-grant dependant (non funding dependant)

Spontaneous inward investments/gigafactories being attracted to Lancashire due to low carbon cluster / ecosystems of support perception

With support of - British Business Bank/CGI – driving low carbon tech investments, supporting funding route development, supporting export route development

#### **ASKS –**

- Would benefit in Lancashire from similar grant support to Getting Building Fund capital investment for further RedCAT grant support for businesses
- Need soft landing packages for Lancashire – from Local Authority areas to support incoming innovative firms
- Need preferential loan support for Lancashire with local footprint to kick start loan package raises + cement new inward investments in local area – UDF/Growing Places?
- Opportunity as LEP/LCC to take a formal role within RedCAT Ventures or wider RedCAT structure
- Need local and county public sector welcome for new inward investments – position not consistent & opportunities being missed
- Would benefit from strategic flexible ad hoc facilitation funding under County control to allow Lancashire to compete with other NW / national inward investment centres to secure low carbon manufacture