

LEP - Business Support Management Board

Thursday 21st May 2020 at 10.30 am via Skype

Agenda

Part I (Items Publicly Available)

- 1. Welcome and Apologies for Absence**
- 2. Declaration of Interests**
- 3. Minutes of the meeting held on 17 December 2019** (Pages 1 - 4)
- 4. Matters Arising**
- 5. Boost - use of BEIS grant in 2020/21** (Pages 5 - 8)
- 6. Covid 19 - Business Impact and Responses in Lancashire**
Presentation from Andy Walker
- 7. Any Other Business**
- 8. Date of Next Meeting**
The next meeting is scheduled for 10.30am on 27 August 2020. Venue/virtual details to follow.



LEP - Business Support Management Board

Minutes of the Meeting held on Tuesday 17th December 2019 at 10.30am at the Committee Room 'B' - The Diamond Jubilee Room, County Hall, Preston

Present

Miranda Barker
Neil McMillan

Sue Smith
Stuart Thompson

In Attendance

Andrew Leeming, Boost Programme Manager, Lancashire County Council
Andy Walker, Head of Service Business Growth, Lancashire County Council
Holly Tween, Democratic Services Officer, Lancashire County Council
Amin Vepari, Senior Project Officer, Strategic Development, Lancashire County Council
Matthew Baqueriza-Jackson, MBJ

1. Welcome and Apologies for Absence

Apologies had been received from Mike Blackburn, Paul Foster and Alan Welsh.

In Mike Blackburn's absence Stuart Thompson took the Chair and welcomed all to the meeting.

2. Declaration of Interests

None

3. Minutes of the meeting held on 20 November 2019

Resolved: that the minutes of the meeting held on 20 November 2019 were approved as an accurate record and signed by the Chair.

4. Matters Arising

It was commented that a query had been raised previously around how the wider business community would be incorporated into the Local Industrial Strategy, and around how support could be directed to the 'unproductive tail'. This would be raised at the Lancashire Enterprise Partnership Board on 18 December 2019.

5. Lancashire Scale Up

Amin Vepari, Senior Project Officer, Strategic Development, presented the report (circulated) on the developments in Lancashire to encourage and support businesses to scale up, and presented the new brand for the Scale Up programme.

The new brand and website would be launched on 9 January 2020, supported with marketing and digital campaigns.

It was noted that Lancashire County Council, as a member of the Scaleup Institute, now had a place on national steering groups, and would collaborate with organisations across the UK and showcase Lancashire's success.

In response to a question, it was confirmed that the plan was to connect widely with universities; conversations had already begun with Edgehill, UCLan and Lancaster University.

The committee discussed the importance of ensuring that subcontractors delivering publicly funded business support programmes in Lancashire are loading information onto the Evolutive system in a timely manner. This is a contractual requirement of all ESIF programmes and it is a matter of some concern that some major contractors are still failing to meet this requirement. Andy Walker, Head of Service Business Support, committed to continue to work with those organisation not currently providing data and to potentially escalate sanctions if they fail to comply.

In response to a question about the legacy of these programmes, it was highlighted that the alumni of the programmes would be approached to become ambassadors, to champion other businesses in their sector. It was clarified that performance indicators for the programmes' legacy were broadly turnover, employee numbers and GVA, although there were a number of other factors that would be monitored such as new products, new markets and international impact.

The committee discussed the Shared Prosperity Fund and requested an update at the March meeting.

Resolved: the Business Support Management Board:

1. Noted the update
2. Requested a further update in the new year on the progress of pilot programmes
3. Requested an item on the Shared Prosperity Fund at the next meeting

6. Any Other Business

None

7. **Date of Next Meeting**

The next meeting was scheduled to be held at 10.30am on 19 March 2020 in the Exchange Room 7, County Hall, Preston

8. **Exclusion of the Press and Public**

Resolved: that the press and public be excluded from the meeting during consideration of the following item of business on the grounds that there would be a likely disclosure of exempt information as defined in the appropriate paragraph of Part 1 of Schedule 12A of the Local Government Act 1972, as indicated against the heading of each item. It is considered that in all the circumstances the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

9. **Progressing Procurement Processes and Practices in Lancashire – Draft Report**

Matthew Baqueriza-Jackson presented his interim findings on procurement processes and practices in Lancashire (circulated), and tabled a document setting out his conclusions and recommendations.

The committee discussed the report and asked questions.

The importance of cash flow was discussed, and it was suggested that the procurement policy should include a requirement for SME suppliers to be paid within 10 days of being set up on the system.

In considering the assessment RAG matrix, it was suggested that it would be helpful to see some weighting on the recommendations, and prioritisation by area.

Resolved: that an update on this work be brought to a future meeting



LEP – Sub Committee

LEP - Business Support Management Board

Private and Confidential: No

Date: Thursday, 21 May 2020

Boost - Use of BEIS grant for Growth Hub activity in 2020/21

**Report Author: Andy Walker, Tel: 01772 535629,
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Executive Summary

This report described the intended use of grant monies supplied by the Department of Business, Energy and Industrial Strategy to support the operation of Boost – Lancashire's Business Growth Hub in 2020/21.

In addition to a recurring contribution of around £328,000 per annum, Lancashire will benefit from a further contribution of £208,500 as its share of an additional £10m announced in the budget to resource growth hubs to support businesses through the COVID-19 crisis. We are yet to receive guidance on how these funds are to be used.

Recommendation

The Business Support Management Board is asked to endorse the suggested use of BEIS resource set out in this report and recommend that the LEP Board itself formally endorses the decision to approve the proposals for the BEIS grant of £328,000 identified in this report.

The Business Support Management Board also requests that the Head of Service Business Growth, Director of Growth, Employment and Planning at LCC and the LEP Chief Executive draw up proposals for the supplementary funding, in particular reflecting the need to respond to the challenges to Lancashire businesses resulting from Covid-19.

1. Background

- 1.1 Growth Hubs are regarded by BEIS as a key component of the national business support infrastructure and as such they receive annual funding via a grant to each LEP.



- 1.2 The funding is tightly controlled by BEIS in terms of the type of activity it can be spent on and the annual funding agreement also contains a number of principles that BEIS expect to be followed in order to support national economic objectives.
- 1.3 The core funding for Lancashire has remained consistent at £328,000 per annum for the past six years. This represents about 16% of the total Growth Hub funding for Boost – the remainder coming from the EU and Lancashire County Council in the form of match funding.

2. BEIS Principles of Funding

- 2.1 For 2020-21 Boost has again been allocated £328,000 core funding. This is conditional on the grant being used to support the BEIS key principles of funding. These are:

Principle 1 – Management, governance and coordination - Ensuring that the Growth Hub is subject to LEP governance and that it is embedded in local economic strategies;

Principle 2 - Data, monitoring, reporting, valuation and value for money - Establishing robust data collection and analysis methods to ensure that the impact of the Growth Hub activities can be measured and evaluated;

Principle 3 - Strategic partnerships and business support simplification - Working effectively with other business support agencies and making sure that businesses know where to go for help;

**Principle 4 - Triage, diagnostic and signposting
Encouraging more businesses to take up external advice by providing access to a free and impartial local 'single point of contact' prioritising those businesses with the opportunity, ambition and greatest potential to grow;**

**Principle 5 – Ambitious and high growth businesses (Scale-Ups)
Making best use of available national and local data sets to identify and target those businesses with the opportunity, ambition and greatest potential to grow.**

- 2.2 Lancashire County Council, as Accountable Body for the BEIS funding, oversees compliance with these principles of funding, and the day-to-day management of the Growth Hub is vested in the LCC Head of Business Growth and his team.
- 2.3 In addition BEIS require Annual and a Bi-annual report to be submitted, detailing the actual activities of the Growth Hub, their impact, and compliance

with the principles of funding. The expenditure is also subject of annual verification by an independent auditor.

3. Proposed BEIS expenditure 2020-21

3.1 The following areas of expenditure are proposed using the BEIS funding:

A. Growth Hub Delivery ERDF Match - £220,000

The BEIS funding for 2020-21 would be used as part match for the following ERDF funded delivery contracts:

- Business Relationship Management Service – information diagnostic and brokerage, business referrals
- Growth Support Programme – high growth business start-ups and early stage businesses
- Boost Bespoke – high growth established businesses and scale-ups
- Boost Mentoring – using experienced entrepreneurs to support growth oriented businesses

(This expenditure will also lever in ERDF grant of £330,000)

B. Executive and Performance Management cost, performance, compliance and quality assurance activities (including ERDF compliance) - £50,000

- Growth hub performance data, KPIs and reports
- Compliance with BEIS and ERDF funding conditions
- Growth Hub Annual and Biannual Reports
- Quality Audits and client file checks
- Client satisfaction audits

C. Evolutive CRM Maintenance and licences -	£30,000
D. Purchase of Business Data, including (Beauhurst) -	£18,000
E. Events, Marketing and Printing -	£10,000
Total BEIS expenditure 2020-21 -	£328,000

4. BEIS Supplementary funding 2020-21

4.1 In the March Budget the Chancellor announced an additional £10 million for LEPs for Growth Hubs for Financial Year 2020-21. This funding uplift reflects the existing confidence in the Growth Hubs as well as a desire to strengthen and, in the short term, ensure that there are the resources to help respond to Covid-19 and the needs of businesses across England.



4.2 Lancashire's share of this supplementary funding will be £208,500. The formal offer letter is expected shortly. Whilst the exact conditions attached to it are not yet known, BEIS recognises that the current priority needs to be on business safeguarding and survival and has indicated that 25% of the funding should be used by Growth Hubs to respond to the additional economic challenges being faced by local businesses.

5. Recommendation

5.1 The Business Support Management Board is asked to endorse the suggested use of BEIS resource set out above and recommend that the LEP Board itself formally endorses the decision to approve the proposals for the BEIS grant of £328,000 identified in this report.

5.2 The Business Support Management Board also requests that the Head of Service Business Growth, Director of Growth, Employment and Planning at LCC and the LEP Chief Executive draw up proposals for the supplementary funding, in particular reflecting the need to respond to the challenges to Lancashire businesses resulting from Covid-19.

List of Background Papers

Paper	Date	Contact/Tel
None		
Reason for inclusion in Part II, if appropriate		
Not applicable		