

LEP - Business Support Management Board

Tuesday, 17th December, 2019 in Committee Room 'B' - The Diamond Jubilee Room, County Hall, Preston, at 10.30 am

Agenda

Part I (Items Publicly Available)

- 1. Welcome and Apologies for Absence**
- 2. Declaration of Interests**
- 3. Minutes of the meeting held on 20 November 2019** (Pages 1 - 4)
- 4. Matters Arising**
- 5. Lancashire Scale Up** (Pages 5 - 10)
- 6. Any Other Business**
- 7. Date of Next Meeting**

The next meeting is 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**

The Committee is asked to consider whether, under Section 100A(4) of the Local Government Act 1972, it considers that the public should be excluded from the meeting during consideration of the following items of business on the grounds that there would be a likely disclosure of exempt information as defined in the appropriate paragraph of Part I of Schedule 12A to the Local Government Act 1972 as indicated against the heading to the item.

Part II (Private and Confidential)

- 9. Progressing Procurement Processes and Practices in Lancashire – Draft Report** (Pages 11 - 30)

LEP - Business Support Management Board

Minutes of the Meeting held on Wednesday, 20th November, 2019 at 3.00 pm at the Exchange Room 3 - The Exchange - County Hall, Preston

Present

Michael Blackburn OBE

Miranda Barker
Paul Foster
Neil McMillan

Sue Smith
Stuart Thompson
Alan Welsh

In Attendance

Andy Walker, Head of Service Business Growth, Lancashire County Council
Andy Milroy, Senior Democratic Services Officer, Lancashire County Council

1. Welcome and Apologies for Absence

The Chairman, Mike Blackburn OBE, welcomed all to the meeting. There were no apologies for absence.

2. Declaration of Interests

None

3. Minutes of the meeting held on 03 October 2019

Resolved: The minutes of the Business Support Management Board meeting held on 3rd October 2019 were approved as an accurate record and signed by the Chairman.

4. Matters Arising

None

5. Wider LEP Update

Andy Milroy, Senior Democratic Services Officer, Lancashire County Council, provided a brief overview of recent LEP activity including Growth Deal approvals and progress on the recruitment of a new LEP Chief Executive Officer.

6. Any Other Business

None

7. Date of Next Meeting

It was noted that the next Business Support Management Board meeting was scheduled to be held on Tuesday 17th December 2019 at 10:30am in Committee Room 'B' - The Diamond Jubilee Room, 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 items 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. Business Support Related Propositions within Lancashire's Local Industrial Strategy

Andy Walker, Head of Service Business Growth, Lancashire County Council presented a private and confidential report (circulated) which provided an update on Business Support related proposals within Lancashire's Local Industrial Strategy.

The presentation highlighted four areas of progress with the evidence base, local priorities, proposition development and final narrative.

Headline analysis of each key area was provided including Lancashire's productive gap, major technology market drivers, Lancashire's strengths in aerospace, automotive, energy and marine sectors. Analysis was also provided on business density and start up survival rates and opportunities and challenges for growth in Lancashire.

It was noted that the deadline for submission of the Local Industrial Strategy for Lancashire is 31st March 2020 and that the final narrative will flow from the information presented to the Business Support Management Board.

The Business Support Management Board provided feedback on the progress made to date and additional information to assist with refining the final Strategy.

In addition, the timeline for developing and finalising the Local Industrial Strategy for Lancashire were noted, including a workshop being held week commencing 2nd December 2019, with it returning to the Business Support Management Board

on 17th December 2019 and the LEP Board on 18th December 2019.

Resolved: The Business Support Management Board provided comments and feedback on the development of the Strategy to date and endorsed the final Business Start-Up and Growth Proposition for submission to the LEP Board.



LEP – Sub Committee

LEP - Business Support Management Board

Private and Confidential: No

Date: Tuesday, 17 December 2019

Lancashire Scale Up

**Report Author: Amin Vepari, Tel: 01772 533639,
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Executive Summary

This report provides the Board with a comprehensive insight and update into both the UK scale up landscape and specifically the developments in Lancashire to embed a dynamic brand, hub and range of support platforms to identify, engage, assist and showcase the county's growing businesses who will be valuable contributors to the local economy.

The report also outlines the pilot programmes currently underway that will gather traction, assess demand and measure impact within the Lancashire scale up space leading the way for further developed initiatives in 2020/21 and beyond.

Recommendation

The Business Support Management Board is asked to:

1. Note this update and insight into scale up
2. Make any suggestions that may assist with the development of a staple local scale up offer
3. Consider requesting a further update in the New Year regarding progress of pilot programmes

1. Background and Advice

- 1.1 The purpose of this report to the LEP Business Support Management Board is to provide an update on scale up research, activity and plans in Lancashire. Although the concept isn't new, scale-up businesses have become something of a hot topic in recent years and more so since a report published in November 2014 by Sherry Coutu CBE (founder of the Scaleup Institute) titled



'Scale-Up Report on UK Economic Growth". Five years on and the role of the Scaleup Institute has become increasingly pivotal in helping shape Government thinking and more recently the influence it has on the National industrial Strategy. Working closely with their founding partner, Goldman Sachs 10,000 Small Businesses UK, the Scaleup Institute have also aligned themselves with the British Business Bank, Innovate UK and Catapult Digital amongst a range of other influential lead partners.

- 1.2 In terms of definition, scale ups are enterprises with average annualised growth in employees or in turnover greater than 20 per cent a year over a three-year period, and with 10 or more employees at the beginning of the observation period.
- 1.3 According to ONS data from 2017, overall UK SME turnover was £1.9 trillion generated from 5.7 million businesses. Scale up businesses contributed to £1.3 trillion from just 36,510 businesses. This equates to 0.6% of total SMEs contributing to nearly 70% of the total turnover generated in the UK.
- 1.4 The latest data available from the Scaleup Institute identifies 795 visible scale ups in Lancashire, employing just over 83,500 people and total turnover of £12 billion per annum.
- 1.5 Growth Hubs have a role to play in identifying and targeting scale up businesses that;
 - Have the potential to scale up with support;
 - Are already scaling up;
 - Have experienced a scale up phase and are looking to consolidate; or
 - Are entering a new growth period, in the broadest possible context.
- 1.6 The key factors that will allow scale ups to continue to grow are;
 - Finding employees who have the skills they need;
 - Access to market and customers;
 - Building their leadership capability;
 - Accessing the right combinations of finance;
 - Developing a sound infrastructure.
- 1.7 Lancashire County Council has very recently agreed to become an ambassadorial member of the Scaleup Institute and in doing so will contribute to national strategy, collaborate with key organisations including growth hubs across the UK, showcase success stories providing a recognisable and reputable platform to amplify our achievements and more importantly develop and embed a sustainable local ecosystem for Lancashire scale ups and fast growing businesses.
- 1.8 The Lancashire business support ecosystem hosts four primary services which engage in the scale up space;
 - Boost Business Lancashire – The growth hub acts as the first port of call for growing businesses. In addition, as part of the 3rd iteration of Boost, a



specialist strand called Boost Bespoke was introduced to engage with businesses who have potential to scale;

- Productivity through People - Lancaster University Management School's workforce and efficiency focused growth programme for senior managers;
- Profitable Growth through Innovation – Edge Hill University Productivity & Innovation Centre's sprint programme for data driven innovation;
- DigitMe2 – University of Central Lancashire providing consultancy support for new product development.

- 1.9 In order to truly drive scale up, Lancashire County Council approved a £75,000 pilot budget for 2019/20 to engage in this space, identify needs and create demand for scale up support. However at the same time tap into existing support streams such as Boost, Rosebud, Access to Finance and a range of other products. During the early period of this year we engaged with other growth hubs and organisations in the UK who were already established within the scale up space to better understand what has worked, pitfalls to avoid and best practice which can be shared along with collaborative partnerships being formulated.
- 1.10 In order to ensure the new scale up brand and platform in Lancashire remained closely aligned to Boost and was not seen as a replication but more of a specialist niche extension, the assignment for brand design and positioning along with developing a website and robust marketing plan was given to Freshfield PR. The development phase is close to completion and the new brand and website are due to launch on 9th January 2020. This will be supported with a range of fresh content, thought leadership pieces, digital campaigns and proactive marketing in the New Year.
- 1.11 The pilot delivery mapping exercise through research and collaboration identified three specialist sector/thematic programmes;
- Food & Drink Manufacturing;
 - Female;
 - Social Enterprise.
- 1.12 The reasons for selecting Food & Drink are as follows;
- Only 2% of national Scale Up programmes focus on Food & Drink;
 - 2% (12,000) of Lancashire workforce employed in Food & Drink sector compared to 1.3% national average;
 - No recognised high growth Food & Drink programme in Lancashire since NWDA;
 - LEP focus area and highlights eight Cheese Makers and twenty three Micro-Breweries at the last count in Lancashire.
- 1.13 The reasons for selecting Female are as follows;
- Only 4% of visible scale ups have a female founder
 - Male SMEs five times more likely to scale up to £1m turnover than female SMEs



- UK is the scale up capital of Europe, with businesses attracting more venture capital than any other country on the continent yet only one in three entrepreneurs is female and firms with at least one female founder receive just 10% of funding and investment;
- Up to £250 billion of new value could be added to the UK economy if women started and scaled businesses at the same rate as men.

1.14 The reasons for selecting Social Enterprise are as follows;

- Social businesses account for a large and growing proportion of the UK business sector;
- They focus on responding to complex and challenging community, environmental and broader societal concerns;
- Scaleup Institute and Barclays have recently undertaken more intense reviews in this under-researched sector and a report published in November 2019 demonstrated;
 - Visible social businesses are operating at scale, 8 out of 10 visible social businesses expect to achieve more than 20% growth in the next year with 20% already achieving turnover of over £10m and 3 in 10 having more than 50 employees;
 - There has been at least £446 million of equity investment into UK social businesses since 2015;
 - Social scaling businesses are present across industries and regions, highlighting that social businesses are present in more sectors than perhaps are perceived to be traditionally associated with them such as education, arts, health and social work;
 - Social businesses are on a similar footing with peers in the private sector, there was no significant difference in growth rate between social businesses and their peers (64.8% of social businesses grew by 20% or more annually over three years, versus 65.1% in the private sector).

1.15 Following a recent exercise where proposals were invited from external organisations, Lancashire County Council have appointed the following delivery partners;

- Growth Company – Food & Drink;
- Groundswell Innovation & Northern Power Women - Female;
- Selnet – Social Enterprise.

1.16 All initial introduction meetings have been finalised and delivery partners now underway with the first phase of mobilisation and commencement of engagement. Delivery will commence in January for a maximum period of 12 weeks ensuring successes and impact measures are captured.

1.17 The findings and evaluation will feed into long term and wider spread of scale up initiatives and activities in Lancashire ensuring that the county's dynamic and innovative entrepreneurial landscape is showcased further. Specific focus will remain on growing SMEs given that 63% of scale ups have less than 50 employees and 94% having less than 250.

List of Background Papers

Paper	Date	Contact/Tel
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N/A		
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Reason for inclusion in Part II, if appropriate

N/A

Agenda Item 9

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