



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

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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
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None

Reason for inclusion in Part II, if appropriate

Not applicable