



LEP – Sub Committee

LEP - Business Support Management Board

Private and Confidential: No

Date: Thursday, 10 February 2022

Business Support Update and Future Scoping (Appendix 'A' refers)

Report Author: Andy Walker, Tel: 01772 535629,
andy.walker@lancashire.gov.uk

Executive Summary

This report provides a brief update on a range of new locally funded business support provision for 2022. These initiatives add to the existing network of publicly funded business support provision in Lancashire but have specifically been created to provide on-going support to sectors badly impacted by the pandemic or to boost the speed at which the economy recovers.

In addition, the paper sets out some key national policy announcements through the year which will potentially influence the shape and funding for Growth Hubs moving forward.

Recommendation

The Board are recommended to note this paper as a prompt to considering a wider process to determine local business support priorities moving forward.

1. Background and Advice

- 1.1 As we cautiously anticipate a further lifting of COVID-19 restrictions, Lancashire County Council is putting in place an unprecedented programme of new business support initiatives to bolster the pace of economic recovery across key sectors and business activities within the county.
- 1.2 The first quarter of 2022 will see the launch of four new programmes cumulatively worth more than £35m. These target support to:-
 - the advanced engineer and manufacturing sector
 - activities which help SMEs move to low carbon solutions
 - businesses in the rural economy, and



- developers creating new business space for small businesses
- 1.3 The **Advanced Engineering and Manufacturing Watchtower** programme is worth £1m over the next two years. It builds on research compiled by the sector itself and the Local Enterprise Partnership, highlighting the problems faced by businesses within the civil aerospace supply chain because of the long-term impact on travel caused by the pandemic.
 - 1.4 The programme will provide innovation, diversification and skills support to the sector, whilst refreshing our intelligence about the key AEM assets which remain in Lancashire and how best we can market these.
 - 1.5 The £1m **Low Carbon Heat Grant** aims to help Lancashire companies achieve their Low Carbon heating goals. The programme will support the installation of low carbon heating solutions for Lancashire SME's especially those operating on the most carbon intensive fuels, as well as working with installers to understand barriers to delivery. To get involved an SME will need to have a completed Energy Audit and submit permission to share it, along with company name, to LancashireLowCarbon@lancashire.gov.uk. Any expressions of interest for the first round of grants will need to be received by Monday 28th February. Businesses that do not have an Energy Audit you can contact the Chamber Low Carbon project at info@chamberlowcarbon.co.uk
 - 1.6 **The Rural Recovery Fund** is a pilot that aims to support rural businesses by building resilience through a range of support initiatives. The programme started in January 2022 with a series of Peer to Peer Action learning sessions, which includes micro businesses, tourism, farm diversification and farming low carbon. In February there will be a 5 week Digital Skills programme aimed at the tourism, food and drink sector, with the same programme running from the end of April for general rural businesses. The sessions will enable businesses to better understand how to use social media, run effective social media campaigns and increase profitability. We have also commissioned several pilot projects including:
 - The Lancashire AONBs to look at sustainable travel and develop experiential tourism opportunities for those travelling to the area by public transport;
 - Marketing Lancashire to develop opportunities for Lancashire's food and drink sector;
 - Working with the Lancashire Skills Hub to engage with school children to encourage young people into farming.
 - 1.7 The £33m **Lancashire Urban Development Fund** will provide loan finance for private sector developers that aim to provide commercial and industrial workspace for Lancashire SMEs (including Blackpool and Blackburn). The Fund will support the creation of fit-for-purpose industrial and commercial premises for SME's in Lancashire's priority growth sectors and help to unlock key strategic



employment sites. Loans are expected to be between £2m to £4m in conjunction with contributions from developers themselves.

- 1.8 The Fund will be managed by Igloo Investment Management, on behalf of the county council, who can be contacted by emailing andrew.sykes@igloo.uk.net or robert.wood@igloo.uk.net. The Fund is financially supported by the European Regional Development Fund programme.
- 1.9 In addition to the four programmes above, in December 2021, **Boost; Lancashire's Business Growth Hub** announced a further £3.2 million to continue supporting Lancashire's business community with a wide range of fully-funded support services from January 2022. This includes circa £750,000 from the Department for Business Energy and Industrial Strategy.
- 1.10 The financial commitment from Lancashire County Council and the European Regional Development Fund (ERDF) will mean Boost's current support offering will continue until June 2023. Since 2013, Boost has supported 8,000 business, helped to create 3,000 jobs and generated more than £100m in economic activity and during its next phase from January 2022 to June 2023, Boost will support a further 800 businesses, create 880 jobs and support 100 new business startups, adding £4m to the Lancashire economy.
- 1.11 Lancashire County Council will provide £1.3m while the ERDF will contribute £1.9m to Boost, which will offer four fully funded support programmes as well as a dedicated service to help business owners better understand their needs and direct them to the most suitable business support from across Lancashire.

2. Future Scoping

- 2.1 2022 will potentially bring several key decisions which could impact the operation and funding of the business support offer in Lancashire. The publication of the Levelling Up White paper, has the potential to re-determine the role of LEPs and Growth Hubs moving forward, whilst the shape and value of the emerging UK Shared Prosperity Fund as a replacement for European Structural and Investment Funds (expected in summer 2022) will give a new perspective on the organisation of funds which have been applied to business support, innovation and more latterly, environmental priorities for the past 20 years.
- 2.2 These policy changes should also be considered in the context of the availability of local match to draw down against these funds. Typically, this has come from either co-investment from beneficiary businesses (potentially constrained by post-pandemic financial constraints) or via public match from local authorities.
- 2.3 Growth Hubs, LEPs and Local Authorities are actively lobbying to set out both the successful track-record of Growth Hubs over the last decade and the potential role that they and local business support provision can play moving forward. (see Appendix 'A') There is also active, if somewhat belated



consultation on the shape of the UK Shared Prosperity Fund, which will inevitably inform the priorities and volume of funding for locally commissioned business support, moving forward.

- 2.4 In order to develop a more proactive stance to the changes we anticipate, it is suggested that the LEP Business Support Management Board with other key partners and stake-holders supports a process to re-assess local business support priorities and to determine how a more focussed, simplified and impactful local business support offer can become a shared objective. This would include specific input from the LEP's sector groups and newly produced business finance and internationalisation studies.

List of Background Papers

Paper	Date	Contact/Tel
LEP letter of support	Jan 2022	

Reason for inclusion in Part II

N/A