



Lancashire Enterprise Partnership Limited

Private and Confidential: NO

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Availability of Finance in Lancashire

(Appendices 'A' and 'B' refer)

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Executive Summary

Consultancy EKOS were commissioned by the LEP to provide an overview of the finance market in Lancashire. The commission also asked EKOS to investigate opportunities for a Lancashire Investment Forum.

The research included desk-based research, broad engagement with around 40 key stakeholders, representations to the LEP's sector groups and a presentation to an informal LEP board.

It should be noted that the research was carried out during the Covid 19 pandemic where the availability of temporary and interventionist government funds, skewed the financial markets. The supply and demand side research was primarily delivered through business support organisations, finance providers and limited business engagement.

Recommendation

The Lancashire Enterprise Partnership Board is asked to:

- (i) Review and approved the Executive Summary and Action Plan; and
- (ii) Note that regular updates on progress against the Action Plan will be brought to the LEP Board and oversight provided by the Business Support Management Board



Background and Advice

1. Background

- 1.1 The LEP board identified an opportunity to provide financial investment to advanced manufacturing businesses that were struggling during the pandemic.
- 1.2 LEP board members were concerned that momentum in research & development and the adoption of new technologies would hinder businesses as a result of the pandemic and saw an opportunity to support with a financial instrument.
- 1.3 In order to establish what financial instruments were needed in the county the LEP commissioned EKOS to conduct a review of what was already available and to identify any gaps in the marketplace.
- 1.4 The Executive Summary at Appendix A identified Early-Stage finance as problematic in Lancashire with companies finding difficulty in identifying sources of this type of funding.
- 1.5 The report identified that there were circa 20,000 financial products available in Lancashire and that businesses found it difficult to navigate those streams of funding.
- 1.6 Ten recommendations were proposed and a stakeholder group was set up to review the recommendations, set priorities and create an Action Plan to improve the financial eco-system in Lancashire.
- 1.7 A well-functioning eco-system has the ability to support the LEP's Sector Groups plans to enable all Lancashire companies to access the right finance at the right time.
- 1.8 Nine recommendations are proposed to be taken forward and work has already commenced. One recommendation was deemed not appropriate.
- 1.9 The stakeholder group that considered the report, the recommendations and worked on the action plan consists of representatives from,

Lancashire Enterprise Partnership
Lancashire County Council
British Business Bank, covering the Northern Powerhouse Investment Fund
Access to Finance
University of Central Lancashire
Institute of Chartered Accountants England and Wales
Foresight Group
ReOrient Consulting Ltd



1.10 The stakeholder group met frequently over the last nine months to consider the recommendations and devise the Action Plan at Appendix B recognising that working together to achieve common goals will positively impact the financial market in Lancashire.

2. Consultation

2.1 The report has been shared with the LEDDG group and the LEP's Manufacturing, Food & Agriculture and Energy & Low Carbon Sector Groups.

2.2 The report was presented to the Business Support Management Board on 26 May 2022 and was well received. The Business Support Management Board commented that there is a constantly moving finance landscape, the report should link up to new initiatives such as the LCC Finance Simplified Programme and the Federation of Small Business's funding platform and information around social investment should be included.

2.3 The report was recommended to the LEP Board.

2.4 Feedback from the consultation has been incorporated into this report.

3. Next Steps

3.1 The Business Support Management Board commends this report to the LEP board for consideration with a recommendation to endorse and publish the report.

3.2 The stakeholder group will continue to meet quarterly to receive updates on progress. The stakeholder group has been expanded to include:

- East Lancashire Chamber of Commerce,
- Lancaster University,
- Edge Hill University,
- University Of Cumbria,
- Nat West Bank, and
- Lancashire Universities Innovation Manager

3.3 An annual report will be brought to the LEP Board detailing progress regarding the actions identified in the plan and the impact it is having on the Lancashire financial eco-system, with oversight provided by the Business Support Management Board.