

## Heart of the South West Local Enterprise Partnership

### LEP Board Paper Agenda item 9 b)

**Report title:** Business Update

**Date:** 15<sup>th</sup> July 2022

**Purpose:** This paper is for **information**

(overwhelming papers should be for decision)

**Link to LIS:** Indicate by **bolding** which area the paper links to.

Inclusive Growth			Clean growth	
Energy		Engineering		Digital
Ideas/ Innovation	People/Skills	Infrastructure	<b>Bus. Environment</b>	Places

**Non- LIS purpose:**

**Timing:** Ongoing

**Financial Impact:** (cost or cost saving): n/a

**Decisions requested:** none

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### Summary

Provides a brief overview of the work under the Business theme.

Delivery across the different workstreams continues as below.

- a) Growth Hub: following a dip in engagement through the winter, business enquiries are now picking up again, with a working group from members of the Business LG providing advice and support. The challenges businesses are facing means the team are working hard to convert enquiries into full assists, and because of these challenges both the Business Referral and Intensive Support targets are currently considered as amber ratings with activity planned during the summer address this. While Covid impacted the plan to hold monthly clinics in Upper Tier areas, the Growth Hub are now exploring ways to in-part deliver this, mindful of the impact of hybrid working. Govt have confirmed GH funding to March 23, albeit around half of 21/22 levels, and the LEP is providing additional funding as match to ERDF which is providing the Thrive programme of enhanced business support to March 23.
- b) Clean Growth: SWMAS are offering a LEP-funded grant programme to SMEs to reduce carbon footprint. The funding runs to March 23.
- c) Access to Finance: the LEP has started work to deliver an online platform to better facilitate linkages between businesses and prospective funders. The platform is timed to go live alongside the British Business Bank £200m fund in the second half of 2023, and was one of the key recommendations from the summer '21 Isca Ventures review of challenges faced by SMEs in accessing finance.

- d) Scale-up: the requirement (and funding) to run a scale up programme is not part of the 22/23 Growth Hub settlement and the previous support concluded in March. However the LEP is working with local authorities to submit a HotSW-wide bid into DCMS' Create Growth Programme. This will provide a similar scale-up support to businesses in the creative sector. An EOI is to be submitted by the 7<sup>th</sup> July deadline with a decision then awaited on progression to the next stage.
- e) Inward investment: a call is live to end September for the ERDF grant support for foreign-owned businesses to either locate in the area or for existing foreign-owned businesses in the area to invest in expansion.

The Department for International Trade has just released the UK's inward investment results for 2021/22. In the Heart of the South West LEP area there were 19 successful FDI projects, creating 531 new jobs. In addition, the LEP area secured 10 'multi-region' FDI projects (projects that land in multiple UK locations but where it is not possible to disaggregate the job numbers by LEP). HotSW was second in the south west behind West of England which had 29 FDI projects. The 2021-22 numbers compare with 2020-21 figures of 11 FDI projects creating 320 jobs and 6 multi-region projects.

- f) Export: the LEP is working with DIT to promote the ERDF Internationalisation Fund to SMEs. The fund runs to end December and provides grant funding to businesses looking to export: £280k is available in the Transition (Devon, Plymouth & Torbay) area and £172k in More Developed (Somerset)
- g) Digital utilisation: support being provided under the £8m digital package through Devon CC. Offer letter is signed and recruitment is underway. This is progressing but slightly later than planned due to questions around Subsidy Control and the outcome is marked as Amber.

The June Business leadership group also heard about progress on UKSPF and local authority partners agreed to share common priorities across the investment plans to make it easier for key providers such as MAS to engage with when calls go live in the autumn. However the design of the programme means it remains very challenging for MAS and others work with the funding.