

Executive Decision Report

Growth Hub - Project Extension

Decision to be taken by: City Mayor

Decision to be taken on: 29 November 2021

Lead director: Mike Dalzell



City Mayor

Useful information

- Ward(s) affected: All wards
- Report author: Joanne Ives
- Author contact details: 37 2934
- Report version number: 1

1. Summary

1.1. This report is seeking approval for an extension to the Growth Hub project with funding from the European Regional Development Fund (ERDF). This will enable businesses across Leicester and Leicestershire to access business support, including events, workshops, business grants and one to one support.

2. Recommendations

2.1 Accept additional ERDF funding of £2m, increasing the total ERDF funding for the project to £5.9m, and agree for the City Council to act as accountable body in relation to it;

2.2 Add £490k to the capital programme

3. Supporting information including options considered:

Background

- 3.1 The City Council has previously accepted £3.9m from the European Regional Development Funding (ERDF) to deliver the Growth Hub project – a comprehensive business support programme across Leicester and Leicestershire.
- 3.2 The project proposal has been led by Leicester City Council, and developed as a partnership with Leicestershire County Council, the East Midlands Chamber and the Leicester and Leicestershire Enterprise Partnership (LLEP), building on existing joint working. This has enabled the delivery of the business support offer by the City Council and partners from January 2019 to December 2021.
- 3.3 An application for an additional £2m of ERDF funding has been successful and enables the project to be extended until June 2023. This will extend delivery of the following services:
 - A core information service via the Growth Hub: a dedicated marketing and first point of contact/ referral service for businesses (web, phone and face to face);
 - An intensive support programme providing advice and coaching to SMEs to grow their business, including access to a wider network of business support providers
 - A dedicated 'Scale Up' programme to accelerate the development of high growth businesses; investment readiness support for SME's to attract equity / loan investment; and a property support service helping businesses to

identify and move to new premises

- A programme of business-related events and strategic workshops/seminars, providing business networking and showcasing opportunities.
- A further £490,000 of capital grants and £163k of revenue grants for businesses. The project also enables access and referral to complementary grant schemes such as the Digital Growth and Scale-up Programmes.
- It is also proposed to include specific workshop activities that were previously funded by the separate Digital Growth Programme, enabling further coordination around planning and delivery. As a result, this enables a new project targeting high growth digital businesses to be delivered by East Midlands Chamber which will add both to this project and benefit businesses across Leicester and Leicestershire.

3.4 The extended project aims to support a further 188 SMEs and create a further 21 new jobs by June 2023 (in addition to the current targets to support 536 SMEs and create 212 new jobs by December 2021) across the city and county. This sub regional approach is a requirement of the ERDF funding.

3.5 The total project cost now equates to £12,050,780, broken down as follows:

Partner	Match	ERDF	Total
Leicester City Council	£735,012	£1,682,128	£2,417,140
LLEP	£749,139	£594,704	£1,343,843
East Midlands Chamber	£553,681	£1,468,687	£2,022,368
Leicestershire County Council	£228,128	£174,301	£402,429
Grant (SME)	£3,812,250	£2,052,750	£5,865,000
Total	£6,078,210	£5,972,570	£12,050,780

3.6 No additional cash match from the City Council is required, as the project budget includes in-kind match from existing budgets.

4. Details of Scrutiny

Scrutiny updates January 2019, June 2019, November 2020, March 2021.

5. Financial, legal and other implications

5.1 Financial implications

The report proposes approval to accept an additional £2m of ERDF funding and to act as accountable body. The City Council's match funding contribution is from existing resources, notably staff time. There are additional SME grants of £490k which will be capital spending, and hence should be added to the capital programme.

Amy Oliver, Head of Finance, ext. 37 5667

5.2 Legal implications

The conditions of the ERDF funding will need to be reviewed by legal though given these are Central Funds these are likely to be non-negotiable in any case.

The use of the funding and any grant awards of the funding to third parties will need to reflect the requirements on the Council (and step-down obligations where appropriate) under the ERDF funding terms. In addition, Subsidy Control will need to be considered.

The Leicestershire Growth Hub Project and any extension of this should be underpinned by an updated partnering agreement to secure the respective rights and obligations of the partners as soon as possible.

Mannah Begum, Principal Solicitor (Commercial, Property & Planning) ext 37 1423

5.3 Climate Change and Carbon Reduction implications

The commercial and industrial sectors are together responsible for around 34% of Leicester's carbon emissions, not including their share of transport emissions. Following the council's declaration of a Climate Emergency and its goal to achieve carbon neutrality within the city, tackling these emissions is vitally important.

The Growth Hub should therefore consider opportunities to work with businesses on green growth and the transition to a carbon neutrality economy wherever possible throughout the support they provide. This could include supporting businesses in the low carbon sector and encouraging green growth and innovation in other sectors, alongside existing programmes such as Green BELLE funding operational decarbonisation within businesses. Additionally, where grants and funding are used to support projects that could increase companies' emissions, application processes could ask them to address steps to mitigate emissions increases or reduce them elsewhere in the business.

Alongside this the internal emissions implications of delivering these services could be mitigated through actions such as encouraging the use of sustainable transport by staff, efficient use of buildings and sustainable procurement practices.

Aidan Davis, Sustainability Officer, Ext 37 2284

5.4 Equalities Implications

Under the Equality Act 2010, public authorities have a Public Sector Equality Duty (PSED) which means that, in carrying out their functions, they have a statutory duty to pay due regard to the need to eliminate unlawful discrimination, harassment and victimisation, to advance equality of opportunity between people who share a protected characteristic and those who don't and to foster good relations between people who share a protected characteristic and those who don't.

Protected Characteristics under the Equality Act 2010 are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation.

The report is seeking approval for continuation of the Leicestershire Growth Hub Project funded by the European Regional Development Fund There are no direct equality implications arising from the report. All activities in relation to ERDF must be delivered in line with regulatory and legal requirements relating to the Equality Act and PSED.

Surinder Singh Equalities Officer Tel 37 4148

5.5 Other Implications (You will need to have considered other implications in preparing this report. Please indicate which apply?)

6. Background information and other papers:

Economic Development, Tourism and Transport Scrutiny 17th January 2019 – Business support paper

7. Summary of appendices:

None

8. Is this a private report (if so, please indicate the reasons and state why it is not in the public interest to be dealt with publicly)?

No

9. Is this a “key decision”?

No

10. If a key decision please explain reason

N/A