

### Minutes of Marches Business Support (MBS) Steering Group 13 July 2023

<b>Present</b>		
Paul Kalinauckas	PK	Marches LEP Board Access to Finance Champion, Midlands Engine Investment Fund Strategic Oversight Board Member – Chair for this meeting
Ruth Ross	RR	CEO, Shropshire Chamber
Sharon Smith	SS	Chief Executive Officer, Herefordshire & Worcestershire Chamber of Commerce
Shane Stark	SSt	Managing Director, Ridgebourne Management Ltd.
Ian Traynor	IT	Managing Director, Luminate Ventures
Colin Preece	CP	Executive Officer - Marches Skills Provider Network, Business Consultant - SBC Training
Matt Potts	MP	Head of Business Growth and Inward Investment, Shropshire Council
Rachel Laver	RL	Marches LEP CEO
Mark Schneider	MS	Marches LEP Head of Business Development and Delivery
Alex Collins	AC	Deputy Area Lead, the Marches, Cities and Local Growth Unit, Department for Business & Trade
Govin Aujla	GA	Cities and Local Growth Unit, Department for Business & Trade
Kathryn Jones	KJ	Head of Partnerships and Strategy, Marches LEP
Stephanie Jones	SJ	Growth Hub Project Support Officer, Marches LEP (Secretariat)
<b>Apologies:</b> Dave Courteen, Graham Guest, Nadine Kinsey, Steve Parry, Kathy Mulholland, Frank Myers, John Wigley.		

ITEM		ACTION
1.	<p><b>Welcome and Introductions</b></p> <p>PK chaired the meeting as DC was unable to attend. PK welcomed all to the meeting.</p> <p>Apologies had been received from Dave Courteen, Graham Guest, Nadine Kinsey, Steve Parry, Kathy Mulholland, Frank Myers, John Wigley.</p> <p>Sharon Smith would be late for the meeting.</p> <p>PK informed the group that BeBold would no longer attend the Steering Group to save on the budget but PR and Marketing reports would continue to be provided.</p>	
2.	<p><b>Declarations of Member Interest</b></p> <p>None received.</p> <p>PK registered his interest as a member of the West Midlands MEIF Strategic Oversight Board.</p>	
3.	<p><b>Minutes of the last meeting held on 27 April 2023.</b></p> <p>The draft minutes of the meeting held on 27 April were approved as an accurate record of the meeting.</p>	
4.	<p><b>Marches Growth Hub Update</b></p> <ul style="list-style-type: none"> <li>MS updated that Growth Hubs are looking to UK Shared Prosperity Funds (UKSPF) as the main source of funding for business support, with the three local authorities' schemes starting to come through or due to be launched soon.</li> <li>As an update from Shropshire Council, MP confirmed that funding decisions on Shropshire's UKSPF business support projects were due to be ratified by the Strategic Economic Partnership (SEP) Board next week. In response to questions about why it had taken so long for UKSPF to get out to businesses, MP explained that delays were not down to local authorities but due to delays in Government bringing the funding forward. Announcements had been made in 2022 but guidance had only been published just before Christmas. Shropshire Council had worked at pace to put project teams in place, develop specifications, run funding calls and appraise applications so that projects could be mobilised as quickly as possible.</li> </ul> <p>In terms of whether unused allocations from 2022/23 could be rolled forward, MP confirmed the 22/23 funding could be carried over and allocated as part of the current or future rounds.</p> <p>Following ratification by the SEP Board on Monday, projects would be contracted, mobilised and announced. MP also confirmed that £108K of the 22/23 UKSPF allocation had been awarded to the MGH Shropshire to deliver 12 hours specialist support with 90 businesses supported to the end of June. Further detail would be provided under Item 6.</p> <p>RL added that the MGH website brings the UKSPF programmes together to facilitate efficient signposting and that the website is currently undergoing a refresh to improve search and navigation functions.</p> <ul style="list-style-type: none"> <li>MS updated that take up for the Procurement event with Shropshire and Telford &amp; Wrekin local authorities and the NHS on 25 July at UCS was almost at capacity.</li> <li>RL updated that £400m had been committed to the Midlands Engine Investment Fund II (MEIF II). The British Business Bank tender for fund managers is currently live, and is also being promoted on the MGH website, with the launch of the new fund expected in early 2024.</li> </ul> <p>RL had offered one of the bidding fund managers desk space at the LEP office to help them have a presence in the region, helping to increase activity and lending to Marches businesses. The invitation would be extended to any other bidding fund managers and new fund managers appointed.</p> <p>PK would raise the issue of MEIF funds being under-allocated in the Marches at the next Strategic Oversight Board. IT emphasised the importance of communicating the funds to businesses in the Marches and suggested the group could help by approaching fund</p>	

	<p>managers to encourage them onto the patch. RL and MS replied that the MGH had held a series of events with the British Business Bank to raise awareness amongst businesses.</p> <p>The access to finance event in Herefordshire had not been well attended in terms of numbers but had resulted in businesses now talking to fund managers. The LEP would involve new fund managers to encourage them into the Marches and continue to work with existing fund managers. In response to a question about the risk of MEIF tenders offering fixed interest rates which then fall below bank rates, RL clarified it had been a condition of funding that MEIF cannot compete with the private sector or distort the market by undercutting which would breach State Aid/Subsidy regulations, except small loans which fall below the General Block Exemption. Rules of the new fund would need to be checked but would still need to comply with the Subsidy Control Act.</p> <ul style="list-style-type: none"> <li>• PK gave some observations on the independent <a href="#">Evaluation of the Growth Hub 2015-2020</a> which had now been published. <ul style="list-style-type: none"> <li>• It was pleasing to see recognition of the positive contribution of Growth Hubs to increased turnover, R&amp;D, job creation and access to finance; strong reputation for reliability and independence; simplification of the landscape to help businesses access national and local programmes; engagement with 8% of all businesses in England, above the 2.5% ambition set by BEIS.</li> <li>• Notable was the scale of impact on employment levels - an average 14% increase in employment one year after first engagement and an average 22% increase in employment after five years compared to no visible change among control group.</li> <li>• Also notable was the significant impact on turnover - beneficiaries report an average increase of £782k one year after the first intervention, compared to £294k for non-beneficiaries. The equivalent increase five years post-intervention is £953k.</li> <li>• Businesses value the face-to-face approach, especially in times of uncertainty.</li> <li>• The report reflects on the need to integrate Growth Hubs with local political structures and decision makers to avoid a patchwork approach to business support.</li> <li>• Growth Hubs are seen as a key channel for communicating issues to government.</li> <li>• Overall, the report is very positive. On future funding for Growth Hubs, RL updated that Ministers had recognised the value of Growth Hubs and future investment was likely although the funding model was unclear.</li> </ul> </li> </ul>	
5.	<p><b>Business Challenges</b></p> <p>RL sought feedback from the group on current business challenges, noting that from her conversations with businesses, skills shortages, supply chains and energy costs still seemed to be the main concerns.</p> <ul style="list-style-type: none"> <li>• IT agreed that energy is still a major concern, and that businesses need clarity from suppliers and brokers. He was concerned that UKSPF was not already being used to help businesses offset energy costs but that this needed to happen now. RL noted that the LEP had invested £1.575m in a green grant scheme, Marches Energy Grants (MEG) which had already attracted over 400 expressions of interest and was being promoted as an energy cost saving scheme. Top-up funding of £114k had already been agreed subject to performance of the fund. There was potential for the LEP to invest additional funding, but progress would be reviewed at the end of September. The programme should have a big impact on a lot of businesses. The <a href="#">MGH website</a> also brings together information about other energy support.</li> <li>• SSt agreed businesses were squeezed with cash flow an issue and it would help if grants could be released as quickly as possible to bring forward capital investment. Many businesses have good projects which have been put on hold or are spending cash in other areas of the business which could put potential match funding at risk. RL replied that the MEG match requirement is relatively low (minimum 60%) and that if there is sufficient demand, the LEP may invest additional funding in the scheme.</li> </ul>	

6.	<p><b>Update from local authorities on the UKSPF business support programmes</b></p> <p>MS noted that many of the schemes are still rolling out so there is not a complete picture.</p> <p>MP provided the following update on Shropshire Council UKSPF;</p> <ul style="list-style-type: none"> <li>• Shropshire received an allocation of £15m across 4 UKSPF priority areas.</li> <li>• £108k UKSPF was delivered to the Growth Hub for 2022/23 for 12-hour specialist support which supported 90 businesses to the end of June.</li> <li>• The Business Support and Community &amp; Place call windows closed a few weeks ago covering all the priority areas put forward in the investment plan to Government.</li> <li>• The Community and Place call value of £3m was over-subscribed with 27 applications worth £4.6m. A rigorous assessment process has been completed with successful applications going through ratification. A further round is expected in late summer.</li> <li>• The Business Support call, value of £4.4m, received 26 applications worth £9m. MP referred back to earlier comments about delays to UKSPF, saying that with the pot being over-subscribed by double, it was important to carry out a rigorous evaluation process. Applications meeting the 70% scoring threshold were being taken to the SEP Board for ratification. DBT had highlighted Shropshire Council as an exemplar across the country for managing UKSPF so it was felt they were going in the right direction. Shropshire Council had not ringfenced any money for themselves so a number of internal applications had not been successful. A panel of external assessors had been brought in to ensure the process was fair, open and transparent. A further update would be available after ratification.</li> <li>• The People &amp; Skills call covering 2 of the 4 people and skills priority areas had closed. A second call window would open in the Autumn for the remaining areas. 10 applications were received, and it was expected projects would be contracted to deliver the full amount of funds and outputs for the rest of 2-year programme. The numeracy element (Multiply) had received 3 applications following work with the college groups in Shropshire and it was expected providers would be appointed to deliver the full funds and outputs.</li> <li>• Previous comments about delays were acknowledged but MP felt that Shropshire Council was in a good place. There had been 50 applications to assess with a detailed process to ensure projects offered value for money and were able to deliver the output required as set out in the investment plan.</li> </ul> <p>KJ endorsed MP's comments about the process. SSt, KJ and the LEP Strategic Careers Hub lead had been involved in scoring and shortlisting people and skills applications. The process had been detailed and thorough and should reflect in some good projects being funded which had been through due diligence and able to hit the ground running.</p> <p>There was no update on Herefordshire or Telford and Wrekin as KM and NK had sent apologies for the meeting.</p>	
7.	<p><b>Marches LEP Update</b></p> <p>RL provided the following update:</p> <ul style="list-style-type: none"> <li>• It is 'business as usual' for the LEP as no decision has been made by the LEP Board about the future of the LEP.</li> <li>• An announcement from Government on the outcome of the information gathering exercise on LEPs was expected before the summer recess which would help with planning for the future. Ministers seemed positive about Growth Hubs and keen to continue support. The Department for Education (DfE) were keen for LEPs to be involved in delivery of the skills bootcamps and it was likely the Marches LEP would put in a submission. RL had attended a meeting with the Department of Energy Security and Net Zero (DESNZ) with 9 Midlands LEPs informing the department about LEP involvement in the net zero area. RL as chair of the Rural LEP group had attended a meeting with DEFRA and had raised the profile of the work of LEPs on rural issues. The message was that the LEP is heavily involved in skills, net zero and infrastructure and the breadth of LEP work is not always understood and recognised.</li> <li>• The LEP has funding to invest and would welcome project ideas which would benefit the area. Members of the group should contact RL with any ideas.</li> </ul>	

	<ul style="list-style-type: none"> <li>• £100k has been committed to fund the development of transport business cases as preparation for lobbying or bidding for any future funding.</li> <li>• A £100k land innovation fund will be launched at the Marches Land Use Study and Funding Prospectus launch event on <a href="#">28 September</a>.</li> </ul>	
8.	<p><b>Cities and Local Growth Unit Update</b></p> <p>AC provided the following update:</p> <ul style="list-style-type: none"> <li>• A Government announcement on funding for LEPs is expected next week.</li> <li>• Levelling-Up Round 3 is expected to be published ahead of the summer recess.</li> </ul>	
9.	<p><b>PR/Marketing Update</b></p> <ul style="list-style-type: none"> <li>• The PR &amp; Marketing Update for Q1 (April-June) was circulated with the agenda. The report had been streamlined to provide headline data in a more accessible format.</li> <li>• PK expressed the view that the Growth Hub should be better at promoting its achievements. RL would circulate a copy of a <a href="#">press release</a> due to be released on the impact of the Growth Hub.</li> <li>• There was a discussion about the most effective marketing tools. Case studies and thumb nail videos were suggested as powerful ways to communicate.</li> <li>• RL updated that the front page of the MGH website is being redesigned and could potentially feature videos and case studies.</li> <li>• PK asked whether the group was happy with the level of information provided in the redesigned PR &amp; Marketing report and it was agreed that it was sufficient.</li> </ul>	
10.	<p><b>AOB</b></p> <p>AC/GA apologized for being late for the meeting due to an unscheduled fire alarm.</p> <p>CP provided an update from skills providers that -</p> <ul style="list-style-type: none"> <li>• There was good news that the <a href="#">new apprenticeship funding bands had been announced</a>. It was good news for the care sector with a £1,000 uplift in Level 2 and 3 funding to £4,000 although this was still below the £5,000 needed.</li> <li>• There is a real appetite for apprentices at the moment. The challenge is still recruitment and there is a divide between Telford and Shrewsbury where recruitment is quite strong and North Shropshire where there is an issue with transport and young people not having a driving license.</li> <li>• School interventions are good, with many schools inviting training providers in to talk about apprenticeships and more young people now looking at apprenticeship routes as an alternative to A Levels or University although recruitment remains an issue.</li> </ul> <p>RR updated that Shropshire Chamber had been working on the Local Skills Improvement Plan (LSIP) which had been submitted to the Secretary of State with news expected in August or September. The Colleges are working on their delivery plans for their £2.8m funding. Information about LSIP stage 2 is awaited. Issues businesses are talking about are skills shortages, recruitment challenges, wage pressure.</p> <p>SS updated that it was business as usual for Herefordshire &amp; Worcestershire Chamber, events, help support and advice.</p> <p>The next meeting would be on 19 October at 3.30pm.</p> <p>PK thanked everyone for their contribution and closed the meeting.</p>	