

<b>REPORT TO:</b>	Employment Learning & Skills Community Policy & Performance Board
<b>DATE</b>	28th June 2021
<b>REPORTING OFFICER:</b>	Strategic Director – Enterprise, Community and Resources
<b>PORTFOLIO:</b>	Employment Learning & Skills & Community
<b>SUBJECT:</b>	Business Growth Programme
<b>WARDS:</b>	Borough Wide

## **1.0 PURPOSE OF THE REPORT**

- 1.0 The purpose of this report is to update Members of the PPB on the Business Growth Programme (BGP) which is being undertaken by the Council's Business Improvement and Growth Team.
- 1.2 Members will appreciate that since March 2020, most of the team has been working on supporting local businesses during the pandemic and activities have been changed to reflect this. However, the BGP is one of the service areas that has been protected and continued in its current form.

## **2.0 RECOMMENDATION: That:**

- 2.1 Members note the performance of the BGP and agree to lobby for a continuation of the programme.

## **3.0 SUPPORTING INFORMATION**

### **3.1 BGP**

The BGP has been supporting SME's that deliver Business to Business, across the Halton Region since January 2013. It is part of the Liverpool City Region's (LCR) Growth Hub Programme, which supports businesses by offering fully funded specialist support through ERDF and Council funding.

Businesses are offered an in-depth diagnostic to gauge the type of support required. The business diagnostic report is completed in house and the support includes:

- Helping businesses to plan for the future
- Looking at the efficiency and processes of the business
- Ensuring your finances are working efficiently
- Making the most of their website and social media
- Advice on HR policies and procedures
- Making the most of tendering and procurement
- Developing your sales and marketing techniques

### 3.2 Targets and performance 1 January 2019- 31 December 2021

<b>BGP Phase 2 1 January 2019- 31 December 2021</b>	<b>Target Outputs</b>
Business's Assisted (12 hr)	77
Jobs Created	77*

*\*the job target is high due to it being set under very different circumstances. MHCLG realise the dilemma and are interested in looking at jobs sustained throughout the pandemic too.*

#### **Performance to date:**

Number of Businesses Assisted to date – 62

Number of Jobs Created to date – 30

Number of businesses currently receiving specialist support – 15

Number of businesses in the pipeline (enquiries pre diagnostic) – 22

Number of unsuitable enquiries/referrals – 87 broken down as follows:

- Not eligible –15
- Not engaging – 63
- Unsuitable – 9

Total number of enquiries to date - 186

The unsuitable enquiries/referrals received during phase 2 of the BGP have been for a number of reasons including:

- Business has not met the eligibility criteria.
- Business not been engaging with support. e.g. Businesses too busy catching up following Covid lockdowns.
- Business having already received support from phase 1 of the programme, therefore not eligible to receive support in phase 2.

### 3.3 Evaluation of the BGP

An internal evaluation (Independent of the business Improvement & Growth team) has been undertaken on the BGP. Some of the key findings have been extracted below. The programme continues to perform well and is valued by businesses. This is one of the very few public interventions which smaller businesses can access.

*The report asked stakeholders: “asked how effective they felt the diagnosis process was, and 56% found it to be highly effective and 44% felt it was effective. With regards to Action Planning the response was even more positive with 67% finding it to be highly effective and 33% effective. The stakeholders were relatively high in praise for the action plans as not one response gave an answer lower than “good”.*

*With this being publically a funded programme it is worth discussing what the report has stated regarding the value to efficiency, the programme has supported at least 12 hours of support (or support worth at least £1,000) to 935 businesses over 3 years at a unit cost of £5,305. Based on the online survey which found that this unit cost represents very good value. As identified earlier, the programme delivered £12.26 in net GVA for every pound of expenditure. A Benefit Cost Ratio (BCR) of 12.21:1 is excellent value for money and exceeds a number of relevant benchmarks. This was compared to other national programmes for comparisons.*

*It would be hard to deny the programme has been well received and achieved a lot towards its initial goals and has been well received by stakeholders including the business owners. This is especially true considering many of the business where newcomers to these type of support programmes or where those who had not been involved for some years.*

*To provide some further examples of success: Performance on contractual outputs was strong, particularly given the delayed project start. The programme achieved 99% of the enterprises supported target in the original Grant Funding Agreement, and 94% of the employment increase output.*

*The programme significantly over-achieved the forecast outcome which was to deliver a 2% increase in turnover. The programme delivered a net increase of 1,273 jobs - a 124% increase on the target figure of 566 from the logic model.*

*There was one point where it was stated the programme had failed to fully achieve - is to have reduced the reliance that businesses have on publically-funded support.*

## **4.0 POLICY IMPLICATIONS**

- 4.1 Businesses are still dealing with the effects of the pandemic and are having to evolve to a new way of working. For example we are finding now that businesses who haven't been online before now need support with digital marketing. The BGP is invaluable to Halton's SMEs to avoid business closures.

## **5.0 FINANCIAL IMPLICATIONS**

- 5.1 The Business Growth Programme is currently funded 50/50 by ERDF and the Council.

The CA have been discussing the Phase 3 extension to the programme with the Minister for Housing, Communities and Local Government (MHCLG) which will potentially run from the period of 1 January 2022 until 30 June 2023. The Council has been informed that Halton will not be included in the bid for a Phase 3 extension as there is no ERDF funding available.

The Council has understood it would need to find match funding of £85,799 to continue the programme for Phase 3. However, in the absence of ERDF this is now in the region of £124,800 if the Council were to go it alone on the project without the CA as the accountable body. The financial burden at this moment in time is being placed firmly on the Council. To reduce the cost further would seriously affect

delivery.

If funding is not forthcoming from the CA or the Council this valuable service to local businesses will be lost when phase 2 closes on 31 December 2021. This could also result in the redundancy of two experienced members of the Business Improvement & Growth Team.

## **6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

### **6.1 Children and Young People in Halton**

Growth in the Halton business base will result in greater employment opportunities for local people.

### **6.2 Employment, Learning and Skills in Halton**

Growth in the Halton business base will result in greater employment opportunities for local people.

### **6.3 A Healthy Halton**

Access to sustainable employment will impact positively upon the health of the Borough.

### **6.4 A Safer Halton**

No implications.

### **6.5 Halton's Urban Renewal**

No implications.

## **7.0 RISK ANALYSIS**

The Business Growth Programme aims to support 95 SMEs to ensure growth and sustainability. Since the first COVID-19 lockdown in March 2020 businesses felt an instant drop in demand which inhibited their ability to trade; as they emerged out of the first lockdown, more support was required in the areas of digital marketing, strategic sales and marketing and also strategic business planning, indicating that businesses required support to reach a wider market and in some cases alter their business strategy. The impact of COVID-19 has hit the Global economy hard; businesses would benefit from the support that the Business Growth Programme could offer moving forward into Phase 3.

## **8.0 EQUALITY AND DIVERSITY ISSUES**

There are no equality and diversity issues.

## **9.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

'None under the meaning of the Act'.