

Agenda Item 5

Title:	Growth Hub & Skills Hub Programme Delivery 2022/23.
Purpose:	To provide feedback to Members on the performance of the Buckinghamshire Business First Growth Hub, measured against the agreed Key Performance Indicators for 2022/23 and to review the process for agreeing LEP funding towards the Growth Hub service for 2023/24 as part of a joint funding package with Buckinghamshire Council.
Recommendation(s):	That members provide comment on the performance against the agreed Growth Hub KPI targets and support the proposals for an aligned place-based Growth Hub funding agreement for 2023/24 incorporating LEP and Council investment.
Impact on Risk Register:	The aligned investment proposal would help to streamline the reporting and management process for Growth Hub funding, remove the potential for duplication within funding regimes and ensure continuity in the direct delivery of business support resources.

Introduction

In 2022/23 BEIS national core funding for LEP Growth Hubs was reduced late in the year to £11m, meaning the allocation to Buckinghamshire LEP reduced from £462k to £231k. To help mitigate against this reduction in national funding and to ensure that core business support services continued to be provided the BLEP Board agreed to an additional £190k funding for the provision of Growth Hub services for 2022/23.

For 2022/23 Bucks LEP, as part of a service level agreement with BBF, also agreed an additional payment of £38,311 to support the Skills Hub function as part of a transition process that would see the Skills Hub Function becoming self-sufficient by 2023/24. We are pleased to report that due to the progress that has been undertaken in the past year, notably by BBF becoming the only Growth Hub in the country to become the Employer Representative Organisation for the Local Skills Improvement Plan, that there will be no need to make any such skills commitment for the year ahead.

The main core funding provided by BLEP in 2022/23 totalled £464,311k and is listed below:

LEP Funding Commitment to Growth Hub	2022/23
BEIS Core Growth Hub Funding	£231k
Additional Core Funding	£190k
Skills Hub Contribution	£38,311
Business Awards Sponsorship	£5,000
Total	£464,311

Buckinghamshire Council have separately provided core investment into the Growth Hub Service including £400k for core funding and £93,694 for Skills and Careers Funding and £178k from the Shared Prosperity Fund.

On March 13th LEPs were informed that the national budget for Growth Hubs for 2023/24 had been increased to £12million. At the time of writing this report no indication has been given to the proportion of this funding for each local area, but if the national distribution remains consistent with the current allocations it is likely that Buckinghamshire LEP may receive circa £250k for the year ahead. Given the recent Budget 2023 it is also possible that government Growth Hub support may stop in 2024.

Review of Growth Hub KPI's 2022/23

As part of the agreement to provide additional support to the Growth Hub in 2022/23 a core set of Key Performance Indicators were agreed to be reported upon at year end. These indicators built upon the commitments provided to secure the core Government funding and sought to increase the Growth Hub support for innovative businesses and for businesses located within the Buckinghamshire Enterprise Zone sites. A summary of the performance against those indicators and against the other contractual commitments that the Growth Hub are reporting against is attached as **Appendix 1** to this report. All of the KPI's set by this board have been met with the exception of the number of businesses directly engaged on the Enterprise Zone Sites, however it is anticipated that this target will be achieved by year end (March 31st). Philippa Batting will present on the in year metrics and achievements at the board meeting.

Buckinghamshire Recovery and Investment Fund

As part of the KPI targets the Growth Hub also committed to complete the Year 2 Review of the Buckinghamshire Recovery and Investment Fund. Board members were keen to monitor the progress of those businesses directly supported by the LEP at the heart of the pandemic to see if they were able to achieve the projected outputs from their investment applications. A copy of this report is attached as **Appendix 2** and it is very pleasing to see that the targets for job creation and new product innovation have now both been exceeded with 210 new jobs having been created through the fund investment and 74 new products or services having been established.

Process for Integrating Buckinghamshire Investment in 2023/24

One of the objectives from the Place Based Growth Integration process was for better alignment of business support investment between Buckinghamshire LEP and Buckinghamshire Council. In a year of transition, where many of the ERDF supported programmes delivered by the Growth Hub will come to an end, it is important to align investment to support a continuity of core support services, wherever possible.

This alignment will also be of benefit for both funders and the Growth Hub service delivery, it will remove any duplication in both investment and reporting processes and will provide swifter assurance of funding than in previous years. It is recommended that for any funding which is to be agreed for 2023/24 a joint KPI process will be developed by the LEP and Buckinghamshire Council, this will be shared with this board for final approval having first been considered by the LEPs Audit and Finance Sub-Group. Given the need to provide continuity of Growth Hub services we will endeavour to complete this process by the end of April 2023.

Commercial Arrangements between Buckinghamshire LEP and BBF

A number of small commercial arrangements to the total value of £24,750 are provided between Buckinghamshire LEP and BBF. These include support for IT Management Services and marketing and database support needed for the monthly e-shots and marketing campaigns and PR support. A review of these services is also being undertaken to ensure that these remain of good value or would be better sourced directly.

Recommendation

That members provide feedback on the performance against the agreed KPI targets and support the proposals for an aligned place-based Growth Hub funding agreement for 2023/24 incorporating LEP and Council investment.