



30th March 2022

Dear LEP Chief Executives

Confirmation of Funding for Growth Hubs, Financial Year 2022/23

Firstly, I should like to apologise for confirmation of next year's funding for LEP provision of Growth Hubs not arriving until this close to the end of the Financial Year. We do appreciate the uncertainty and difficulties that this has caused within the network.

I would also like to take this opportunity to thank you and your teams for the work that you have done over the last year - and continue to do - to respond to the ongoing economic challenges and opportunities, including the impact of the situation in Ukraine. Your ability to pivot support and respond to business needs is highly valued across Government.

Following the recent Spending Review, difficult decisions have had to be made across BEIS on a number of programmes in order to safeguard all the department's funding priorities. I can confirm that BEIS core funding to LEPs for their Growth Hubs has now been agreed for the financial year 2022/23, but at a reduced rate of £11m in total (a 50% reduction on the core budget of 2021/22).

As you will appreciate this reduction means we have to revisit individual allocations. These have been decided by reviewing the 2021/22 allocations, acknowledging the reduction in annual funding, but with the aim to maintain the policy approach taken to allocations in 2021/22. In view of this we have taken the decision to halve individual allocations from their 2021/22 levels. We are also maintaining funding for Growth Hub cluster leads and the National Co-ordinator, but again at half the previous level of funding.

With less funding for the network, we therefore intend to base grant agreements around principles of funding, setting out the minimum core provision that we would expect to be delivered under the core funding allocation. We will provide more flexibility to LEPs in the way core funding is used, how it is tailored for local priorities, and how it can dovetail with any broader services that the LEP wishes to provide through its Growth Hub. We will continue to strongly encourage partnership working within clusters and across the network to both maintain the strength and coherence of the network, and to help achieve economies of scale. This will be set out in the grant offer paperwork.



Department for
Business, Energy
& Industrial Strategy

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Please find at **Annex A** details of the total funding allocations for the 38 LEPs for their Growth Hubs in 2022/23.

We will write to you and your Accountable Bodies as soon as we can to commence the grant awarding process.

If you have any immediate questions, please contact Growth.hubs@beis.gov.uk.

Yours sincerely

Jenny Dibden
Co-Director and Senior Responsible Officer
Funding Delivery Directorate
Cities and Local Growth Unit



ANNEX A

Awards by LEP area – 2022-23

Growth Hub	% VAT/PAYE registered businesses (figures as of March 2021)	Allocation 2021/22 £22M (£k)	Allocation 22/23 £11m inc cluster (£k)
Black Country	1.4%	£462,000	£231,000
Buckinghamshire Business First	1.2%	£462,000	£231,000
Cheshire and Warrington	1.9%	£462,000	£231,000
Coast to Capital	3.1%	£536,500	£268,250
Cornwall and IOS	1%	£542,000	£271,000 inc £40k for cluster
Coventry and Warwickshire	1.5%	£542,000	£271,000 inc £40k for cluster
Cumbria	0.9%	£462,000	£231,000
D2N2	3.1%	£700,000	£350,000
Dorset	1.3%	£462,000	£231,000
Enterprise M3	3%	£616,500	£308,250 inc £40k for cluster
Gloucestershire	1.2%	£542,000	£271,000 inc £40k for cluster
Greater Birmingham & Solihull	3.1%	£700,000	£350,000
Greater Cambridge and Greater Peterborough	1.5%	£536,500	£268,250
Greater Lincolnshire	1.7%	£573,250	£286,625 inc £40k for cluster
Greater Manchester	4.4%	£780,000	£390,000 inc £40k for cluster
Heart of the South West	3%	£536,500	£268,250
Hertfordshire	2.5%	£536,500	£268,250
Hull and East Yorkshire	0.8%	£430,750	£215,375
Lancashire	2.2%	£536,500	£268,250
Leeds City Region	3.4%	£780,000	£390,000 inc £40k for cluster
Leicestershire	1.8%	£536,500	£268,250
Liverpool City Region	1.7%	£780,000	£390,000 inc £40k for cluster
London	21.4%	£880,000	£440,000 inc £40k for cluster
New Anglia	2.7%	£536,500	£268,250
North East	2.6%	£780,000	£390,000



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			inc £40k for cluster
Oxfordshire	1.3%	£462,000	£231,000
SEMLEP	3.1%	£616,500	£308,250 inc £40k for cluster
Sheffield City Region	1.4%	£700,000	£350,000
Solent	2.1%	£536,500	£268,250
South East	7.3%	£890,000	£445,000
Stoke and Staffordshire	1.6%	£536,500	£268,250
Swindon & Wiltshire	1.2%	£462,000	£231,000
Tees Valley	0.6%	£462,000	£231,000
Thames Valley Berkshire	2%	£462,000	£231,000
The Marches	1.3%	£462,000	£231,000
West of England	2%	£700,000	£350,000
Worcestershire	1.1%	£462,000	£231,000
York & N.Yorks	1.6%	£536,500	£268,250
		£22,000,000	£11,000,000

	Cluster Leads and National Cluster Coordinator
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