



Report to the Joint Executive Committee

Meeting Date – 9th September 2024

Key Decision – No

Public/Private – Public

Portfolio – Cllr Mark Fryer, Leader Cumberland Council and Cllr Jonathan Brook, Leader Westmorland and Furness Council

Directorate – Place, Sustainable Growth & Transport

Lead Officer – Paul Foster, Head of Programmes, Enterprising Cumbria

Title – Enterprising Cumbria Business Programmes update

Brief Summary:

Programme delivery continues to support businesses across two Department for Business and Trade programmes and one UK Shared Prosperity Fund programme. These programmes deliver business advice and support, and in some cases grant support, as we aim to ensure that businesses in Cumbria can overcome challenges and look to grow. Successful businesses can offer better job opportunities and earnings potential to their employees and also play key roles as wealth creators in their communities. Information on the current economic climate is gathered from these interactions and fed back to government on a monthly basis. A copy of the latest submission is attached below.

Recommendations:

For the reasons set out in this report, the Joint Executive Committee is recommended to:

- Note the contents of the report

1. Background

Growth Hub Business Support Programme

- 1.1 We have received a letter of comfort to confirm that funding of £261,000 will be made available to deliver business support advice to Small and Medium Enterprises (SMEs) across Cumbria through the Department for Business and Trade (DBT) Growth Hub programme in 2024/25. This will be delivered via a series of low, medium and high intensity interventions, alongside a programme of workshops. All activity is to be delivered by 31 March 2025. A formal Grant Offer Letter is now expected to be issued.
- 1.2 The Growth Hub support, branded as the Cumbria Accelerator programme, will see around 800 businesses offered tailored 1-1 advice and signposting to additional support, and a series of 15 workshops on topical business issues will be on offer for businesses and their employees.
- 1.3 Delivery contracts have been finalised following a Request for Quote process involving requests to 11 potential providers, the majority of which are Cumbria-based and have delivered successfully on previous iterations of the contract. Sub-contracted delivery commenced in July 2024 and that the division of delivery between multiple providers will ensure that all targets are achieved within the 24/25 year.
- 1.4 As in 2023/24, the Enterprising Cumbria Team will provide the management and oversight of the programme, dealing with all enquiries and light assists, while signposting on to partners to deliver the medium and high-level support depending on the location, business stage and sector of the business concerned.
- 1.5 External marketing support has also been procured, with the aim of increasing the profile of the programme and generating new enquiries.

Westmorland & Furness Shared Prosperity Fund Programme

- 1.6 Cumbria LEP (CLEP) was successful in securing £1.63m to deliver the Comprehensive Business Start-Up and Support Programme to eligible individuals and businesses in Westmorland & Furness. Delivery of business advice under this programme continues through the Enterprising Cumbria Team, with CLEP still leading on the grants management activity until the end of September when responsibility for that will transfer to Enterprising Cumbria.
- 1.7 The University of Lancaster University and The University of Cumbria are programme delivery partners and both are delivering innovation activity support to businesses that have the ability to develop new products and services to improve both their own performance and enhance the regional economy. Businesses will access workshops, internships and peer-to-peer activities to enable them to grow through innovation. Two businesses have now completed their activities and a further 12 have commenced their support journey. We look forward to confirming improved performance outcomes for these businesses later in the lifetime of the project.

- 1.8 11 sub-contractors have been commissioned to assist in delivery of support. This includes existing sub-contractors on the wider county-wide Cumbria Accelerator programme and companies not previously sub-contracted.
- 1.9 £300k is being invested to support aspiring entrepreneurs wishing to start a new business. This includes small start-up grants which will be available upon the completion of 3 or 12 hours of advice and support. 450 individuals will receive support to develop a business idea, with a target of 225 to proceed to starting a new business. To date 11 individuals have been funded to support their business start-up and 39 individuals have had advice to assist their business plan development and have completed their support. A further 94 individuals are at the early stages of engagement to discuss options for starting a new business.
- 1.10 30 businesses will be assisted to develop innovative ideas or practices through the 1-1 innovation strand of the programme. To date 12 businesses have started their support and a further 12 have been accepted onto the programme.
- 1.11 Existing businesses will receive 3 or 12 hours of assistance to help identify opportunities, improve business performance and overcome challenges or grasp opportunities. This builds on the provision available through the Department for Business & Trade funded county-wide Cumbria Accelerator programme. 102 businesses have completed their support under this strand and 265 other businesses have been approved for 1-1 support from a business advisor and have either commenced support or been made an offer of support.
- 1.12 The programme will also support the Regional Supply Chain Network to build their network and increase the capability of the associated businesses to win contracts in the local area. Five businesses have had 1-1 advice from our contracted-in supply chain expert and another 5 are in the pipeline.
- 1.13 Recent programme activity has centred on implementing governance processes, claim completion, pipeline generation via both direct contact to businesses and individuals, general promotional and awareness raising, and delivery of initial support consultations.

DBT Key Account Management of Foreign-owned businesses support programme

- 1.14 The Department for Business and Trade (DBT) provides funding to deliver a Key Account Management (KAM) function in Cumbria to support Foreign Direct Investment (FDI's). This programme enables a close relationship with around 40 international businesses and ensures that they have the necessary support to further grow and develop their business.
- 1.15 A business case was submitted and agreed with funding to September 2024 with an expectation that it will be extended to March 2025 just received.
- 1.16 The benefits of FDI are often typified by investment in new premises, plant and machinery, increasing turnover, improved exporting, skills development, technology enhancements/energy reduction/decarbonisation and management practices.

1.17 Examples of recent interactions directly or via partners are:

- A 4* North Cumbria hotel reports that bookings are up 20% compared to this time last year and overseas visitors are up via coach parties. Overseas independent travellers are also on the increase. Wedding receptions and bookings are also on the increase and now running at about 2 per month, very lucrative. UK business travel is also increasing with the hotel very busy Monday to Thursday.
- West Cumbrian manufacturer reports significant shipping delays due to Middle East situation which is having a knock-on effect on their delivery of goods to customers. The cost of carriage has increased by 300% and whilst they are passing on some increased costs they are also having to absorb costs themselves. Similarly, a S. Lakeland business reports delays and a significant rise in costs.

1.18 The KAM function has agreed its objective with DBT of assisting 4 investment wins in the full year plus several other investments and 2 acquisitions. DBT have published the England Foreign Direct Investment performance for 2023/24 but due to their rules regarding minimum volumes and that data is disclosive 15 out of 37 LEP areas including Cumbria did not have data shown.

1.19 Cumberland Council has commenced its internal process regarding the novation of the KAM contract.

2. Proposals – N/A

3. Alternative options considered – N/A

4. Conclusion and reasons for recommendations – N/A

Contribution to the Council's Plan Priorities – The activities set out in this report will help support sustainable, inclusive, economic growth across Cumbria.

Relevant Risks and explain how risks can be mitigated – Historically, DBT contracts have been agreed for 12 month periods, which affects staff job security and the ability to plan future delivery beyond that period. This in part explains the sub-contracted delivery model. It is hoped that future settlements will be for 2 or 3 years, but this rests with government to decide. Monies under these programmes are drawn down retrospectively based on delivery, so there is the possibility of small deficits in accounts if delivery does not take place as agreed.

Consultation / Engagement – N/A

Legal – All three of these programmes still require legal work either through contract novation or Grant Funding Agreements being signed off.

Finance – Cumberland Council is responsible for monitoring and reporting on the delivery and outcomes of those programmes to the relevant government departments. Funds for these programmes are yet to be drawn down as contract novations need to be completed and Grant Funding Agreements signed-off.

Information Governance – N/A

Impact Assessments – N/A

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Background papers:

Note: in compliance with section 100d of the Local Government Act 1972 the report has been prepared in part from the following papers: N/A

Appendices attached to report: DBT Monthly intelligence report July 2024



Growth Hub Monthly
Intelligence Templatej