

REPORT TO: Employment, Learning and Skills and
Community Policy and Performance Board

DATE: 20 November 2023

REPORTING OFFICER: Executive Director – Environment and
Regeneration

PORTFOLIO: Employment, Learning and Skills, and
Community

SUBJECT: Business Growth Programme Completion and
Business Support Service Launch

WARD(S) Borough-wide

1.0 PURPOSE OF THE REPORT

1.1 To update members about the performance and closure of the Business Growth Programme phase three and introduce the Business Support Service funded by the UK Shared Prosperity Fund.

2.0 RECOMMENDATION: That

the report be noted and receive a further update with the progress of the Business Support Service in six months' time.

3.0 SUPPORTING INFORMATION

3.1 Business Growth Programme is a business support initiative that has been running in three phases since 2014. The programme was funded partly by Halton Borough Council to draw down European Regional Development Fund monies. As part of the process of leaving the European Union the allocation of structural funds to the UK ended. In July of 2022, the UK Government announced the replacement for European funding which is the UK Shared Prosperity Fund (UKSPF).

Progress of Business Growth Programme (Phase Three) up to 30th June 2023

3.2 The aim of the Business Growth Programme was to provide a range of business support services at no cost to the client, designed to build both on the capacity and the confidence within those SMEs reluctant to engage with existing business support providers. This reluctance might have been for many reasons, possibly because of

lack of knowledge, understanding or simply because they are reluctant to pay for, or did not perceive the value of, existing commercial provision.

- 3.3 The Business Growth Programme Manager undertook an intensive business diagnostic with all businesses and produced an action plan. The action plan focused on the main key area/s that the business required to help it grow and develop, and throughout the Covid-19 pandemic also helped businesses to remain sustainable.
- 3.4 Halton Borough Council offered one to one specialist support of up to a maximum of 24 hours in Phases 1 & 2. The number of hours reduced in Phase 3 down to an average of 18 hours; the 18 hours could be extended if it was deemed that there was a good enough reason, for example where support had been split into two areas and we didn't want the advice to be too diluted, or that the business showed growth potential.
- 3.5 Some businesses went on to engage with the supplier post Business Growth Programme (BGP) support, and feedback from the businesses indicated that they did not initially envisage just how beneficial the support would be.
- 3.6 The aims of the project have been met in respect of the engagement with businesses that would not necessarily seek out specialist support, and that the businesses have embraced and valued the support offered. Some of the businesses who are able, have gone on to engage with the specialist following on from the support received through the programme.
- 3.7 Phase 3 of the BGP faced an unprecedented environment, which businesses could not have foreseen, and were then faced with Brexit and the new rules and regulations regarding import/export paperwork, the energy crisis and on top of that the surge in the cost-of-living increase. Businesses have had to evolve to survive and develop new strategies to enable them to remain competitive within the market. When the businesses initially came out of lockdown, there was a rush for them to 'make up for lost time' and gain some normality. Some of the SMEs appeared 'too busy' to engage with specialist support as they felt it would take up too much of their time and did not always consider the investment of their time, or the long-term benefits it could bring.
- 3.8 The challenges mentioned above impacted on SMEs in terms of the job market and creating new jobs, although we are now hearing that some of the SMEs are slowly starting to create jobs again. The job market has also changed dramatically, and it has brought with it demands from prospective employees and changes to the way in which people work.

Achievements of the Business Growth Programme

- 3.9 The net result of achievements of programme are as follows - supporting 267 businesses with their growth plans as opposed to a target of 258. This is a performance of **7% above target**, which is quite remarkable given that the programme was significantly impacted by several COVID lockdowns. For example, in 2021 there were considerable lockdowns where businesses were inaccessible and contact between client and business were encouraged by Government advice to be kept to a minimal and this also covered restrictions with staff delivering the programme.
- 3.10 Employment targets were not met however we believe this is largely as a result of general economic nervousness with employers concerned about committing to costs long term. We will demonstrate in the explanation of the new business support service that this has been reflected in the new targets for that programme.

Business Support Service September 2023 to March 2025 (UKSPF)

- 3.11 The Halton Council's Business Investment and Growth Team, together with the other LCR local authorities, LCR Growth Platform and LCR Combined Authority will work in partnership to deliver Placed Based Business Support, building on activities and lessons learned from the ERDF Business Growth Programme. The work aligns with the LCR Plan for Prosperity and Halton Economic Strategy.
- 3.12 The aim is to deliver business support at the local level through direct, commissioned delivery and by linking businesses into the wider Shared Prosperity Funded (SPF) programmes and other support initiatives in the City Region.
- 3.13 The Business Support Service will provide an important function in assisting SMEs (predominantly) by providing direct support but will also be the principal access point for businesses to access all the other SPF programmes. In Halton's case this also includes Town Centre support, a separate but linked, UKSPF intervention which Halton Council's Business Investment and Growth Team will also deliver.
- 3.14 While there is a strong focus on SMEs and new enterprises, support will also be available to Halton's larger and foreign owned companies in partnership with Government providers and Growth Platform as part of wider inward investment activities.
- 3.15 With UKSPF in mind, the Business Investment and Growth Team at Halton Borough Council underwent a restructure to ensure that the

administrative burden of the programme would be shouldered by Halton Council, freeing up Government funding for direct delivery.

3.16 Halton Council's Business Investment and Growth Team is the enterprise, business support and inward investment service of Halton Council, it leads on business engagement and supports new and existing businesses and investors in Halton to increase economic growth in the borough. Halton Council's Business Investment and Growth Team is also the council's business support and investment delivery brand, working closely with partners across the Liverpool City Region including the Combined Authority, Growth Platform, Local Enterprise Partnership and a range of business membership organisations and networks to help maximise the benefits of the support offered by these organisations. The overall aim is to make Halton an attractive and easy place for businesses to start, operate, grow, and thrive. The team delivers the local business, growth, enterprise and inward investment objectives of the council's Halton 2030 Vision and Economic Strategy. It also delivers current European Regional Development and Government funded business growth projects, including Growth Hubs and UKSPF.

3.17 Halton Council's Business Investment and Growth Team services include:

- General business advice and guidance via triage service - any business, any size, any sector.
- Managed referral to specialist start-up support.
- One-to-one advice and support for businesses seeking to grow.
- Free business events and workshops including Halton Economic Forum; Halton Huddle (networking group for digital, creative & tech businesses); Financial and Professional Networking Group
- Production of business diagnostic and action plans.
- Help accessing finance including grants and loans.
- Finding sites and premises to start, expand or relocate businesses in Halton.
- Accessing new business markets and export.
- Supporting new inward investment.
- Development of key business sectors.
- Business consultation.
- Regular updates on our website and social media pages with any relevant business news or info
- Point of contact and referral system to other council departments where appropriate

Targets

3.18 Number of businesses receiving non-financial support **67**

Number of new businesses started **16**

Number of jobs created **54**

Benefits

3.19 The project will support in the region of 1,000 businesses including the 67 mentioned in the target agreed with the Liverpool City Region Mayoral Combined Authority.

Target of 16 business starts is ambitious however an additional benefit of this target is we will introduce a business start service in Halton specifically for Halton businesses, which we've not had before.

The jobs target is a little more difficult to achieve as it has not been achieved historically and we'll be working specifically with ambitious SMEs who are looking to recruit in the local area as part of their expansion plans.

Funding

3.20 The administration of the programme will be delivered by the HBC Business Investment and Growth Team, and direct delivery will be funded by UKSPF and reclaimed on a quarterly basis.

4.0 POLICY IMPLICATIONS

4.1 The programme fits with the overall ambitions highlighted in the economic assessment and Halton 2030 it will deliver the business support highlighted in those documents.

5.0 FINANCIAL IMPLICATIONS

5.1 The funding for the programme is not borne by Halton Borough Council and will be claimed on a quarterly basis from the UKSPF from the Liverpool City Region Mayoral Combined Authority, who are the accountable body.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 **Children & Young People in Halton**

Programme has the potential of providing employment services for all communities and groups in Halton.

6.2 **Employment, Learning & Skills in Halton**

The project will provide opportunities for people seeking support and self-employment support in Halton.

6.3 **A Healthy Halton**

Business and employment opportunities will help to promote a better quality of life locally.

6.4 **A Safer Halton**

None

6.5 **Halton's Urban Renewal**

None

7.0 **RISK ANALYSIS**

7.1 There are limited risks associated with this programme as the service has been providing similar support for more than a decade and the model has proved to be successful. One of the drawbacks of the previous programme was limited marketing and communications opportunities. Part of the restructure, which will enable the business support service to deliver in a way that will, now includes a marketing strategy accessing and using all platforms and media.

8.0 **EQUALITY AND DIVERSITY ISSUES**

8.1 Programme is to provide equality and opportunity at all junctures to all groups to ensure access to those opportunities are enjoyed by all.

9.0 **CLIMATE CHANGE IMPLICATIONS**

9.1 The major climate change implication of this programme is ensuring that training and business support is provided locally thereby reducing the need to perform unnecessary journeys as part of business and training transactions during the normal course of business.

One of the business support strands specifically is aimed at carbon

reduction, which is split into two parts, first being about reducing overall carbon emissions and the second looking at new and innovative methods of carbon reduction introduce the market.

10.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

10.1 None under the meaning of the Act.