

Mayoral Combined Authority Board

24 January 2022

Business Support Funding

Is the paper exempt from the press and public?	No
Purpose of this report:	Funding Decision
Funding Stream:	Gainshare
Is this a Key Decision?	Yes
Has it been included on the Forward Plan?	Yes

Director Approving Submission of the Report:

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Executive Summary:

Funding for the 16 RAP Advisors, through Gainshare, to deliver emergency business support across the South Yorkshire region, in 2021/22 is due to expire by the end of March 2022. This paper recommends to the Board that funding be reallocated to enable ongoing provision of support to businesses post March 2022.

What does this mean for businesses, people and places in South Yorkshire?

Continuing provision of business support expertise for local businesses in the South Yorkshire region will help businesses to continue to recover from the pandemic, build growth and increase productivity. This will contribute to retaining and creating jobs in the region for local people and support a healthy regional economy.

Recommendations:

The MCA Board are recommended to approve the redeployment of £850,000 of Gainshare (through a virement of funds allocated to other projects, under the Renewal

Action Plan, which are likely to remain unspent) to fund the continued provision of Renewal Action Plan Business Advisors for a further 12 months.

Consideration by any other Board, Committee, Assurance or Advisory Panel
Business Recovery and Growth Board 16 December 2021

1. Background

- 1.1 At the October Business Recovery & Growth Board, a discussion paper was presented on the current arrangements for delivering business support through the South Yorkshire Mayoral Combined Authority's (SYMCA) Growth Hub/Gateway. The paper provided details on the financial model used to procure and fund business advisor activity and the current arrangements for coordinating and managing advisor activity with our local authority partners.
- 1.2 Following this, the Board requested the development of an options paper, to consider alternative ways to fund and manage future business support activity across the region. This was considered at the 16 December 2021 Board meeting at which the Board approved Option 3, an Enhanced Business Support delivery model, which featured the ongoing provision of 16 RAP Business Advisors plus some additional support which would be externally funded if funding from BEIS becomes available.

2. Key Issues

- 2.1 The previous regional business support offer had been funded through resources allocated from the LEP Growth Deal. Once this funding had ended the South Yorkshire business support offer was fully linked to national allocations which are insufficient for the level of demand we experience and particularly fell short of the support that was required in response to the pandemic.
- 2.2 In January 2021, £6.91 million of Gainshare funding was allocated to support business recovery through the priorities identified in the Renewal Action Plan (RAP). Recognising the need to support local businesses, this included up to £989,707 (including management costs) to fund up to 16 RAP Business Advisors for a period of 14 months – up till March 2022. Currently there is no other means of continuing to fund the provision for the 16 RAP Advisors after March 2022.
- 2.3 Separately, a further £2.8 million of funding (part of the 6.91 million referred to above) was allocated to the creation of a Framework for Specialist Intensive Advice to businesses, for the same period, ending March 2022. The Specialist Framework has not been established and the monies allocated to this activity remain unspent.
- 2.4 The delivery model approved by the Business Recovery & Growth Board continues the current arrangement with RAP Business Advisors allocated to local authorities, supporting businesses with a range of specialist expertise to recover, grow and increase their productivity. The RAP Business Advisors will continue to work directly with local businesses that are identified by the local authority and MCA teams as having potential to benefit from strategic and specialist advice. Data and intelligence will be shared with the MCA to ensure future strategy and policy continue to be evidence led.

- 2.5 The total cost for continuing the RAP Business Advisor deployment into local authorities for 2022/23 is £850,000.
- 2.6 The Business Recovery and Growth Board recognised that ongoing funding for the provision of this service was limited and have tasked officers with identifying how future business support should be delivered to obtain best results. This will be reviewed during 2022/23 by the Board.

3. Options Considered and Recommended Proposal

3.1 Option 1

Do not approve the recommendation in this report.

3.2 Option 1 Risks and Mitigations

The ability of the MCA and the local authority teams to support businesses through the continuing difficulties they face from the pandemic and to support local growth and development of the economy will be severely diminished.

3.3 Option 2

Approve the recommendation to reallocate £850,000 unspent funds from gainshare to continue with RAP Advisor Business Support for a further 12-month period (2022/23).

3.4 Option 2 Risks and Mitigations

This availability of funding is limited and expectations of the local business support offer will have to be managed. The Business Recovery & Growth Board have asked for a full review to be undertaken to recommend how business support can be best delivered in the future.

3.5 Recommended Option

Option 2

4. Consultation on Proposal

- 4.1 Internal stakeholders and all 4 local authority representatives.

5. Timetable and Accountability for Implementing this Decision:

- 5.1 Decision required is urgent as provision for business support comes to an end in March 2022.

6. Financial and Procurement Implications and Advice

- 6.1 The Gainshare allocations referred to in paras 2.2 to 2.3 of the report were considered by the BRGB on 6 January 2021 and 1 September 2021 and formed part of a first tranche of £5.2m to deliver immediate Business Growth Renewal Action Plan priorities. There are no further allocations from Gainshare towards Business Growth priorities above and beyond the overall total already committed of £6.91m

6.2 BEIS are looking to agree 3 year settlements with Growth Hubs from 2022/23 to replace the annual allocations awarded in previous years. This will increase stability. However, at this stage, as the settlement has not been agreed, the amount of funding available to support the team of inhouse business advisors under the enhanced delivery model (referenced in 1.2) is not yet known.

7. Legal Implications and Advice

7.1 There are no legal implications arising from the report. The appropriate contractual and partnership arrangements will be put in place.

8. Human Resources Implications and Advice

8.1 No implications arising from the report.

9. Equality and Diversity Implications and Advice

9.1 No implications arising from the report.

10. Climate Change Implications and Advice

10.1 No implications arising from the report.

11. Information and Communication Technology Implications and Advice

11.1 Provision for licenses and training will need to be planned for RAP Advisors to input into the Growth Hub's CRM system.

12. Communications and Marketing Implications and Advice.

12.1 Communications will be crafted to support consultation on the agreed approach, supported by a revised marketing approach that promotes the service delivery available to businesses, and the core sources of information that is regularly provided on programmes and business support across South Yorkshire.

List of Appendices Included

None

Background Papers:

Business Support Evaluation and Options Paper, Business Recovery & Growth Board, 16 December 2021