

## LLEP INVESTMENT PANEL

3.00pm – 5.30pm, Tuesday 3<sup>rd</sup> November 2020



### MS Teams Call

#### AGENDA

	ITEM	REPORT	DECISION / INFORMATION	LEAD
1.	Welcome and Apologies			Chair
2.	Declarations of Interest			All
3.	Minutes and Actions of the Previous Meeting	Paper A	Decision	Chair
4.	Historical Business Rates Enterprise Zone investment <ul style="list-style-type: none"> <li>- Charnwood Borough Council – Restocking the Business Base</li> <li>- Hinckley and Bosworth Council – MIRA EZ</li> </ul>	Paper B <b><u>NOT FOR PUBLICATION</u></b> <b>By virtue of paragraph 3 as defined at Annex 7 of the Local Assurance Framework</b>	Decision	Helen Miller – colleagues from District councils will join
		Paper C <b><u>NOT FOR PUBLICATION</u></b> <b>By virtue of paragraph 3 as defined at Annex 7 of the Local Assurance Framework</b>	Decision	
5.	EZ investment pipeline - MIRA Low Carbon Innovation Hub	Paper D <b><u>NOT FOR PUBLICATION</u></b> <b>By virtue of paragraph 3 as defined at Annex 7 of the Local Assurance Framework</b>	Decision	Helen Miller
6.	Economic Recovery Investment	Paper E	Decision	Mandip Rai
7.	Programme Monitoring <ul style="list-style-type: none"> <li>- Local Growth Fund quarterly return</li> <li>- Enterprise Zone</li> <li>- Growth hub</li> <li>- Enterprise Advisor network</li> <li>- GPF</li> </ul>	Paper F *  Presentation	Decision  Information	Cathy Martin  Helen Miller

8.	Dates of Panel Meetings 2021		Discussion	Mandip Rai
9.	AOB			Chair

\* Due to its layout, the Appendix to this paper has been circulated as a separate document

# Paper A

**NB: In line with our Local Assurance Framework (LAF) these minutes are published as a draft record until formal ratification at the subsequent meeting.**



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## LLEP INVESTMENT PANEL

### Minutes of the Meeting

8 September 2020

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#### Attendance and Apologies:

<b>Members</b>		<b>Representing</b>	
Andy Reed OBE	<b>AR</b>	LLEP Board of Directors	Chair
Emma Anderson	<b>EA</b>	LLEP Board of Directors	
Sonia Baigent	<b>SB</b>	LLEP Board of Directors	
Ajmer Kaur Mahal	<b>AKM</b>	LLEP Board of Directors	
Dr Nik Kotecha OBE	<b>NK</b>	LLEP Board of Directors	
Neil McGhee	<b>NM</b>	LLEP Board of Directors	
Cllr Terry Richardson	<b>TR</b>	LLEP Board of Directors	
<b>Officers</b>			
Fiona Baker	<b>FB</b>	LLEP	
Cathy Martin	<b>CM</b>	LLEP	
Stuart McAvoy	<b>SM</b>	Leicester City Council – Accountable Body	
Helen Miller	<b>HM</b>	LLEP	
Mandip Rai	<b>MR</b>	LLEP Chief Executive	
<b>Advisors</b>			
Jaqueline Moody	<b>JM</b>	Cities and Local Growth Unit (CLGU)	
Peter Sutton	<b>PS</b>	Cities and Local Growth Unit (CLGU)	

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<b>1.</b>	<b>Election of Chair</b>	
1.1	AGREED that AR be elected Chair of the Panel.	
<b>2.</b>	<b>Welcome and Apologies</b>	
2.1	AR welcomed those present to the meeting.	
2.2	There were no apologies for absence.	
<b>3.</b>	<b>Declarations of Interest</b>	
3.1	NM declared that he had a business relationship with Mike Kapur, Chairman of the National Space Centre. In view of this, NM advised that he would not vote on the Project Change Request from the National Space Centre to be considered at this meeting.	
<b>4.</b>	<b>Terms of Reference</b>	
4.1	It was noted that the Panel's Terms of Reference currently contained no specific reference to operational matters that had been delegated to it, such as Project Change Requests or the Panel's role in Local Growth fund reporting. The suggestion was made that these should be included.	
4.2	MR advised that a further potential area of work for the Panel could be monitoring of applications for funding from the Getting Building Fund, but directions from government on how this fund would operate were still awaited. Scrutiny of programme performance also was a potential area of work, although it was recognised that the main responsibility for this lay with the Board of Directors.	
4.3	It also was suggested that the Terms of Reference should be amended to reflect that the Panel's the quorum for meetings should be three members who were non-executive directors.	
4.4	The Panel expressed the hope that the Board of Directors would accept this Panel's detailed discussions on matters within its remit and not repeat those discussions at Board meetings.	
4.5	<p>It was AGREED that the Board of Directors be asked to amend the terms of reference for the Investment Panel to reflect:</p> <ul style="list-style-type: none"> <li>a) more detail of this Panel's operational role, including, but not exclusively, making recommendations on project change requests and its role in monitoring and delivery of LLEP investment programmes and services; and</li> <li>b) that the quorum for meetings of this Panel should be three members who are non-executive directors.</li> </ul>	<p style="text-align: right;"><b>MR</b></p> <p style="text-align: right;"><b>MR</b></p>

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<p><b>5.</b></p> <p>5.1</p>	<p><b>Membership of the Panel</b></p> <p>AGREED that the membership of the Investment Panel be noted.</p>	
<p><b>6.</b></p> <p>6.1</p> <p>6.2</p>	<p><b>Dates of Panel Meetings 2020 - 2021</b></p> <p>HM drew attention to the fact that, although the Panel’s Terms of Reference, stated that meetings of this Panel should be bi-monthly, the dates of those meetings needed to be appropriate to enable the Panel to fulfil its function within government timescales. For this reason, the proposed dates of meetings were provisional and would be confirmed in due course.</p> <p>It was AGREED that meetings of this Panel provisionally be held at 3.00 pm on Tuesday 3 November 2020, Tuesday 5 January 2021 and Tuesday 2 March 2021, these dates to be confirmed or revised as the Panel’s work programme is clarified.</p>	<p><b>All to note/ HM</b></p>
<p><b>7.</b></p> <p>7.1</p> <p>7.2</p> <p>7.3</p> <p>7.4</p> <p>7.5</p>	<p><b>Project Change Request – National Space Centre: Vision 2025</b></p> <p>CM introduced a report seeking approval from the Panel to the Project Change Request for Local Growth Fund (LGF) Project LG18 – National Space Centre: Vision 2025.</p> <p>CM advised that six months were left in which to claim remaining LGF funding. Five of the projects approved for this funding were on target, but this project had been financially impacted by Covid-19. If it was decided to not support, or only partially support, the Project Change Request from the Space Centre, consideration could be given to whether any funding remaining in the LGF as a result could be reallocated to any of the other projects in receipt of LGF funding. Although it should be noted that there was limited time to do this.</p> <p>MR advised that there were restrictions in the LGF process regarding what funding could be reallocated to. Completed projects could not be considered for additional funding, so at present only the other five projects still in progress could be considered for any reallocation of funds and approval would depend on whether additional outputs could be evidenced.</p> <p>It was noted that although the overall cost of the project had been reduced, the previously agreed level of LGF funding was still being requested. As other funding sources had been reallocated to help the Space Centre weather the impact of COVID, this increased the proportion of the project to be funded through the LGF to approximately 25% of the project cost.</p> <p>A question was raised about the project’s finance plan and it was questioned whether all funders provided 25% of their contribution at the same time. However, CM advised that with LGF schemes all funding could be claimed at the start of the project and match funding from other sources was reported separately. In this case, some funding was not in place at the start of the project,</p>	

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	<p>so other funding was sought as it progressed. It was not known if the LLEP Board was aware of this when approving the original request for LGF funding. In all cases, claims were assessed as part of the monitoring done for each project and records kept of match-funding obtained. This information also was included on the data returns that would be submitted quarterly to the Panel (previously Programme Board) before onward transmission to the government.</p>	
7.6	<p>In reply, CM noted that other funding bodies were still committing funds to the Space Centre, but these were focussed on sustaining the business during the Covid-19 lockdown. As a result, less funding was available for this project, but the project was seen as integral to the Space Centre's expansion plans. In addition, five of the originally forecast 20 jobs had been created, but a conversation could be held with the Space Centre to determine what jobs it anticipated would be created over the life of the project.</p>	
7.7	<p>In response to a question on deliverability, CM confirmed that the Space Centre was confident that, with the proposed rescoping of the project, full expenditure could be achieved by the end of the current financial year.</p>	
7.8	<p>The Panel questioned how certain the Space Centre could be that the project would generate the level of income asserted, particularly with the focus of the project having changed. CM undertook to discuss this with the Centre.</p>	
7.9	<p>Some concern was expressed that the project only referred to providing opportunities for disadvantaged children. This excluded children who were not classed as disadvantaged, but who were from families without the resources to use the Space Centre's facilities. CM explained that the Space Centre already provided a variety of programmes and workshops for people of all ages. The work proposed through this project would be specifically tailored for disadvantaged children and would be in addition to, not instead of, the programmes and workshops already provided.</p>	
7.10	<p>Concern also was expressed that there should be a condition placed on the LGF funding that required staff to be retained for a minimum period following receipt of that funding. CM advised that the staff jobs currently were at risk, so by continuing the project, 32 members of staff would continue to be employed and it was intended that those posts would remain permanent at the end of the project. The Panel expressed reservations that this was not more definite, but it was recognised that it was very difficult to give absolute assurances.</p>	
7.11	<p>CM advised the Panel that the jobs it was anticipated would be created through this project were in a range of areas, such as in the café, running exhibitions and in technical areas.</p>	
7.12	<p>The Panel questioned whether a thorough financial assessment had been undertaken of the likelihood of the Space Centre continuing to operate, particularly in view of the reduction in visitor numbers and income as a result of</p>	

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	the Covid-19 pandemic. CM advised that this had not been done but could be undertaken.	
7.13	It was questioned how this investment fell within the context of other investments, (for example, the approach to risk, or the vision for other investments), as the anticipated outputs from this project were lower than those obtained or anticipated from other projects. This was an important issue that the Investment panel needed guidance on from the LLEP Board.	
7.14	The possibility of the Vision 2025 project interfacing with other projects, such as the Space Park and Dock was welcomed.	
7.15	In response to comments made about the process used to assess projects for funding from the LGF and Programme Change Requests, HM and MR advised the Panel that, although the points made by Panel members had made interesting observations, as the LGF programme was nearing its end, it would be hard to start changing processes used. However, the way that the benefits of projects were assessed was changing as a result of lessons learned through this programme. In this case, the Space Centre could be asked to provide information on what the impact would be if the Project Change Request was not agreed.	
7.16	It was AGREED that: <ul style="list-style-type: none"> <li>1. That the Board of Directors be advised that this Panel recommends that, subject to the issues set out below being clarified to the satisfaction of members of the Investment Panel, the Project Change Request for Local Growth Fund (LGF) Project LG18 – National Space Centre: Vision 2025 be agreed: <ul style="list-style-type: none"> <li>a) a thorough financial assessment being made of the Space Centre’s future viability and the results of this being made available to the members of this Panel;</li> <li>b) reassurance being sought from the Space Centre over what jobs it anticipates will be created over the life of the Vision 2025 project and a longer-term commitment to job retention;</li> <li>c) if the Board of Directors decides not to support, or only partially support, the Project Change Request from the Space Centre, whether any funding remaining in the LGF as a result can be reallocated to any of the other projects in receipt of LGF funding;</li> <li>d) establish how confident the Space Centre is that it will generate the same level of income as originally forecast; and</li> <li>e) full information being obtained on what the impact would be on the Space Centre if this Project Change Request was not agreed;</li> </ul> </li> </ul>	<p><b>MR / Board of Directors</b></p> <p><b>CM</b></p> <p><b>CM</b></p> <p><b>CM / HM / MR</b></p> <p><b>CM</b></p> <p><b>CM</b></p>

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	<p>2. That officers be requested to ensure that future reports on Project Change Requests include full information on the rationale for recommendations made in relation to changes requested, this information to include financial information sufficient to enable the Panel to give full scrutiny to organisations and projects;</p> <p>3. That officers undertake a programme of training to help new and existing Board members understand the processes and monitoring requirements of the different LLEP investment strands;</p> <p>4. That the Board of Directors be asked to provide guidance to the Investment Panel on the risk policy to be followed, including the approach to be taken when a company is in financial difficulty and when it is appropriate to continue funding a company in such a position, and the level of delegation of the operation of the risk policy to this Panel; and</p> <p>5. That when preparing future reports for consideration by the Investment Panel, officers take account of the level of scrutiny that this Panel will give to such reports.</p> <p><i>In view of his declaration of interest, (see minute 3 above), NM did not vote on this item.</i></p>	<p><b>CM</b></p> <p><b>HM / MR</b></p> <p><b>Board of Directors / MR</b></p> <p><b>All</b></p>
<p><b>8.</b></p> <p>8.1</p> <p>8.2</p>	<p><b>Recovery Plan Investment Discussion</b></p> <p>FB gave a presentation on Recovery Plan Investment, a copy of which is attached at the end of these minutes. <i>[Fiona, please can you let me have a copy of your presentation]</i></p> <p>FB advised that:</p> <ul style="list-style-type: none"> <li>• The recovery situation was still very fluid, so it was not possible at this stage to fully assess how the recovery was proceeding;</li> <li>• The partnership with the Department for Work and Pensions was continuing to develop the national programmes;</li> <li>• Experian had predicted that unemployment would peak at over 8%. In July 2020, job postings had been 29% lower than usual;</li> <li>• The level of house prices was a concern, as many people currently could not afford them;</li> <li>• A number of cross-cutting themes for recovery were starting to emerge, so it could be more appropriate to focus on these to shape action plans, rather than the list produced by the LIS Foundations. The Foundations' list contained similar issues, but the themes emerging were tailored for the local situation;</li> </ul>	



- The LLEP Board had agreed at the June meeting to the repurposing of £1.6million of Growing places Funding , In terms of the LLEP reserves the August Board report had advised that there was a requirement for between £900,000 - £1million be retained as a reserve, which would potentially release between £800 – 900,000 from the end of year forecast of £1.8million. The remainder could be added to discretionary funding to aid recovery. This gave a maximum total of approximately £2.5million potentially available for investment;
- A commissioning model for bespoke investment in a skills development fund could be considered. It was suggested that approximately £400,000-500,000 would be ideal for bespoke and targeted interventions;
- Expressions of interest already had been received for capital and revenue grants from the European Regional Development Fund (ERDF), even though these grants had not been launched yet;
- It was suggested that the investment in Flex D of up to £1.1 million could be considered., This had been part of the Getting Building Fund and was also in receipt of Business Rates pooling fund; and
- Place marketing was important to repair the reputational damage caused by the extended lockdown in Leicester.

8.3 MR stressed that this was a modest resource, so it was suggested that it should be focussed within a few themes. HM confirmed that these would be short to medium term projects, running from September 2020 – June 2021, with work on a separate long-term strategy shortly to be started.

8.4 It was suggested by NM that the arts were an area in which modest investment could benefit a large number of people, making this a potential area for recovery investment.

8.5 NM and TR considered the investment into Flex D could be supported via the private sector and it was noted that many grants were already available for district authorities to invest in infrastructure for electric vehicles. NM was keen to explore the investment in Green energy and low carbon, as part of a longer-term green recovery plan.

8.6 Many panel members were supportive of supporting businesses that had not already been in receipt of any funding. Many small businesses did not qualify for assistance under government schemes, so it was suggested that this funding could help such businesses, particularly if they employed other people. Small grants could be of significant assistance to these businesses.

8.7 HM advised that an allocation already existed to enable business investment of up to £3,000 in approximately 180 businesses, but demand for this was very high. As this was ERDF funding, very specific conditions were attached to it, but

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	the LLEP could set its own criteria for similar levels of support from the recovery investment funding under discussion. There also was the potential for some additional ERDF support.	
8.8	It was recognised that there was a need to ensure that the projects funded under these proposals tied in with other work, such as planning and development, to assist in helping shape the recovery. As the assistance would be for short – medium term projects, this could mean that the projects receiving assistance were less innovative. Care also should be taken to ensure that the recipients were also receiving the same assistance from elsewhere.	
8.9	It was AGREED that <ol style="list-style-type: none"> <li>1. This Panel supports the suggestion that the recovery investment funding discussed under this item focuses on short – medium term projects topping up projects relating to skills, businesses and reputational damage and green recovery; and</li> <li>2. This Panel requests that the points raised in the discussion and recorded above are taken into consideration in establishing criteria for this assistance.</li> </ol>	MR  MR
<b>9.</b>	<b>Any Other Business</b>	
	<b>a) <u>Recording of Meetings</u></b>	
9.1	It was AGREED that future meetings of the Panel be recorded.	Democratic Support
	<b>b) <u>Action Points from Meetings</u></b>	
9.2	It was AGREED that Democratic Support provide Action Points from future meetings within 48 hours of the meetings' closure.	Democratic Support
<b>10.</b>	<b>Close of Meeting</b>	
10.1	The meeting closed at 5.35 pm	



## LLEP INVESTMENT PANEL

3<sup>rd</sup> November 2020

### Decision Report

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## ECONOMIC RECOVERY INVESTMENT

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### 1. PURPOSE OF REPORT

1.1 The purpose of this report is to seek approval from the Investment panel members to recommend investment in the activities outlined.

### 2. RECOMMENDATION

2.1 The LLEP Investment Panel is asked to recommend the investment areas outlined in the appendices to the LLEP December Board meeting.

### 3. BACKGROUND INFORMATION

3.1 The emerging Economic Recovery Plan is currently being revised to provide a more succinct indication of the key priorities. This work has provided a clearer picture of potential gaps in funding and support to meet local needs.

3.2 The LLEP Board has agreed at the meetings in August and October to the repurposing of £1.6m of Growing Places funding. There is potential for additional funding to be released from the LLEP reserves subject to the financial strategy for 2021/22 – 2022/23 being finalised and agreed by the LLEP Board in February 2021.

### 4. INVESTMENT AREAS

4.1 At the LLEP board meetings in August and October 2020, board members agreed to the repurposing of £1.6 m of the Growing Places Fund to invest in the following areas:

- Employment and skills fund £500k - covering
  - Digital Poverty
  - NEET support
  - Kickstart enhancement – augmentation of skills
  - Access to employment rural areas (this may be covered by ESF )
- Business Grants £300k
- Place Marketing and promotion £100k
- SME Kickstart support £500k
- MIT REAP seed corn delivery £100k
- Low Carbon delivery £100k

- 4.2 The appendices attached to this report provide more detail on each of the investment areas for consideration by the Investment Panel. The template has been completed by the LLEP team to provide an indication of the delivery mechanisms, anticipated timelines, and anticipated impact.
- 4.3 Business cases have yet been completed for three of the identified investment areas as follows:
- Access to Employment in rural areas has been withdrawn. The National Lottery Community Fund (TNLCF) have confirmed that existing provision is being considered for additional, emergency funding to cover up until October 2021.
  - It has also not been possible at this stage to conclude the discussions with the Place marketing Organisation about the best use of the allocated funding and proposal for this will come to a future meeting.
  - Further work is required before submission of the Business case for Kickstart Skills Enhancement, as scoping is needed to assess the breadth and depth of existing support provision available within the scheme in order to identify gaps in provision and where support is most needed.
- 4.4 Investment Panel members are asked to provide comments and recommend the proposals outlined in the appendices to the December LLEP Board. Following Board approval the LLEP team will move to mobilise any commissioning requirements of the proposals with delivery beginning in early 2021.

## **5.0 Comments of the Accountable Body**

- 5.1 Funds can be repurposed from the Growing Places Fund as set out in this report. The Accountable Body can manage the accounting implications of using GPF for revenue, rather than capital, spending

### **List of Appendices:**

- Appendix 1: Digital Poverty
- Appendix 2: NEET support
- Appendix 3: Kickstart SME Extension
- Appendix 4: Business Grants
- Appendix 5: MIT REAP proposition
- Appendix 6: Low Carbon delivery

### **For further information please contact**

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## LLEP CASE -COVID RECOVERY

Overview	
Investment area	Digital Skills for Economic Recovery
Provide a brief overview of the proposed support	<p>This proposal outlines the need to develop a fuller understanding of the impact of digital exclusion across the LLEP area in order to inform future investments to assist economic recovery. Whilst data on digital poverty and skills is available at a national, and to a more limited extent, a regional level, there is a lack of local data on which to base future investment priorities and the LLEP area does not have a dedicated <a href="#">Digital Skills Partnership</a> which would draw together partner expertise and activity already in place across the area.</p> <p>It is therefore proposed that two strands of work are initiated:</p> <ol style="list-style-type: none"> <li> <p><b>1. Create a Leicester and Leicestershire Digital Skills Partnership consisting of key partners and stakeholders in order to address digital skills deficiencies in the workplace and wider society.</b> It will facilitate partnership working between the LLEP, Local Authorities, employers, training providers and others to identify and act on opportunities to address local digital skills challenges and gaps in provision, and to identify and share good practice. The proposed partnership would include representation from those organisations already providing interventions in this area (e.g. Smart Leicester, Moneywise Plus, FE Colleges, HE) in addition to employers, and it would be particularly beneficial to have representation from the health sector given the links between digital exclusion and poverty.</p> <p>Additional resource will be required in order to establish the partnership, and therefore it is proposed to recruit a Digital Skills Coordinator, whose remit, on behalf of the partnership will be to:</p> <ul style="list-style-type: none"> <li>• Convene the partnership on behalf of its constituent members</li> <li>• Commission the procurement of research into levels of digital exclusion in Leicester and Leicestershire</li> <li>• Represent the Partnership on the Skills Advisory Panel</li> <li>• Map digital skills delivery and identify gaps</li> <li>• Work with the partnership to develop a local digital skills strategy and action plan</li> <li>• Contribute to any proposals for future skills funding, e.g. UK Shared Prosperity Fund, providing clear and unequivocal evidence for potential interventions.</li> </ul> </li> <li> <p><b>2. Assess the level of digital skills and accessibility in Leicester and Leicestershire.</b> This piece of commissioned research would ‘fill in the gaps’ of our knowledge in terms of the current levels of skills in the area, and in addition consider what proportion of young people and adults may be disadvantaged through lack of access to devices and data allowances.</p> </li> </ol>

Please explain the need for funding and how this contributes to economic recovery.

Digital skills will be of key importance in a post COVID era where working practices may be subject to change and where those without digital skills will be disadvantaged in terms of employment prospects. However, the level of digital skills across the population and the workforce is still below where it needs to be.

The 2020 Lloyds Bank Consumer Digital Survey found that:

- The UK workforce is still digitally underpowered –an estimated 52% of the workforce lack digital skills in the workplace. This is particularly prevalent in manufacturing, retail and construction sectors. Those in entry level jobs are therefore most likely to be affected by the impact of COVID-19 as they are also likely to have the lowest digital skills, limiting their ability to move in the job market.
- Equally as concerning, given the scarring effect that we know Covid-19 is predicted to have on young people, the survey also found that working 15-24-year-olds are significantly less likely to have the digital skills required in the workplace than their older counterparts who are 25-54.

In 2016 it was estimated that within the next 10 to 20 years, 90% of jobs will require some sort of digital skills and in the Lloyds Bank research, 61% of highly digital citizens have used the Internet to successfully apply for a job. This highlights that the digitally excluded will be increasingly at a disadvantage in the employment market.

In addition to the need for increased digital skills at all levels in order to effect economic recovery there is are also issues relating to the social gap in access to technology. Anecdotally, schools in the LLEP area report that many families within deprived areas rely on a single mobile phone for an internet connection, which is neither a realistic option for online learning nor a sustainable source of internet access due to limited data allowances.

The Edge Foundation reports that at the onset of Covid-19 it was estimated that one million children cannot access the internet, either because they have no computer or laptop, no connectivity, or both. Around 8% of 16-24-year-olds can only access digital technology through their phones, excluding them from many online learning platforms and restricting them from receiving and submitting work online.<sup>1</sup>

The Centre for Economics and Business Research (CEBR) has identified that the economic impact of acquiring basic digital skills can lead to increased earnings of between 3% and 10% , improved chances of finding work for someone who is unemployed and an increased likelihood that someone who is inactive will look for work.

Whilst there are a number of projects and organisations taking forward aspects of this work there are two missing elements:

- Local data relating to digital poverty and digital skills which can be used to inform investment decisions
- Digital skills partnership or forum drawing together partners from across the area who are active in this arena to enable a cohesive approach to building levels of digital skills within the LLEP area and to enable a clear picture of what the offers are across the area and where there are gaps.

Both of these activities will help to provide a focused and targeted approach to addressing the digital divide in our region, and also provide robust evidence for any funding forthcoming from the UK Shared Prosperity Fund.

Funding Requested	£90,000
<b>Key dates</b> Earliest possible start date for the project post approval, funding contract and procurement	
Proposed Start Date	January 2021
Proposed End Date	December 2021
How will this intervention be delivered ? Provide a brief commentary to demonstrate that the project will be commenced by the stated date and the delivery criteria	<p>The primary delivery method will be through the appointment of the Digital Skills Coordinator (Project Manager) on a one-year fixed term contract. This will enable a level of focus on the digital skills needs of the area which would not be achieved without a dedicated resource.</p> <p>The intervention will also be delivered through the procurement of a Digital Skills and Access Survey. It is anticipated that procurement of the survey will commence as soon as possible after the appointment of the Digital Skills Coordinator.</p> <p>The proposed start date will depend on the date at which any agreement for funding is issued as procurement cannot commence until this point and is likely to take a minimum of 6 weeks.</p> <p>The Coordinator will be supported by the LLEP Skills Lead and will feed into the Skills Advisory Panel.</p>

**Strategic Case**

The objective is to provide detailed evidence to demonstrate that the project has a clear rationale, it will deliver economic growth benefits resulting from further investment, it is affordable with a clear funding strategy and delivery issues are understood.

**Problems, Barriers to Growth and Rationale for Intervention**

How is the project State Aid compliant? Briefly explain why support is State Aid compliant.

The project is state aid compliant in that both the recruitment exercise and procurement of research activities will comply with Leicester City Council HR and procurement processes and procedures, therefore three of the four State Aid Tests (Selective Advantage, Distorting Competition and Affecting Trade between member states) will not apply.

**Economic Case**

Demonstrate that the project will best deliver existing and future needs, with clear outputs, outcomes and economic impacts.

**Investigation of Options**

**Rationale for public sector intervention:** You must demonstrate that the funding requested is the minimum required in support of the project and that you have exhausted all other private sector funding opportunities.

The need to address digital skills has been identified by a range of stakeholders including the Skills Advisory Panel, Smart Leicester and the Work and Skills Forum. The funding is deemed as the minimum to cover the first year of operation of a Digital Skills Partnership and to procure the research required.

Private sector funding is not considered to be an option due to the current economic crisis. However, the intention would be to engage large private sector employers in the partnership, as there may be opportunities for sponsorship of future activities.

<p>Demonstrate that a range of options has been considered. Why is this solution the best option? What are the impacts of doing nothing? (max 400 words)</p>	<p>An alternative option for using these funds could have been direct support for individuals, including access to devices. However, this option was discounted as the funding available would have been insufficient to support the estimated numbers of individuals affected and there may be a potential for duplication with existing ESF projects including Moneywise Plus, Skills Support for the Workforce and the Will Project.</p> <p>The 'do nothing' option was discounted as there is a widely recognised need to obtain improved data on digital skills deficiencies specific to Leicester and Leicestershire. This work, in conjunction with the establishment of the Digital Skills Partnership will enable the area to more effectively plan provision and respond to identified need in a cohesive way and also to ensure that we have the supporting evidence to enable bids to any future funding sources, e.g. the UK Shared Prosperity Fund.</p>		
<p>Demonstrate and evidence that the funding would represent value for money. (max 400 words)</p>	<p>This funding represents value for money in that the establishment of a Digital Skills Partnership will 'pump-prime' a joined-up and collaborative approach to Digital Skills at all levels within the LLEP area. This could not be achieved without a dedicated resource. Addressing digital poverty in Leicester and Leicestershire can only be achieved through a partnership approach, and the provision of a dedicated resource to facilitate this will result in an action plan which the area can take forward as part of the Local Skills Plan.</p>		
<p>Is the project scalable? If so, what is the minimum amount of funding required.</p>	<p>The project is not scalable in its current form.</p>		
<p><b>Outputs, Outcomes and Impact</b></p>			
<p><b>The funding recipient will be responsible for reporting against all outputs, outcomes and impacts detailed below.</b></p>			
<p><b>Impacts</b> Please identify the impacts this project will have. Consider issues including unlocking sustainable economic growth, social inclusion, wellbeing and environmental sustainability.</p>			
<p>Outputs and outcomes</p>	<p>Quantity (e.g. number of jobs, number of new homes)</p>	<p>Baseline value</p>	<p>Assessment (e.g. who will measure the outcome, when and how will it be measured)</p>
<p>Convene a Digital Skills Partnership for the LLEP Area</p>			<p>Timely establishment of partnership. Inclusion of key stakeholders within LLEP area, including corporate employers. Terms of Reference Appointment of Chair (private sector) Minutes of meetings and associated actions and</p>



Procure local research into levels of skills and digital exclusion within Leicester and Leicestershire			Published report containing quantifiable data on levels of digital skills and exclusion.
Mapping of digital skills delivery at all levels within Leicester and Leicestershire			Production of document / spreadsheet summarising
Produce a local digital skills strategy and action plan to address the identified skills needs, securing commitment from partners and wider stakeholders.			Publication of strategy and action plan utilising the outcomes of the research and mapping outputs described above.
<p>Please outline whether the intervention will be targeted</p> <p>Who will be affected by the intervention? Will the impact be positive or negative? Please explain. (Max 100 words)</p>	<p>The interventions described will enable effective targeting of future resources to beneficiaries across the age spectrum in need of support. This is likely to be at a number of levels:</p> <ul style="list-style-type: none"> <li>• Access to data and devices</li> <li>• Essential Digital Skills: delivery of basic skills in ICT to both residents and employees.</li> <li>• Activity to support wider digital skills required in the workplace, (e.g. social media marketing, working with spreadsheets or creating presentations).</li> <li>• Digital skills for digital jobs: supporting more people into the digital / tech sectors and. Examples of digital roles include data analyst, programmer, cyber security specialist, web developer, software developer, digital marketer.</li> </ul>		
Please identify how the intervention supports sustainable economic growth, social inclusion, wellbeing and environmental sustainability.	<p>Whilst this project will not cover direct delivery to those in need, its outcomes will support inclusive economic growth in a number of ways:</p> <ul style="list-style-type: none"> <li>• Identifying the scale and issues surrounding digital poverty in the LLEP area. Digital exclusion is in itself a form of social deprivation, where digitally excluded also experience financial loss and we need to understand the scale of the issue in order to tackle it.</li> <li>• Identification of actions to address digital exclusion in both young people and adults, thereby providing a route to employment, and access to services, including NHS and health</li> <li>• Bringing together key partners at all levels of intervention, from the delivery of basic digital skills to higher technical provision (including delivery by a potential Institute of Technology, where DfE have mandated to include Digital as a sector subject area.</li> </ul>		
Please explain any criteria that should be considered as part of this intervention			
<p><b>Financial Case</b>  <b>Demonstrate adequate consideration of costs and funding strategy. Please provide the annual cost profile for the life of the project. You will be expected to deliver the scheme within the cost profile when agreed. Confirmation will be required that any cost overruns will be met by the project sponsor.</b></p>			
What is the total cost of the project/support (£'s)?	£90K		

Funding Requirements and Match Funding	
What is the total minimum funding requirement being requested (£'s)?	£50K – Project Manager salary plus on costs for 1-year fixed term contract £40K – cost of research activity
What is the total match funding that will be provided (£'s)?	

Capacity and Risk Management		
Briefly explain the most significant risks to the <b>overall delivery</b> of the project, including financial and commercial risks, and proposed mitigation (e.g. resource capacity, procurement issues, uncertainties on business cases, cost overruns. Identify proposed mitigation measures. add rows as necessary)		
Risk Identifier	Risk name	Description of risk including potential impact and mitigation
1	Failure to recruit	Project cannot be initiated until the appointment of the Digital Skills Coordinator. Recent recruitment exercises have shown that due to the current circumstances, vacancies are experiencing high levels of applications from good quality candidates, this minimising the risk of appointments not being made and delaying the project.
2	Lack of interest in forming a Digital Skills Partnership	Key stakeholders and agencies with an interest in digital skills have already expressed interest in forming such a partnership.
3	Failure to procure consultancy to conduct research	This is widely researched field and the expectation is therefore that within the funding allowed there would be sufficient interest in a procurement exercise.
4	Partnership fails to continue after initial year (and therefore to implement actions)	Build future sustainability into job description of Coordinator and ensure that action plan objectives are embedded into the Local Skills Plan and links into the Skills Advisory Panel

Supporting Information	
Supporting Documents – If you have a Business case already developed for other funding please include this in your response alongside any other relevant documentation	

## LLEP CASE -COVID RECOVERY

Overview	
Investment area	Prevention of young people becoming NEET and facing long term unemployment
Provide a brief overview of the proposed support	<p>This proposal sets out the need for a targeted programme of activities and early interventions to prevent and reduce the number of young people not in education, employment or training (NEET) age 16-24*. This would specifically be targeted to young people identified by a school or existing careers services in the LLEP area and should have employer engagement at the heart of it.</p> <p>As these young people may not be attending school or alternative provision, support will need to be through direct engagement with the young person (including Parents or Carers) which could include face-to-face, on-line engagement or working in partnership with a school.</p> <p>Examples of activities for young people who are NEET or at risk of becoming NEET might include:</p> <ol style="list-style-type: none"> <li>1. delivery of small groups working on blended basic literacy, numeracy, digital and employability skills workshops to ensure that individuals have the confidence and basic skills needed to re-enter education, self-employment or move into the labour market. Focus should be given to LLEP sectors that are stable or have anticipated growth including green economy, low carbon, digital and logistics.</li> <li>2. labour market activities such as priority sector-based pathways to provide a structured and supportive environment where young people can gain experience of the workplace</li> <li>3. exposure to frequent meaningful encounters<sup>1</sup> with local employers to raise aspirations and awareness of work-related opportunities</li> <li>4. access to training and vocational qualifications to equip young people for specific jobs. Particularly where suitable work experience placements (including virtual), traineeships, apprenticeship or job vacancies are available in sectors with stability or growth in the local economy</li> <li>5. access to a qualified adviser providing bespoke information, advice and guidance (IAG) on re-entering education or entry to employment including self-employment</li> <li>6. preparation to enter the world of work through mock interviews or assessment centres, CV workshops and confidence building</li> <li>7. a dedicated mentor to develop 121 individual action plans and provide a consistent named contact to reduce dis-engagement</li> </ol> <p>The programme and associated activities will need to be flexible to meet the needs of the target group and overcome barriers including lack of access to technology.</p> <p>The main result that will be achieved is that more young people will re-engage with appropriate education which could include re-entry back into school, a college place, traineeship, apprenticeship or sustainable employment including self-employment.</p> <p>Programmes developed may be used to support additional activities or target groups, including provision co-designed with local partners.</p> <p>*Up to 24 where someone has an Education, Health and Care Plan (EHP)</p>

<sup>1</sup> CEC Making it Meaningful Framework [https://www.careersandenterprise.co.uk/sites/default/files/uploaded/1207\\_-\\_meaningful\\_encounters\\_checklist\\_1.pdf](https://www.careersandenterprise.co.uk/sites/default/files/uploaded/1207_-_meaningful_encounters_checklist_1.pdf)

<p>Please explain the need for funding and how this contributes to economic recovery.</p>	<p>The impact of COVID has been profound on the education sector and young people who are at transition stages in their education. They now face a greater than ever challenge with the decline in apprenticeships, greater competition in the labour market from older or more skilled workers and uncertainty on the future of the jobs market set against a backdrop of disrupted education.</p> <p>This funding will give the opportunity to provide a programme with positive destinations and sustainable outcomes which can prevent NEET and aide economic recovery by providing young people with economically valuable skills and improved 'softer skills' historically highlighted in the LLEP business surveys.</p> <p>Young people will be one of the hardest hit as a result of the economic crisis and often with the least opportunity to enter the world of work as they had anticipated.</p> <p>To put this into a local context in March 2020, 2,950 claimants were age 18 to 24. This is a claimant rate of 2.6%. In August there were 7,395 (6.6%). This is a rise of 4,445 claimants or 150.7%.<sup>2</sup></p> <p>The IFS<sup>3</sup> reported that employees aged under 25 were about two and a half times as likely to work in a sector that is now shut down as other employees.</p> <p>A recent survey report by the Princes Trust and YouGov of over a thousand young people highlighted that around half of the respondents say now finding a job feels "impossible" and that they worry it will be harder than ever to get a job.</p> <p>As a result of this we face a greater risk of young people becoming NEET due to greatly reduced opportunities to enter the world of work or those in education or training feeling disenfranchised on their progression and job security.</p> <p>In August 2020 Leicester had 5% NEET figures which is the third highest rate in the East Midlands and is higher than the East Midlands average of 3.2%. Leicestershire is 2.9% but for both City and County there has been a 0.1% increase between July to August 2020.<sup>4</sup></p> <p>It should also be noted that research also shows the mental health and wellbeing of young people can be greatly affected where they are not in education, employment or training.</p> <p>It is clear from Youth Unemployment<sup>5</sup> that a NEET programme with these characteristics are part of the solution to re-engagement and progression. Particularly where there is employer involvement. Whilst the impact of Covid-19 on the local labour market is yet to be fully realised a NEET prevention programme will open the doors to young people who will be the most disengaged and will need more intensive interventions and positive employment or training destinations.</p> <p>Therefore, to counteract a complex set of circumstances that can lead to a young person becoming NEET a blended and supported programme with early interventions and signposting to LLEP areas of job growth or stability will offer a realistic pathway to some young people in the greatest of need.</p>

<sup>2</sup> LLEP Labour Market Dashboard <https://www.llep.org.uk/our-economy/districts/llep-area/>

<sup>3</sup> Sector shutdowns during the coronavirus crisis: which workers are most exposed? <https://www.ifs.org.uk/publications/14791>>

<sup>4</sup> Leicestershire County Council Business Intelligence Service - NEET Current Situation (July 2019 - August 2020)

<sup>5</sup> <https://www.youthemployment.org.uk/youth-unemployment/>

Funding Requested	£100,000 to develop and deliver a programme for 30 young people.
<b>Key dates</b> Earliest possible start date for the project post approval, funding contract and procurement	
Proposed Start Date	1 <sup>st</sup> December 2020
Proposed End Date	31 <sup>st</sup> March 2022
How will this intervention be delivered? Provide a brief commentary to demonstrate that the project will be commenced by the stated date and the delivery criteria	<p>Interventions will be delivered as a structured programme. It will need a lead partner (prime contractor) but may benefit from a consortium approach for delivery, administration, tracking of impact and evaluation.</p> <p>It will need to be appropriate to the target group who may have complex needs and will need a degree of flexibility to allow for building relationships and trust with the beneficiaries. Delivery will need to take account of the challenges of COVID including access to employers/premises, access to technology and safeguarding as well as remote and face-to-face learning.</p> <p>Due to the design and development of the programme and engagement with an historically difficult group to engage, delivery may not commence until March 2021. Therefore, this will be a one-year programme for participation but starting with design stage in December 2020.</p>

### Strategic Case

The objective is to provide detailed evidence to demonstrate that the project has a clear rationale, it will deliver economic growth benefits resulting from further investment, it is affordable with a clear funding strategy and delivery issues are understood.

### Problems, Barriers to Growth and Rationale for Intervention

How is the project State Aid compliant? Briefly explain why support is State Aid compliant.

This will be covered as part of the procurement process

### Economic Case

Demonstrate that the project will best deliver existing and future needs, with clear outputs, outcomes and economic impacts.

### Investigation of Options

**Rationale for public sector intervention:**  
You must demonstrate that the funding requested is the minimum required in support of the project and that you have exhausted all other private sector funding opportunities.

Costings have been based on previous LLEP funded programmes with some similar characteristics and comparable unit costs.

Demonstrate that a range of options has been considered. Why is this solution the best option? What are the impacts of doing nothing? (max 400 words)	<p>Other models and options have been reviewed but due to the time constraints this would be the best solution that is practicable and deliverable over the lifetime of the funding.</p> <p>This programme should be complementary to others and not duplicate or displace. It should support pathways into other programmes such as Kickstart</p>
Demonstrate and evidence that the funding would represent value for money. (max 400 words)	<p>This programme represents value for money based on reviews of previous programmes targeted at disengaged young people.</p> <p>If could also be said that VFM can be recognised as the cost of this intervention would be significantly less of a financial investment for 30 young people who become long-term unemployed and claimants of Universal Credit.</p>
Is the project scalable? If so what is the minimum amount of funding required.	<p>Whilst the project is scalable this would require further investment and would be predicated on capacity in the providers who have the capability and expertise to deliver the programme.</p> <p>It may be possible to source other (match) funding streams that are announced by Government as part of economic recovery.</p>

**Outputs, Outcomes and Impact**

**The funding recipient will be responsible for reporting against all outputs, outcomes and impacts detailed below.**

**Impacts**

**Please identify the impacts this project will have. Consider issues including unlocking sustainable economic growth, social inclusion, wellbeing and environmental sustainability.**

Outputs and outcomes	Quantity (e.g. number of jobs, number of new homes)	Baseline value	Assessment (e.g. who will measure the outcome, when and how will it be measured)
Engaging of Young people NEET or at risk of NEET on programme	30		Record of young people demonstrably NEET/Risk of NEET engaged on the programme
Young People having a meaningful encounter with at least two employers per month	25		Measured by provider reported to LLEP via Verto / 1/4ly update reports
Completion of one weeks work experience (can be virtual)	20		Measured by provider reported to LLEP via Verto / 1/4ly update reports
Completion of the programme by YP	15		Measured by provider reported to LLEP via Verto / 1/4ly update reports

Progression into education or training or sustainable work in priority sectors	10		Measured by provider reported to LLEP via Verto / 1/4ly update reports
Achievement of a qualification in literacy, numeracy or digital (if not already achieved)	10		Measured by provider reported to LLEP via Verto / 1/4ly update reports
Programme evaluation / impact report	1		Measured by provider reported to LLEP via Verto / 1/4ly update reports
Production of case studies	5		Submission dates tbc
<p>Please outline whether the intervention will be targeted</p> <p>Who will be affected by the intervention? Will the impact be positive or negative? Please explain. (Max 100 words)</p>	<p>Interventions will be targeted to those young people aged 16-24 who are NEET or at risk of being NEET which can be through a school or local authority referral. This will be a positive impact as it will address several areas;</p> <ul style="list-style-type: none"> <li>targeted engagement of a specific disengaged group of young people who may have 'fallen through the cracks' in the education system</li> <li>lack of access to quality guidance on education and careers pathways</li> <li>lack quality of 121 support where their complex needs create barriers to engagement</li> <li>high quality interaction with employers in growth areas with opportunities for work experience, training or employment</li> <li>positive effect on mental health and wellbeing including signposting to support services if identified as beneficial</li> </ul>		
<p>Please identify how the intervention supports sustainable economic growth, social inclusion, wellbeing and environmental sustainability.</p>	<p>This programme supports economic growth by being aligned to more buoyant and stable industry sectors and therefore developing an additional talent pipeline for these businesses.</p> <p>It will create an insight into these sectors which will widen the horizons of these young people and directly connect them with employers helping to nurture a relationship to aide an informed entry into the world of work or training for the beneficiaries.</p> <p>Employers will have direct access to these young people who, with the right support, will have an understanding of the sectors, employers and opportunities available.</p> <p>Young people on programme will have improved social mobility and social capital by being actively engaged in teaching and learning activities that specifically develop their resilience and personal effectiveness through engagement with a range of professionals and the local business community.</p> <p>The programme will also take account of the young persons wellbeing and mental health as this also a key factor of a positive engagement and on-programme experience. The</p>		

	programme will need to take account of this and be able to recognise and support young people with mental health and wellbeing with sound advice and guidance.
Please explain any criteria that should be considered as part of this intervention	
<b>Financial Case</b> <b>Demonstrate adequate consideration of costs and funding strategy. Please provide the annual cost profile for the life of the project. You will be expected to deliver the scheme within the cost profile when agreed. Confirmation will be required that any cost overruns will be met by the project sponsor.</b>	
What is the total cost of the project/support (£'s)?	£100,000
<b>Funding Requirements and Match Funding</b>	
What is the total minimum funding requirement being requested (£'s)?	£100,000
What is the total match funding that will be provided (£'s)?	No match required for this programme.

<b>Capacity and Risk Management</b> Briefly explain the most significant risks to the <b>overall delivery</b> of the project, including financial and commercial risks, and proposed mitigation (e.g. resource capacity, procurement issues, uncertainties on business cases, cost overruns. Identify proposed mitigation measures. add rows as necessary)		
Risk Identifier	Risk name	Description of risk including potential impact. And mitigation
1	Lack of interest in delivering the programme	Impact: Increase in NEET figures. Mitigation: raise awareness of the opportunity to deliver with local partners and key stakeholder / LLEP comms
2	Insufficient take up of the programme	Impact: Increase in NEET figures Mitigation: Prime contractor to deliver briefing sessions to Careers Leaders and other referral services
3	High drop-off rate on programme	Impact: Participants have lower peer engagement opportunities Mitigation: Early engagement with schools and careers advice services for a strong referral pipeline. Ensure positive destinations and employer engagements are available from the start of the programme.
4	Lack of employer participation	Impact: programme does not have external input and becomes a more traditional tutor-led programme/less industry insight, Mitigation: Early engagement piece with employers for stronger buy-in and introduction of a pledge to support.



5	Complexities of delivery model	Impact: Partners create barriers through complex or disjointed systems leading to disengagement. Mitigation: Clear plan from the outset on delivery model, pedagogy, platforms and delivery locations in the provider project plan
6	Overlap or duplication with other government / local provider schemes	Impact: Confusion on the offer with both delivery partners, referral partners and young people Mitigation: Scoping exercise by prime contractor on local / national programmes and clear messaging on this programme.
7	Ability to delivery due to COVID restrictions	Impact: Programme does not get delivered or halted Mitigation: Government guidelines to be followed

<b>Supporting Information</b>	
<p>Supporting Documents – If you have a Business case already developed for other funding please include this in your response alongside any other relevant documentation</p>	<ol style="list-style-type: none"> <li>1. CEC Making it Meaningful Framework <a href="https://www.careersandenterprise.co.uk/sites/default/files/uploaded/1207_-_meaningful_encounters_checklist_1.pdf">https://www.careersandenterprise.co.uk/sites/default/files/uploaded/1207_-_meaningful_encounters_checklist_1.pdf</a></li> <li>2. LLEP Labour Market Dashboard <a href="https://www.llep.org.uk/our-economy/districts/llep-area/">https://www.llep.org.uk/our-economy/districts/llep-area/</a></li> <li>3. Sector shutdowns during the coronavirus crisis: which workers are most exposed? <a href="https://www.ifs.org.uk/publications/14791">https://www.ifs.org.uk/publications/14791</a> &gt;</li> <li>4. Leicestershire County Council Business Intelligence Service - NEET Current Situation (July 2019 - August 2020)</li> <li>5. <a href="https://www.youthemployment.org.uk/youth-unemployment/">https://www.youthemployment.org.uk/youth-unemployment/</a></li> </ol>



## LLEP CASE -COVID RECOVERY

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### Overview

Investment area	Kickstart – SME Extension
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Provide a brief overview of the proposed support

The Government's new Kickstart scheme will fund job placements for young people aged 16-24 years who are claiming Universal Credit benefits for a six-month period. DWP pay 100% of the age-relevant National Minimum Wage, National Insurance and pension contributions for 25 hours per week. Employers can top up this way as required but only the minimum wage will be paid by DWP.

The scheme is managed by Gateway organisations, who can be employers in their own right, and in the LLEP area there are a large number of organisations who have registered to be Gateway providers within Leicester and Leicestershire, a full list of area providers is available [here](#).

There is an opportunity to deliver a coordinated local response to extend the government Kickstart scheme, using resources from the LLEP and partner organisations to match against government Kickstart funding.<sup>1</sup>

This proposal is for the utilisation of LLEP funding to extend the duration of Kickstart job placements within Leicester and Leicestershire SMEs from six to twelve months, thereby giving young people a better opportunity to both build skills and competencies where they have had to change occupations due to Covid-19 and also and demonstrate experience of the world of work (in the 2019 Employer Skills Survey 68% of employers in 'business and other services' cited 'having relevant work experience' as critical to recruitment). This support has the potential to be targeted on specific sectors, areas or vulnerable groups that have been particularly adversely impacted.

With a pooled fund of £1million such an approach would benefit around 100 SMEs during the life of the Kickstart scheme, or substantially more if employer contributions were required. Clearly a more detailed assessment of options could be developed for consideration by the Investment Panel in early November, and the LLEP Board in early December.

The number of individuals supported would depend on age, see below.

	<b>National Minimum Wage</b>
Aged 21 to 24	£8.20/ hr
Aged 18 to 20	£6.45/ hr
Under 18 years	£4.55/ hr

The management and delivery of the scheme would be funded through a management fee of £300 per work placement which is consistent with the DWP's management arrangements for the Kickstart scheme.

The proposed extension options for SMEs are as follows:

- Extend the duration of the placement from 6 months to 12 months for businesses or voluntary sector organisations with less than 250 employees.
- Increase funded hours from 25 to 30 during the extension period
- Scheme will pay 100% of the relevant National Minimum Wage, National Insurance and pension contributions for 30 hours a week.
- Employers can top up this wage as required but only the minimum wage will be paid by the scheme.

Within a funding envelope of £500K it is anticipated that circa 90 extended work placements could be funded within SMEs at an average of £5,400 per placement (including employers' tax, National Insurance, pension contribution and management fee), but the overall number could vary depending upon on the age of participants.

<sup>1</sup> The City and County Councils are assessing a total funding pool of £500k for the extension of the scheme, which will be used to fund the management fee, National Insurance, pension contribution and management fee), but the overall number could vary depending upon on the age of participants.

<p>Please explain the need for funding and how this contributes to economic recovery.</p>	<p>Young workers (aged up to 25) are likely to be disproportionately disadvantaged by any downturn in the economy. Through establishing the Kickstart Scheme the government has recognised that significant support will need to be put into place to mitigate against rising numbers of NEET and a future where earning potential is scarred for years ahead by the effects of recession. They are likely to be the hardest hit for a number of reasons including missing education, reduction in apprenticeship opportunities, a more competitive labour market and lack of workplace digital skills.</p> <p>The population of Leicester City is significantly younger than average: 17.1% of the population are aged 16-24 compared to the England average of 10.7%. For Leicester and Leicestershire combined, 13.1 % are aged 16-24<sup>2</sup>. This clearly presents a risk if supporting interventions are not executed.</p> <p>We are already seeing that with the rise in unemployment across Leicester and Leicestershire 18-24 year olds represent the largest percentage share of claimants (6.6%).</p> <p>Young people are most likely to work in vulnerable sectors<sup>3</sup> and least likely to be able to work from home.<sup>4</sup></p> <p>Relevant work experience is consistently cited by employers as among the most critical factors for recruitment and those young people who are able to evidence this have a greater chance of securing and sustaining employment. This is supported by the results from the <a href="#">Employer Skills Survey 2019</a> for Leicester and Leicestershire where the following percentages of employers felt that having relevant work experience was a critical or significant factor in recruitment:</p> <table border="1" data-bbox="544 1126 1417 1305"> <thead> <tr> <th>Industry Grouping</th> <th></th> </tr> </thead> <tbody> <tr> <td>Trade, Accommodation and transport</td> <td>53%</td> </tr> <tr> <td>Manufacturing</td> <td>56%</td> </tr> <tr> <td>Non-market services</td> <td>65%</td> </tr> <tr> <td>Business and other services</td> <td>68%</td> </tr> </tbody> </table>	Industry Grouping		Trade, Accommodation and transport	53%	Manufacturing	56%	Non-market services	65%	Business and other services	68%
Industry Grouping											
Trade, Accommodation and transport	53%										
Manufacturing	56%										
Non-market services	65%										
Business and other services	68%										
<p>Funding Requested</p>	<p>£500K</p>										
<p><b>Key dates</b> Earliest possible start date for the project post approval, funding contract and procurement</p>											
<p>Proposed Start Date</p>	<p>February 2021</p>										
<p>Proposed End Date</p>	<p>March 2022</p>										

employment roles created within the councils through the Governments Kickstart scheme. There is also an opportunity for other public sector employers to make commitments to secure Kickstart places and extend using their own resources.

<sup>2</sup> LLEP Annual Economic Profiles

<sup>3</sup> TUC, [Research Note: Young Workers and At-Risk Industries](#), 12 June 2020

<sup>4</sup> M Gustafsson, *Young workers in the coronavirus crisis: Findings from the Resolution Foundation's coronavirus survey*, Resolution Foundation, 19 May 2020

<p>How will this intervention be delivered ? Provide a brief commentary to demonstrate that the project will be commenced by the stated date and the delivery criteria</p>	<p>It is proposed to tender for an organisation to act as the managing agent for this intervention. Given the number of Gateway providers in the area who will already be managing the process on behalf of employers and will be familiar with the processes and procedures this represents a reasonable option. Clearly the chosen Gateway would be expected to operate with impartiality regarding the selection of placements and employers against the finalised criteria.</p> <p>This intervention cannot be implemented until the end of the first six months of DWP Kickstart Funding, however, in order to secure placements, associated marketing and communications will need to be in place prior to this in order for a pipeline of suitable placements to be secured.</p> <p>Further work will need to be undertaken in establishing any criteria for selection for the extended placement and how this will be managed effectively, given the number of Gateway Providers in operation.</p>
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**Strategic Case**  
 The objective is to provide detailed evidence to demonstrate that the project has a clear rationale, it will deliver economic growth benefits resulting from further investment, it is affordable with a clear funding strategy and delivery issues are understood.

**Problems, Barriers to Growth and Rationale for Intervention**

<p>How is the project State Aid compliant? Briefly explain why support is State Aid compliant.</p>	<p>The project will adhere to State Aid regulations</p> <p>The table below shows a State Aid test for the application and the final beneficiaries:</p> <table border="1" data-bbox="475 1249 1481 1541"> <thead> <tr> <th></th> <th>A Applicant</th> <th>B Final Beneficiaries</th> </tr> </thead> <tbody> <tr> <td>1) Transfer of state resources</td> <td>✓</td> <td>✓</td> </tr> <tr> <td>2) To an Undertaking</td> <td>✓</td> <td>✓</td> </tr> <tr> <td>3) Advantage</td> <td>☒</td> <td>✓</td> </tr> <tr> <td>4) Selective Advantage</td> <td>✓</td> <td>✓</td> </tr> <tr> <td>5) Distorting Competition</td> <td>☒</td> <td>✓</td> </tr> <tr> <td>6) Affecting Trade between member states</td> <td>☒</td> <td>✓</td> </tr> </tbody> </table> <p>The project has considered other state aid solutions but based on existing Kickstart requirements and processes implemented for similar projects such as the Step Up Scheme, De Minimis is the proposed route.</p>		A Applicant	B Final Beneficiaries	1) Transfer of state resources	✓	✓	2) To an Undertaking	✓	✓	3) Advantage	☒	✓	4) Selective Advantage	✓	✓	5) Distorting Competition	☒	✓	6) Affecting Trade between member states	☒	✓
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**Economic Case**  
 Demonstrate that the project will best deliver existing and future needs, with clear outputs, outcomes and economic impacts.

**Investigation of Options**

<p><b>Rationale for public sector intervention:</b> You must demonstrate that the funding requested is the minimum required in support of the project and that you have exhausted all other private sector funding opportunities.</p>	<p>There has already been an overwhelming demonstration of demand for the Kickstart scheme from businesses. This funding is deemed the minimum needed in order to support a sizeable cohort of young people and businesses. Any smaller cohort would render the project aims negligible. The private sector funding options are not considered an option due to the current economic crisis.</p>
<p>Demonstrate that a range of options has been considered. Why is this solution the best option? What are the impacts of doing nothing? (max 400 words)</p>	<p>There is an option of do nothing – given the current demand and need for support amongst the business community and the scarring effect that unemployment is predicted to have on 18 this is not deemed an appropriate option.</p> <p>Reducing the funding allocation is an option but reducing the total pot available will limit the reach and impact of this funding</p> <p>The other option would be reducing the length of the extension to enable more businesses and young people to have extended placements, however, it is felt that offering a year's placement in total would accrue greater benefits to both individual and business.</p>
<p>Demonstrate and evidence that the funding would represent value for money. (</p>	<p>This funding will have a twofold benefit:</p> <ol style="list-style-type: none"> <li>1. Enable employers to keep a young person on for a year rather than 12 months and therefore benefit from a longer period of contribution to the business, together with efficiencies gained from not having to train up two six-month placements over a year.</li> <li>2. Further improve the employment prospects of the young person participating in the scheme.</li> </ol> <p>The value for money represented by schemes of this nature has been evidenced through similar schemes in the past, e.g. Future Jobs Fund (2009-2011) which created 756 jobs, 63% of participants did not return to claiming benefit, 33% went into further education. Similarly, the Step-Up scheme (2013-2015) created 258 jobs and 75% did not return to claiming benefit, this scheme also benefited from extended placement duration.<sup>5</sup></p>
<p>Is the project scalable? If so what is the minimum amount of funding required.</p>	<p>The project could be expanded to increase the number of extended work placements should additional funding become available.</p>
<p><b>Outputs, Outcomes and Impact</b></p>	
<p><b>The funding recipient will be responsible for reporting against all outputs, outcomes and impacts detailed below.</b></p>	
<p><b>Impacts</b> Please identify the impacts this project will have. Consider issues including unlocking sustainable economic growth, social inclusion, wellbeing and environmental sustainability.</p>	

<sup>5</sup> Data source: Leicester City Council

Outputs and outcomes	Quantity (e.g. number of jobs, number of new homes)	Baseline value	Assessment (e.g. who will measure the outcome, when and how will it be measured)
Number of businesses supported	90 extended work placements		Selected managing agent
<p>Please outline whether the intervention will be targeted</p> <p>Who will be affected by the intervention? Will the impact be positive or negative? Please explain. (Max 100 words)</p>	<p>The opportunity will be available to SMEs throughout the LLEP area. Criteria for selection will be developed in consultation with the Growth Hub and Skills Advisory Panel but support could be targeted at occupational areas sectors where employers have a high demand. For example, initial interest in the scheme has shown a high demand for digital roles, e.g. digital marketing coordinator.</p> <p>The scheme would also encourage employers to consider continuing employment and individual progression via an apprenticeship route following the end of the placement.</p>		
<p>Please identify how the intervention supports sustainable economic growth, social inclusion, wellbeing and environmental sustainability.</p>	<p>Responding to the immediate effects of COVID 19 is a national priority for both Government, LLEP, and partners and stakeholders who are playing a key role in supporting businesses and individuals and have seen a significant increase in numbers of businesses requesting advice and support.</p>		
<p>Please explain any criteria that should be considered as part of this intervention</p>			

**Financial Case**

**Demonstrate adequate consideration of costs and funding strategy. Please provide the annual cost profile for the life of the project. You will be expected to deliver the scheme within the cost profile when agreed. Confirmation will be required that any cost overruns will be met by the project sponsor.**

What is the total cost of the project/support (£'s)?	£500K
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**Funding Requirements and Match Funding**

What is the total minimum funding requirement being requested (£'s)?	£500K – reducing the number of participants
What is the total match funding that will be provided (£'s)?	None, although employers may wish to pay for either increased hours or higher wages for participants over an above what is available through the scheme.

**Capacity and Risk Management**

Briefly explain the most significant risks to the **overall delivery** of the project, including financial and commercial risks, and proposed mitigation (e.g. resource capacity, procurement issues, uncertainties on business cases, cost overruns. Identify proposed mitigation measures. add rows as necessary)



Risk Identifier	Risk name	Description of risk including potential impact. And mitigation
1	Future funding duplication	Government announces extension to Kickstart Scheme at a later date, rendering the additional funding unusable. This is unlikely, given that employers are being encouraged to take on successive Kickstart placements when one comes to an end.
2	Lack of demand	Initial demand for the Kickstart scheme is high among businesses in Leicester and Leicestershire and therefore lack of demand is not considered a high risk. However, should demand be lower than anticipated the scheme will be supported by increased marketing and communications.
3	Slippage to delivery	As the funding extension will not take effect until the first 6 months Kickstart placement has completed, it is felt that there is sufficient time to plan and ensure timely delivery.

**Supporting Information**

<p>Supporting Documents – If you have a Business case already developed for other funding please include this in your response alongside any other relevant documentation</p>	<div style="border: 1px solid black; height: 40px; width: 100%;"></div>
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## LLEP CASE -COVID RECOVERY

Overview	
Investment area	Business Finance LLEP wide
Provide a brief overview of the proposed support	<p>A sector targeted LLEP grant scheme for SME support, offering grants typically in the range of £1,000 - £3,000, although on an exceptional basis the grant recipient may be able to grant up to a maximum of £5,000.</p> <ul style="list-style-type: none"> <li>• These grants will typically support: - 1-2-1 specialist advice which SMEs could call on to address their immediate needs in response to the impact of COVID 19 e.g. HR, accountants, legal, financial, H&amp;S, IT / digital or sector specialists etc.</li> <li>• This could also include supporting SMEs with productivity improvements such as enhanced use of digital tools such as yield management software, mentoring, networking or other measures.</li> <li>• It could also support to develop innovative delivery in a socially distanced economy – for example, new ways of delivering cultural events and festivals that are so critical to the visitor experience; and / or</li> <li>• purchase of minor equipment to adapt or adopt new technology in order to continue to deliver business activity or diversify in response to COVID 19.</li> </ul>

<p>Please explain the need for funding and how this contributes to economic recovery.</p>	<p>Businesses are currently facing unprecedented change and impact due to the current economic crisis caused by the COVID 19 global pandemic.</p> <p>One quarter of companies in the UK temporarily closed because of the coronavirus lockdown and the majority of those still operating have reported lower turnover, according to the ONS1.</p> <p>Whilst Government has introduced a number of financial measures to support businesses in response to the impact of COVID 19 to minimise business failure and to support businesses in retaining staff until the control measures are alleviated, a numbers of businesses are seeking specialist advice to further mitigate the impacts in order to build in resilience within their business or address potential new opportunities and require ongoing support to innovate, scale or meet their own growth path.</p> <p>Responding to the immediate effects of COVID 19 is a national priority for both Government , LLEP partners and the Growth Hub who is playing a key role in supporting businesses and have seen a significant increase in numbers of businesses requesting advice be it directing businesses to the right sources of support, providing practical advice or adapting quickly to new business operating models.</p> <p>In addition to the core funding from BEIS which Growth Hubs receive on an annual basis £536 k an additional £568 k ERDF Kickstarter fund was awarded to support immediate measures in response to COVID 19 with the current priority to be on business safeguarding and survival. The core funding from the Growth hub cannot be used to provide any direct grants.</p> <p>Support for Businesses has been provided through the Local Authorities, the County recovery grant programme provides grants between £2- £10k and whilst there is a small overlap county have advised us that they are turning down grants below their minimum threshold. There are very few other grants available to businesses at this level. The current ERDF kickstarter grant launched in September 2020. The Growth hub has resource for up to 189 businesses , over 280 applications were submitted and the grants team within the Growth hub /Leicester City Council are currently assessing these applications. A summary of these are expected in November 2020</p> <p>The desire is to extend this to those sectors most adversely affected by the Pandemic – hospitality, events and tourism related businesses. These needs are being addressed through this specification</p>
<p>Funding Requested</p>	<p>£300k</p>

<b>Key dates</b> Earliest possible start date for the project post approval, funding contract and procurement	
Proposed Start Date	January 2021
Proposed End Date	June 2021
How will this intervention be delivered ? Provide a brief commentary to demonstrate that the project will be commenced by the stated date and the delivery criteria	<p>The Growth hub kickstart and Growth hub business growth grants are being supported by an experienced grants team situated within Leicester City Council who are embedded within the ERDF element of the Growth hub and supported by a seconded project officer from the LLEP. It is proposed that the application process and the monitoring and contracting arrangements are managed by this team and supported by the wider Growth hub team to help with promotion and referrals etc. The team have advised that there will be capacity to deliver this in the New Year.</p> <p>We have quickened the process up for the new grants to ensure that the grants can be processed in line with the above timescales. This is outlined in the end to end process map provided.</p> <p>A few major elements are 1) we will just be seeking full application (no expression of interest; 2) we be signing the applications of weekly rather than monthly in terms of grant panel; 3) we have quickened the payment process to release the payment to the business quicker and thereby getting defrayed from the city council account; 4) we have reviewed the grant documentation to make this simpler for the business to complete and understand whilst ensuring the grant is still compliant; 5) we have doc u sign which will quicken the contract processing</p>

**Strategic Case**  
 The objective is to provide detailed evidence to demonstrate that the project has a clear rationale, it will deliver economic growth benefits resulting from further investment, it is affordable with a clear funding strategy and delivery issues are understood.

**Problems, Barriers to Growth and Rationale for Intervention**

<p>How is the project State Aid compliant? Briefly explain why support is State Aid compliant.</p>	<p>The project will adhere to State Aid regulations</p> <p>The table below shows a State Aid test for the application and the final beneficiaries:</p> <table border="1" data-bbox="756 421 1501 853"> <thead> <tr> <th></th> <th>A Applicant</th> <th>B Final Beneficiaries</th> </tr> </thead> <tbody> <tr> <td>1) Transfer of state resources</td> <td>✓</td> <td>✓</td> </tr> <tr> <td>2) To an Undertaking</td> <td>✓</td> <td>✓</td> </tr> <tr> <td>3) Advantage</td> <td><input checked="" type="checkbox"/></td> <td>✓</td> </tr> <tr> <td>4) Selective Advantage</td> <td>✓</td> <td>✓</td> </tr> <tr> <td>5) Distorting Competition</td> <td><input checked="" type="checkbox"/></td> <td>✓</td> </tr> <tr> <td>6) Affecting Trade between member states</td> <td><input checked="" type="checkbox"/></td> <td>✓</td> </tr> </tbody> </table> <p>The project has considered other state aid solutions but based on the intervention rate, commitment requirements and the existing growth hub project which is run under De Minimis, the project De Minimis is the proposed route.</p>		A Applicant	B Final Beneficiaries	1) Transfer of state resources	✓	✓	2) To an Undertaking	✓	✓	3) Advantage	<input checked="" type="checkbox"/>	✓	4) Selective Advantage	✓	✓	5) Distorting Competition	<input checked="" type="checkbox"/>	✓	6) Affecting Trade between member states	<input checked="" type="checkbox"/>	✓
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**Economic Case**  
**Demonstrate that the project will best deliver existing and future needs, with clear outputs, outcomes and economic impacts.**

**Investigation of Options**

<p><b>Rationale for public sector intervention:</b> You must demonstrate that the funding requested is the minimum required in support of the project and that you have exhausted all other private sector funding opportunities.</p>	<p>There has already been a demonstration of demand from businesses. This funding is deemed the minimum needed in order to support as many businesses as possible that have been adversely affected due to COVID. There will be limited credibility in launching a business support programme at a lower level. The private sector funding options are not considered an option due to the current economic crisis.</p>
<p>Demonstrate that a range of options has been considered. Why is this solution the best option? What are the impacts of doing nothing? (max 400 words)</p>	<p>There is an option of do nothing – given the current demand and need for support amongst the business community this is not deemed an appropriate option.</p> <p>Reducing the funding allocation is an option but reducing the total pot available will limit the reach and impact of this funding</p>
<p>Demonstrate and evidence that the funding would represent value for money. (max 400 words)</p>	<p>The funding hopes to provide support to circa 150 businesses (average of £2k per business supported)</p>

<p>Is the project scalable? If so what is the minimum amount of funding required.</p>	<p>Yes the funding can be reduced and increased to either reduce or increase the number of businesses that are supported.</p>		
<p><b>Outputs, Outcomes and Impact</b></p>			
<p><b>The funding recipient will be responsible for reporting against all outputs, outcomes and impacts detailed below.n</b></p>			
<p><b>Impacts</b> Please identify the impacts this project will have. Consider issues including unlocking sustainable economic growth, social inclusion, wellbeing and environmental sustainability.</p>			
<p>Outputs and outcomes</p>	<p>Quantity (e.g. number of jobs, number of new homes)</p>	<p>Baseline value</p>	<p>Assessment (e.g. who will measure the outcome, when and how will it be measured)</p>
<p>Number of businesses supported /safeguarded</p>	<p>200</p>		<p>Growth hub grant staff</p>
<p>Please outline whether the intervention will be targeted</p> <p>Who will be affected by the intervention? Will the impact be positive or negative? Please explain. (Max 100 words)</p>	<p>This grant will be available throughout the LLEP area. The LLEP and Growth hub team are advising that this support should be targeted at the following sectors that have been adversely affected by the pandemic</p> <ul style="list-style-type: none"> <li>• Events and hospitality</li> <li>• Tourism related businesses</li> <li>• Retail</li> <li>• Professional Services</li> <li>• Estate Agents</li> <li>• Motor Trade</li> </ul>		
<p>Please identify how the intervention supports sustainable economic growth, social inclusion, wellbeing and environmental sustainability.</p>	<p>Responding to the immediate effects of COVID 19 is a national priority for both Government , LLEP partners and the Growth Hub who is playing a key role in supporting businesses and have seen a significant increase in numbers of businesses requesting advice be it directing businesses to the right sources of support, providing practical advice or adapting quickly to new business operating models</p>		
<p>Please explain any criteria that should be considered as part of this intervention</p>	<p>Please see attached grant policy document</p>		
<p><b>Financial Case</b> Demonstrate adequate consideration of costs and funding strategy. Please provide the annual cost profile for the life of the project. You will be expected to deliver the scheme within the cost profile when agreed. Confirmation will be required that any cost overruns will be met by the project sponsor.</p>			

What is the total cost of the project/support (£'s)?	£300k
<b>Funding Requirements and Match Funding</b>	
What is the total minimum funding requirement being requested (£'s)?	£100k to have any credibility with the launch of a grant fund and to have any impact.
What is the total match funding that will be provided (£'s)?	None although there will be private sector leverage .

<b>Capacity and Risk Management</b>		
Briefly explain the most significant risks to the <b>overall delivery</b> of the project, including financial and commercial risks, and proposed mitigation (e.g. resource capacity, procurement issues, uncertainties on business cases, cost overruns. Identify proposed mitigation measures. add rows as necessary)		
Risk Identifier	Risk name	Description of risk including potential impact. And mitigation
1	Grant demand	Take up of demand for the grant is not considered a key risk due to the demand already demonstrated for the current ERDF kickstart grant .This fund has the potential to be more flexible as it is not ERDF restricted. However should demand be lower than anticipated the scheme will be supported by marketing and communications and referrals form Business Advisors within the growth hub and other partner organisations
2	Funding compliance	The grant team are highly experienced and have well developed processes to protect the funding being used fraudulently or not in accordance with the grant conditions
3	Slippage to delivery	The grant team believe that should this funding be approved we can mobilise and undertake as many of the preparations ready to deliver in January 2021.

<b>Supporting Information</b>	
Supporting Documents – If you have a Business case already developed for other funding please include this in your response alongside any other relevant documentation	Process flow chart Grant policy





ENSURE MASTER SPREADSHEET UPDATED WITH EVERY ACTION UNDERTAKEN



## **Business Gateway Growth Hub Small Business Recovery Grant Scheme** **Grants Policy**

The following guidance provides an overview of the grant and process.

There is a limited budget available so grants will be awarded on 1<sup>st</sup> come 1<sup>st</sup> allocated basis, subject to submission of full application form and supporting documentation.

### **1. Grant Values**

- 1.1. The total grant pot available is £ 300k Revenue The maximum grant is £3,000 and the minimum grant is £1,000. The maximum project size is £24,999
- 1.2. The minimum value per supplier is £250 and the maximum number of suppliers per project is 5.
- 1.3. The grant is not needed to be financially matched by the SME and is 100% funded.

### **2. Eligibility and Prerequisites**

- 2.1. SMEs located in Leicestershire eligible for ERDF support can access the Business Gateway Growth Hub Small Business Recovery Grant.
- 2.2. In order to access the grant, the SMEs must be able to identify **an impact that COVID-19 has had on their business and that the purchases will directly support the business in relation the impact of COCOVID-19**. Impact can be described as:
  - Loss of income
  - Lost / reduced customer base
  - Changes to working practices (e.g. temporary closure of business premises, increased remote working, etc.)
  - Reduced workforce (e.g. furloughed staff, redundancies, etc.)
  - Inability to source materials from suppliers
- 2.3. The following sectors are Ineligible for this grant:
  - Financial Services, banking and insurance
  - Coal, steel and shipbuilding
  - Fishery and Aquaculture
  - Agricultural products
  - Synthetic fibres sector
  - Establishments providing generalised (school age) education
  - Local social welfare facilities e.g. hospitals, nursing homes, day nurseries, child minding facilities, sports facilities, parks
  - Coastal protection, soil conservation and infrastructures
  - Building and renovation of housing

### **3. Eligible Expenditure**

The information below details what items of expenditure are eligible to receive a COVID-19 grant. It is based on the published Eligibility guidance dated

#### **3.1. Eligible Revenue Expenditure**

SMEs will be assessed to determine whether they are eligible in accordance with national guidance and the De Minimis regulation – see section 5 below. Non-eligible businesses are listed in point 2.4 below.

- 1-2-1 specialist consultancy advice which SMEs could call on to address their immediate needs in response to the impact of COVID-19 e.g. HR, accountants, legal, financial, H&S, IT / digital or sector specialists etc. and / or
- purchase of minor equipment to adapt business processes, e.g. wash station, disinfectant fogging machine; hands free thermometer; equipment to support movement of business activities outside; or
- to adopt new technology in order to continue to deliver business activity or diversify in response to COVID-19 – e-commerce platforms, contactless payment systems, website developments such as e-commerce systems, software development, IT hardware and software to support remote working.

### 3.2. Ineligible revenue Expenditure

The following individual revenue costs are not eligible under this grant scheme:

Examples of what the Grant cannot support is listed below

- purchase of “standard” office information technology equipment such as laptops, or PC’s unless this has been highlighted as a requirement to enable remote working. Macbook will not be eligible
- Shop frontage improvements (i.e awnings)
- Social media subscriptions
- Training Qualifications
- ongoing normal business costs (i.e. business rates, overheads, basic equipment and tools required to undertake the economic activity etc.)
- costs associated with a statutory requirement for the business
- any costs that have already been incurred prior to receiving the Grant approval
- Marketing associated to place/destination marketing will not be supported. Eligible marketing / Online costs need clearly demonstrate the impact of COVID 19 to the SME and how the marketing activities will help to address the impact of COVID 19.
- Purchase of equipment and consumables associated with PPE and social distancing measures
- Research and development costs
- Cost of business trips, other travel and subsistence
- Shared/apportioned costs – including shared/apportioned premises and running costs
- Direct staff costs
- Ongoing normal business costs (i.e. business rates, overheads, basic equipment and tools required to undertake the economic activity etc.)
- Premises costs, including lease costs and associated running costs which are shared / apportioned
- Notional costs, for example, where an item usually retails at £x, but the applicant buys it cheaper but claims the difference between the price paid and £x
- Payments for activity of a political nature
- Provisions – i.e., money set aside to pay for future events e.g. sink funds
- Contingencies and contingent liabilities
- Dividends
- Interest or service charges arising on debt incurred including finance leases, hire purchase and credit arrangements
- Costs resulting from the deferral of payments to creditors

- Costs involved in winding up a company
- Payments for unfair dismissal
- Compensation for loss of office
- Bad debts arising from loans to employees, proprietors, partners directors, guarantors or shareholders
- Paying off debts or refinancing
- Payments for gifts and donations
- Entertainment costs, including food and drink provided as part of a meeting \*
- Purchase of land or buildings for financial investments
- Salaries, travel or subsistence
- Any statutory or legislative obligations, duties or requirements
- Criminal fines and damages
- Legal expenses in respect of litigation
- Costs incurred by individuals in setting up and contributing towards private pension schemes, or the setting up of such schemes by organisations in receipt of ERDF
- Costs incurred by organisations in relocating personnel displaced by the refurbishment or conversion of a building for ERDF use.
- Any low carbon or renewable energy technology were the applicant would receive Feed in Tariff (FiT) or Renewable Heat Incentive (RHI) payments.

#### 4. Procurement

- 4.1. The applicant will be encouraged to test the market and gather 3 quotes for all items of expenditure. If 3 quotes cannot be identified, a clear justification should be provided to explain (this should only be used as last resort). The grant will be based on the price quoted by the preferred supplier which may not necessarily be the lowest priced.
- 4.2. The minimum value is £250 and the maximum value of any single item being purchased with the grant must not exceed £24,999

#### 5. Forms and paperwork used in the administration of the system;

- 5.1. The application process will be managed via a 3 stage process.
- 5.2. Businesses applying for funding will contact Business Growth Hub by phone or complete a registration of interest and outline their project idea and how this links to the impact of COVID-19 on the business.
- 5.3. The applicant has a maximum of 6 weeks to deliver the project and claim the grant
- 5.4. A formal eligibility check will be completed using the Grant Application Form which checks all eligibility criteria with the business before the grant application is assessed.
- 5.5. The business will be asked to complete an application form which will be emailed to them. This will include instructions as to how to complete the application. They will have **3 weeks** to complete this step and provide the required quotations
- 5.6. Once the application and quotes have been checked an assessment will be made by an approved staff member. A contract will be issued with the claim process for you to claim within **6 weeks** of the grant award, if successful. The claims process will check payment and expenditure in line with the funding agreement and then authorised payment.

## Annex 1

### Eligible Tourism SIC Codes

SIC Code	Description	Tourism Sector
49.1	Passenger rail transport, interurban	Railway passenger transport services
49.32	Taxi operation	Road passenger transport services
49.39	Other passenger land transport n.e.c.	Road passenger transport services
50.1	Sea and costal passenger water transport	Water passenger transport services
50.3	Inland passenger water transport	Water passenger transport services
51.1	Passenger air transport	Air passenger transport services
55.1	Accommodation	Accommodation services for visitors
55.2	Accommodation	Accommodation services for visitors
55.3	Accommodation	Accommodation services for visitors
55.9	Accommodation	Accommodation services for visitors
56.1	Food and beverage service activities	Food and beverage serving activities
56.21	Food and beverage service activities	Food and beverage serving activities
56.29	Food and beverage service activities	Food and beverage serving activities
56.3	Food and beverage service activities	Food and beverage serving activities
68.2	Renting and operating of own or leased real estate	Exhibitions & Conferences etc
77.11	Renting and leasing of cars and light motor vehicles	Transport equipment rental services
77.21	Renting and leasing of recreational and sports goods	Sport and recreation activities
77.34	Renting and leasing of water transport equipment	Transport equipment rental services
77.35	Renting and leasing of air transport equipment	Transport equipment rental services
79.11	Travel agency and tour operator activities	Travel agencies & other reservation services
79.12	Travel agency and tour operator activities	Travel agencies & other reservation services
79.9	Other reservation service and related activities	Travel agencies & other reservation services
82.3	Organisation of conventions and trade shows	Exhibitions & Conferences etc
90.01	Performing arts	Cultural activities
90.02	Support activities to performing arts	Cultural activities
90.03	Artistic creation	Cultural activities
90.04	Operation of arts facilities	Cultural activities
91.02	Museum activities	Cultural activities
91.03	Operation of historical sites and buildings and similar visitor attractions	Cultural activities
91.04	Botanical and zoological gardens and nature reserve activities	Cultural activities
93.11	Operation of sports facilities	Sport and recreation activities
93.19	Other sports activities	Sport and recreation activities
93.21	Activities of amusement parks and theme parks	Sport and recreation activities
93.29	Other amusement and recreation activities	Sport and recreation activities

Oct 2020

## LLEP CASE - COVID RECOVERY

### Overview

Investment area	LLEP wide – MIT REAP Delivery
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Provide a brief overview of the proposed support

The proposal builds on the investment by the LLEP and BEIS into the MIT REAP (Regional Entrepreneurship Accelerator Programme) in 2019, to accelerate entrepreneurship and innovation by mapping and developing an innovation framework to support our economy. This proposal is focussed on a dedicated interventions and package of activities to enable and support the delivery of the 'Beacons and Bootstraps' vision across the LLEP area developed in the MIT REAP Programme.

This support will be needed in order to ensure that we are ready to engage with key stakeholders including corporates, innovation-driven enterprises and manufacturing companies, to deliver the 'must win battles' as part of the MIT REAP Programme and support the transition and innovation supported recovery from Covid-19.

Support is focussed around the following interventions

**Brokering (Demand)** – The REAP group recognised that while Leicestershire's existing business support infrastructure and its universities have forged excellent links with businesses, that these typically channel support to niche areas of research, or offer generic support to start-ups and scale-ups, whereas more specialist provision is needed to transition mature manufacturing sectors to beacon activity. The ask is for £65k (grade 11) to provide funding for a post between March 2021 and March 2022. It is envisaged that this role will focus on the following remit

- develop and maintain a relationship and awareness of relevant provisions and expertise resident within the MIT REAP team
- proactively coordinating and audience-testing offers to ensure offers are appropriately marketed, use correct language and establish feedback loops to ensure effectiveness is achieved and maintained
- deliver the MWB project, likely to require centralising relevant information and contacts, engaging and horizon scanning for relevant organisations and schemes to ensure state of the art thinking, lead the development and delivery of the project as above
- take responsibility for ensuring actions are delivered and outputs are submitted for the remainder of the MIT REAP project
- be responsible for ensuring the website, comms and profile of the project remain high
- help develop a strategy for sustainability of the project
- help develop other streams of activity for delivery in parallel or after the MWB stage (e.g. Beacon activity)
- support, coordinate and develop the Innovation Board membership and agenda

### **Inspiring and enabling innovation**

The MIT REAP programme mapping and assessment of our region highlighted that our region has many of the essential ingredients necessary to support innovation and innovation driven enterprises but they are fragmented and mainly operating in their own sectors.

46

We have activity and events such as Leicester Innovation Week (takes place once a year), delivery from our innovation



Please explain the need for funding and how this contributes to economic recovery.

With an economy worth £24.5bn in GVA per annum, equivalent to around a quarter of the East Midlands total (1) Leicester and Leicestershire is home to over 42,000 businesses. With the work of the Local industrial strategy and the work undertaken by the MIT REAP group there is a robust evidence base that draws on a mix of published data, forecasts, consultations, and strategy documents as well as existing studies and business surveys.

Low productivity and now business survival, identified across a range of indicators is **the** major challenge faced by the LLEP, almost all of the challenges and opportunities faced by the LLEP area relate to how to enable or promote improved productivity and survival across its economy. Evidence shows that R&D spend by a company is positively correlated with underlying productivity performance. Developing new and innovative technologies also results in wider benefits to the economy and society as many of the benefits of R&D are shared by other firms, particularly ones located locally, either through spill-overs, or because of links within a value chain

Innovation across the LLEP area is supported by the presence and associated activities of its three universities. There are many examples of where the three universities are leading research and the available evidence suggests that these institutions proactively engage with local communities and businesses.

However, R&D spend in the Leicestershire, Rutland & Northamptonshire NUTS2 region (3) has remained relatively unchanged in recent years, despite growth across the UK, sectoral employment and occupational data shows that higher value-added roles and those linked to research and innovation are becoming more important in the local area. A **key challenge** is to achieve faster growth in these roles and to reverse the falls in HE R&D spend (4) spend whilst encouraging investment and engagement by the private sector and to provide a more effective ecosystem that can address this.

LLEP Business Gateway Growth Hub has recently been strengthened and is currently undergoing a period of transformational change and enhanced delivery through the provision of scale up support and investment readiness. LLEP have a new business board whose key purpose is to ensure a more effective and productive local business ecosystem.  
continued

One of the early workstreams of the MIT REAP group is to address the problem of **how to move small businesses up the value chain** and increase innovation, growth and survival activity across the local business base, building on current initiatives such as the annual Innovation Week where the Growth Hub works closely with Innovate UK and local partners such as the three universities to stimulate interest and foster increased collaboration between universities and businesses, to commercialise new ideas and support the adoption of new technologies and processes to improve productivity and competitiveness.

While there are notable examples of successful knowledge transfer between university and manufacturing, this is not the picture overall. There are absences in the ties between universities and some leading manufacturing companies, **47** together with an underperforming mid-sized manufacturing and retail sector (£2.1bn), represents latent potential for economic growth. Leicestershire's

Funding Requested	£100k
<b>Key dates</b> Earliest possible start date for the project post approval, funding contract and procurement	
Proposed Start Date	January 2021
Proposed End Date	March 2022
How will this intervention be delivered ? Provide a brief commentary to demonstrate that the project will be commenced by the stated date and the delivery criteria	The innovation board will have oversight of this work when established. Until that point the MIT REAP group, a multi - agency partnership facilitated by the LLEP, will have oversight of the workplan, be responsible for the procurement of activity and provide regular updates on progress to the Investment Panel/LLEP Innovation Board.

**Strategic Case**  
The objective is to provide detailed evidence to demonstrate that the project has a clear rationale, it will deliver economic growth benefits resulting from further investment, it is affordable with a clear funding strategy and delivery issues are understood.

**Problems, Barriers to Growth and Rationale for Intervention**

How is the project State Aid compliant? Briefly explain why support is State Aid compliant.	This will be dealt with through procurement of the activity. Where there is an economic undertaking and a business is directly benefitting from support “de minimus” will be applied
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**Economic Case**  
Demonstrate that the project will best deliver existing and future needs, with clear outputs, outcomes and economic impacts.

**Investigation of Options**

<b>Rationale for public sector intervention:</b> You must demonstrate that the funding requested is the minimum required in support of the project and that you have exhausted all other private sector funding opportunities.	The MIT REAP are engaging with corporates, whilst it is clear that there is an interest in supporting the work of the MIT REAP group these are preliminary pieces of work, so the private sector funding opportunities will not enable this work – however the potential for wider roll out of investable projects on the back of this work is significant.
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<p>Demonstrate that a range of options has been considered. Why is this solution the best option? What are the impacts of doing nothing? (max 400 words)</p>	<p>The ‘do nothing option’ is unlikely to result in a step change within the local economy. The ability to support innovation driven entrepreneurship will be severely curtailed. The evidence and research undertaken by the work of the MIT REAP group have indicated that the current ecosystem will not be able to deliver the change that is required.</p> <p>The MIT REAP are engaging with corporates, whilst it is clear that there is an interest in supporting the work of the MIT REAP group these are preliminary pieces of work, so the private sector funding opportunities will not enable this work – however the potential for wider roll out of investable projects on the back of this work is significant.</p> <p>The impact of doing nothing would be two fold –</p> <ul style="list-style-type: none"> <li>• Local businesses won’t be supported and their productivity and viability will suffer due to inability to keep pace with the innovation agenda.</li> <li>• the step changes in the business support ecosystem will not occur.</li> </ul>
<p>Demonstrate and evidence that the funding would represent value for money. (max 400 words)</p>	<p>This funding represents value for money in that the work of the MITREAP officer will ‘pump-prime’ a joined-up and collaborative approach to Innovation leveraging in funding in due course from the Corporate sector who are willing to look at developing innovation platforms aimed at their own supply chain within the LLEP area. This could not be achieved without a dedicated resource.</p> <p>Addressing and supporting innovation driven entrepreneurship in Leicester and Leicestershire can only be achieved through a partnership approach, and the provision of a dedicated resource to facilitate this will result in the delivery of key MIT REAP actions that will help change the ways in which we support innovative growth within companies. The group could look to seek support from other organisations, none of the current partners currently have any discretionary funding to enable the work programme of the MIT REAP and it is critical that we begin to build a different ecosystem now to help support businesses looking at innovation as a means to recover and grow and to help “future proof” and build a more resilient SME base in the LLEP area.</p>
<p>Is the project scalable? If so what is the minimum amount of funding required.</p>	<p>Yes there are different elements of the support that the LLEP may wish to support. Parts are scalable – we would be able to identify more projects to conduct feasibility on, and as the businesses section develop we would be able to scale this activity., however the combined package of support offers the best option . There would be little point in providing funding for a post with no budget to help facilitate delivery and vice versa.</p>
<p><b>Outputs, Outcomes and Impact</b></p>	
<p><b>The funding recipient will be responsible for reporting against all outputs, outcomes and impacts detailed below.</b></p>	
<p><b>Impacts</b> Please identify the impacts this project will have. Consider issues including unlocking sustainable economic growth, social inclusion, wellbeing and environmental sustainability.</p>	

Outputs and outcomes	Quantity (e.g. number of jobs, number of new homes)	Baseline value	Assessment (e.g. who will measure the outcome, when and how will it be measured)
<p>Please outline whether the intervention will be targeted</p> <p>Who will be affected by the intervention? Will the impact be positive or negative? Please explain. (Max 100 words)</p>	<p>There will be an initial focus on the manufacturing sector which has been left behind( see below)</p>		

<p>Please identify how the intervention supports sustainable economic growth, social inclusion, wellbeing and environmental sustainability.</p>	<p>The work of the MIT REAP group has identified existing barriers (and challenges) that prevent the Leicestershire economy from developing to its full potential:</p> <ul style="list-style-type: none"> <li>• Tackling low productivity and low innovation in some sectors - through desk-based surveys, surveys and interviews, we have identified innovation gaps in manufacturing, retail, logistics and transport sectors.</li> <li>• Converting E-cap to I-cap – MIT REAP group identified high levels of entrepreneurship throughout the Leicestershire’s ecosystem and above-average business start-up rates, with a need to address low business survival rates, business scale-up, and to channel entrepreneurial behaviour into an innovation mindset.</li> <li>• Universities act as significant mentors for start-ups, and conduits for specialist knowledge diffusion and IP commercialisation but more can be done to address low connections between HE and mature, profit-squeezed manufacturing.</li> <li>• Strong sector-based connections, with fewer connections across sectors, revealing a risk of lock-in of skills and resources, and latent innovation potential from niche crossovers.</li> <li>• Mixed take-up of finance for innovation, and widespread perceptions that prevent take up of finance for economic growth.</li> <li>• Diverse spaces for knowledge transfer and technology diffusion, which remain untapped by some mature businesses and sectors.</li> </ul> <p>Leicestershire stakeholders agree that inclusive economic growth that benefits all and develops assets to their full potential will be beneficial in driving Leicestershire’s economy and levelling up performance. Levelling-up in the Leicestershire context is taken to mean a need to level up with London but to some extent, also with the Northern Powerhouse. Thus, we recognise a need to rebalance Leicestershire’s economy by tackling those sectors and places ‘left behind’ by economic and social deprivation, under-resourcing, and under-performing. The emphasis being on the end goals of employment, income, and wellbeing, but ‘levelling-up’ being visible inward investment, research and development, and public spending tied to economic growth.</p> <p>The Leicester and Leicestershire Enterprise Partnership through its preparation of a Local Industrial Strategy (LIS) identified previously the broad challenges of local under-investment in R&amp;D as a percentage of GVA (consistent with national research), a need for further commercialisation of ideas into new products and services, and a need for improved knowledge transfer through enhanced networking. Leicestershire, like the Midlands more generally, is an area of low private sector and low public sector R&amp;D; securing just 11 per cent of the R&amp;D investment of London (Eurostat, 2016) and falling short of the targets set nationally by Government (2.4 per cent of GDP). However rebalancing the UK’s R&amp;D landscape requires a broad capacity for research, which involves not only institutions with well-equipped facilities but also a supply of skilled people, and appetite for knowledge transfer and commercialisation of ideas, which has been revealed through analysis of the ecosystem.</p> <p>Responding to the immediate effects of COVID 19 is a national priority for both Government. This intervention will help support businesses seeking funding opportunities and support to help drive innovation and growth Supporting innovation links with a number of other partner and LLEP funded activity , there are clear linkages between the use of new innovative technologies and the delivery of a low carbon agenda.</p>
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Please explain any criteria that should be considered as part of this intervention	None although a focus will initially be on manufacturing companies as part of the MIT REAP vision
<b>Financial Case</b> Demonstrate adequate consideration of costs and funding strategy. Please provide the annual cost profile for the life of the project. You will be expected to deliver the scheme within the cost profile when agreed. Confirmation will be required that any cost overruns will be met by the project sponsor.	
What is the total cost of the project/support (£'s)?	£100k
<b>Funding Requirements and Match Funding</b>	
What is the total minimum funding requirement being requested (£'s)?	£100k
What is the total match funding that will be provided (£'s)?	0

<b>Capacity and Risk Management</b> Briefly explain the most significant risks to the <b>overall delivery</b> of the project, including financial and commercial risks, and proposed mitigation (e.g. resource capacity, procurement issues, uncertainties on business cases, cost overruns. Identify proposed mitigation measures. add rows as necessary)		
Risk Identifier	Risk name	Description of risk including potential impact. And mitigation
1	Funding is spread too thinly	There is a risk that funding won't be sufficient to deliver all the areas needed within this subject. This is mitigated by linking with other pieces of work being completed by partners and Growth Hub –
2	Additional resources are not identified	There is a need to work on a longer term proposal to support the work beyond the 12 month period . The MIT REAP group will work together to identify funding opportunities
3	Failure to procure consultancy to conduct research	This is widely researched field and the expectation is therefore that within the funding allowed there would be sufficient interest in a procurement exercise The Universities and other partners have significant knowledge of the suppliers that would be interested in the work
Failure to recruit		Failure to recruit would result in the project being delayed until the appointment of the Coordinator. Recent recruitment exercises have shown that due to the current circumstances, vacancies are experiencing high levels of applications from good quality candidates, this minimising the risk of appointments not being made and delaying the project. The Growth hub also has some funding in this financial year so will look to work with partners for a secondment post beginning in December 2020, this may be extended but will at least help to initiate the work that needs to be delivered.

**Supporting Information**

Supporting Documents – If you have a Business case already developed for other funding please include this in your response alongside any other relevant documentation

Please refer to the MIT REAP vision document which has been previously circulated to LLEP board members.





## LLEP CASE -COVID RECOVERY

Overview	
Investment area	Preparing for zero carbon
Provide a brief overview of the proposed support	<p>This proposal is focussed on a package to prepare for zero carbon across the LLEP area. In order to ensure that we are ready for the transition and for a green recovery from Covid-19 it is proposed that the LLEP carries out 3 distinct activities –</p> <ol style="list-style-type: none"> <li>1. Training – the LLEP needs to understand how zero carbon impacts across its work programmes and provide place leadership. This training would include the LLEP board so that there is coherence across the organisation and so that there is a vision that unites the LLEP’s zero carbon work. <b>£15k</b></li> <li>2. Zero carbon businesses – we need to understand a number of elements of the future growth needs of the Zero Carbon sector and the wider decarbonisation of businesses across the LLEP area. This is partly about gathering a focus group together of businesses engaged in the sector, but also understanding how to support businesses to reduce their emissions/impact and about designing a package to support the wider business community. At the core of this would be the trial of a product and support package which would see the LLEP leading the way in engagement with businesses.<b>£45k</b></li> <li>3. Project scoping – we need to start progressing local infrastructure projects in order to begin identifying large scale and visible projects in the LLEP area. This is partly about starting to identify strategic investment projects, partly about generating some local momentum, and partly about getting projects into the LLEP pipeline. <b>£40k</b></li> </ol>

<p>Please explain the need for funding and how this contributes to economic recovery.</p>	<p>This funding is needed because of the identification of zero carbon as a key component of the economic recovery on a national, regional and local basis. National funding is increasing in this area – partly as economic stimulus but also as part of the route to zero carbon by 2050. Regionally much emphasis is being placed on zero carbon activities, investment and R &amp; D – however there is a lack of distinct projects in the LLEP area, along with a national lack of direction for decarbonising the business community. The above interventions provide the basis for understanding the LLEP’s place in zero carbon, leading engagement with businesses on decarbonisation, building business cases for some key zero carbon investment projects and putting the LLEP area forward for investment. These taken together provide a coherent package of measures that will identify early projects for recovery, and set the conditions necessary for the Zero Carbon agenda to support growth as part of the recovery from Covid-19. The work clearly aligns with the draft Economic Recovery Strategy – with short-term measures linked across the LLEP team, measures to support businesses across sectors and identification of business cases for infrastructure projects. The work also aligns with other funding requests being considered by the LLEP –</p> <ul style="list-style-type: none"> <li>• It links with MIT REAP having a close correlation with the Beacons and Bootstraps approach – linking carbon innovation with the need for all businesses to decarbonise</li> <li>• It links with the need to support re-training and new skills by identifying the needs of the sector and involving the LLEP team in planning e.g. how zero carbon and identification of routes to employment can be included into the education system.</li> </ul>
<p>Funding Requested</p>	<p>£100,000</p>
<p><b>Key dates</b> Earliest possible start date for the project post approval, funding contract and procurement</p>	
<p>Proposed Start Date</p>	<p>1/1/2021</p>
<p>Proposed End Date</p>	<p>31/03/2022</p>
<p>How will this intervention be delivered ? Provide a brief commentary to demonstrate that the project will be commenced by the stated date and the delivery criteria</p>	<p>These interventions are a series of procured pieces of work with partners. Partners will need managing, and much of the work will involve other members of the LLEP team. Contracts will ensure that delivery is successful by the end date.</p>

**Strategic Case**

The objective is to provide detailed evidence to demonstrate that the project has a clear rationale, it will deliver economic growth benefits resulting from further investment, it is affordable with a clear funding strategy and delivery issues are understood.

<b>Problems, Barriers to Growth and Rationale for Intervention</b>	
How is the project State Aid compliant? Briefly explain why support is State Aid compliant.	This will be covered as part of the procurement process.
<b>Economic Case</b> Demonstrate that the project will best deliver existing and future needs, with clear outputs, outcomes and economic impacts.	
<b>Investigation of Options</b>	
<b>Rationale for public sector intervention:</b> You must demonstrate that the funding requested is the minimum required in support of the project and that you have exhausted all other private sector funding opportunities.	These are preliminary pieces of work, so the funding requested is necessary in order to enable the LLEP and wider business environment to be 'zero-carbon ready'. There are no private sector funding opportunities that can enable this work – however the potential for wider roll out of investable projects on the back of this work is huge.
Demonstrate that a range of options has been considered. Why is this solution the best option? What are the impacts of doing nothing? (max 400 words)	<p>The impact of doing nothing would be three fold –</p> <ol style="list-style-type: none"> <li>1. Local businesses won't be supported to decarbonise – their productivity and viability will suffer due to inability to keep pace with the zero carbon agenda.</li> <li>2. Infrastructure projects won't progress, and investment and project development will happen elsewhere in the midlands.</li> <li>3. The wider LLEP team will be ill-equipped to plan for the Green Recovery from Covid-19.</li> </ol> <p>Other options considered were –</p> <ul style="list-style-type: none"> <li>- Zero carbon grants for businesses – there is a risk that these could replicate green belle, and without the detailed understanding of what is needed locally we risk putting valuable resources in the wrong places – plus there isn't currently enough funding to make a big enough impact.</li> <li>- Employing a Zero Carbon policy officer – it is felt that zero carbon needs to become part of every role within the LLEP so that we can best understand how our work streams can support the Green Recovery. Also, there is a need to bring some external expertise to set the scene before something like this would be considered necessary.</li> <li>- Commissioning a LLEP Route to Zero Carbon a large piece of work to identify a detailed route map – it is important that we invest in the LLEP team, and identify routes for businesses to engage. The route map will flow out of this work and the ownership will be greater as a result.</li> </ul>

<p>Demonstrate and evidence that the funding would represent value for money. (max 400 words)</p>	<p>The scale of funding is sufficient for each activity. Value for money will be ensured through procurement of each part of the work along with advice sought from relevant colleagues in the LLEP (e.g. Comms support from Jackie and Graeme); colleagues in the Midlands Energy Hub (e.g. WMCA are proposing to commission some similar work based on support for businesses to decarbonise); and advice from the wider Zero Carbon network locally (e.g. DMU who have extensive experience of training, and council contacts who have engaged with economic and infrastructure projects). Finally – we will seek to add value to the pieces of work through linking with new/innovative products where appropriate and looking to partners for match funding towards specific project developments if applicable.</p> <p>The training package will be procured, and will be bespoke to the needs of the LLEP team – e.g. ensuring that the team have a standard level of understanding of zero carbon, alongside some bespoke facilitated training enabling individuals/teams to understand how the agenda is interpreted in their work area. Value for money will be ensured through specific tailored training.</p> <p>The engagement with the LCEGSS and wider business environment will be a package of measures including engagement with representatives to understand where support will be best directed, and then applying this to a delivery model for engagement and encouragement to decarbonise. This will also be backed up with a range of Communications to support and publicise and celebrate efforts.</p> <p>Value for money with the Business Cases for the energy infrastructure projects will be ensured through links to other pieces of work and procurement ensuring that we are building on existing information and expertise.</p>		
<p>Is the project scalable? If so what is the minimum amount of funding required.</p>	<p>Parts are scalable – we would be able to identify more projects to conduct feasibility on, and as the businesses section (part 2) develop we would be able to scale this activity. Minimum spend is £100,000.</p>		
<p><b>Outputs, Outcomes and Impact</b></p>			
<p><b>The funding recipient will be responsible for reporting against all outputs, outcomes and impacts detailed below.</b></p>			
<p><b>Impacts</b> Please identify the impacts this project will have. Consider issues including unlocking sustainable economic growth, social inclusion, wellbeing and environmental sustainability.</p>			
<p>Outputs and outcomes</p>	<p>Quantity (e.g. number of jobs, number of new homes)</p>	<p>Baseline value</p>	<p>Assessment (e.g. who will measure the outcome, when and how will it be measured)</p>

Number of staff and board trained in zero carbon understanding	38 staff (including Business Gateway advisors) 18 board	0	Measured by attendance at training.
Number of businesses engaged in zero carbon consultation/activity	50	Approx 5	Measured by attendance at focus groups, engagement with consultants and engagement with decarbonisation programme.
Number of zero carbon project business cases developed	2	1 (Flex-D)	Measured by business cases presented to the LLEP pipeline.
<p>Please outline whether the intervention will be targeted</p> <p>Who will be affected by the intervention? Will the impact be positive or negative? Please explain. (Max 100 words)</p>	<p>The intervention has multiple ‘target’ areas. The training will be targeted at the LLEP staff team and board. The work focussed on decarbonising businesses will have a dual focus – it will partly focus on those businesses already part of the Low Carbon and Environmental Goods and Services Sector (LCEGSS) to understand their growth ambitions and needs, and it will focus on businesses who are part of the wider community interested in becoming early adopters of decarbonisation activity. The final area of activity will focus on the business case for 2 distinct projects deemed to be early infrastructure needs for the LLEP area – currently these are expected to be creation of a biogas facility linked to household food waste (identified within the Energy Infrastructure Strategy in late 2018); and creation of a zero carbon energy and transport hub (priority locations currently being finalised as part of a Midlands Energy Hub piece of work).</p> <p>All of the identified target audiences are expected to be positively affected by the interventions.</p>		
Please identify how the intervention supports sustainable economic growth, social inclusion, wellbeing and environmental sustainability.	<p>These interventions will support all of these areas as detailed below – Sustainable Economic Growth – through a mixed approach of central training, running a sector specific forum, and looking at the needs of the wider business community we will be able to design our services so that future economic growth considers carbon impacts, but also demonstrates how businesses can generate resource savings.</p> <p>Social inclusion – climate change is an inclusive agenda – everyone uses energy and so everyone needs to be involved in wider societal changes. In particular is the need to understand the future jobs market and how employment will change as we look towards a green recovery from Covid-19. We can only do this in concert with the business community.</p> <p>Environmental sustainability – this is particularly strong within this application. One of the hardest elements of the zero carbon agenda is supporting businesses to decarbonise. Part of the solution is to support growth of the zero carbon sector so that businesses can see the potential to transition into this area of work, but part of the solution is also to support existing businesses to continue what they do in an energy efficient way. In order to do both of these the LLEP needs to be able to provide a strong and supportive voice and its services need to reflect the needs of the business community with regards to this agenda.</p>		

Please explain any criteria that should be considered as part of this intervention	The key consideration for these areas of work is partly their ability to prepare the LLEP and local businesses for the Green Recovery as we look towards zero carbon in the UK by 2050, but also their coherence as a package. Taken together, these measures will give the LLEP the tools it needs, and the business consultation to sit alongside so that we can progress with confidence. Finally, we will progress some key early projects for infrastructure investment.
<b>Financial Case</b> Demonstrate adequate consideration of costs and funding strategy. Please provide the annual cost profile for the life of the project. You will be expected to deliver the scheme within the cost profile when agreed. Confirmation will be required that any cost overruns will be met by the project sponsor.	
What is the total cost of the project/support (£'s)?	£100,000
<b>Funding Requirements and Match Funding</b>	
What is the total minimum funding requirement being requested (£'s)?	£100,000
What is the total match funding that will be provided (£'s)?	

<b>Capacity and Risk Management</b>		
Briefly explain the most significant risks to the <b>overall delivery</b> of the project, including financial and commercial risks, and proposed mitigation (e.g. resource capacity, procurement issues, uncertainties on business cases, cost overruns. Identify proposed mitigation measures. add rows as necessary)		
Risk Identifier	Risk name	Description of risk including potential impact. And mitigation
1	Funding is spread to thinly	There is a risk that funding won't be sufficient to deliver all the areas needed within this subject. This is mitigated by linking with other pieces of work being completed by partners and Midlands Energy Hub – a study of the LCEGSS is due to be started shortly – this will give some useful baseline data.
2	Insufficient training	Training won't give the team enough information to be able to tailor individual work areas. This will be mitigated by conversations with trainers to ensure that support will be given alongside training to enable participants to better understand zero carbon within their work area.

3	Funding is insufficient for Business Case work	Work to look at the business cases associated with 2 zero carbon infrastructure projects would be hampered if funding is insufficient. Mitigation for this risk is partly provided by linking with existing work – Midlands Energy Hub is currently carrying out some pre-work on energy and transport hubs across the region – linking in with this work would not only ensure that we are taking a project forward that has already had some scrutiny, but that some of the early work has been carried out.
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**Supporting Information**

Supporting Documents – If you have a Business case already developed for other funding please include this in your response alongside any other relevant documentation	
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## Decision Paper

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### LOCAL GROWTH FUND UPDATE Q2 2020/21

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#### 1. PURPOSE OF REPORT

1.1 The purpose of this report is to provide an update on the activity concerning the LGF in Q2 of 2020/21. Furthermore, it is to present the LGF data return for Q1.

#### 2. RECOMMENDATIONS

2.1 The LLEP and the Accountable Body recommend the Investment Panel to:

- a) Note the LGF 2020/21 Q2 outturn position
- b) Approve the LGF data return for Q2 2020/21

#### 3. LGF Q2 FINANCIAL POSITION 2020/2021

3.1 Quarter 2 claims were received and processed at the end of September resulting in the following expenditure against forecasts:

Project	2020/21 Q2		All Years
	Forecast	Actual	Balance
Leicester North West Major Transport Scheme (A50/A6)	50,000	1,733,301	0.00
Leicester Strategic Flood Risk Management Strategy	607,000	123,355	1,899,478
National Space Centre Vision 2025	0	0	654,767
Commercial Workspace Pioneer Park	760,750	1,333,895	77,913
Space Park Leicester	1,422,275	2,283,067	0.00
M1 J23	3,486,220	3,588,702	0.00
<b>Total</b>	<b>£6,326,245</b>	<b>£9,062,320</b>	<b>£2,632,158</b>

3.2 Note that the above figures include the interim Q2 claims received in July from the North West Major Transport Scheme (£752,235) and Space Park Leicester (£714,066) for expenditure which missed the June deadline.

3.3 As can be seen in the above table, 3 out of the 6 projects due to claim their final grant in this financial year have already claimed their remaining balance and ahead of forecasts which is very positive.

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3.4 To put this into context please see table below showing the whole programme spend:

Project	Grant Allocated	Actual to date	Balance
Leicester North West Major Transport Scheme	£16,200,000	£16,200,000	£0
Skills Training Centre MTI	£9,500,000	£9,500,000	£0
Leicester Waterside	£20,000,000	£20,000,000	£0
Skills and Innovation Village - Leicester College	£3,270,000	£3,270,000	£0
Bridging the Gap - Great Central Railway	£1,000,000	£1,000,000	£0
Local Sustainable Transport Fund (Hinckley)	£3,640,000	£3,640,000	£0
North City Centre Access Investment Programme	£8,960,000	£8,960,000	£0
Superfast Broadband	£3,100,000	£3,100,000	£0
Leicester Strategic Flood Risk Management	£7,500,000	£5,600,522	£1,899,478
A511 Growth Corridor	£4,640,000	£4,640,000	£0
Strategic Employment Site Lubbethorpe	£3,250,000	£3,250,000	£0
Connecting Leicester (Market and Central)	£7,200,000	£7,200,000	£0
Melton Cattle Market	£3,500,000	£3,500,000	£0
Developing Commercial Workspace - Pioneer Park	£2,614,000	£2,536,087	£77,913
Developing Commercial Workspace - Coalville	£2,367,494	£2,367,494	£0
Market Harborough Line Improvements	£3,000,000	£3,000,000	£0
National Space Centre Vision 2025	£1,149,712	£494,945	£654,767
National Space Park/Pioneer Park Infrastructure	£5,000,000	£5,000,000	£0
Space Park Leicester	£8,175,160	£8,175,160	£0
M1/J23 and A512 Improvements	£12,000,000	£12,000,000	£0
	<b>£126,066,366</b>	<b>£123,434,208</b>	<b>£2,632,158</b>

## 4. PROGRAMME PROGRESS

- 4.1 As this is the final year of the LGF programme there is pressure to ensure that all the funding is spent by 31 March 2021. Projects need to defray expenditure ahead of this deadline in order to submit claims to the LLEP to be processed and paid in good time.
- 4.2 The programme is in a very strong position with £123m of the £126m allocation already spent (national position?) however there are some concerns regarding two of the projects left to claim: **National Space Centre** and **Leicester Strategic Flood Risk Management Strategy** both of which have been impacted by Covid-19.
- 4.3 In Q2 a Project Change Request was submitted by the National Space Centre which outlined proposals for re-scoping. As members will recall, the Project Change Request was recommended for approval at the meeting of the Investment Panel on 8 September 2020 and subsequently approved by the Board of Directors on 6 October 2020.
- 4.4 While a positive outcome for the National Space Centre this leaves limited time to enable delivery however the project has agreed flexibility with other funders to enable LGF funds to be claimed first.

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- 4.5 The Leicester Strategic Flood Risk Management Strategy project is currently behind schedule due to Covid-19 which could potentially impact on the project and supply chain in future. Within the project are two schemes which are at risk as they are based on the flood plain therefore more impacted by winter weather conditions.
- 4.6 Risk are being mitigated by projects maintaining momentum and claiming LGF rather than other funding sources where possible, and the Accountable Body managing any unspent funds to make them available into 2021/22. The LLEP is holding monthly meetings with both projects to keep up to date with progress and to ensure that any issues are highlighted at an early stage.

### 5. LGF DATA RETURN Q2

5.1 The detail behind the Q2 Data Return (see also Appendix 1) is as follows:

a) Financial Progress (Table 1)

- i. LGF Outturn – in Q2, as per the above note, five out of the six projects have defrayed giving an outturn for the quarter of £9,062,320 which in total brings the cumulative spend for Q1 & Q2 to £15,264,559 against a forecast of £14,392,205 – therefore in a favourable position.
- ii. Non LGF Expenditure – no further ‘match funding’ has been claimed in this period.

b) Deliverables Progress (Table 2)

- i. Job and housing targets will mostly be the result of future impact of the funding therefore will be achieved at a later stage. Other outputs are also forecast for later in the year.

c) Contractual Commitments (Table 3)

- i. Full commitment is in place for 2020/21.

d) RAG Ratings (Table 4)

- i. Risks are measured against delivery, finance and reputation and compare the current position against that in the previous quarter;
- ii. GD01 A50/A6 Improvements – changed to Green. This project was previously the subject of Project Change Request (PCR) resulting in the lower RAG rating. The PCR was approved in May 2020 and this project has since claimed its full LGF allocation;
- iii. GD09 Strategic Flood Risk Management – Amber/Green as behind on spend against forecast. The project advises that full spend will be achieved;
- iv. GD18 Building Extension: National Space Academy - Amber/Green as PCR was submitted to re-scope;
- v. GD20 Space Park Leicester – previously Amber/Green due to slippage in expenditure however now Green as claimed full LGF allocation.

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**Table 1 Financial Progress to 30<sup>th</sup> September 2020**

Financial Progress								
LGF Award		2015-16	2016-17	17-18	18-19	19-20	20-21	Total
		£23,730,000	£31,844,736	£23,968,028	£15,694,684	£12,932,202	£17,896,716	£126,066,366
<b>LGF Outturn</b>	<b>This Quarter</b>		<b>15-17</b>	<b>Financial Year</b>				<b>Total</b>
				<b>17-18</b>	<b>18-19</b>	<b>19-20</b>	<b>20-21</b>	
Actual	£ 9,062,320		£ 55,574,736	£ 23,968,028	£ 15,694,683	£ 12,932,202	£ 15,264,559	£ 123,434,208
Forecast for year	£ 17,896,717		£ 55,574,736	£ 23,968,028	£ 15,694,683	£ 12,932,202	£ 17,896,717	£ 126,066,366
Progress towards forecast	51%			100%	100%	100%	85%	98%
<b>LGF Expenditure</b>								
Actual	£ 9,062,320		£ 55,574,736	£ 23,968,028	£ 15,694,683	£ 12,932,202	£ 15,264,559	£ 123,434,208
Forecast for year	£ 17,896,717		£ 55,574,736	£ 23,968,028	£ 15,694,683	£ 12,932,202	£ 17,896,717	£ 126,066,366
Progress towards forecast	51%			100%	100%	100%	85%	98%
<b>Non-LGF Expenditure</b>								
Actual	£ -		£ 29,801,020	£ 21,804,106	£ 29,349,413	£ 12,658,479	£ 3,879,869	£ 97,492,888
Forecast for year	£ 49,035,501		£ 29,801,020	£ 21,804,106	£ 29,349,413	£ 12,658,479	£ 49,035,501	£ 142,648,520
Progress towards forecast	0%			100%	100%	100%	8%	
<b>Total LGF + non-LGF Expenditure</b>								
Actual	£ 9,062,320		£ 85,375,756	£ 45,772,134	£ 45,044,096	£ 25,590,681	£ 19,144,428	£ 220,927,096
Forecast for year	£ 66,932,218		£ 85,375,756	£ 45,772,134	£ 45,044,096	£ 25,590,681	£ 66,932,218	£ 268,714,886
Progress towards forecast	14%			+100%	+100%	+100%	+29%	82%

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**Table 2 Deliverables**

<b>Deliverables Progress</b>										
<b>Housing</b>	<b>This Quarter</b>		<b>15-17</b>	<b>Financial Year</b>					<b>Total</b>	
				<b>17-18</b>	<b>18-19</b>	<b>19-20</b>	<b>20-21</b>	<b>21-25</b>		
Houses Completed	<b>0</b>		188	652	696	128	0	-	-	<b>1,664</b>
Forecast for year	<b>805</b>		0	444	494	652	805	7,008		<b>9,403</b>
Progress towards forecast	<b>0%</b>		-	147%	141%	20%	0%	-	-	<b>18%</b>
<b>Jobs</b>										
Jobs Created	<b>1</b>		54	905	428	15	1	-	-	<b>1,403</b>
Apprenticeships Created*	<b>0</b>		0	0	0	0	0	-	-	<b>0</b>
Jobs including Apprenticeships	<b>1</b>		54	905	428	15	1			<b>1,403</b>
Forecast for year	<b>1,025</b>		15	207	1,290	826	1,025	6,257		<b>9,620</b>
Progress towards forecast	<b>0%</b>			437%	33%	2%	0%	0%	-	<b>15%</b>
* Apprenticeships included within jobs totals prior to 2017										
<b>Skills</b>										
Area of new or improved floorspace (m2)	<b>0</b>		1,922	0	2,191	0	0	-	-	<b>4,113</b>
Forecast for year	<b>0</b>		1,922	0	2,191	0	0	0		<b>4,113</b>
Progress towards forecast	<b>-</b>		100%	-	100%	-	-	-	-	<b>100%</b>
Number of New Learners Assisted	<b>0</b>		109	403	628	930	0	-	-	<b>2,070</b>
Forecast for year	<b>400</b>		105	202	442	569	400	0		<b>1,718</b>
Progress towards forecast	<b>0%</b>		104%	200%	142%	163%	0%	-	-	<b>120%</b>
<b>Transport</b>										
Length of Road Resurfaced	<b>2.4</b>		3.4	0.0	0.8	1.0	2.4	-	-	<b>7.5</b>
Length of Newly Built Road	<b>1.6</b>		0.4	0.0	0.0	0.0	1.6	-	-	<b>2.0</b>
Length New Cycle Ways	<b>2.4</b>		28.8	4.9	0.0	2.0	3.1	-	-	<b>38.8</b>

**Table 3 Contractual Commitments**

<b>Contractual Commitments (manual entry)</b>										
			<b>15-17</b>	<b>17-18</b>	<b>18-19</b>	<b>19-20</b>	<b>20-21</b>	<b>Total</b>		
<b>Forecast</b>			£ 55,574,736	£ 23,968,028	£ 15,694,684	£ 12,932,202	£ 17,896,716	£ 126,066,366		
<b>Actual</b>			£ 55,574,736	£ 23,968,028	£ 15,694,684	£ 12,932,202	£ 17,896,716	£ 126,066,366		
<b>Variance</b>			+0%	+0%	+0%	+0%	+0%	+0%		

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**Table 4 - RAG Ratings**

<b>Project Name</b>	<b>Previous Quarter Q1_2021</b>	<b>This Quarter Q2_2021</b>
A50/A6 Improvements	AG	G
Skills Training Centre	G	G
Waterside Regeneration	G	G
Skills and Innovation Village	G	G
Bridging the Gap	G	G
Local Sustainable Transport Fund Round 2	G	G
North City Centre Access IP	G	G
Accelerated Broadband	G	G
Strategic Flood Risk Management	G	AG
M1 j22 improvements	G	G
Lubbesthorpe	G	G
Connecting Leicester	G	G
Melton Cattle Market	G	G
Coalville Workspace Programme	G	G
Market Harborough Line Speed Improvement	G	G
Developing Commercial Workspace, Pioneer Pa	G	G
National Space Centre: Vision 2025	AG	AG
National Space Park / Pioneer Park Infrastructure	G	G
Space Park Leicester	AG	G
M1 J23 and A512 Improvements	G	G

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### **Summary of appendices:**

Appendix 1 - LGF Data Return Q2 2020-21

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