

Snap-Shot 16 April - COVID 19 Response Development

Short term, we have repositioned the Growth Hub

- 1. Growth Hub 1-2-1 Support.** We ensure all clients are accessing information regarding the Central Government Support Packages and are clear on how to apply for these. We also signpost these clients to appropriate local sector Business Networks such as FSB, NFU, Make UK, etc) where they can benefit from sector specific guidance and support. At this stage, we will also triage these clients to assess whether the client should be directed to either of following additional levels of Support.
- 2. Multi-Topic 1-2-1 Business Support – Multi-disciplinary, action-led and funded by CPCA.** Some businesses require assistance covering multiple business topics such as: finance, liquidity, accessing govt support, legal, HR, premises, tech, supplier management etc. We have procured V4 (whom are an existing vetted and approved partner) to deliver this 1-2-1 support through a network of 11 Business Advisers. Our Growth Hub Advisers will be alert to clients with numerous, inter-twined challenges and will provide a swift referral to our partners at V4. Funded by CPCA, we are initially delivering this service over a 3-month period at which point we may augment the service to provide more focussed business planning for the post COVID-19 recovery period.
- 3. Specific Expertise - 1-2-1 Support from referred specialists and solution-focussed.** We regularly experience enquires from Businesses who have a specific technical requirement where a specialist/professional service provider may be required. Examples include clients who have contacted us requiring legal HR support when furloughed staff take on a second paid job and clients seeking Referrals to more empathetic Bankers. In these cases, and in keeping with the “signposting” role of Growth Hubs, our Growth Hub Advisers are using our database of local, well-established contacts to refer the client to at least two potential sources of support. We make it clear these are Referrals and not Recommendations. These Referrals are being made on the clear basis that initial guidance will be free - but at some point, the client may be required to pay fees to secure the expert-help they require from the specialist, in more depth.
- 4. Grants to ease capital payments for businesses -** We have already allocated and made much more accessible, to a wider range of firms and uses, £2.3m of capital grant funding for short term COVID support grants and are seeking to extend this by a further £3m more. This rapidly configured grant service will act as a pilot for A Recovery Investment Scheme for Enterprise (RISE) to be continued and developed in the medium term.

Medium term we are repurposing the previously planned replacement of the Growth Hub, called the **Business Growth Service** with a recovery modified enhancement of it, renamed the **Business Lions Recovery Programme**.

1. To achieve this, we are re-purposing the £29m investment already allocated to our flagship, Business Growth Service, due to launch in August 2020. The first year of the programme is currently being re-designed through procurement around the “ROAR” concept described below, comprising four elements: Recover – Orient – Adapt – Regrow:
 - a. **Recover -Supporting financial security and sustainability.** It is possible, that to step in and provide financial security and sustainability for large, economically structural firms, HMG may part nationalise some businesses such as airlines or train companies. - SMEs will need similar capital injections. The economy is likely to contract creating a recession and slowing the recovery of firms’ revenue lines, whilst pre-recession capital programmes and debt obligations will still need to be financed. We will continue and develop the pilot for a **Recovery Investment Scheme for Enterprise (RISE)** with a further £3m to be delivered through the **Business Lions Recovery Programme**.
 - b. **Orient, Adapt & Regrow - Coping with medium and long term shifts in markets and customer behaviours**
 - i. Customer access could be affected by a more permanent shift in behaviours towards online and distance buying.
 - ii. Markets could be affected by periods of social distancing for 12 months. Trade could be affected by competitor & supply chain consolidation & localisation
 - iii. Revenues could be affected by opportunities for new offerings and modes of delivery
 - iv. Operations could be affected by a more permanent shift in working practices

All the above present both threats and opportunities, based on SMEs’ product and organisational strengths and weaknesses going into this economic shock. A **Regrowth Accelerator Coaching for Enterprise (RACE)** scheme could be considered and could:
 - v. Utilise the platform of the planned Business Growth Coaching scheme, currently under procurement. However, this is unlikely to meet the scale of demand, hence lobbying HMG would be preferable.
 - vi. Harness a recruited and accredited pool of business coaches to help firms Orient & Adapt to permanent shifts in their business, whilst identifying regrowth opportunities, raising business leader ambition, identifying barriers, developing strategies and supporting implementation ad change.
 - vii. Utilise a 50% revenue nudge grant to overcome the prevailing market failure, that stops widespread SMEs take-up professional advice and coaching, even though it is proven to accelerate and sustain higher growth.

- viii. Develop peer-2-peer alumni “**Business Lions**” to go on to mentor thousands more firms, extending the current DIT campaign idea of “**if I can you can!**”



- ix. Offer 50% Capital Regrowth Grant to co-invest with local firms in new technology and equipment to help them adapt and capture new opportunities for regrowth between £25,000 and £250,000 based on a benchmark scheme performance level of £10,000 per new/regrown job created.

Long term, we are levelling up our economy in which economic data from the CPIER would predict that that north, Peterborough and the Fens will be hit hardest and have the longest recovery, where quality of life and employment is lowest and the productivity and knowledge intensity of business is lowest. To tackle this we are building a university and innovation ecosystem to raise all 4 measures, underpinning recovery longer term and building in future resilience. This includes;

1. £26.4m already committed by the CPCA and PCC to build a Phase 1 teaching facility on the embankment in Peterborough by September 2022 for 2,000 students.
2. Plans to raise a further £15m for a Phase 2 University Research Centre, on the same Campus, that will become the hub for a Peterborough and Fens innovation ecosystems, involving a wide range of research teams, from multiple universities and local businesses.
3. Aspirations to raise a further £80m for a Phase 3 university teaching facility to bring capacity up to 12,500 students by 2030.