

**Enterprise M3 Programme Management Group**

**12 March 2020**

**Capital to Revenue Fund – Item 7**

Programme Management Group members are asked to:

**AGREE** the recommendation to utilise **£50,000** of the Capital to Revenue Fund to top up the Growth Hub delivery budget for 2020/21.

**AGREE** delegated authority be given to the Chief Executive of Enterprise M3 for **£250,000** of the Capital to Revenue Fund to support activity around business resilience.

**1. Background**

- 1.1. Enterprise M3 in 2018/19 converted £3,000,000 of capital funding to revenue to support projects and services with revenue funding. Currently £1,000,000 of this funding is not yet committed and able to be allocated to projects or initiatives.
- 1.2. The Enterprise M3 Board in November 2019 approved the continuation of the Growth Hub Service for the 2020/21 financial year. A further decision was made by the Board in January 2020 to allocate £108,000 from the ERDF Legacy Fund for the use of the Growth Hub in addition to the BEIS Grant of £287,000.
- 1.3. We will provide a verbal update on the implications of COVID 19 to the organisation and our ability to continue to meet company objectives. It has become apparent that businesses are already beginning to feel the negative effect of the outbreak and as part of our contingency planning we wish to have access to funding so we can quickly put together supporting activities should these be needed. It is unclear at this time what support the government may offer to businesses. We might hear more on this at the budget next week.

**2. Current position**

- 2.1. Contract negotiations with the Growth Hub since January Board meeting have highlighted that further funding is required in order for the Growth Hub to continue its activity with the current level of staffing. It is anticipated a level of EU Exit and business intelligence work will continue during the Transition Period which is not funded by BEIS. It has also recently emerged that LEPs could be asked to deliver a Peer to Peer SME programme in 2020/21, with an indicated value in the range of £250,000 to £380,000. This work would clearly align with Growth Hub activity, so it is prudent to maintain the level of Growth Hub staffing at the current level. As such Enterprise M3 wish to fund a further £50,000 in 2020/21 to ensure the Growth Hub has the capacity to deliver what is required. This would take the total funding for 2020/21 to £400,000.

2.2. Enterprise M3 also wishes to utilise the Capital to Revenue Fund to respond quickly to any emerging needs highlighted by businesses in our area in response to COVID-19, EU Exit or other small projects to support business. Delegating authority to the Chief Executive allows for small revenue projects or initiatives to be delivered swiftly. Any use of these funds would fall under Enterprise M3's internal and Accountable Body governance processes.

### **3. Conclusion and recommendations**

3.1. It is recommended that the PMG approves the use of **£50,000** of the Capital to Revenue Fund to top up the 2020/21 Growth Hub service.

3.2. It is recommended that PMG approves the Chief Executive of Enterprise M3 have delegated authority for **£250,000** of the Capital to Revenue Fund to support business resilience.

**Rob Dunford**

**Assistant Director – Business Delivery**

**5<sup>th</sup> March 2020**