

CABINET – 19TH NOVEMBER 2020

Report of the Strategic Director of Housing, Planning, Regeneration and Regulatory Services Lead Member: Councillor Jonathan Morgan

Part A

ITEM 8 ENTERPRISE ZONE – COVID-19 RECOVERY PROGRAMME

Purpose of Report

To appraise Members of the establishment of a Covid 19 recovery fund financed by the uplift in business rates from the designated Enterprise Zone sites within Charnwood,

To approve a business case for submission to the LLEP Board to permit the use of that funding to commission Loughborough University to deliver a two year support programme to assist highly skilled people and graduates, adversely affected by the global pandemic, in the acquisition of the entrepreneurial skills and capabilities required to grow and establish new businesses to support the recovery of the local economy, and,

To support the use of the balance of the fund to assist in the delivery of capital investment in the repurposing of buildings within Charnwood Campus to house the proposed Medicinal and Synthetic Chemistry Research Centre.

Recommendations

1. That the business case for the delivery of the EZ Covid 19 recovery programme, as set out in Appendix 1, be approved.
2. That subject to the approval of the business case by the LLEP Board, Loughborough University is commissioned to deliver the recovery programme in accordance with the provisions, outcomes and milestones prescribed in the business case.
3. That delegated authority be given to the Strategic Director; Environmental and Corporate Services to agree the terms of, and enter into, a contract for the delivery of the programme.
4. That the preference of the Enterprise Zone Implementation Group for the deployment of the balance of the Covid Recovery Fund to off-set the funding and borrowing costs associated with capital investment on Charnwood Campus be endorsed and supported.

Reasons

1. To permit the consideration and approval of the business case by the LLEP Board for the release of the necessary funding.
2. To engage a suitable partner with the appropriate experience, skills, capabilities and capacity to deliver the programme.
3. To ensure performance targets are achieved, delivering value for money in the allocation of public funding.
4. To enhance the business case for the delivery of the proposed Medicinal and Synthetic Chemistry Research Centre and its capacity to deliver new jobs in the life sciences sector.

Policy Justification and Previous Decisions

The Corporate Strategy 2020 – 2024, under the theme of “A Thriving Economy,” commits to continuing to support and foster strong economic growth in the Borough. The Enterprise Zone, along with other economic drivers, supports the Council’s commitment to leading, supporting and collaborating with partners and the private sector to ensure future generations have access to high quality jobs. The Strategy affirms the intention to grow Charnwood’s reputation as a place where businesses thrive, particularly those in the innovation sector.

Our core values commit to working together as one council and in partnership with others; a commitment which finds further expression under the theme of “One Council” under which we will collaborate with partners in a variety of ways to bring improvements to our services and the Borough of Charnwood as a whole.

Implementation Timetable including Future Decisions and Scrutiny

The Recovery Programme business case is to be considered by the LLEP Board on 1 December 2020. Subject to the submission being approved it is intended to consolidate the delivery plan and recruit stream leaders over the period to March 2021 enabling the recruitment of the participants for the first cohort with the remainder of the programme being delivered over the following two years, subject to satisfactory performance.

The delivery of the Medicinal and Synthetic Chemistry Research Centre is the subject of a separate business case prepared by Charnwood Campus Ltd which has already been approved by the LLEP Board. That proposal will be the subject of efforts to secure a loan from a lending partner, the terms of which will be enhanced by the deployment of additional funding already secured against the uplift in business rates income with the intention of commissioning the facility in 2021.

Report Implications

The following implications have been identified for this report.

Financial Implications

The recommendations have no impact upon approved budgets. The costs are fully covered by retained business rates accumulated from the Enterprise Zone over the period April 2017 to March 2020. Details outlining the derivation and allocation of that funding are set out in Part B of the report.

Risk Management

The risks associated with the decision Cabinet is asked to make and proposed actions to mitigate those risks are set out in the table below.

Risk Identified	Likelihood	Impact	Overall Risk	Risk Management Actions Planned
Failure on the part of the delivery partner to meet the targets in the business case resulting in a poor rate of return on investment	Unlikely (2)	Significant (2)	Low (4)	Performance targets will be contractually agreed with the release of funding being triggered on provision of evidence of delivery. The business case will be fully assessed by the LLEP before being approved as the basis for entering into partnership
Failure on the part of Charnwood Campus to deliver the proposed Medicinal and Synthetic Chemistry facility resulting in a poor rate of return on investment	Unlikely (2)	Significant (2)	Low (4)	The business case for the project will be fully assessed by the LLEP and the overall contract attached to the grant award will require that it be underwritten by the site promoter.

Equality and Diversity

An Equality Impact Assessment (EIA) has been undertaken for the proposed programme. A copy of the EIA is attached at Appendix 3 to this report.

Key Decision: Yes

Background Papers: None

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Part B

Background

Context

1. In April 2017 the government approved the designation of the Loughborough and Leicester Science and Innovation Enterprise Zone. The Enterprise Zone (EZ) designation comprised three discrete components including two sites in Loughborough; the former Astra Zeneca site, now branded as Charnwood Campus (CC), and an extension to the established Loughborough University Science and Enterprise Park (LUSEP).
2. One of the primary drivers to support the delivery of an EZ is the provision for the local retention of business rates generated within the designated area, subject to a proportion of that income being retained by the billing authorities to ensure that they are left no worse off. The deployment of the balance of the locally retained business rates is overseen by the Leicester and Leicestershire Enterprise Partnership (LLEP) for the purposes of directing investment to support the delivery of the EZ and economic development across the wider LLEP area.
3. Negotiations between the LLEP and the billing authorities recently have been concluded with the drafting of the "Enterprise Zone Business Rates Retention Agreement" directing the distribution of the business rates generated. During those negotiations it was proposed, and subsequently agreed by the LLEP Board, that 50% of the rates collected between 2017 and 2020 should be ring-fenced for activities to aid Covid-19 recovery for businesses on and connected to the EZ through programmes of support.
4. After the deduction of the proportion to be retained by the billing authority, Charnwood Borough Council in this instance, the accumulated EZ business rates collected from the Loughborough sites amounted to £1,255,039. That income was generated entirely within the CC site as none of the development completed to date within the LUSEP site falls within the designated EZ boundary.
5. Applying the 50% split, that results in a fund of £627,520 for interventions to aid Covid-19 recovery for qualifying businesses and individuals.
6. The LLEP Board proposed that the billing authorities prepare business cases for the use of the funding through the EZ Implementation Groups for subsequent presentation to the LLEP Board for agreement.
7. The respective EZ Implementation Groups for CC and LUSEP met at the end of July where it was agreed that the "Covid-19 Recovery Fund" should be split 50:50 between CC and LUSEP, placing £313,760 at the disposal of each site.
8. It was reported and agreed by the LUSEP Implementation Group that proposals were already being developed by the promoters of that site in partnership with the Borough Council ("Restocking the Business Base")

which were supported for subsequent presentation to and approval by the LLEP Board.

9. In the case of the CC site the Implementation Group noted that there were no emerging proposals for the use of the “Covid-19 Recovery Fund” and it was agreed that the available funding could be combined with the LLEP element of the business rates to off-set the borrowing costs and forward funding of the CC’s bid for £3.4 million to enable the delivery of the proposed Medicinal and Synthetic Chemistry Research Centre by the re-purposing of Building 42.

Business Case – Enterprise Zone Covid Recovery Programme

10. Working in partnership with Loughborough University and the wider stakeholder group, an opportunity has been identified to assist and retain highly skilled personnel through a training and support programme in order that this pool of talent is equipped to make a positive contribution to the recovery of the local economy in the wake of the pandemic and consequential recession. A full business case for the programme, devised with the assistance of the University, is attached at Appendix 1 and presented for the approval of the Borough Council in its capacity as the billing authority with overall responsibility for the deployment of the “EZ Covid-19 Recovery Fund.”
11. Subject to the Borough Council’s confirmation of its support for the business case it will be submitted for the approval of the LLEP Board at its meeting on 1 December 2020, having first been subject to appraisal and detailed scrutiny by the LLEP Investment Panel.
12. The intervention is prompted by the unprecedented shock to the economy caused by the outbreak of Covid-19. Smaller companies in particular are expected to be most vulnerable to the economic impact of the crisis; small and medium sized enterprises (SMEs) comprise the greater part of businesses across Charnwood and the LLEP region in general. It is anticipated that businesses, including those operating within the Science Park and Enterprise Zone sites, may be forced to shed highly skilled employees in order to survive, while others may be compelled to close completely. In the same time frame a cohort of talented University leavers also will be entering the employment market when opportunities may be expected to be constrained. As a result, there is projected a dramatic increase in unemployment among skilled and experienced professionals along with highly educated young people possessed of entrepreneurial capabilities.
13. That talent pool represents a major opportunity to replace the losses attributable to the economic downturn with a new generation of businesses better equipped for the future:
 - established more robustly, with trained and supported founders;
 - focused on emerging markets and committed to scale up and growth;
 - benefitting from an accelerated start;

- rooted in the Loughborough area; and,
 - more resilient to future challenges.
14. Loughborough University has an established reputation for entrepreneurship. The success of its graduate start up programme, “The Studio,” has led to the establishment of a dedicated business incubator, *LU Inc.* with a mission to cultivate emerging innovative and ambitious businesses, bringing together academic and graduate entrepreneurs with founders from across the region and beyond to create a rich, vibrant and world renowned entrepreneurial community.
 15. By reason of the geography, its patronage of the extended LUSEP Enterprise Zone, acknowledged expertise in the provision of entrepreneurial support and established structures for sustaining business support programmes, the University, through its subsidiary, *LU Inc.*, is ideally placed as the Council’s leading partner in the delivery of the EZ Covid-19 Recovery Programme further summarised below.
 16. Under contract to the Borough Council *LU Inc.* will deliver a business start-up accelerator programme. That will involve harnessing existing skills and experience at Loughborough University in enterprise, entrepreneurship, business creation, start-ups and growth. The programme will co-ordinate with the Borough Council and all regional partners including LLEP Growth Hub, Leicestershire County Council, the EZ sites, co-working and business space providers, Business Chambers, the Federation of Small Businesses (FSB) and private sector professional service providers.
 17. The business case provides for the delivery of the programme through a series of accelerator “Streams.” Each stream will deliver six-month long accelerator programmes over a two-year period from selected locations; one at LUSEP, one in Loughborough Town Centre and in other locations where possible.
 18. Through each “Stream” groups of selected pre-start & early stage businesses will be provided with a combined programme of training, on-hand business coaching and group peer action-learning, workspace and equipment access, and curated networking. That will be followed by a managed transition to other support programmes, facilities (through grant support) and networks. The outline curriculum is also designed to emphasise concepts not covered in detail by other providers (innovative business modelling, scaleup and rapid growth covered at start-up stage) and incorporating acquired expertise in working with knowledge-based innovation focussed businesses.
 19. There is no other local provider delivering the same combined and comprehensive offer to early stage businesses and over such an extended period. The aim is to support the local business ecosystem, and other providers, by developing the pipeline of new businesses accessing other support programmes and facilities operating in the region.
 20. Through this programme the project will aim to:
 - Engage 250 individuals exploring business start-up

- Train 100 pre and emerging start-up businesses
- Support the setup of 35 new businesses
- Support 20 businesses to transition to follow on workspace facilities
- Support 20 businesses to secure follow on finance from other private or public sector providers.

21. The business case calls for the provision of support to be focussed primarily on individuals exploring business start-up as an alternative career and on pre and emerging new businesses. Eligible individuals will need to be:

- Living, working/or intending to work or recently studying in the LLEP area
- Out of work or in casual/temporary employment
- Entering / re-entering the labour market
- May be accessing employment assistance (financial or other support)

22. Eligible businesses will need to be:

- Located within the LLEP area
- Comprising individual or multiple founders
- Within the first 12 months of setup or initial trading
- At an early development stage (seeking market validation of products or services, gathering evidence of product market fit or developing new prototype technologies to commercialise).
- Not yet 'stabilised' and needing flexibility to respond to significant changes in the business or founder circumstances (e.g. major pivot of business proposition, part-time employment of founders)

23. The full programme has been costed at £414,930. With £101,170 being provided in match funding from the University in the form of input from the *LU Inc.* manager and provision of office space. The balance of £313,760 is the subject of the bid for funding from the EZ Covid Recovery Fund and falls wholly within the approved envelope allocated to the LUSEP site.

Programme Delivery

24. The programme is to be delivered on behalf of the Council by *LU Inc.* in accordance with the outcomes and milestones specified in the business case. The University's proposals for meeting the terms of the business case are set out in its project plan, "Restocking the Business Base," attached at Appendix 2.

25. The programme, by reason of its construction, conveniently falls into four "cohorts," each of six months duration. Following negotiation with delivery

partners, a contract will be drafted to link the staged release of funding conditional upon evidence of performance against the agreed outcomes for each cohort, subject to an initial payment to address set up costs.

Appendices

Appendix 1: Enterprise Zone Business Case – Covid Recovery CBC

Appendix 2: Restocking the Business Base (Business Plan) Loughborough University

Appendix 3: Equality Impact Assessment

ENTERPRISE ZONE -BUSINESS CASE -COVID RECOVERY

Basic Information	
Project Name	Enterprise Zone Covid Recovery Programme
Promoting Organisation	Charnwood Borough Council
Primary Contact Name and contact details	<p>Richard Bennett Head of Planning and Regeneration Richard.bennett@charnwood.gov.uk 01509 634763</p> <p>David Hankin Team Leader: Regeneration and Economic Development David.hankin@charnwood.gov.uk 01509 634727</p>
Location of Project(s)	Stream A programme activity – LU Inc. business incubator, Loughborough University Science & Enterprise Park (LUSEP) Stream B programme activity – Loughborough Town Centre Enterprise Space
Project Postcode <small>It is acknowledged that projects will span large distances and may not have one postcode. If this is the case please type the most relevant post code</small>	LE11 3QF

Project Overview	
Provide a brief overview of the project/programme of support	<p>The Project is intended as a direct response to the economic fallout caused by the COVID-19 Global Pandemic and accompanying recession. It is intended to enable the creation of a new generation of businesses by supporting individuals whose employment prospects have deteriorated to equip them with new skills to enable them to develop a new generation of businesses which are 'fit for the future'; agile, focused on emerging markets and committed to scaleup and growth. In turn, rejuvenating the local economy by helping to generate new jobs, value and innovations. To achieve this, early stage business founders will be equipped with the skills, knowledge, resources and networks to rapidly test, validate, setup and grow their businesses. The programme will establish multiple accelerator "Streams". Each stream will deliver a series of six-month long accelerator programmes over a two-year period at selected locations (one at Loughborough Science and Enterprise Park (LUSEP); one in Loughborough Town Centre). The project will engage with as many as 250 people with business ideas, will provide a six-month programme to up to 100 pre and emerging businesses and enable the establishment of 35 new businesses.</p>

<p>Please explain the need for funding and how this contributes to economic recovery.</p>	<p>The global economy has experienced an unprecedented shock caused by the outbreak of COVID-19. Smaller companies are particularly vulnerable in this crisis and this is especially damaging for the LLEP region because the local economy is largely SME based. Businesses will have been forced to shed highly skilled employees in order to survive, whilst others will have collapsed entirely. A cohort of talented University leavers will also be flooding the labour market. The result is a dramatic increase in unemployed skilled and experienced professionals and in entrepreneurial and highly educated young people.</p> <p>Public sector financial and other assistance has focussed on short term interventions designed to mitigate the most immediate and severe challenges faced by existing businesses as a result of the pandemic. There has been less direct support to earlier stage businesses which have not yet developed a strong trading history, or people who had started out on a new venture when the pandemic struck. Private sector assistance, through banks and other funders has been focussed on scaleup businesses which have already secured a significant level of investment and have existing relationships with funders, excluding earlier stage, high potential founders and ventures.</p> <p>There is now a need to deploy medium term interventions for economic recovery and resurgence. The Borough Council, in partnership with Loughborough University, LLEP has a critical role to play in that process. This project will respond by leveraging the University's expertise, resources and networks to help to revitalise the economy, by supporting the development of a new generation of businesses focused on innovative approaches and rapid growth and in so doing enabling the creation of new jobs, value and opportunity for the region. It will help to future proof the contemporary skills and enterprise base of the town and wider region, making it more resilient as an economy during uncertain economic times arising from the pandemic.</p>
<p>Funding Requested</p>	<p>£313,760</p>
<p>Key dates Earliest possible start date for the project (e.g. on site) post approval, funding contract and procurement</p>	
<p>Project Start Date</p>	<p>1 January 2021</p>
<p>Project End Date</p>	<p>31 July 2023</p>
<p>Provide a brief commentary to demonstrate that the project will be commenced by the stated date.</p>	<p>The University's <i>LU Inc.</i> Incubator Manager will be deployed (with time committed from January 2021) with the support of colleagues as needed. In month 1 of the Project Stream Leaders post approval and recruitment will be initiated, partners will be engaged and the design of a detailed delivery plan will be developed. Physical space for Stream A is available already. The location for Stream B will be identified and agreements to secure this space will be initiated. The programme will commence delivery from March 2021.</p>

<p>Project Milestones/Activities</p>
<p>Please outline each of the key milestones/activities to deliver this project. Please note this project plan should start and end with the dates provided above. (Please add more boxes for each key milestone/activity).</p>

September 2020

Description	Start Date (Tasks only)	End Date (Tasks and Milestones)	Key Task/Milestone?
Design of detailed delivery plans (event / training / coaching) and design of grant administration process.	Jan 2021	Feb 2021	Key Task
Partner engagement – discuss with partner agencies their involvement / touchpoints in cohort / stream delivery	Jan 2021	Feb 2021	Key Task
Plan and resolve locations for Stream delivery (incl. Stream A LU Inc., LUSEP / Stream B Town Centre)	Jan 2021	Apr 2021	Key Task
Initiate stream Leaders post approval and recruitment	Jan 2021	Mar 2021	Key Task
Project application portal developed and published online and engagement and onboarding of Stream A Cohort 1 and Stream B Cohort 1 initiated	Jan 2021	Mar 2021	Key Task
LUSEP LU Inc. business facilities ready to host Stream A & B Cohort 1		Feb 2021	Milestone
Town Centre business facilities ready to host Stream B Cohorts		May 2021	Milestone
First cohorts recruited and delivery commenced		Mar 2021	Milestone
Delivery of Stream A & B combined Cohort 1	Mar 2021	Aug 2021	Key Task
Second cohorts recruited and delivery commenced		Sept 2021	Milestone
Delivery of Stream A Cohort 2 and Stream B Cohort 2	Sept 2021	Feb 2022	Key Task
Third cohorts recruited and delivery commenced		Mar 2022	Milestone
Delivery of Stream A Cohort 3 and Stream B Cohort 3	Mar 2022	Aug 2022	Key Task
Fourth cohorts recruited and delivery commenced		Sept 2022	Milestone
Delivery of Stream A Cohort 4 and Stream B Cohort 4	Sept 2022	Mar 2023	Key Task
Project evaluation and close	Apr 2023	May 2023	Key Task

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>Explain the aim and objectives of the project.</p>	<p>The primary aim is to help people in the region to create a new generation of businesses. The focus will be on supporting and encouraging aspiring entrepreneurs to build ventures which are more sustainable, resilient and have the potential to scale.</p> <p>The Project is intended as a direct response to the economic fallout caused by the COVID-19 Global Pandemic and accompanying recession. It is intended to support individuals whose employment prospects have deteriorated; equipping them with new skills to enable them to develop new businesses which are 'fit for the future'; agile, focused on emerging markets and committed to fast growth. In turn, rejuvenating the local economy by helping to generate new jobs, value and innovations.</p> <p>To achieve this early stage business founders will be equipped with the skills, knowledge, resources and networks to rapidly test, validate, setup and grow their businesses.</p> <p>Through a programme of 2 streams run over 2 years the aim is to:</p> <ul style="list-style-type: none">• Engage 250 individuals exploring business start-up• Train 100 pre and emerging start-ups• Support setup of 35 new businesses• Support 20 businesses to transition to follow on workspace facilities• Support 20 business to secure follow on finance from other private or public providers
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<p>Explain the underlying barriers to economic growth that the substantive project will address.</p>	<p>As a result of the UK entering a recession brought on by the COVID-19 crisis, the labour market will soon be flooded with highly skilled employees who have lost their jobs, and talented University leavers, who have severely limited employment opportunities. The availability of this pool of talented, skilled and experienced professionals presents a unique opportunity to drive recovery of the UK economy through the development of a new generation of businesses with the potential to establish, grow and scale quickly. To achieve this bounce back and essential replenishment of the business stock, there is a need to find and quickly upskill aspiring founders with knowledge and skills to develop businesses which are designed to be more agile, resilient productive and sustainable. As these new businesses are formed and focus on more rapid growth, they will need help to overcome barriers to this growth strategy such as accessing workspace, funding and networks to help them transition from setup to scale more quickly.</p> <p>The project seeks to deploy a set of interventions each of which will help these fast growth businesses to maximise their chance of success and overcome anticipated barriers. Whilst not a primary aim, the development of individuals' skills in entrepreneurship is expected to also help those who do not go on to setup their own venture to become more entrepreneurial in their approach within future employment, thus helping the region to embed innovation and entrepreneurship within existing organisations and in turn enhancing productivity. The development of new solutions, new ways of working and new technologies driven by new businesses working on innovations is also expected to contribute indirectly to the productivity of existing businesses through dissemination within the regional economy.</p>
<p>Strategic Fit with Local Priorities</p>	

Will the intervention support policies in the Strategic Economic Plan, Sector Growth Plans or other Local Plans?

University Strategy: - Loughborough University has made a strategic commitment to 'work closely with local partners to enhance the social, cultural and economic wellbeing of the communities and regions in which we reside' (University strategy 'Building Excellence') and to be a positive force for development in the region. Through LU Inc. the University aims to increase the numbers, quality and success of start-ups it works with and to strengthen regional economic performance by supporting the establishment of businesses, business growth and jobs rooted in the region. This makes LU Inc. ideally positioned as a key partner in the delivery of a rapid and effective response to the COVID-19 recovery focused on early stage entrepreneurs and developing a new generation of businesses.

Loughborough Town Investment Plan (TIP): - the project will respond to strategic themes and priorities identified in the TIP including: Future Proofed Resilience & Wellbeing: 'Equipping people, communities and business for the future' by enhancing local skills on how to rapidly design, test and experiment with new business ideas, products and services and connecting them with mentoring and other opportunities. It will enable access to high quality shared workspaces and university facilities and specialist equipment to benefit local entrepreneurs and will increase the level and quality of collaboration between the University and the local business community. Innovative inclusive development: the project will help to realise Loughborough as a 'Specialist 'innovation city' of global, national and regional quality' by: developing accessible, specialist support which helps entrepreneurs to design, test and execute business solutions. It will deliver support which contributes to enterprise development and business productivity and growth. It will provide a platform for raising Loughborough's profile regionally, nationally and internationally.

In parallel with this project, Loughborough University have been involved in submission of two additional proposals for the consideration of the Loughborough Town Deal Board which will integrate with and maximise the value of this initiative. These complementary projects are:

- 'LU Inc. Wayfinder Project' (Town Deal proposal) a focussed post-Covid-19 intervention to drive innovation and business start-up; Wayfinder realises the establishment of town centre and university innovation and prototype labs and accompanying enterprise support activities to enable the rapid design and development of new innovative businesses and provide a seamless link between town centre facilities and more advanced support through LU Inc. at LUSEP.
- 'Loughborough Careers and Enterprise Hub' (Town Deal Forward Funding Proposal) led by Loughborough College in partnership with LU to create skills and enterprise space in the town centre. It is expected that this be location for the delivery of Stream B of the programme. The Hub proposal has already secured the support of both the Council and the Town Deal Board but this proposal has allowed for an alternative Stream B location should that project not progress.

	<p>Loughborough and Leicester Science and Innovation Enterprise Zone: - This project is designed to utilise retained rates from the Enterprise Zone to begin to replenish the local business ecosystem. This intervention aims to nurture a new generation of business which are sustainable, resilient and have the potential to scale and with the aim to generate a pipeline of businesses for regional business centres and Enterprise Zone facilities.</p> <p>Govt. Industrial Strategy / LLEP Local Industrial Strategy Economic Review & Prospectus: - The University's <i>LU Inc.</i> initiative has developed a strategy to complement and support the Government Industrial Strategy and the developing LLEP Wave 2 Local Industrial Strategy, which will address local challenges, amplify local strengths and identify future opportunities. <i>LU Inc.</i> and Loughborough University are contributing to this development work through existing LLEP governance bodies and through recent initiatives such as the collaborative MIT Regional Entrepreneurship Acceleration Program (MIT REAP). This project will contribute toward identifying and supporting early stage innovations which align to the growth opportunities identified in the Local Industrial Strategy Prospectus, which originates from the Government's vision to create a modern economy that boosts productivity and earning power throughout the UK through its five 'Foundations of Productivity' to transform the economy and four 'Grand Challenges'. Specifically identified within the Local Industrial Strategy Economic Review (June 2019) is the need for local businesses to adopt new technology, new processes, new skills and this project will help emerging new businesses from the region to embed a focus on agile approaches which lend themselves to faster growth and greater productivity, identified as a key challenge for the region. The review also identifies the need to encourage greater student retention, and, by providing graduates with the inspiration, skills and infrastructure to build innovative new business rooted locally, the aim is to make this a more attractive location to settle post-graduation.</p> <p>LLEP Economic Recovery Strategy: - The LLEP is currently leading efforts to respond to the economic damage caused by the COVID-19 pandemic outbreak both immediate and longer term. The project has been designed to respond by leveraging the resources and networks of the University, the Council and wider economic partners to complement this effort.</p>
<p>What is the main strategic priority that your project addresses? (please choose one)</p>	<p>LLEP Economic Recovery Strategy: - Specifically this project is a direct response to the unprecedented shock caused by the outbreak of COVID-19 and the need to 're-ignite' the economy. It has been designed to complement other initiatives within the ambit of the LLEP and the Council to provide timely support to businesses including programmes such as RESTART which, through the Business Gateway Growth Hub, is providing assistance to existing businesses to restart their operations.</p>
<p>Previous Funding Applications</p>	

<p>How is your project State Aid compliant? Briefly explain why your project is State Aid compliant.</p>	<p>In terms of State Aid there are three groups of potential beneficiaries. The first two are those whom the project is designed to help, and the third is the University itself.</p> <p>1) Individuals These are people from the earliest stage of considering if establishing a business is a possible alternative (or supplement) to seeking employment. At the time when information, advice, help and support is provided they are not acting as economic entities, and therefore no State Aid (to economic undertakings) exists.</p> <p>2) Early stage and emerging businesses From the time when people progress to establishing a business (at that point becoming an economic undertaking) funding and support provided to the business may be classed as State Aid. The level of support is modest (a very small proportion of the de minimis allowance) and State Aid will be provided under this exemption.</p> <p>3) The University The University has undertaken a review of the activities it is proposing against the criteria for determining if State Aid exists. It has been mindful of the very local nature of the activity, and that it is highly focussed on providing information and support to unemployed, and potentially underemployed, individuals within a tightly defined local area. It has also noted that this local area is not located close to a border with any other country of EU member state, which serves to further reinforce that the effects will only be local and certainly not trans-national. On this basis it has been concluded that this modest short-term intervention will not have an impact on trade between members states, meaning that there is no state aid to the University from the project.</p>
<p>Economic Case Demonstrate that the project will best deliver existing and future needs, with clear outputs, outcomes and economic impacts.</p>	
<p>Investigation of Options</p>	

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.

Private sector investment networks have focussed their resources on ensuring the protection and survival of their existing portfolios, often diverting resources away from earlier stage investment prospects. This has included seeking the support of the UK Govt through the coronavirus Future Fund which was limited to innovative businesses which have already raised at least £250,000 in equity investment. This intervention excludes high potential early stage businesses which are not pursuing or have not yet achieved investment.

Public sector financial and other assistance has rightly focussed on short term interventions designed to mitigate the most immediate and severe challenges faced by existing businesses as a result of the pandemic. There has been less direct support to earlier stage businesses which have not yet developed a strong trading history, or people who had started out on a new venture when the pandemic struck.

This project represents a carefully costed intervention designed to fill gaps in support, complementing existing programmes whilst enhancing the level and quality of support for early stage entrepreneurs using the latest methods for scaleup business creation. Funding will also be matched by a substantial contribution of in-kind support by Loughborough University, recognising its strategic aims to increase the numbers, quality and success of start-ups it works with and its commitment to strengthen the regional economy.

The proposal has been designed to take account of and wholly complement existing business support locally. The focus is on delivering intensive support over a sustained period (6 months), compared with shorter term, or ongoing but less structured interventions delivered by other local providers.

Through each Stream cohorts of selected pre-start & early stage businesses will be provided with a **combined** programme of training, on-hand business coaching and group peer action-learning, workspace and equipment access, curated networking then a managed transition to other support programmes, facilities (through grant support) and networks. The outline curriculum is also designed to emphasise concepts not covered in detail by other providers (innovative business modelling, scaleup and rapid growth covered at start-up stage) and incorporating acquired expertise in working with knowledge-based innovation focussed businesses. The proposal is novel because there is no other local provider delivering the same combined and comprehensive offer to early stage businesses and over such an extended period. The aim is to support the local business ecosystem, and other providers, by developing the pipeline of new businesses accessing other support programmes and facilities operating in the region.

The value of a combined offer delivered by a high-quality incubator has been demonstrated by research both in the UK and internationally. A study conducted by BEIS in 2019 '[The Impact of Business Accelerators and Incubators in the UK](#)' (Oct 2019) found that participation in an Incubator programme is positively associated with startup survival, employee growth, and funds raised. Most startups surveyed considered the contribution of the programme they attended to have been significant or even vital to their success. The study also found programmes provided positive 'spillover' effects on the wider business ecosystem with more non-incubated businesses

receiving investment. Furthermore, earlier studies have demonstrated that incubators specifically associated with university science parks have other benefits, with incubated businesses showing higher growth rates than their off-incubator counterparts. They also perform better in terms of adoption of advanced technologies, aptitude to participating in international R&D programs, and establishment of collaborative arrangements with universities and increased engagement with public funding/support ([‘How Effective are Technology Incubators from Italy’](#), Dec 2012).

Below is a summary of specific differences between key local providers, projects and activities:

- **Growth Hub** - provides the most comprehensive support available locally, including: 1 to 1 coaching, workshops/events, grant provision and signposting/referrals. Growth Hub has strong provision for 1 to 1 coaching including providing signposting and access to 12 hours coaching support. Coverage is for all sectors and stages of business and is accessible by participants on an ad hoc basis rather than cohort driven and not including group action learning coaching with smaller and consistent peer groups. The majority of training/events delivered by Growth Hub focus on established SMEs. 46% of workshops advertised by the Growth Hub for autumn 2020 are relevant, though not focused on, start-up. Of these workshops 30% are sector focussed, with a strong emphasis (2/3) on the food and drink sector. Workshops are accessible by participants on an ad hoc/one off basis rather than delivered through a structured scaffolded curriculum. A variety of grants are currently available through Growth Hub but largely focussed on established businesses recovering through the pandemic or with specific limitations around expenditure. Grant funding which is directly comparable to that set out in this proposal cannot be identified. To summarise, the Growth Hub provision is not cohort based, is focussed on all types and stages of business and has no specific focus on startups or on development of innovative knowledge-based business modelling or rapid scaling.
- **NBV** – delivers (ERDF funded) start-up workshop events in the region comprising 3-day intensive workshops focussed on the process and essentials for business start-up including registration, financial planning, marketing etc. Support is limited to 12 hours (ERDF) with additional paid support services available as follow up (e.g. low-cost workspace, coaching) based in Nottingham. This covers all types of business and with no specific focus on innovative business modelling or rapid scaling. Match funded grants are available for equipment and consultancy purchases, but not running costs such as office space.
- **Chamber of Commerce, FSB, IoD and other similar networks** – membership networks providing regular networking opportunities seeking to support businesses and engage new members. Each delivers training and events programmes typically focussed on more established businesses and with limited provision for earlier stage startups. East Midlands Chamber runs the (ERDF funded)

	<p>Digital Growth Programme providing regular high-quality training events and grant support for established trading businesses to enable development of their digital capability.</p> <ul style="list-style-type: none"> • Princes Trust – delivers (ERDF funded) start-up workshop events comprising 4-day workshops focussed on the process and essentials for business start-up followed by mentoring and funding opportunities. Age restricted, excluding workspace and less intensive support programme than that proposed. • Startup Leicester Co-working Project (University of Leicester led LLEP Project) – focussed on development of a Leicester City based coworking space and Leicester based entrepreneur-led peer to peer network and support including events, mentoring and signposting/referrals. Geographically focussed on Leicester, less structured, peer to peer networking events. Planning to deliver a 6-week intensive accelerator programme for later stage, trading, innovative Leicester based businesses engaging local entrepreneur mentors. Project running up to June 2021. • LU Inc. existing offer: LU Inc. provides support for a limited number of graduate start-ups annually (10-15 with 1/2 of these locating in Loughborough and 1/2 outside the region mainly in London). Start-ups are selected based on level of traction, team experience, business idea and specialisms the university can provide support with. This results in 3 in 4 applicants not receiving a place because their idea is not sufficiently developed at the stage they graduate. Inevitably the majority of these graduates move from the area and find employment elsewhere instead of developing what are potentially scalable knowledge-based business ventures locally. Providing additional support and provision for graduates to develop their earlier stage ideas after graduation, and with more spaces available than on existing programmes, will enable an increase the numbers of businesses established setup and situated locally and encourage more graduates to remain. Outside the proposed project outcomes, increasing the numbers of graduates taking this route also encourages more undergraduates to take the same route post-graduation. LU Inc. also provides paid membership services in the form of shared workspace for entrepreneurs outside the university. For pre-starts and very early stage businesses with fluctuating or no income the cost is prohibitive, and 4 in 5 enquires are turned away because the business is too early stage (this is particularly relevant for knowledge-based innovative business types because it usually takes longer than traditional business types to develop revenue income). The proposed project would enable the expansion of existing coverage by providing additional support to these individuals with comprehensive help to develop early stage ideas; supporting them through the initial ‘valley of death’ pre to trading journey, whilst connecting them with other local networks to maximise the chance of their business’ success. The proposal would result in additional groups of unemployed people and non-LU graduates being able to access more help to develop their ideas providing equal access alongside graduates and so increasing local opportunities.
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In summary, there are limitations on current provision delivered through the university and partners and this programme has been designed to provide: additional spaces for earlier stage entrepreneurs and start-ups, additional volume by providing support over a shorter period (compared with the existing graduate programme), additional local opportunities by providing support to non-graduates and graduates who are developing ideas at an earlier stage than most current providers target. Therefore increasing the scope, range and volume of local support, and delivered through an 'accelerated' incubation programme format which does not currently exist within the LLEP area which is proven to support businesses.

The Project will be managed by the Loughborough University Incubator Manager, who has over 10 year experience being involved in or with start-ups operating in the region, and who has worked directly alongside all of the local providers outlined and has delivered a series of business development projects on behalf of the LLEP, ERDF and local authorities and institutions. The team is very familiar with the existing provision in the region for start-ups, and the limitations and gaps in this provision and so care has been exercised to construct a programme that provides additionality to the local ecosystem, and with a genuine interest in positively contributing, alongside partners, and seeing this flourish. On confirmation of funding the first step will be to engage existing providers to determine the best approach to signposting, and then to refer and connect up the offers to maximise coverage for startups/entrepreneur support.

Providing *relevant* statistical evidence at this stage is challenging because the unique circumstances of the COVID-19 pandemic have generated the conditions and need for a comprehensive intervention, but the full economic impact of the pandemic has not yet been realised. For the first time in history the state has intervened on a macro scale to pay employees wages, alongside a comprehensive financial economic relief programme. At August 2020, 9.6 million jobs, from 1.2 million different employers were furloughed in the United Kingdom as part of the government's job retention scheme with an estimated 700,000 East Midlands workers relying on the Government's furlough and self-employment income support.

The region would typically see around 18,000 graduates joining the labour market per year and, going by 2019 data, around 30% of these working for small and medium-sized enterprises. The furlough scheme is due to end by November 2020 and the implications of this change are unclear. What is expected is that the large scale disruption to the labour market caused by COVID-19 will have a significant impact on the trends outlined above and the proposal is designed as a pre-emptive, immediate intervention to provide support over the medium term to those individuals whose job prospects deteriorate over the coming months and years in the aftermath. LU Inc. has seen a steady increase in numbers of enquiries from individuals (external to the university) seeking to start a business but lacking the financial resources at a pre-start stage to access available workspace and more comprehensive training and support. Over the previous 3 months LU Inc. has received 15 enquires, only 3 of which have a sufficiently stable income to commit to office space. More individual entrepreneurs are also expressing an

	<p>interest in accessing shared office space having been deprived of the opportunity to spend time with peers in other environments typically used by early stage startups such as coffee shops etc. as a result of lockdown. Spaces which are likely to experience longer term 'circuit-break' restrictions. Furthermore there has been identified a more acute market failure locally in terms of support for knowledge-based, high growth potential early stage startups. Of the activities outlined above just one (Startup Leicester Coworking Project) is targeted on identifying and supporting early stage ventures focussed on scaleup, rapid growth innovative business models, but does not address the geography of Loughborough as it is Leicester focussed. The majority of providers locally support all business types and stages, from tradespeople to established trading SMEs with 50+ employees. Nationally operating programmes, such as TechNation, British Business Bank and Innovate UK are not limited by geography and do focus on scalable businesses, but they focus their support on more established trading businesses with strong track records of turnover and growth. This project is a targeted intervention designed to engage promising entrepreneurs at their early stages with a curriculum which will enable them to develop rapid growth, scalable and innovative business ventures. In Loughborough University the Council has access to considerable expertise in supporting these types of businesses with established networks and leverage to help them on their growth journey.</p>
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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>A range of potential interventions and configurations of support have been considered in preparing this Project proposal. Key considerations in the design of the programme have sought to enable its early implementation and effective use of the University's existing skills, experience and infrastructure whilst also responding to the urgent needs of the local economy.</p> <p>Loughborough University has a strong reputation for entrepreneurship, being recognised as 2019 Outstanding Entrepreneurial University in the THE (Times Higher Education) Awards. Building on the success of its graduate start-up programme, Studio, which has supported 80+ companies and 100+ entrepreneurs to create over 100 jobs, 75 volunteers, 20+ internship opportunities, the University has launched a dedicated business Incubator, LU Inc., whose mission is to cultivate emerging innovative and ambitious businesses, bringing together academic and graduate entrepreneurs with founders from across the region and beyond to create a rich, vibrant and world-renowned entrepreneurial community. Through this project the University's existing skills and experience in enterprise, entrepreneurship and business creation can be leveraged to contribute directly to the re-building of our local economy. With a focus on earlier stage business setup it complements and enhances the support being targeted to help existing and later stage businesses.</p> <p>Without this funding the University has the capability but does not have the capacity or resources to deliver this project, demonstrated by 3 of 4 graduates and 4 of 5 external aspiring entrepreneurs having to be turned away as they are not sufficiently developed and do not yet have the steady income to access support. The impact of doing nothing would be on those individuals who will benefit directly or indirectly from the project. Some individuals would likely still pursue development of a business venture, but would face a much higher risk of failure through the 'valley of death' route from setup to trading; lacking the training, facilities, networks and resources to develop their business or to structure them in such a way which increases their potential and sustainability in future. Lacking the inspiration and support to test their ideas, other individuals would seek alternative routes to employment. Given the current circumstances and onset of recession there is a high risk these individuals will fail to find work locally and need to rely on Government unemployment benefits for potentially long periods of time.</p>
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<p>Demonstrate and evidence that the funding would represent value for money. (max 400 words)</p>	<p>Based on projected outcomes it is projected the project will help to generate 35 new business of the 250 engaged and 100 pre-and emerging startups supported. Referring to data captured and submitted annually via the University's standard government reporting on start-up business turnover and employee numbers of the businesses that have been supported three scenarios for businesses which are setup and begin trading have been determined. These are:</p> <p>a) 'worst case scenario' - estimating each of the 35 businesses established achieves only £15,000 value generated and 0.5 FTE jobs generated. Over a single 12-month period this would result in 17.5 jobs created and £525,000 value created.</p> <p>b) 'medium case scenario' - estimating each of these businesses achieves £30,000 value generated and 1FTE jobs generated. Over a single 12-month period this would result in 35 jobs created and £1,050,000 value created.</p> <p>c) 'best case scenario' - estimating approximately 80% of the businesses created will achieve £30,000 value generated and 1FTE jobs generated, and 20% of businesses created will achieve rapid scale and growth; achieving £200,000 value generated and 10FTE jobs created. Over a single 12-month period this would result in 105 jobs created and £2,240,000 value created.</p> <p>The calculations above exclude the accumulative effect of businesses operating over more than one year and any benefits realised by individuals who participated in the programme gaining new skills which might help them to either set a business up in future or secure future employment opportunities. These projections are based on a single 12 month period following but not immediately proceeding the project. It is assumed that achieving these projections may take some 2-3 years to develop; for example a high performing start-up may begin generating ~£15,000 in year one, moving to £30,000 and £100,000 in year three thereafter continuing to grow year on year.</p>
<p>Is the project scalable? If so what is the minimum amount of funding required.</p>	<p>Two accelerator "Streams" are to be set up. Stream A will deliver four six-month long accelerator 'cohort' programmes and Stream B will deliver three 'cohort' programmes over a two-year period. Each cohort will aim to engage up to 40 individuals through events and one to one support. Of those individuals 15 pre and emerging new businesses will be selected and supported through the development of their business with the aim that 5 of those businesses will establish. The programme has been designed with the potential to scale up to enable delivery of multiple streams running from multiple locations. For the purpose of this proposal delivery has focussed on two locations located at LUSEP and in Loughborough Town Centre.</p>
<p>Outputs, Outcomes and Impact</p>	
<p>The funding recipient will be responsible for reporting against all outputs, outcomes and impacts detailed below.</p>	
<p>Impacts</p>	

Please identify the impacts this project will have. Consider issues including unlocking sustainable economic growth, social inclusion, wellbeing and environmental sustainability.			
Outcome (e.g. jobs unlocked, homes unlocked)	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)
Individuals engaged and utilising Enterprise/ Entrepreneurship and Startup support	250	0	To be assessed at start and close of each cohort by Stream Leader (aligned to milestones). Engagement collected and measured through recording of attendance at event, workshop or one to one support
Start-up businesses utilising Enterprise/Entrepreneurship/Startup support	100	0	To be assessed at start and close of each cohort by Stream Leader (aligned to milestones). Engagement collected and measured through recording of attendance at event, workshop or one to one support
New businesses created	35	0	Evidence collected throughout the Project by the Stream Leader. Business registration documentation.
Businesses accessing next-step facilities	20	0	Evidence collected throughout the Project by the Stream Leader. Agreement between business/individuals and office space provider
Support business to secure follow on finance from other private or public providers	20	0	Evidence collected throughout the Project by the Stream Leader. Written confirmation by funder.

<p>Will particular groups of people be affected by the intervention? Will the impact be positive or negative? Please explain. (Max 100 words)</p>	<p>Support will be focussed primarily on individuals exploring business start-up as an alternative career route and on pre and emerging new businesses. Beneficiaries will be required to display the following key characteristics:</p> <p>Individuals who are:</p> <ul style="list-style-type: none"> • Living, working/or intending to work or recently studying in the LLEP area • Out of work or in casual/temporary employment • Entering / re-entering the labour market • May be accessing employment assistance (financial or other support) <p>Start-up business which are:</p> <ul style="list-style-type: none"> • Located in the LLEP area • Comprising individual or multiple founders • Within first 12 months of setup or initial trading • At an early development stage (seeking market validation of product/service, gathering evidence of product market fit or developing new prototype technologies to commercialise). • Not yet have 'stabilised' and need flexibility to respond to significant changes in the business or founder circumstances (e.g. major pivot of business proposition, part-time employment of founders) <p>By virtue of developing a pipeline of new businesses secondary beneficiaries will be local providers of managed workspaces or coworking spaces. Grant funding will be provided to support individual businesses toward follow on office space and will generate better quality prospects for these business centres.</p>
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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 (£'s)?	£414,930
Funding Requirements and Match Funding	
What is the total minimum funding requirement being requested (£'s)?	£313,760
What is the total match funding that will be provided (£'s)?	£101,170

Sources of Funding (£'s)

Please identify all the individual sources of funding for the life of the project. Sources of funding should add up to the Total Cost of the Project (add rows as necessary)

Funding Source	Amount (£'s)	Percentage of Budget (%)	Confirmed	Description
Enterprise Zone (EZ) Retained Business Rates	£313,760	75.6	To be confirmed	Outlined in this proposal
Loughborough University in-kind staff time and facilities	£101,170	24.4	Yes	Formed of Incubator Manager (0.2 FTE) and Office space (Hollywell, LUSEP)

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)

September 2020

Risk Identifier	Risk name	Description of risk including potential impact. And mitigation
1	Delay in post approval for Stream Leaders	Risk – Medium Impact – Medium Mitigation – Seek post approval subject to funding confirmation / LU Inc. Manager will act as a backup resource until recruitment completed
2	Uncertainty around pandemic conditions and risk of COVID in physical space	Risk – Low Impact – High Mitigation – Programme will comprise a blended programme allowing for both physical & virtual delivery. Social distancing measures installed at physical locations and reduced cohort size for Stream A & B Cohort 1.
3	No identifiable space / delay in agreement for Stream B location	Risk – Low Impact – Medium Mitigation – Several options are already under consideration or subject to current funding proposals (see Strategic Case above)
4	Insufficient funds to secure Stream B Town Centre delivery location	Risk – Low Impact – Medium Mitigation – Benchmarking exercise undertaken to identify delivery location options has identified several options including the use of a Town Centre space developed by Loughborough College in partnership with Loughborough University. In the worst case Stream A location can substitute for delivery location as Stream B location is identified and secured.
5	Lower than expected take-up / programme schedule issues for cohort programmes	Risk – Low Impact – High Mitigation – Greater resources dedicated to marketing, strong staff team, effective management and client dialogue. Cohort size adjustment, Strong staff team, effective management and client dialogue

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

Project Plan attached, including a full breakdown of costs (see Financial Plan Figure 6. page 13 and below in Appendix). This submission and the Project Plan has been prepared by Loughborough University in consultation with the Council.

Declaration

By submitting this form you are declaring that to the best of your knowledge, the information included within this form is accurate.

Name

Date

Whilst we will treat your application with the utmost confidentiality, please be aware that we will use this information to carry out an appraisal on your project. The LLEP is a partnership and the information you provide may be shared with relevant local and national partners and third party organisations.

September 2020

Any personal data that you provide will be processed in accordance with current data protection laws. It will be used by Leicester City Council and our partners to deliver and improve services and fulfil our contractual duties. We will not disclose any personal information to anyone else unless required or allowed to do so by law. Read more about how we use personal data in our Privacy Notice on our website: www.leicester.gov.uk

APPENDIX

Total Project Costs		Total	2020/21	2021/22	2022/23	2023/24
Spend profile		£414,930	£25,993	£192,409	£180,415	£16,113
Of which EZ ask		£313,760	£14,414	£145,751	£142,042	£11,553
Forecast EZ Funding		Total	2020/21	2021/22	2022/23	2023/24
Stream A Programme Leader (1FTE)		108,246	3,814	47,147	49,033	8,252
Stream A Engagement Events		1,000	0	500	500	0
Stream A Workshop Training Programme		10,000	0	5,000	5,000	0
Stream A Office Space (LUSEP)		70,000	8,750	35,000	26,250	0
Stream B Programme Leader (0.4FTE)		38,722	0	15,808	19,613	3,301
Stream B Engagement Events		2,000	0	1,000	1,000	0
Stream B Training Programme		9,592	0	4,796	4,796	0
Stream B Office Space (Town Centre location)		45,000	0	22,500	22,500	0
Marketing materials and activities (including web portal)		3,200	1,600	1,000	600	0
Travel and contingency		2,000	250	1,000	750	0
Grow on space grants (20 grants)		24,000	0	12,000	12,000	0
Total EZ Budget		313,760	14,414	145,751	142,042	11,553
Forecast Match Funding						
Incubator Manager (0.2 FTE)		31,170	2,829	11,658	12,123	4,560
Office space (LUSEP)		70,000	8,750	35,000	26,250	0
Total Match Funding		101,170	11,579	46,658	38,373	4,560
Total all costs		414,930	25,993	192,409	180,415	16,113

Restocking the Business Base

Developing new businesses for a strong economic future



Pete Hitchings and Jon Walker, August 2020

EXECUTIVE SUMMARY

Challenge: wasted talent: - The global economy has experienced an unprecedented shock caused by the outbreak of COVID-19. Smaller companies are particularly vulnerable in this crisis. This is especially damaging for the LLEP region because the local economy is largely SME based. Businesses will have been forced to shed highly skilled employees in order to survive, whilst others will have collapsed entirely. A cohort of talented University leavers is also flooding the labour market. The result is a dramatic increase in unemployed skilled and experienced professionals and in entrepreneurial and highly educated young people.

Opportunity: building better businesses: - This pool of talent represents an outstanding opportunity to replace the companies lost in the downturn with a new generation of businesses that are more “fit for the future” – established more robustly, with trained and supported founders; focused on emerging markets and committed to scaleup and growth; benefiting from an accelerated start; rooted in the Loughborough area; and more resilient to face the future.

Actors: - leveraging networks and experts: - Loughborough University has a strong reputation for entrepreneurship, being recognised as 2019 Outstanding Entrepreneurial University in the THE (Times Higher Education) Awards. Building on the success of its graduate start-up programme, Studio, which has supported 70+ companies and 90+ entrepreneurs to create over 100 jobs, 68 volunteers, 20+ internship opportunities, the University has launched a dedicated business Incubator, LU Inc., whose mission is to cultivate emerging innovative and ambitious businesses, bringing together academic and graduate entrepreneurs with founders from across the region and beyond to create a rich, vibrant and world-renowned entrepreneurial community. At this crucial time LU Inc. has a critical role to play in driving the rejuvenation of the local economy.

Response: intensive support start-up programme: - “*LU Inc. Plus - business start-up accelerator*” will harness existing skills and experience at Loughborough University in enterprise, entrepreneurship, business creation and scaleup start-ups. It will coordinate with regional partners, such as CBC, Growth Hub, LCC, Charnwood Campus, LUSEP, other co-working and business space providers, Business Chambers, FSB and private sector professional service providers. *LU Inc. Plus* will establish multiple accelerator “Streams”. Each stream will deliver six-month long accelerator programmes over a two-year period at selected locations (one at LUSEP; one in the town centre; and with other locations possible). Each stream will engage with as many as 125 people with business ideas and will provide a six-month programme to up to 50+ pre and emerging businesses.

Intervention: LU Inc. Plus Programme: - The individuals and proto-businesses will receive:

- Blended virtual and face to face training and events programme
- Dedicated shared workspace (with managed social distancing)
- Dedicated business coaching programme focused on realising set-up and growth
- Active peer and mentor network with 1:1 and group action learning and accountability sessions
- Direct connections made with local business support networks including Growth Hub and industry networks like FSB, IoD, and Chamber of Commerce
- Grant funding for selected high potential businesses for next-step space
- Soft landing to appropriate next-step facilities (e.g. business centres and co-working spaces)
- Support to secure follow on finance from other private or public providers

Cost, resources and timing: - This Project Plan is based on an initial programme of two streams, each for two years, requiring £313,760 (see Figure 1. below). In addition, in-kind support or significantly reduced accommodation from hosting locations will be required. Recruitment to the programme would begin soon after funding is confirmed, with an anticipated start date for the project of January 2020 and delivery commencing March 2021.

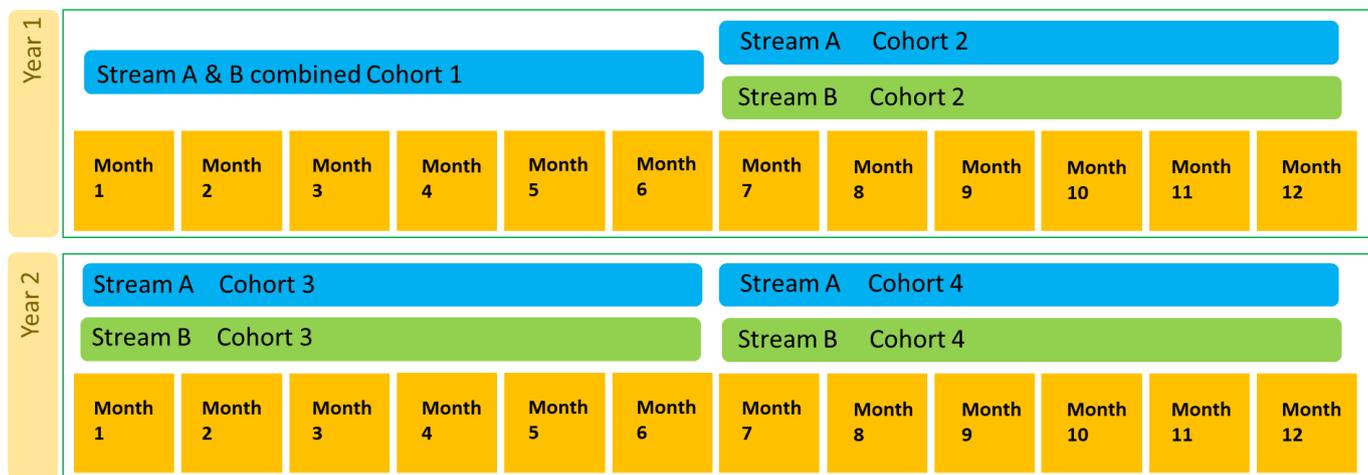


Figure 1: Overview of LU Inc. Plus Programme schedule.

Projected Impact: - Outputs and outcomes for a two-year programme can be summarised as follows. Our theory of change model including Project outputs and outcomes is set out on page 10 Figure 4.

Output/outcome	Est. Per cohort (6 months)	Est. Per Stream	Programme (2 streams)
Individuals engaged	36	125	250
Start-ups supported	14	50	100
Businesses established	5	17	35
Businesses to next-step facilities	3	10	20
Businesses supported to secure follow on finance from other private or public providers	3	10	20

Projected Costs: - A full breakdown of costs is provided in our Financial Plan Figure 6. on page 13.

Total Project Costs		Total	2020/21	2021/22	2022/23	2023/24
Spend profile		£414,930	£25,993	£192,409	£180,415	£16,113
Of which EZ ask		£313,760	£14,414	£145,751	£142,042	£11,553

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AIMS & OBJECTIVES

Our primary aim is to help people in the region to create a new generation of businesses. Our focus will be on supporting and encouraging aspiring entrepreneurs to build ventures which are more sustainable, resilient and have the potential to scale.

The Project is intended as a direct response to the economic fallout caused by the COVID-19 Global Pandemic and accompanying recession. We intend to support individuals whose employment prospects have deteriorated to equip them with new skills to enable them to develop new businesses which are 'fit for the future'; agile, focused on emerging markets and committed to fast growth. In turn, rejuvenating the local economy by helping to generate new jobs, value and innovations.

To achieve this we will equip early stage business founders with the skills, knowledge, resources and networks to rapidly test, validate, setup and grow their businesses.

Through a programme of 2 streams run over 2 years we aim to:

- Engage 250 individuals exploring business start-up
- Train 100 pre and emerging start-ups
- Support setup of 35 new businesses
- Support 20 businesses to transition to follow on workspace facilities
- Support 20 business to secure follow on finance from other private or public providers

RATIONALE

The global economy has experienced an unprecedented shock caused by the outbreak of COVID-19. Smaller companies are particularly vulnerable in this crisis and this is especially damaging for the LLEP region because the local economy is largely SME based. Businesses will have been forced to shed highly skilled employees in order to survive, whilst others will have collapsed entirely. A cohort of talented University leavers will also be flooding the labour market. The result is a dramatic increase in unemployed skilled and experienced professionals and in entrepreneurial and highly educated young people.

Public sector assistance has rightly focussed on short term interventions designed to mitigate the most immediate and severe challenges faced by existing businesses. There has been less direct support to earlier stage businesses which have not yet developed a strong trading history, or people who had started out on a new venture when the pandemic struck.

There is now a need to deploy medium term interventions for economic recovery and resurgence. As a regional economic anchor Loughborough University has a critical role to play to complement, amplify and enhance initiatives being led by our regional strategic partners, such as Charnwood Borough Council, the LLEP and Business Growth Hub. This project will respond by leveraging our expertise, resources and networks to help to revitalise the economy, by supporting the development of a new generation of businesses and in so doing enabling the creation of new jobs, value and opportunity for the region. It will help to future proof the contemporary skills and enterprise base of the town, making it more resilient as an economy during uncertain economic times arising from the pandemic.

Whilst it is crucial that we quickly take action to replace those businesses lost in the downturn, the current circumstances also present a unique opportunity to re-build and re-form our economy, focussing on building new kinds of businesses which make us better equipped to meet future challenges. By engaging a pool of talented, educated professionals, and enhancing their understanding of how to form more sustainable, resilient businesses which have the potential to grow and scale, we can replace the companies which are being lost, replenish our regional business centres and accelerate our aspirations to become a specialist "Innovation City" of global, national and regional quality.

OUR TRACK RECORD

Loughborough University has crafted a strong enterprise ecosystem that benefits students and staff and local to global public and private sector partners. Its achievements are recognised by 2019 THE Entrepreneurial University of the Year, and numerous national and regional innovation and entrepreneurial awards for collaborative projects and startups. A Pro Vice-Chancellor for Enterprise leads Associate Deans for Enterprise in every academic school, supported by a Partnership Management Team to enable creative and innovative research outputs to be developed with external partners for economic and societal impact. A unique Campus Partner Framework embeds within the University's innovation community 90+ organisations on its science park, LUSEP, characterised by distinctive knowledge clusters including energy, low carbon, sport, health and wellbeing. Loughborough Enterprise Network uniquely combines the Students' Union and University's delivery of student/graduate enterprise activity,

engaging alumni and business communities. Its graduate startup programme, the Studio, has supported 80 companies and 100+ entrepreneurs, creating 128 jobs, 75 volunteer and 24 internship opportunities. Two high-potential graduate startups at LUSEP have raised over £2m in investment and created 25 skilled jobs in three years.

The University has launched a dedicated business Incubator, [LU Inc.](#), with a mission to cultivate emerging innovative and ambitious businesses, bringing together academic and graduate entrepreneurs with founders from across the region and beyond to create a rich, vibrant and world-renowned entrepreneurial community. With a dedicated Incubator team, founders supported through LU Inc. benefit from shared workspace, training, coaching, mentoring and connections to networks and funding and resources from inside and outside the University. This support is designed based on international best practice for incubator and accelerator services. Having formed such a developed enterprise ecosystem it is right that the University should now leverage its resources to contribute directly to the re-building of our local economy. harness existing skills and experience at Loughborough University in enterprise, entrepreneurship and business creation.

STRATEGIC DRIVERS

University Strategy: - Loughborough University has made a strategic commitment to ‘work closely with local partners to enhance the social, cultural and economic wellbeing of the communities and regions in which we reside’ (University strategy ‘Building Excellence’) and to be a positive force for development in the region. Through LU Inc. the University aims to increase the numbers, quality and success of start-ups it works with and to strengthen regional economic performance by supporting the establishment of businesses, business growth and jobs rooted in the region. This makes LU Inc. ideally positioned to lead a rapid and effective response to the COVID-19 recovery focused on early stage entrepreneurs and developing a new generation of businesses.

Loughborough Town Investment Plan (TIP): - the project will respond to strategic themes and priorities identified in the TIP including: **Future Proofed Resilience & Wellbeing:** ‘Equipping people, communities and business for the future’ by enhancing local skills on how to rapidly design, test and experiment with new business ideas, products and services and connecting them with mentoring and other opportunities. It will enable access to high quality shared workspaces and university facilities and specialist equipment to benefit local entrepreneurs and will increase the level and quality of collaboration between the University and the local business community. **Innovative inclusive development:** the project will help to realise Loughborough as a ‘Specialist ‘innovation city’ of global, national and regional quality’ by: developing accessible, specialist support which helps entrepreneurs to design, test and execute business solutions. It will deliver support which contributes to enterprise development and business productivity and growth. It will provide a platform for raising Loughborough’s profile regionally, nationally and internationally.

In parallel with this project, Loughborough University have been involved in submission of two additional proposals for the consideration of the Loughborough Town Deal Board which will integrate with and maximise the value of this initiative. These complementary projects are:

- ‘LU Inc. Wayfinder Project’ (Town Deal proposal) a focussed post-Covid-19 intervention to drive innovation and business start-up; Wayfinder realises the establishment of town centre and university innovation and prototype labs and accompanying enterprise support activities to enable the rapid design and development of new innovative businesses and provide a seamless link between town centre facilities and more advanced support through LU Inc. at LUSEP.
- ‘Loughborough Careers and Enterprise Hub’ (Town Deal Forward Funding Proposal) led by Loughborough College in partnership with LU to create skills and enterprise space in the town centre. It is our expectation that, with agreement from CBC and in consultation with the Town Deal Board, this be our Stream B delivery location. The Hub proposal has already secured the support of both CBC and the Town Deal Board but this proposal has allowed for an alternative Stream B location should the project not progress.

Loughborough and Leicester Science and Innovation Enterprise Zone: - This project is designed to utilise retained rates from the Enterprise Zone to begin to replenish the local business ecosystem. This intervention aims to nurture a new generation of business which are sustainable, resilient and have the potential to scale and with the aim to generate a pipeline of businesses for our regional business centres and Enterprise Zone situated facilities.

Govt. Industrial Strategy / LLEP Local Industrial Strategy Economic Review & Prospectus: - LU Inc. has developed its strategy to complement and support the Government Industrial Strategy and the developing LLEP Wave 2 Local Industrial Strategy, which will address local challenges, amplify local strengths and identify future opportunities. LU Inc. and Loughborough University are contributing to this development work through existing LLEP governance bodies and through recent initiatives such as the

collaborative MIT Regional Entrepreneurship Acceleration Program (MIT REAP). This project will contribute toward identifying and supporting early stage innovations which align to the growth opportunities identified in the Local Industrial Strategy Prospectus, which originates from the Government's vision to create a modern economy that boosts productivity and earning power throughout the UK through its five 'Foundations of Productivity' to transform the economy and four 'Grand Challenges'. Specifically identified within the Local Industrial Strategy Economic Review (June 2019) is the need for local businesses to adopt new technology, new processes, new skills and this project will help emerging new businesses from the region to embed a focus on agile approaches which lend themselves to faster growth and greater productivity, identified as a key challenge for the region. The review also identifies the need to encourage greater student retention, and, by providing graduates with the inspiration, skills and infrastructure to build innovative new business rooted locally, we aim to make this a more attractive location to settle post-graduation.

LLEP Economic Recovery Strategy: - Specifically this project is a direct response to the unprecedented shock caused by the outbreak of COVID-19 and the need to 're-ignite' the economy. It has been designed to complement initiatives being led by the LLEP and Charnwood Borough Council to provide timely support to businesses including programmes such as RESTART which, through the Business Gateway Growth Hub, is providing assistance to existing businesses to restart their operations.

WHO WE WILL SUPPORT

Our support will be focussed primarily on individuals exploring business start-up as an alternative career route and on pre and emerging new businesses. We expect our beneficiaries to display the following key characteristics:

Individuals who are:

- Living, working/or intending to work or recently studying in the LLEP area
- Out of work or in casual/temporary employment
- Entering / re-entering the labour market
- May be accessing employment assistance (financial or other support)

Start-up business which are:

- Located in the LLEP area
- Comprising individual or multiple founders
- Within first 12 months of setup or initial trading
- At an early development stage (seeking market validation of product/service, gathering evidence of product market fit or developing new prototype technologies to commercialise).
- Not yet have 'stabilised' and need flexibility to respond to significant changes in the business or founder circumstances (e.g. major pivot of business proposition, part-time employment of founders)

By virtue of developing a pipeline of new businesses our secondary beneficiaries will be local providers of managed workspaces or coworking spaces. As we will deliver grant funding to support individual businesses toward follow on office space and will generate better quality prospects for these business centres.

WHAT WE WILL PROVIDE: INTENSIVE SUPPORT START-UP PROGRAMME

The LU Inc. Plus business start-up accelerator will comprise the following activities delivered over an intensive 6-month programme and through follow on support:

- Blended virtual and face to face training and events programme:-**
 Providing inspiration and confidence to start-up and training founders in the latest methods and techniques for rapidly testing and validating business concepts, minimising costs and engaging with potential customers quickly and effectively. Per cohort we intend to deliver 4 networking events and 12 training days harnessing expertise through Loughborough University in enterprise, entrepreneurship and business creation. An indicative curriculum is outlined opposite; this will be designed in full in the first stage of the project and will be configured to fit each cohorts' requirements and to complement existing local training provision. We anticipate early cohorts will have a higher proportion of virtual delivery dependent on social distancing measures.

Needs assessment – bespoke curriculum planned for participants, working with LU Inc. Plus team

Workshop blocs

Bloc 1: mission, vision, milestones & action planning, customer discovery, value proposition, lean startup, addressable market & testing, product market fit

Bloc 2: business modelling and fast growth and exit strategies, setup & legals, pitching & first selling, new tools & technologies for business management

Bloc 3: Managing finance in fast growth companies, PR & profile raising, sales pipeline, engaging clients B2B and B2C, marketing, branding & storytelling, IP

Bloc 4: Unlocking networks for growth, advisors, mentors and other supporters, embedding innovation incl. R&D tax, fundraising, valuations & due diligence

Review – identifying next step facilities, networks and funding with LU Inc. Plus team & partners

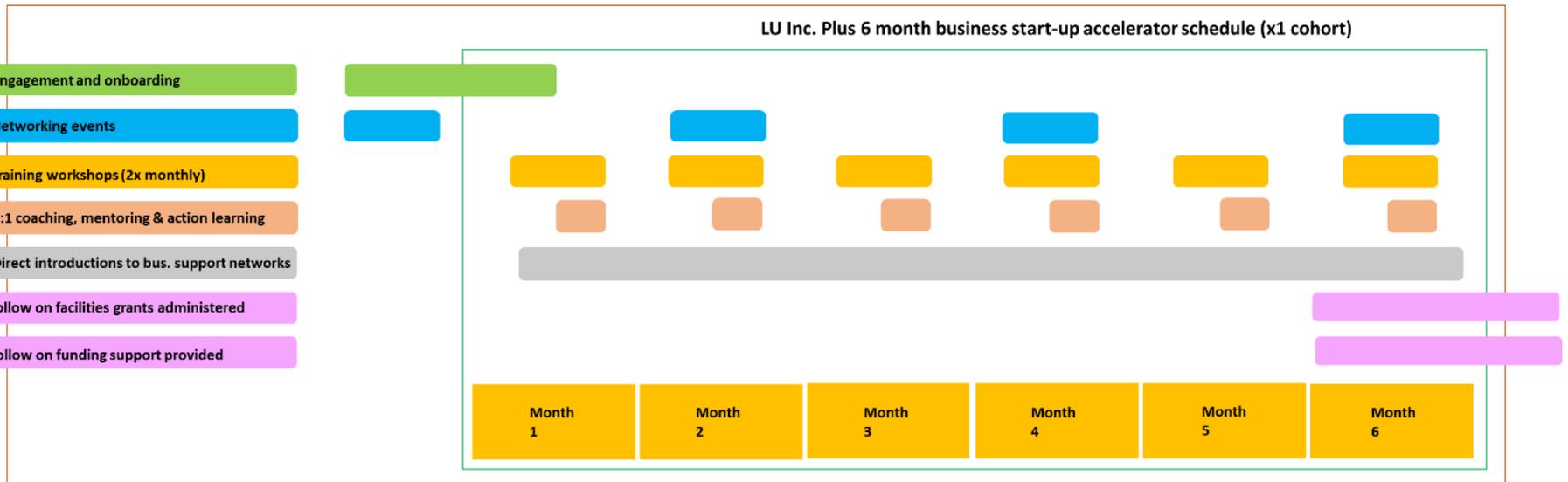
- Dedicated shared workspace (with managed social distancing):-**
 Co-locating cohorts of entrepreneurs in safely managed shared facilities where they can benefit from a fully serviced office environment conducive to encouraging peer to peer support and learning and providing close access to equipment and expertise to test and validate products and services. Stream A will be located at the LU Inc. business facility, based at LUSEP, a 544 sqm fully-serviced, flexible workspace including event, meeting, breakout, lab and storage spaces with close-by access to other facilities and expertise, workstation with power and superfast broadband, refreshments, printing, and dedicated LU Inc. team and wider shared reception and security provision. Stream B will initially be delivered through virtual events programme, the incubation facilities will then be confirmed in an equivalent space in the town centre. The exact location will be determined by the success of a Town Deal Forward Funding proposal which has support of CBC and Loughborough Town Deal Board (see Strategic Drivers section of this Project Plan), otherwise the location will be at an appropriate location run by a private sector provider. It may otherwise be preferable to locate an additional stream at the Charnwood Enterprise Zone subject to available space.
- Dedicated business coaching programme focused on realising set-up and growth:-**
 Regular 1:1 business and performance coaching between founders and qualified coaches to help them to configure sustainable, resilient business models, address and overcome challenges and action plan the development of their business
- Active peer and mentor network with 1:1 and group action learning and accountability sessions:-**
 Bringing together cohorts of entrepreneurs to provide action learning workshops through which participants can support one another to troubleshoot shared challenges with the assistance of an experienced facilitator coach. Connecting entrepreneurs with highly experienced mentors, industry or domain experts and investors who can help them to develop their business concept, leveraged through the university's alumni and industry networks and through close cooperation with other regional business support programmes
- Direct connections made with local business support networks:-**
 Managing connections with business support networks across the region providing a clear route pathway for entrepreneurs to access complementary and follow on support and resources to maximise the success of their business. For example, by providing touch points during our programme for the introduction of Business Gateway Growth Hub and where appropriate make direct individual connections with Growth Hub team members. This will be replicated for other relevant networks which might include, though not exclusively, Federation of Small Businesses (FSB) Institute of Directors (IoD), Chambers of Commerce and MSDUK (which brings together ethnic minority owned businesses nationally).
- Grant funding for high potential businesses for next-step space:-**
 Supporting new businesses through brokered connections and financial assistance to transition from incubation services to appropriate spaces across the region to restock the local business ecosystem. This will be achieved by:
 - administering grant funding up to £1,200 for a smaller number of individual businesses to use to purchase office space post-programme within the LLEP area with appropriate providers. This will support those highest potential businesses to smoothly transition from incubation to grow on space.
 - collaborating with our local business centre and coworking providers, including 'Neighbourhood' (which manages Jason Works, Canal House and other Loughborough based shared workspaces) to provide a 'soft-landing' introduction between businesses and follow on business facilities.

- **Support with finding and securing follow on funding opportunities through appropriate fundraising routes:-**
The LU Inc. team has considerable experience in supporting early stage businesses to access local, regional and national funding opportunities from public and private providers. From each cohort those businesses with highest potential will be supported more intensely to secure follow on funding opportunities.

Creating an Emerging Business Pipeline - Each cohort will engage 36 individuals through events and one to one support. Of those individuals 14 pre and emerging new businesses will be selected and supported through the development of their business with the aim that 5 of those businesses will establish. Of those supported 3 of the most promising businesses (those with greatest potential to grow and scale over the next 6-12 month) will be selected for follow on support to enter into follow on facilities and 3 selected to support to secure external funds. Stream A & B Cohort 1 will be combined and run at reduced capacity to take account of social distancing and to allow for effective lead-in for the project and establishment of Stream B location).

Support overview

The following Figure 2. outlines the support delivered for each cohort over a 6-month period the project:



Project overview

Over the course of the project we will deliver 8 cohorts, spread over 2 themes. The schedule is outlined in Figure 3. below:

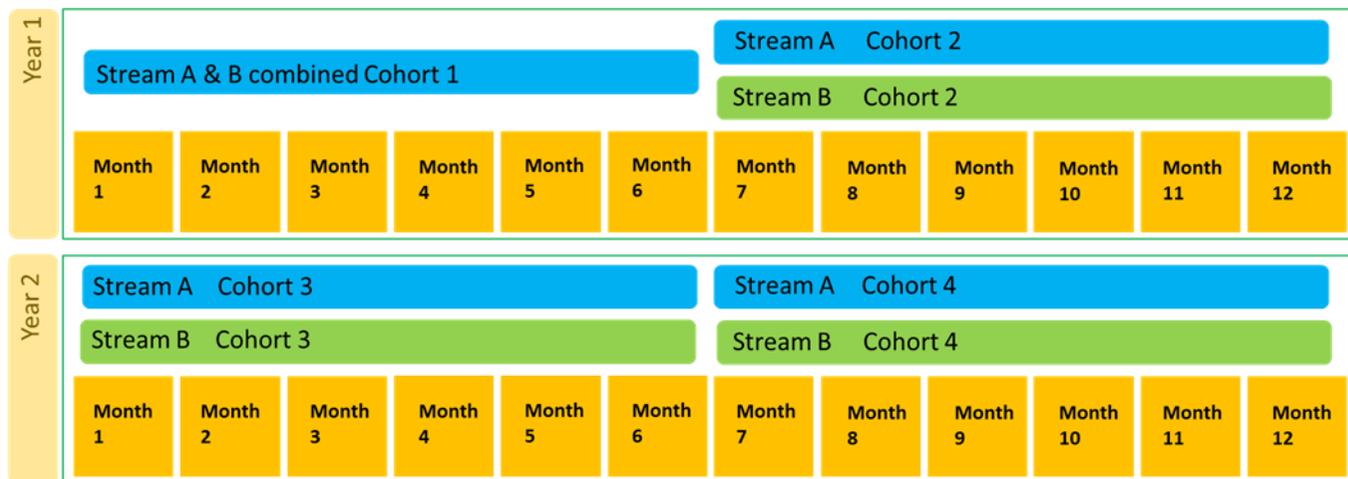
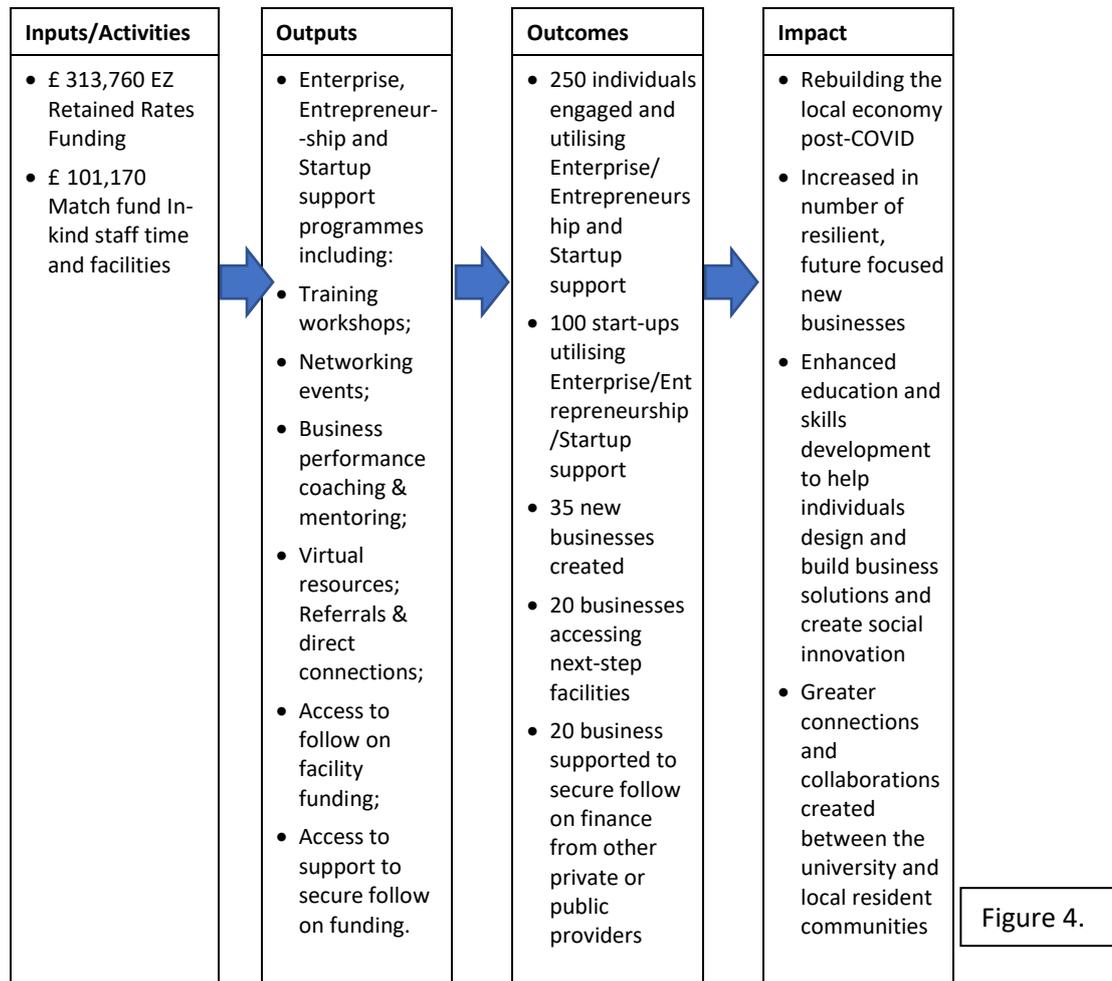


Figure 3.

WHAT WE WILL ACHIEVE: IMPACT

Figure 4. below sets out the impact we intend to achieve through theory of change, outputs and outcomes:



Through this project we are working to create more founders like those described below who have responded to the COVID-19 pandemic dynamically by realigning their businesses to opportunities which help them to survive and thrive. Each of the following entrepreneurs are currently being supported by LU Inc.



Kate Walker
Founder, Exphand Prosthetics
 Manufacturing Start-up

User testing a 3D printed prosthetic arm for children, Kate was recently a Leicestershire Innovation Award winner.



Tiff Afflick
Founder, The Cooking Yam
 Sports nutrition and recipe development

During the pandemic Tiff has pivoted her sports nutrition coaching and workshops to international markets



Ricky Odin
Founder, Odin E-Com
 E-commerce scale up services

A digital marketer with local industry experience, Ricky is reconfiguring his business model to move from freelance paid work experiment with services which can be rapidly scaled.



Ben Bradshaw
Founder, Defined Creative
 Graphic and Web Designer

A graphic design professional with local industry experience, Ben is currently expanding his team to transition from sole founder to creative agency.

Value for money

Based on projected outcomes we assume the project will help to generate 35 new business of the 250 engaged and 100 pre-and emerging startups supported. We have determined three scenarios for businesses which are setup and begin trading. These are: a) 'worst case scenario' - we estimate each of the 35 businesses established achieves only £15,000 value generated and 0.5 FTE jobs generated. Over a single 12-month period this would result in 17.5 jobs created and £525,000 value created. b) 'medium case scenario' - we estimate each of these businesses achieves £30,000 value generated and 1FTE jobs generated. Over a single 12-month period this would result in 35 jobs created and £1,050,000 value created. c) 'best case scenario' - we estimate approximately 80% of the businesses created will achieve £30,000 value generated and 1FTE jobs generated, and 20% of businesses created will achieve rapid scale and growth; achieving £200,000 value generated and 10FTE jobs created. Over a single 12-month period this would result in 105 jobs created and £2,240,000 value created. The calculations above exclude the accumulative effect of businesses operating over more than one year and any benefits realised by individuals who participated in the programme gaining new skills which might help them to either set a business up in future or secure future employment opportunities. These projections are based on based on a single 12-month period following but not immediately proceeding the project. We are assuming achieving these projections may take some months/2-3 years to develop, for example a high performing start-up may begin generating ~£15,000 in year one, moving to £30,000 and £100,000 in year three thereafter continuing to grow year on year.

PROJECT PLAN

Figure 5. outlines how we intend to deliver on our Project including key milestones and expected timescales:

Key Milestone / Task	Key risks	Actions to mitigate risk	Completion date	Outcome
Design of detailed delivery plans (event / training / coaching) and design of grant administration	Uncertainty around pandemic conditions	Blended programme allowing for physical & virtual delivery	Feb 2020	Detailed content and delivery plan
Partner engagement – discuss with partner agencies their involvement / touchpoints in cohort / stream delivery	Partner capacity to support	Identify gaps and regularly review partner arrangements	Feb 2021	Partner engagement and referral process in place (when to refer, how to refer, how to monitor referrals etc.)
Initiate stream Leaders post approval and recruitment	Delay in post approval	Seek post approval subject to funding confirmation / LU Inc. Manager backup resource	Mar 2021	Enable design and delivery of detailed delivery plan
Plan and resolve locations for Stream A and Stream B delivery (incl. Stream A LU Inc., LUSEP / Stream B Town Centre)	For Stream B no identifiable space / delay in agreement	Several options are already under consideration or subject to current funding proposals (see strategic drivers section)	Apr 2021	Business facility ready to host Stream B Cohort 1

LUSEP LU Inc. business facilities ready to host Stream A & B Cohort 1	Physical space COVID safe	COVID safety measures installed	Feb 2021	LUSEP LU Inc. business facility ready to host Stream A & B Cohort 1
Town Centre business facilities ready to host Stream B Cohorts	For Stream B no identifiable space / delay in agreement	Several options are already under consideration or subject to current funding proposals (see strategic drivers section)	May 2021	Town Centre business facility ready to host Stream B Cohorts
Project application portal developed and published online and engagement and onboarding of Stream A Cohort 1 and Stream B Cohort 1 initiated	For Stream B no identifiable space / delay in agreement	Resources allocated to marketing	Mar 2021	First cohort recruited and delivery commenced
Delivery of Stream A Cohort 1 and Stream B Cohort 1	Low take-up / programme schedule issues	Cohort size adjustment Strong staff team, effective management and client dialogue	Aug 2021	40 Individuals engaged, 16 start-ups supported
Delivery of Stream A Cohort 2 and Stream B Cohort 2	Low take-up / programme schedule issues		Feb 2022	70 Individuals engaged, 28 start-ups supported
Delivery of Stream A Cohort 3 and Stream B Cohort 3	Low take-up / programme schedule issues		Aug 2022	70 Individuals engaged, 28 start-ups supported
Delivery of Stream A Cohort 4 and Stream B Cohort 4	Low take-up / programme schedule issues		Mar 2023	70 Individuals engaged, 28 start-ups supported
Project evaluation and close	Retaining staff approaching project end	Consideration of follow on funding opportunities	May 2023	35 businesses established, 20 businesses supported to secure external funding, 20 businesses moved onto next step facilities

Figure 5.

FINANCIAL PLAN

Figure 6. sets out the budget for the project (financial year 1 April to 31 March).

Total Project Costs		Total	2020/21	2021/22	2022/23	2023/24
Spend profile		£414,930	£25,993	£192,409	£180,415	£16,113
Of which EZ ask		£313,760	£14,414	£145,751	£142,042	£11,553
Forecast EZ Funding		Total	2020/21	2021/22	2022/23	2023/24
Stream A Programme Leader (1FTE)		108,246	3,814	47,147	49,033	8,252
Stream A Engagement Events		1,000	0	500	500	0
Stream A Workshop Training Programme		10,000	0	5,000	5,000	0
Stream A Office Space (LUSEP)		70,000	8,750	35,000	26250	0
Stream B Programme Leader (0.4FTE)		38,722	0	15,808	19,613	3,301
Stream B Engagement Events		2,000	0	1,000	1,000	0
Stream B Training Programme		9,592	0	4,796	4,796	0
Stream B Office Space (Town Centre location)		45,000	0	22,500	22,500	0
Marketing materials and activities (including web portal)		3,200	1600	1,000	600	0
Travel and contingency		2,000	250	1,000	750	0
Grow on space grants (20 grants)		24,000	0	12,000	12,000	0
Total EZ Budget		313,760	14,414	145,751	142,042	11,553
Forecast Match Funding						
Incubator Manager (0.2 FTE)		31,170	2,829	11,658	12,123	4,560
Office space (LUSEP)		70,000	8,750	35,000	26250	0
Total Match Funding		101,170	11,579	46,658	38,373	4,560
Total all costs		414,930	25,993	192,409	180,415	16,113

Figure 6.

Charnwood Borough Council

Equality Impact Assessment 'Knowing the needs of your customers and employees'

■ Background

An Equality Impact Assessment is an improvement tool. It will assist you in ensuring that you have thought about the needs and impacts of your service/policy/function in relation to the protected characteristics. It enables a systematic approach to identifying and recording gaps and actions.

■ Legislation- Equality Duty

As a local authority that provides services to the public, Charnwood Borough Council has a legal responsibility to ensure that we can demonstrate having paid due regard to the need to:

- ✓ Eliminate discrimination, harassment and victimisation
- ✓ Advance Equality of Opportunity
- ✓ Foster good relations

For the following protected characteristics:

1. Age
2. Disability
3. Gender reassignment
4. Marriage and civil partnership
5. Pregnancy and maternity
6. Race
7. Religion and belief
8. Sex (Gender)
9. Sexual orientation

What is prohibited?

1. Direct Discrimination
2. Indirect Discrimination
3. Harassment
4. Victimisation
5. Discrimination by association
6. Discrimination by perception
7. Pregnancy and maternity discrimination
8. Discrimination arising from disability
9. Failing to make reasonable adjustments

Note: Complete the action plan as you go through the questions

■ **Step 1 – Introductory information**

Title of the policy	Enterprise Zone – Covid 19 Recovery Programme (Cabinet 19/11/2020)
Name of lead officer and others undertaking this assessment	David Hankin
Date EIA started	23/10/2020
Date EIA completed	23/10/2020

■ **Step 2 – Overview of policy/function being assessed:**

Outline: What is the purpose of this policy? (Specify aims and objectives)
To engage with a partner in the delivery of a programme designed to assist highly skilled people and graduates adversely affected by the global pandemic in acquiring entrepreneurial skills and capabilities to grow and establish new businesses to support the recovery of the local economy.
What specific group/s is the policy designed to affect/impact and what is the intended change or outcome for them?
The policy is aimed at skilled individuals who will lose their jobs and recent graduates unable to find employment due to the impact of Covid 19 to support the development and application entrepreneurial skills complementart to their technical and academic skills to help establish new businesses and growth.
Which groups have been consulted as part of the creation or review of the policy?
Loughborough University Leicester and Leicestershire Enterprise Partnership Enterprise Zone Implementation Groups (LUSEP and Charnwwod Campus)

■ **Step 3 – What we already know and where there are gaps**

List any existing information/data do you have/monitor about different diverse groups in relation to this policy? Such as in relation to age, disability, gender reassignment, marriage and civil partnership, pregnancy & maternity, race, religion or belief, sex, sexual orientation etc.
Data/information such as: <ul style="list-style-type: none"> ▪ Consultation ▪ Previous Equality Impact Assessments ▪ Demographic information ▪ Anecdotal and other evidence
Numbers of claimants for the LEP area are monitored by DWP and ONS and analysed by the LLEP with regular updates published through Intelligence Updates – since September 2019 and September 2020 the number of claimants has increased by 22,445 to 36,495, largely attributable to the economic impact of the pandemic.
Outside the City claimant counts are higher in Charnwwd than in any other district and are continuing to grow from less than 2,000 at the start of the pandemic in March 2020 to 4,930 in September 2020.
It is widely anticipated that as the pandemic continues many companies will be compelled to shed workers, particularly as the government’s furlough scheme is phased out. Others may be forced into closure; Across the LLEP area the number of businesses forced into dissolution or liquidation increased

appreciably from 105 in August 2020 to 868 in September. Virtually all sectors have been adversely affected but among them are professional, scientific and technical activities.

Loughborough University are responsible for the management of the Science and Enterprise Park and clearly are closely in touch with recent graduates – as such the University is well placed to monitor and comment upon the prospects for business in the high technology and advanced manufacturing sectors as well as this years graduates. As a partner in the delivery of this policy the University is committed to the need to intervene to support skilled individuals across all groups to improve their prospects for employment, self employment and the founding of local businesses with the capability to grow and aid the recovery of the economy.

What does this information / data tell you about diverse groups? If you do not hold or have access to any data/information on diverse groups, what do you need to begin collating / monitoring? (Please list)

The data does not disaggregate the diversity of groups seeking employment / support in developing the skill sets required to become successful founders.

That information will be gathered by the partnership in evaluating the success of the project and used to inform recruitment strategies for subsequent cohorts joining the programme over its proposed two year term.

Step 4 – Do we need to seek the views of others? If so, who?

In light of the answers you have given in Step 2, do you need to consult with specific groups to identify needs / issues? If not please explain why.

No – the immediate priority is to ensure that the structures are in place to deliver the programme given the fact that the economy already has lapsed into recession and the future remains uncertain.

Step 5 – Assessing the impact

In light of any data/consultation/information and your own knowledge and awareness, please identify whether the policy has a positive or negative impact on the individuals or community groups (including what barriers these individuals or groups may face) who identify with any ‘protected characteristics’ and provide an explanation for your decision (please refer to the general duties on the front page).

	Comments
Age	Positive – the policy will provide opportunities for more mature people to acquire additional skills to complement their professional and technical capabilities as a potential business founder – similarly the policy will assist recent graduates whose employment opportunities will have been constrained by the economic recession precipitated by the Covid 19 pandemic.
Disability (Physical, visual, hearing, learning disabilities, mental health)	Neutral – access to the programme will be available for people with disabilities.
Gender Reassignment (Transgender)	Neutral – the programme will be open to all.
Race	Neutral – the programme will be open to all.

Religion or Belief (Includes no belief)	Neutral – the programme will be open to people of all faiths and none.
Sex (Gender)	Neutral – the programme will be open to all
Sexual Orientation	Neutral – the programme will be open to all
Other protected groups (Pregnancy & maternity, marriage & civil partnership)	Neutral – the programme will be open to all
Other socially excluded groups (armed forces families/ communities, carers, low literacy, priority neighbourhoods, health inequalities, rural isolation, asylum seeker and refugee communities etc.)	Neutral – the programme will be open to all

Where there are potential barriers, negative impacts identified and/ or barriers or impacts are unknown, please outline how you propose to minimise all negative impact or discrimination.

Please note:

- a) If you have identified adverse impact or discrimination that is illegal, you are required to take action to remedy this immediately.
- b) Additionally, if you have identified adverse impact that is justifiable or legitimate, you will need to consider what actions can be taken to mitigate its effect on those groups of people.

No adverse impacts Or potential barriers to participation in the programme have been identified. Both the Borough Council and its intended partner in delivery have adopted policie and procedures in place to ensure equality, diversity and inclusion in the delivery of services and recruitment of staff.

<https://www.lboro.ac.uk/services/hr/equality-diversity/>

Summarise your findings and give an overview as to whether the policy will meet Charnwood Borough Council's responsibilities in relation to equality and diversity (please refer to the general duties on the front page).

Overall it is concluded that the policy will have no adverse effect on the general duties attendant upon the Council for the elimination of discrimination, promotion of equality and opportunity and enablement of good relationships.

■ Step 6- Monitoring, evaluation and review

Are there processes in place to review the findings of this Assessment and make appropriate changes? In particular, how will you monitor potential barriers and any positive/ negative impact?

Monitoring and evaluation of participants joining the programme will be undertaken as part of the recruitment process and ongoing review of performance linked to the phased release of funding under the terms of a contract for the delivery of the programme. Information gathered from that process will inform future marketing, advertising and recruitment strategies to ensure that the policy is delivered in conformity with adopted policies for the promotion of equaity and diversity.

How will the recommendations of this assessment be built into wider planning and review processes? e.g. policy reviews, annual plans and use of performance management systems.

The contract through which the programme is to be delivered will include specific reference to the provision of relevant data on recruitment of participants to demonstrate the practical application of procedures to

ensure equality and diversity with the settlement of funding for the delivery of subsequent phases of the programme being conditional upon the provision of evidence to demonstrate the application of approved procedures supported by corrective action if required.

■ **Step 7- Action Plan**

Please include any identified concerns/actions/issues in this action plan: The issues identified should inform your Service Plan and, if appropriate, your Consultation Plan			
Reference Number	Action	Responsible Officer	Target Date
1	Ensure provision within the contract for the delivery of the programme of requirements to apply policies and procedures to ensure the promotion of equality and diversity in the recruitment of participants	D Hankin	March 2021
2	Require under the terms of the contract the submission of performance reports at key milestones – typically towards the end of each cohort (i.e. 4 intakes) to demonstrate the achievement of the overall performance targets and evidence of measures to encourage and enable the participation of people from all sectors of society	D Hankin	On the completion of each cohort at 6 monthly intervals.

■ **Step 8- Who needs to know about the outcomes of this assessment and how will they be informed?**

	Who needs to know (Please tick)	How they will be informed (we have a legal duty to publish EIA's)
Employees	/	The terms and conditions for recruitment to the programme will make clear to prospective participants and delivery partners the commitment to measures required in the action plan to ensure the promotion and achievement of equality and diversity
Service users	/	
Partners and stakeholders	/	
Others	/	
To ensure ease of access, what other communication needs/concerns are there?		The delivery partners will work closely with the Council's own Coms team and "in Charnwood" utilising existing web sites and social media channels to promote access to the programme.

Please delete as appropriate

I agree / disagree with this assessment / action plan

If disagree, state action/s required, reasons and details of who is to carry them out with timescales:

Signed (Service Head):



Date: 26 October 2020

[Please send completed & signed assessment to Suzanne Kinder for publishing.](#)

- Step 9- Conclusion (to be completed and signed by the **Service Head**)