

# Business Growth:

An update on the Growth Hub and future funding for innovation and growth

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Kent and Medway Economic Partnership

7 October 2014

# What we said...

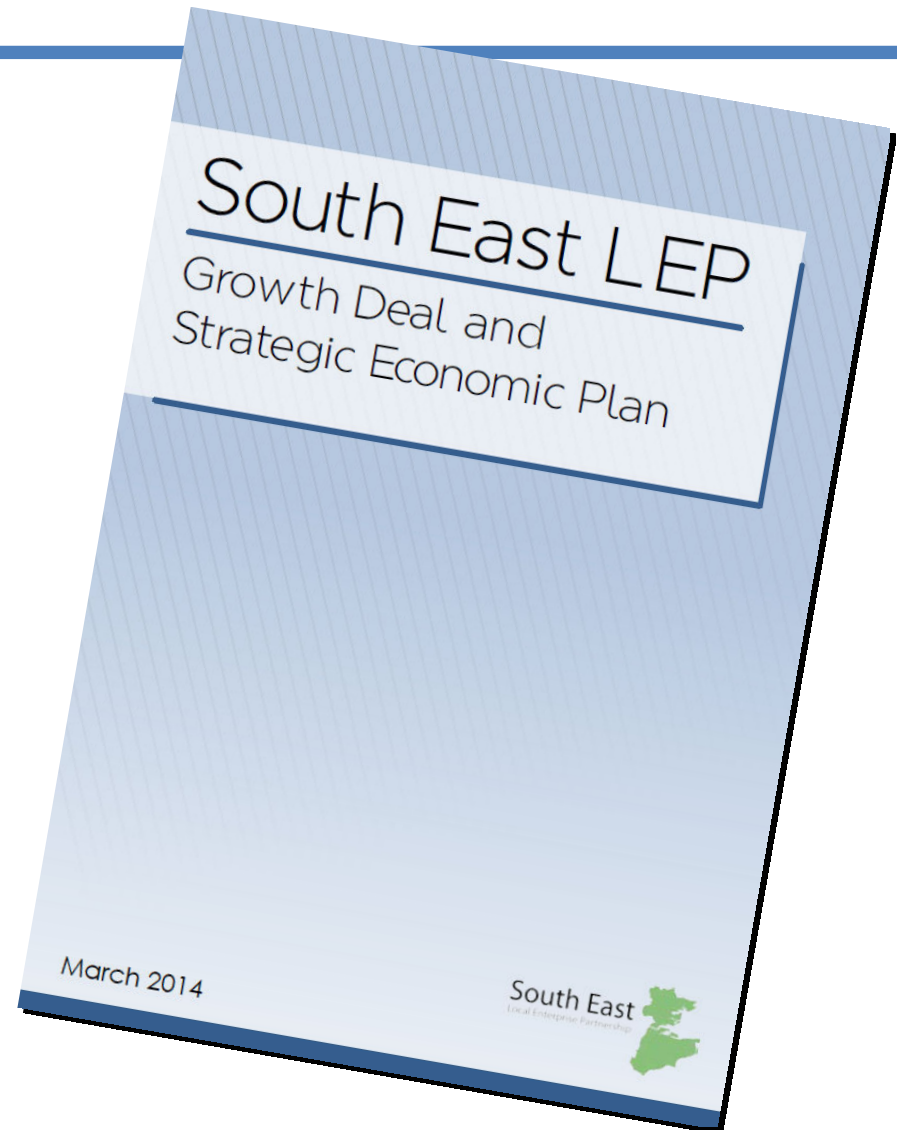
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***“We will [continue to] provide loan and equity finance to SMEs seeking to invest in new products, services and processes”***

***“We will [create] a wider innovation support system... setting out how we will work together and add substantial local value to national programmes and initiatives”***

***“We will support increased growth through trade and investment... linked with the development of the county’s growth sectors”***



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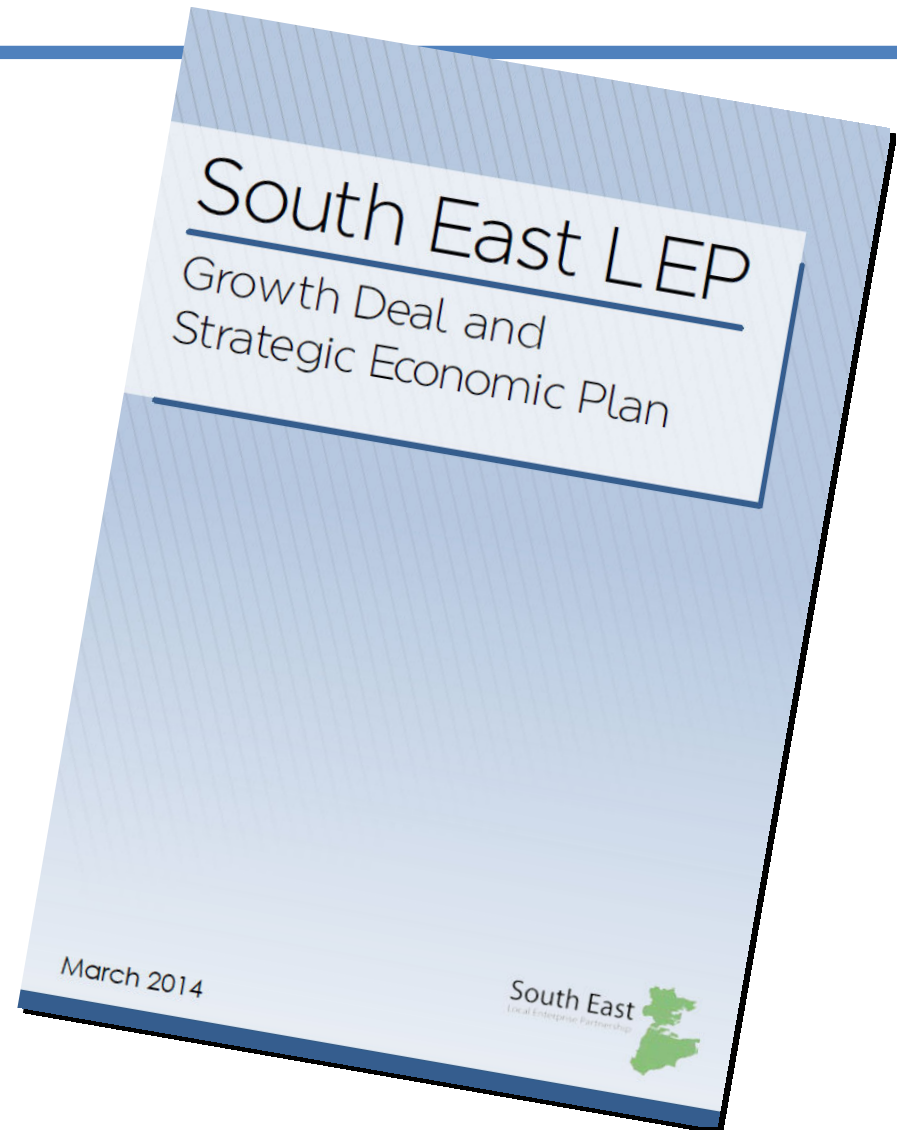
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# The new funding landscape...

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- Limited revenue funding to develop a **'Growth Hub'** as central signposting point
- £6 million **capital for business growth** (potentially access to finance or business facilities)
- £5-6 million per year (roughly) in **European Regional Development Funds** (for low carbon, innovation and SME competitiveness)
- New **Interreg** programmes from next year, focused on similar themes

**PLUS – continuing national programmes, HE offer, etc...**

# Time to review...?

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## DEMAND

How do we deliver what the economy needs as growth returns?

## LEARNING

What have we learnt from the delivery of existing programmes

## FEEDBACK

Business views of what works... and business demand for better coordination

## POLICY

Changes in what Government want to deliver

## FUNDING

Existing sources coming to an end  
New sources coming forward

# Focusing our efforts...

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## **Innovation and Growth Strategy Statement**

*“to guide Kent and Medway Economic Partnership’s priorities for future investment in business support to promote growth and improve coordination across the county”*

# Focusing our efforts...

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## Innovation and Growth Strategy Statement

*“to guide Kent and Medway Economic Partnership’s priorities for future investment in business support to promote growth and improve coordination across the county”*

Help avoid duplication

Help secure Government and  
European funding

Help deliver what business  
wants

# Focusing our efforts...

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## Innovation and Growth Strategy Statement

*“to guide Kent and Medway Economic Partnership’s priorities for future investment in business support to promote growth and improve coordination across the county”*

Help avoid duplication

Help secure Government and European funding

Help deliver what business wants

**BUT NOT...**

A single commissioning plan  
(there isn't just one buyer)

A bid (there isn't just one source)

Building on future innovation  
(there's a market!)



# KMEP's views...

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- **How do we deliver the Kent and Medway Growth Hub?**
- **How do we direct the £6 million business growth capital funding?**

# The Growth Hub

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## Consultation responses...

- “Need a central point or hub offering support for recruitment, training, grants, funding, etc.”
- “Signposting to the right information and services”
- “Need better coordination – information about what’s about”
- “Need better information about various different types of provision across Kent and Medway – but not enough to just provide this via a website”
- “Keep it simple”
- “Supplement by having advisors to add value”

## We’re being offered...

- Some funding to develop a central signposting service
- Part of a national network of Growth Hubs
- ‘Virtual’, not physical
- £800k across the South East LEP area

# The Growth Hub

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## Two options:

### **Option 1: LEP-wide central service (as reported to LEP Board)**

- Single central website and LEP-wide management
- Some local support and advice provision (c. £150k for Kent and Medway)

### **Option 2: Devolved Kent and Medway service**

- Funding distributed roughly pro-rata (c. £350k for Kent and Medway)
- Specification and procurement this year for launch on 1 April

Either option is viable – but we need a steer on KMEP's preference.

# Business growth capital funding

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## We're being offered...

- £6 million for Kent and Medway (£1 million per year)
- Entirely capital
- Need to come forward with a proposition to Government soon

## Consultation responses...

- “Focus on support for businesses and entrepreneurs”
- Responses vary on focus – some preference for business and innovation workspace; some preference for additional access to finance

# Business growth capital funding

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## Two options

### **Option 1: Innovation finance**

- Building on existing successful access to finance schemes (ExEK, TIGER, Escalate, etc.)
- Potentially more specific sector focus
- Opportunity to offer loan support for resource and energy efficiency improvements – potentially linking with future ERDF application

### **Option 2: Innovation workspace**

- Loan or grant funding for additional business space, where there is private investment
- Linked with existing Workspace Kent programme (now with GPF funding)