

LLEP INVESTMENT PANEL

3pm 17 November 2022

MS Teams Call



AGENDA

TIME		ITEM	REPORT	DECISION / INFORMATION	LEAD
15.00	1.	Welcome and Apologies		Information	Chair
15:05	2.	Declarations of Interest		Information	All
15.10	3.	Minutes of LLEP Investment Panel 14 th July 2022	Paper A	Decision	Chair
15.15	4.	Project Change Request – MIRA Covid-19 Recovery	Paper B Appendix 1 Appendix 1	Decision	Cheryl Maguire
15.30	5.	Project Change Request – MIRA Low Carbon Innovation Hub	Paper C Appendix 1 Appendix 2	Decision	Cheryl Maguire
15.45	6.	Repurposed GPF Net Zero Programme - Update	Paper D Appendix 1	Decision	Andy Rose
16.00	7.	Project Change Request – Restocking the Business Base	Paper E Appendix 1 Appendix 2	Decision	Cheryl Maguire
16.15	8.	Enterprise Zone – Retained Business Funds Update Not for Publication	Paper F Appendix 1	Information	Cheryl Maguire
16.30	9.	AOB	Verbal	Information	All

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

LLEP Investment Panel

3pm, Thursday, 14 July 2022

MS Teams (Recorded)

Organiser: Sharif Chowdhury

Chair: Dr Nik Kotecha (NK)

Directors: Emma Anderson (EA), Ajmer Kaur Mahal (AKM), Neil McGhee (NM), Cllr Terry Richardson (TR)

In attendance: Elizabeth Botmeh (EB), Colin Sharpe (CS), Andy Rose (ARo), Claire Stimpson (CSt), Andy Reed OBE (AR), Sue Tilley (ST)

Apologies: Sonia Baigent (SB)

Minutes Taken By: Sharif Chowdhury

CC To: All

MINUTES

ITEM		ACTION
1. Welcome and Apologies		
1.1	AR welcomed those present to the meeting.	
1.2	Apologies were received from NK, RM, NM, CM and ST.	
2. Declarations of Interest		
2.1	There were no Declarations of Interest.	
3. Minutes of LLEP Investment Panel 12th May 2022		
3.1	NK noted a correction to change Elizabeth Botmeh's initials from EM to EB in the attendance section.	
3.2	The minutes of the meeting were recorded as a true and accurate record.	
3.3	The key action regarding Haywoods is covered as part of the one-item agenda, with the remaining action points to be discussed in September's meeting.	
4. Growing Places Fund - Haywood Estates Loan		

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4.1	ARo referred to paper B and provided a background on the position with Haywood Estates for the purpose of the Investment Panel to decide on whether a £42k GPF debt should be written off.	
4.2	NK highlighted the importance of managing taxpayers money well, and ensuring that the decision on whether to write off any debt should be based on the risks of the project being completed within twelve months.	
4.3	The Board outlined the risks of Haywoods going into liquidation which includes the costs incurred and the risks that the project will not be completed.	
4.4	NK emphasised the importance that the project is completed as the project has already brought in new businesses into the area.	
4.5	The Board made a DECISION that the developers must pay back a minimum of 50% and we will write off the remaining 50%. Failure to agree a repayment will mean the discussion will need to come back to another Board meeting for a further decision.	
4.6	ACTION POINT - Andy Rose to discuss with Haywoods regarding the decision.	
5.	Any other business	
5.1	There was no other business.	

Decision Report

PROJECT CHANGE REQUEST – MIRA COVID-19 RECOVERY PROJECT

1. PURPOSE OF REPORT

1.1 The purpose of this report is to seek approval from the Investment Panel on the Project Change Request (PCR) for the MIRA COVID-19 Recovery project.

2. RECOMMENDATION

2.1 The Investment Panel is recommended to approve the PCR for:

- a) a reduction in the number of attendees for the Festival and Fringe events;
- b) a reduction in the numbers within the Employer Work Experience Programme; and
- c) an amendment to how the Employer Work Experience Programme is delivered to provide a wider range of experiences and exposure to different workplaces for the participants.

3. BACKGROUND INFORMATION

3.1 As part of the EZ Business Rates legal agreement 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.

3.2 After the deduction of the proportion to be retained by the billing authority and the debt owed from historic business rates by HBBC, the accumulated EZ business rates collected from the MTP EZ amounted to £591,822. Applying the 50% split resulted in a fund of £295,911 for interventions to aid Covid-19 recovery for qualifying businesses and individuals.

3.3 A business case for the use of the funding was prepared by HBBC in conjunction with MIRA and the MTP EZ Steering Group. The project was a programme of interventions to support business recovery through a soft-landing grants package, investor marketing activities, career development skills support and employment support through a 'bounce back' programme. A support officer post was also to be supported to manage the overall programme and deliver its outputs. The project was approved by Board in February 2021.

Paper B

3.4 A PCR for the project was approved in November 2021. The 'bounce back' intervention was removed and as a consequence a reduction was made to the support officer element as management of that activity was no longer required. This was replaced with the delivery of outdoor seating areas and open-air fitness assets which had emerged as a priority need of businesses and staff on site as a clearer picture of the impact of the pandemic was being seen. In addition, further skills outputs were included within the project including a work experience programme, 5 short topic-specific information sessions, and a 'festival' event linking EZ employers with delegates looking to enter, train or re-train within the sector.

4. PROJECT CHANGE REQUEST

4.1 Following research and feedback from businesses on MIRA Technology Park regarding skills needs and the impact of the pandemic, it has become clear that business requirements are different to those that were anticipated. Prospective employment candidates' lack of exposure to workplaces has been highlighted as a key issue. It has also been noted that attendance at in-person events is still low and has not yet risen back to pre-Covid levels. Also, delays in contracting for the overall project have meant that activity has not gotten underway as early in the academic year as originally intended which will impact on outputs that can be delivered.

4.2 The project sponsors are therefore proposing that the outputs relating to the number of attendees for the Festival and Fringe events are reduced, and both the activity and numbers within the Employer Work Experience Programme are amended to better meet the needs of business and ensure the best impact and benefit. The programme would now deliver 'industry weeks' which would provide a wider range of experiences and exposure to different workplaces for the participants.

5. SUMMARY OF CHANGES

5.1 A summary of the proposed project changes is noted below:

Outputs	Original Project + 2021 PCR	2022 PCR
A programme of events to support employability, skills and career development.	3 Teen Tech events involving 16 schools per event	No Change
	6 speed networking events involving 10 schools per event	No Change
	Series of 50 career development events for the Primary and Secondary Engineering Programmes and Leaders Programmes	No Change
	1 festival event with 200 delegates	1 festival event, split over 2 half days, with 120 delegates

Paper B

	5 x 1.5hr topic-specific fringe events for 250 delegates Employer Work Experience Programme, supporting 60 individuals	5x 1.5hr topic-specific fringe events for 125 delegates 'Industry Weeks' of 30 delegates (cohorts of 10 for 5 days experience) with morning and afternoon visits to Technology Park companies.
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Summary of appendices:

1. COVID-19 MIRA Recovery Project Logic Chain
2. Project Change Request Application

For further information please contact:

Cheryl Maguire

Enterprise Zone Programme Coordinator

Tel: 0116 454 4017

Email: Cheryl.Maguire@llep.org.uk



Project Name	MIRA Technology Park Enterprise Zone - COVID Recovery
Name and email address of contact	Stephen Meynell stephen.meynell@hinckley-bosworth.gov.uk
Date	29 January 2021

Problem to address	Inputs	Activities	Outputs	Outcomes	Impact
<p>A significant number of businesses in the borough are connected with the motor industry and in particular 38 of these companies are based at the MIRA Enterprise Zone.</p> <p>The pandemic and wider economic impact has and continues to cause the failure of businesses (two tenant companies withdrawing and one scaling back operations at MIRA) resulting in unemployment and a significant economic shock as demonstrated by the loss of jobs.</p> <p>Pre pandemic these companies had 1142 people employed on the EZ (end Q4 2019) but by the end of Q4 2020 (provisional data) there were only 1094 people employed a loss of 58 posts</p>	<p>Total cost of the project is £395,000 including matched funding of £100,000 so £295,000 minimum funding.</p> <p>SOFT LANDING PACKAGE. £200,000 with £100,000 coming from matched funding.</p>	<p>BUSINESS SUPPORT THEME Financial Support To provide a flexible funding facility targeted to support the soft landing of new arrivals and to help to retain existing tenants and encourage further expansion.</p> <p>Support 10 businesses, through capital grants and training grants up to a maximum of £10K matched on a 50/50 basis. It will provide a flexible funding facility with intervention identified on a case by case basis and presented through a simple proforma</p>	<p>Safeguarding 5 jobs and creating 10 Full Time Equivalent jobs within the automotive (motor vehicle) sector by the end of 2021.</p>	<p>Increased investment enquires</p> <p>Retention of existing jobs</p> <p>Creation of new jobs</p>	<p>The Benefit Cost Ratio (BCR) for this project is based on the project safeguarding 5 jobs and creating 10 FTE jobs within the automotive (motor vehicle) sector by the end of 2021.</p> <p>GVA uplift on the grant request (£100,000) This is estimated at £1.33m for the sub-regional economy over a 3-year period. Using a 3-year persistence in benefits factor the BCR is 13.34.</p> <p>GVA uplift on total public spend (£200,000) shows these posts will support £1.33m of GVA for the sub-regional economy over a 3-year period and a</p>

Please send completed logic chain to admin@llep.org.uk



		justification to the EZ Steering Group for decision by the unconflicted members of that committee.			BCR on the total public spend of 6.67 .
<p>MIRA have identified a thinning of demand from occupiers as many potential tenant companies have had to refocus on survival at the expense of the more strategic plans for growth and expansion. There were 39 enquiries in 2019 but only 22 in 2020.</p> <p>In relation to the inward investment intervention, MIRA have focused on their distinctive, positive economic characteristics and USPs that best help promote a positive impression of MIRA as a place for business in a post Covid/Brexit environment. MIRA is recognised by the Department for International Trade as High Potential opportunities for Automotive Vehicle Simulation</p>	<p>INVESTOR MARKETING A targeted programme (£41k)</p>	<p>Marketing initiatives grouped into three areas: Digital marketing, marketing asset creation and market research</p> <p>To support the LLEP's planned recovery and economic growth MIRA will showcase the area as a great place to live so that our housing growth continues and new firms are attracted—providing the right talent to attract and support businesses to grow or invest.</p>	<p>Increase baseline of investment enquiries per year from the 22 open enquiries for space on the Park in 2020 to at least the 2019 figure of 39 enquiries</p>	<p>New businesses attracted</p> <p>MIRA expect to see 2 new tenants joining the EZ and hopefully have no more than 1 further tenant exit</p>	<p>Promotion of the EZ and restoration of the pipeline of interest.</p>
<p>The issue of attracting young people into the types of jobs available on the MIRA EZ</p>	<p>CAREER DEVELOPMENT</p>	<p>Using regular local career networking events and Teen Tech</p>	<p>Number of events – propose 3 teen tech and 6 speed</p>	<p>Increased employability of individuals through</p>	<p>The various career related events and schools engagement events will</p>

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<p>To help to help reduce NEEt</p> <p>To attract a pipeline of young people in to the jobs that are being created in the area.</p> <p>The employability of individuals through their limited skills and career development causing recruitment and retention issues.</p> <p>The opportunities for young people within the motor industry and in particular within the companies at MIRA have been disproportionately affected by COVID</p>	<p>A 3 year programme of events: career networking, teen tech primary and secondary engineers and Leaders award programmes (£90,700)</p>	<p>events, building on the success of events convened in 2018/19 and 2019/20 at the MIRA Technology Institute (MTI). Also with events through the Primary and Secondary Engineering Programmes and the Leaders Programme.</p>	<p>networking over the 3 years. Propose 16 schools per teen tech with speed networking 10 local schools. Propose 160 pupils per teen tech with 30/40 for Engineering speed networking and 120 for all careers speed networking Total of 320 students per year with 960 before 31 December 2023.</p> <p>For Primary and Secondary Engineering Programmes and the Leaders Programme a series of over 50 events over the 3 years.</p>	<p>upskilling and career development. Monitor thorough the number of individuals going through programmes and attending events and finding employment.</p>	<p>open the eyes to local students on the opportunities available locally. Additionally they will have a positive impact on career choices of individuals and provide an opportunity for young people disproportionately affected by coronavirus.</p>
<p>Mental health positivity advice is even more of an essential requirement due to COVID.</p> <p>DWP, Higher Education, and HBBC Officers have identified a</p>	<p>EMPLOYMENT SUPPORT THEME Positive well being A Bounce Back programme. (£22,500)</p>	<p>A Bounce Back programme of support for those made unemployed at MIRA and newly unemployed to boost their confidence</p>	<p>Target 100 individuals per year with an average of 3 engagements with clients. (ie 33 people</p>	<p>The project aims to get targeted people back into local employment ASAP via a series of bespoke well being measures.</p>	<p>Aim to increase clients feeling of 'self worth' and how good they are and how employable they are. It will have a positive effect on the businesses and</p>

Please send completed logic chain to admin@llep.org.uk



<p>gap for those made unemployed at MIRA and the newly unemployed. The local Employment & Skills Operational Task Group included it in their Action plan.</p>		<p>and link with work coaches to bridge identified gaps</p>	<p>with 3 engagements each)</p>		<p>employees at MIRA EZ plus their supply chain and associated businesses.</p>
<p>The capacity to manage the programme of projects.</p>	<p>WHAT'S ON OFFER THEME Support Officer 1 x 0.4 FTE post for 2 years 6 months Dependent on grade - £32,000 - £40,000 including oncosts</p>	<p>To manage the programme of projects, providing regular reports and returns on the individual elements and the programme as a whole.</p>	<p>Programme management through the life of the project.</p>	<p>The outputs and outcomes of the programme of projects are delivered</p>	<p>Providing regular reports and returns on the individual elements and the programme as a whole.</p>

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Project Change Request

When completing the application please ensure that responses are completed in full.

Change Summary

Project Change Request Date	20/10/22
Report Author	Jack Bartlett
Project Code	PR000431
Project Name	MIRA EZ COVID-19 Recovery

Please confirm the key change(s) proposed to the project

Please confirm the key change(s) to the project, selecting all that apply	The planned outputs/outcomes/impact of the project	Choose an item.
	Choose an item.	Choose an item.
	Choose an item.	Choose an item.
	Choose an item.	

Please summarise the change and the reason(s) for the changes	<p>Change</p> <p>Amendments to the programme of initiatives to reflect current issues. This consists of a limited refinement of the Skills component outputs.</p> <p>Reasons</p> <p>Due to the timing slip in finalising the contractual documents and legal agreements we have revised the output from the skills components of the project ensuring that the deliverables are realistic and high impact. Since COVID and its impact on new ways of working the attendance to in-person events has reduced, therefore, we have revised the engagement targets for the skills events.</p> <p>These changes are summarised by the following;</p> <p>Festival Event - The outputs of these events have been revised to target 120 engagements from 200</p>
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	<p>Fringe Events - The outputs of these events have been revised to target 125 engagements from 250</p> <p>Employer work experience programme - The “Employer Work Experience Programme” has been refined to ensure that we are providing the highest impact for the allocated funding and also the onsite tenants. The proposed change is to deliver “Industry Weeks” of 30 delegates (cohorts of 10 for 5 days experience) with morning and afternoon visits to Technology Park Companies.</p>
Please detail any changes to the agreed nature, purpose or location of your project below	
Location of project	MIRA Technology Park

PROJECT OVERVIEW	
<p>Project Overview</p> <p>Please highlight any changes to the original overview in bold.</p>	<p>A programme of projects to support the recovery of the MIRA Enterprise Zone and neighbouring areas from the effects of the Covid-19 pandemic through employment and skills initiatives and specific Enterprise Zone delivery projects including health and wellbeing.</p>

Please detail and explain any proposed changes to the original project start and end dates.	
Original Project Start Date	16 June 2022
Original Project End Date	31 March 2024
Revised Project Start Date	
Revised Project End Date	
Please explain any changes to the original project dates	<p>The initial intended start date was after LLEP Board approval of the project in February 2021. However, delays to completing contractual documentation have pushed the contracted start date to June 2022. This delay has necessitated these change requests to the programme of projects.</p>

STRATEGIC CASE
<p>Detail any changes in the strategic external drivers for this investment, with particular reference to the aims of the LLEP Strategic Economic Plan and evidence base, relevant local authority spatial and economic plans and any relevant Government policies and programmes. These should align to the LLEP objectives and priorities detailed in the LLEP SEP document.</p>

Please update the following sections from your original Business Case if necessary. HIGHLIGHT ANY CHANGES IN BOLD.

Project Objectives

The project is a programme of actions that aim to support the businesses and individuals of the MIRA Enterprise Zone recover from the effects of the Covid- 19 pandemic through employment and skills initiatives and specific Enterprise Zone delivery projects.

This will be by the attraction and retention of jobs through a soft landing package and the retention and creation of jobs through various initiatives and the upskilling of individuals. Every effort will be made to retain the existing businesses and the jobs they provide. Jobs will be regularly tracked and reported to LLEP so any change will be evident. COVID grant interventions will be used if a tenant company has valid issues that could be mitigated to help them retain jobs.

The individual elements are tied into the key themes identified in the SEP

Local Investment in People

- To support delivery of the Employment Strategy for the EZ and local businesses.
- Development and roll-out of regular local career networking events and Teen Tech events, building on the success of events convened in 2018/19 at the Mira Technology Institute (MTI).
- Development and delivery of Primary and Secondary Engineering Programmes, building on the success of the Primary Engineers Programme rolled out in 2018/19.
- Development of further school engagement events to promote opportunities and pathways to engineering careers on the EZ. Initially these may be delivered remotely
- Delivery of the Hinckley & Bosworth Employment and Skills Action Plan to boost careers in high tech engineering and support services to service the EZ.

Local Investment in Business

- Support inward investment from overseas and elsewhere in the UK with grants and business rate discounts.
- Support development of bespoke investor marketing material for the area.
- Provision of advice and guidance and relevant sign-posting to local Growth Hubs and Government Agencies.

The project will provide

- Financial support to companies arriving and expanding onsite.
- Opportunities for people to upskill to meet new needs and skills for businesses through work preparedness and career development eg various events, teen tech, speed networking primary engineering through the various training programmes and presentations
- It will also allow MIRA to meet changing timescales and requirements from customers and the need to make sure colleagues are multi-skilled to meet demand through the various training programmes
- The ability to support new emerging skills needs within advanced engineering automotive industry, through training
- Provision of digital promotion to support marketing of MIRA through the information theme
- A dedicated support officer to bring forward the programme

ECONOMIC CASE

If the Output / Outcome profiles need to be changed please consider the following:

- Is the output still on track to be delivered within the original timeframe?
- If not, why? Update the **Forecast Date** and provide justification for slippage
- Has the output been achieved?
- If yes, update the **Actual Date** the output was achieved
- Has the **number of units** of outputs to be delivered increased / decreased?
- If yes, provide justification for change
- Are there any additional outputs / outcomes expected as a result of the change?
- If yes, please add
- Have any additional **risks / issues** been identified that could / will impact realisation?

Outputs and Outcomes: specific deliverables from the overall project

Outputs & Outcomes Category	Skills	
Detailed Description	Refinement in how the Skills component of the funding is used and the outcome that it is targeted at generating. Festival event - A full day event aimed at linking EZ employers with job and skills shortage areas with delegates look to enter, train or re-train within the sector. Split into 2 half-days with a target of 120 delegates across the day.	
Baseline Value	0	
Output / Outcome	Output	
How will the output / outcome be measured?	Increased onsite community engagement	
Measurement Source	Attendance at events	
Who is responsible for measuring the benefit?	MIRA	
Assumptions		
What are the risks / issues to realising the benefit?	Limited take up	
Measures		
Period	Units	Target
Dec	Number	120

2023		
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Outputs & Outcomes Category	Skills	
Detailed Description	<p>Refinement in how the Skills component of the funding is used and the outcome that it is targeted at generating.</p> <p>Fringe Events - Short sessions on key topic areas inc. recruitment skills and process, interview skills, apprenticeship levy usage, training & skills development, Global Mobility, T-Levels. Plus, ability for employers to host webinars. 5 X 1.5 hours sessions with peripheral support for approx. 125 delegates</p>	
Baseline Value	0	
Output / Outcome	Output	
How will the output / outcome be measured?	Increased onsite community engagement	
Measurement Source	Attendance at events	
Who is responsible for measuring the benefit?	MIRA	
Assumptions		
What are the risks / issues to realising the benefit?	Limited take up	
Measures		
Period	Units	Target
Dec 2023	Number	125

Outputs & Outcomes Category	Skills	
Detailed Description	Refinement in how the Skills component of the funding is used and the outcome that it is targeted at generating.	

Paper B - Apx2

	Employer work experience programme - EZ Employer Work Experience Programme. Funded work experience placements to provide those entering jobs market with exposure to the work place and a variety of company experiences. 1 week programme with visits to up to 10 employers. Funding to enable employers to support the programme and have access to potential apprentice and early career candidates. Industry Weeks- 30 delegates (cohorts of 10 for 5 days experience) with morning and afternoon visits to Technology Park Companies	
Baseline Value	0	
Output / Outcome	Output	
How will the output / outcome be measured?	Increased onsite community engagement	
Measurement Source	Attendance at events	
Who is responsible for measuring the benefit?	MIRA	
Assumptions		
What are the risks / issues to realising the benefit?	Limited take up	
Measures		
Period	Units	Target
Dec 2023	Number	30

FINANCIAL CASE

Demonstrate the changes to the project costs and funding strategy. 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)?

Funding Requirements and Match Funding	
Approved Funding Amount	No Change
Additional Funding Requested	No Change
What is the total Match Funding that will be provided? (£'s)	No Change
Reason for request	

DECLARATION
<p>To submit your Project Change Request to the LLEP for approval please select the 'Submit for Approval' option from the 'Project Change Request Actions' menu</p>
<p>Any personal data that you provide will be processed in accordance with current data protection laws. It will be used by Leicester and Leicestershire Enterprise Partnership Ltd 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 https://llep.org.uk/privacy-policy/</p>
<p>By submitting this Project Change Request you are confirming that, to the best of your knowledge, the information included within this form is accurate.</p>

Decision Report

PROJECT CHANGE REQUEST – MIRA LOW CARBON INNOVATION HUB

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to seek approval from the Investment Panel on the Project Change Request (PCR) for the MIRA Low Carbon Innovation Hub project.

2. RECOMMENDATION

- 2.1 The Investment Panel is recommended to approve the PCR to:
- reallocate £70,000 from approved LLEP funding from infrastructure to building refurbishment;
 - note the change to outputs due to the removal of the hub extension from the project and inclusion of the Octopus Hydrogen facility; and
 - note the inclusion of additional match funding.

3. BACKGROUND INFORMATION

- 3.1 In December 2020 LLEP Board approved funding for the MIRA Low Carbon Innovation Hub project. The funding was awarded from the Enterprise Zone Retained Business Rates Fund which is enabled through the national EZ policy which allows for local retention of 100% of the business rates uplift generated at an EZ site, accrued over a baseline, over a 25-year period. The principles for the retention and investment of the retained business rates are set out in the Enterprise Zone Business Rate Retention Agreements between each of the EZ billing authorities (Leicester City Council, Charnwood Borough Council and Hinckley & Bosworth Borough Council), the LLEP, and Leicester City Council as its Accountable Body.
- 3.2 The Low Carbon Innovation Hub is a facility designed to host the collaboration of engineering companies focussed on low carbon technologies. The Project will create an 'Innovation Hub' by refurbishing the former MIRA building fronting the A5 and implementing significant Electrical Vehicle (EV) and hydrogen infrastructure to allow for the safe testing and handling of EV and related systems. This will allow the Hub to accommodate the rapidly developing R+D involved in battery development, hydrogen fuel cells and other low carbon and alternative fuel technologies.
- 3.3 The Hub supports wider low carbon testing and development, which is the focus of many companies wishing to locate at MIRA. It will ensure that HORIBA MIRA and the

Paper C

Technology Park cluster remain at the forefront of the latest mobility technologies and is a global FDI location of choice.

4. PROJECT CHANGE REQUEST

- 4.1 To accommodate the onsite growth of the anchor tenant for the MIRA Infrastructure project it was agreed that the company would occupy part of the Innovation Hub building whilst the infrastructure project and the build of their bespoke facility took place. This has required the Hub building to be split into phased delivery which has increased the costs of the refurbishment due to the need to separate the building and the loss of some economies of scale in delivery. In addition, the costs of building materials have continually risen during the construction period.
- 4.2 The impacts of these issues have removed any contingency funds available within the project, therefore, to ensure the delivery of the hub building the project sponsors are requesting that £70,000 from the LLEP funding allocated to the delivery of the physical infrastructure is re-allocated to the delivery of the building. The re-purposing of this funding is not expected to affect the delivery of the infrastructure as an underspend is anticipated on this element.
- 4.3 Since the public announcement of this project there has been a higher than anticipated level of interest in the Hub and its facilities. Whilst this a positive and shows that the anticipation of demand was not unfounded, it has meant that plans for the extension of the building are having to be revised to ensure it can accommodate the expected level of use. It is now not expected that this will be delivered within the timeframe of the project.
- 4.4 The original funding for the project was split 50:50 between LLEP and HORIBA MIRA. Since the project was approved a deal was made with Octopus Hydrogen to provide hydrogen production and storage facilities on site to compliment the project. The facilities they are delivering are key to ensuring a full solution can be provided onsite making it a unique, prime facility in the UK for this activity. This match funding, and it associated outputs, are now proposed to be included within the project to ensure the full impact of the project can be captured.

5. SUMMARY OF CHANGES

Funding and Match

- 5.1 The original funding for the project was £2.5m from LLEP to deliver physical infrastructure to enable safe Electric Vehicle and Hydrogen Vehicle fuelling and testing, and £2.5m from HORIBA MIRA to deliver the refurbishment and extension of a building onsite for the Hub facility. The match funding from Octopus Hydrogen was not captured in the original project submission in 2020 as their involvement wasn't confirmed until late 2021. Including this funding increases the overall project total from £5m to £8.46m and decreases the LLEP intervention rate by 20%.

Paper C

Funding Source	Original Project		PCR	
	Amount	Percentage	Amount	Percentage
LLEP	£2.5m	50%	£2.5m	30%
HORIBA MIRA	£2.5m	50%	£2.3m	27%
Octopus Hydrogen	-	-	£3.66m	43%

Outputs/Outcomes/Impacts

- 5.2 The removal of the extension to the existing facility has necessitated a slight reduction in the overall delivery of floorspace by the project. The inclusion of the match funding from Octopus Hydrogen enables a new output covering the installation of infrastructure to create and store hydrogen onsite to be added, capturing the full outputs created by the facility. There are no further changes to the outputs, outcomes or impacts.

Outputs	Original Project	PCR
Commercial floorspace refurbished (sqm)	2,044 sqm	1,978 sqm
Hydrogen Refuelling station	1	No Change
High power EV charging points	7 (2 upgradable) 5 X 50kW, 2 x 175kW	No Change
Construction jobs (aggregate with infrastructure project)	35	No Change
Hydrogen Production and Storage infrastructure	-	1

Summary of appendices:

1. Low Carbon Innovation Hub Business Case
2. Project Change Request Application

For further information please contact:

Cheryl Maguire
Enterprise Zone Programme Coordinator
Tel: 0116 454 4017
Email: Cheryl.Maguire@llep.org.uk



PROJECT PIPELINE BUSINESS CASE

Basic Information	
Project Name	MIRA Low Carbon Innovation Hub
Promoting Organisation	Horiba Mira Ltd.
Legal Entity Status	Ltd UK company
Registration Number	09626352
Primary Contact Name	Andy Macdonald
Contact Phone Number	07801 787883
E-mail Address	andy.macdonald@horiba-mira.com
Location of Project(s)	Mira Technology Park
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>	CV10 0TU
Local Authority Area	Hinckley and Bosworth Borough Council
Registered Legal Address	Watling Street, Nuneaton, Warks, CV10 0TU

Project Overview	
Provide a short summary of the project (max 50 words)	The Low Carbon Innovation Hub proposals will see a repurposing of existing property assets to create a facility designed to host the collaboration of engineering companies focussed on low carbon technologies. The Hub will create a platform to locate highly innovative companies and accelerate their development within the MIRA cluster.

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<p>Provide a brief overview of the project (max 500 words)</p>	<p>The creation of the Innovation Hub will see the redevelopment of the former MIRA building fronting the A5 and the implementation of significant EV and hydrogen infrastructure to allow for the safe testing and handling of EV and related systems. This will futureproof the Hub to accommodate the rapidly developing R+D involved in battery development, hydrogen fuel cells and other low carbon and alternative fuel technologies. The proposal for the Hub is integral to both the suite of wider low carbon testing and development, and also the focus of many companies wishing to locate at MIRA. It will ensure that Horiba-MIRA and the Technology Park cluster remain at the forefront of the latest mobility technologies and a global FDI location of choice. With the significant investment in Connected Autonomous Vehicle (CAV) test facilities and the integration of CAV with low-carbon technologies in vehicle solutions, it is anticipated the Hub will also attract related CAV companies.</p> <p>The timing of delivery of the facility is a critical element in its success. The international entrants to the UK in EV and hydrogen fuel cell technology, and the growth of these companies provides a rare window of opportunity to establish MIRA Technology Park as the leading low carbon R+D centre within the UK. In order to fully capture the demand for these facilities and optimise the investment, the presence of the Innovation Hub as a facility to accommodate these companies must be operational within 8-12 months. To emphasise this point Horiba MIRA are in discussions with one of the global leaders in electric vehicles to be one of the anchors to the innovation Hub from it's inception.</p> <p>The redevelopment of the building and associated enabling infrastructure is budgeted at £5M which will create approximately 22,000 sqft of flexible space proximate to existing EV workshops and related test facilities. It is a highly cost effective way to establish the Innovation Hub, and will certainly act as a platform to allow collaborative projects, incubation of young companies involved in cutting edge technology, and also act as a springboard for larger organisations to grow into a bespoke facility within the Technology Park. It therefore succeeds on several counts:</p> <ul style="list-style-type: none"> • Creation of an environment that can support and accelerate new technologies that will drive electric vehicle adoption and reduce emissions. • Capture the growing demand from commercial vehicle sector for hydrogen test and development infrastructure, leveraging the existing test facilities. • Provide a quick soft landing for new entrants to the Technology Park and accommodate their subsequent growth. • Highly relevant to the skills and training which is aligned to the Low Carbon innovation. • Creation and safeguarding of 300 jobs forecast over the next 3-5 years. • Promotion of permanent facility for companies, accelerating development and associated growth rates within the EZ • Early success is underpinned by strong interest from a leading EV company.
<p>Is this a new project?</p>	<p>Yes</p>
<p>If this is not a new project, please explain the need for funding</p>	

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Funding Requested	£2.5M
Key dates Earliest possible start date for the project work post approval, funding contract and procurement	
Project Start Date	October 2020
Project End Date	Jan 2022
Provide a brief commentary to demonstrate that the project will be commenced by the stated date. (Max 100 words)	Initial design and costing for the redevelopment of the building has been carried out to establish the base cost to deliver the facility. This redevelopment work is not subject to planning and therefore the lead-in period allows an early start of building works. The EV and hydrogen enabling works will be carried out concurrently and where necessary will continue for installation of equipment post completion of the main building redevelopment.

Project Milestones/Activities			
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).			
Description	Start Date (Tasks only)	End Date (Tasks and Milestones)	Key Task/Milestone?
Main Building works	October 2020	March 2021	Contract completion
EV and Hydrogen infrastructure installation phased over the period. EV infrastructure within early phases with ground works for Hydrogen refuelling station and supporting systems.	October 2020	March 2022	Phased delivery
Operational start of the Innovation Hub	February 2021	Ongoing	Innovation Hub launch

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

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	<p>The Innovation Hub provides a key component of the suite of facilities at MIRA Technology Park, but specifically to allow the growing number of EV and hydrogen-centric engineering companies to establish a presence and continue to grow. The evolution of EV technology has gathered pace and is now a core focus of both Horiba Mira and the UK automotive industry. MTP holds a unique opportunity to capitalise on the growth in the market and the test facilities on offer but lacks the EV-ready accommodation and associated EV and hydrogen facilities to secure these companies in the short term. It will also certainly act as a catalyst to allow companies to graduate to a bespoke permanent base on the Park.</p>
<p>Explain the underlying barriers to economic growth that the substantive project will address. (Max 200 words)</p>	<p>MIRA Technology Park has proven hugely successful in attracting a cluster of technology companies in the automotive engineering sector. As a consequence the availability of accommodation for new companies is severely limited. Whilst larger bespoke facilities are proposed as the next phase of development, allowing smaller companies, and teams from international businesses to establish a base at MIRA is a key to future success. This is particularly relevant to the EV and hydrogen industry with many new fast-growing entrants to the UK. The Innovation Hub will provide a highly cost-effective solution to creating this space.</p>
<p>Explain the impact of not addressing these barriers. (Max 200 words)</p>	<p>The absence of such a facility will result in the loss of many potential companies being based at MIRA and graduating to a permanent facility. Critically it would also lose the opportunity to secure an irreplaceable anchor for the Hub, who are in detailed discussions in setting up within the facility. This window of opportunity that currently exists needs to be seized and will be threatened by any protracted delay in funding or delivery of the facility.</p> <p>Hydrogen fuels cells have also become a particularly strong industry and governmental focus, largely with a commercial vehicle application. The lack of suitable available hydrogen-related facilities will result in the loss of the opportunity to attract these companies to the EZ, in what would otherwise be a desirable location to base their engineering operations. The combination of the existing test and development facilities with the proposed hydrogen refuelling and related systems, will allow the EZ to compete to capture this demand. The key challenge, and therefore need for funding intervention, is the critical front-end investment required which would otherwise occur over a prolonged period of years.</p>
<p>Explain what will happen if this funding request is not approved (Max 200 words)</p>	<p>Funding has been secured for the building refurbishment, however without the EV and hydrogen infrastructure the test facilities would be incapable of the intended use for R+D in these low-carbon technologies as proposed. This would critically compromise our test facilities for the proposed occupiers, and also the funding for the refurbishment itself as the site would not be fit for purpose. The integrated building work and EV infrastructure must be committed and delivered to support the viability of the project. Moreover, if the funding of the EV and hydrogen infrastructure is materially delayed then this would also threaten the projects viability due to the current occupier interest which otherwise would be lost.</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. *Please identify (tick) which apply and provide a brief explanation, max 100 words per item.*

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Will there be a material increase in the size of the project?	No, the Project is defined in scale but requires the funding in order to be delivered. It does however act as a catalyst for growth as explained within this submission.
If yes, please provide a brief explanation (Max 100 words)	
Will there be a material increase in the scope of the project?	Yes
If yes, please provide a brief explanation (Max 100 words)	The funding is for the EV infrastructure which is critical to the scope of the project. Without this infrastructure funding the project is unviable for the reasons explained above.
Will there be a material increase in the total amount spent on the project?	Yes
If yes, please provide a brief explanation (Max 100 words)	Only to the extent of the funding which is a component of the overall budget. However the Hub leverages the private sector funding for the building refurbishment and also the potential expansion of the anchor occupier into a bespoke facility within 3 years, with the associated additional investment.
Will there be a material increase in the speed of completion of the project?	Yes
If yes, please provide a brief explanation (Max 100 words)	If funding is secured then the main elements of the project can be delivered within 12 months. Without funding the project is unlikely to be delivered at all.
Will the project happen outside the LLEP area as a result of NOT receiving the funding?	Potentially
If yes, please provide a brief explanation (Max 100 words)	This initiative (as with MTI) is a facility which MIRA Technology Park is ideally placed to host given the focus of R+D activity and presence of the growing industry cluster. This is demonstrated by the potential demand and desire to locate at MTP with the appropriate facilities in place. It would undoubtedly be an attractive opportunity elsewhere in the Midlands if it did not succeed as proposed. However it is the longer term adverse impact which it would have on the EZ in cutting off a potential source of longer term growth. This incubation and growth of these companies is the principle which has created the success to date, but with the lack of available space, and the advance of the EV and hydrogen infrastructure associated with these operations, the significant opportunity is lost.
Objectives of Project	

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<p>Describe the specific objective(s) of the project. (Max 200 words)</p>	<p>Please see above. Primary objectives:</p> <ol style="list-style-type: none"> 1. Create innovation space for companies in the EV automotive R+D sector 2. Delivery of critical EV infrastructure to ensure facilities are EV capable 3. Capture the growing demand for Hydrgen related R+D facilities from major commercial vehicle engineering companies. 4. Promote the growth of technology companies and subsequent long-term establishment at MTP 5. Secure a major anchor company for future growth. 6. Sustain the continued growth of the EZ and subsequent rates growth.
<p>Strategic Fit with Local Priorities</p>	
<p>Will the intervention support policies in the Strategic Economic Plan, Sector Growth Plans or other Local Plans? (Max 100 words)</p>	<p>The proposals are totally in line with the strategic objectives of the EZ and build on the investment to date. The next stage of major development will secure investment of £50M+ in the EZ and the associated high value jobs. This project is seen as the principle catalyst at this stage of the technology revolution in the automotive industry and is almost guaranteed being successful with the current interest.</p>
<p>What is the main strategic priority that your project addresses? (please choose one)</p>	<p>Enterprise and Innovation</p>
<p>Engagement and Consensus</p>	
<p>Outline support from key stakeholders for the proposed solution / your approach to seeking consensus. (Max 100 words)</p>	<p>The project proposals were tabled at the July EZ Steering committee meeting which is attended by the principle stakeholders in the EZ. This secured unanimous sport as a priority initiative for the EZ.</p>
<p>Previous Funding Applications</p>	
<p>Have you applied for any funding for this project previously?</p>	<p>Yes</p>
<p>If yes, please provide a brief explanation (Max 100 words)</p>	<p>The project was submitted in the recent call for projects through the Secretary of State "Get Building Fund" (GBF). However this was not successfully selected as a priority project for the purposes of the LLEP funding submission.</p>
<p>How is your project State Aid compliant? Briefly explain why your project is State Aid compliant. (Max 200 words) We strongly advise you to seek independent legal advice with regards to the issues of State Aid in relation to this application.</p>	<p>Under Article 26 - Investment aid for research infrastructure - of the General Block Exemption Regulation (GBER), funding is permitted at rates of up to 50% of eligible costs with total support from the State in all cases limited at no more than €20 million. HORIBA MIRA will fund 50% of the eligible costs. Eligible costs will be limited to investment costs, not operating costs. The price charged for the use of the infrastructure will correspond to market price and will be available to several users on a transparent and non-discriminatory basis. As a large enterprise under GBER, HORIBA MIRA can also confirm that by receiving grant aid it will materially increase the scope of the activity and will increase the speed of completion of the activity which are relevant in demonstrating the state aid has an incentive effect.</p>
<p>Economic Case</p>	

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

Investigation of Options

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)

The innovation Hub needs presence and scale in order to be successful. The nature of the hub will be a mix of occupiers on short leases, allowing the ability to innovate, grow and accommodate early stage companies in the sector. This makes the commercial viability very challenging due to the inability to fund the development of a new building based on these flexible tenancies. Therefore a more cost effective option was found to redevelop an existing redundant building which could be fitted with the necessary infrastructure to accommodate the Innovation Hub. A commitment to £2.5M of private sector funding has been secured for the project, which leaves the remaining funding of £2.5M for the EV and Hydrogen infrastructure.

If the Innovation Hub project did not proceed, then the short-term consequences for the EZ would mean the loss of a major company in the EV sector, subsequent longer-term investment and potentially 300 jobs within the next 5 years. The longer-term consequences would impact the growth of the EV and hydrogen-related participants in the cluster, lacking the ability to provide a “soft landing” facility for the R+D and growth platform for a permanent base. The existing Technology Park has demonstrated the success of the growth platform for companies, with MIRA’s R+D test facilities limiting the capital investment required for their operations, and the continued successful growth of companies like Bosch and Clearmotion (demonstrating the diverse companies in the cluster). Many of the current and future disruptors in the EV sector are characterised by strong growth which suits the innovation hub and the EZ objectives. Without the Hub this essential source of future participants will almost certainly be lost to other parts of the UK, or even Europe.

Demonstrate and evidence that the funding would represent value for money. (max 400 words)

The funding will permit the most cost-effective option to be delivered and secure the short and medium term objectives. The project will provide a number of high value outputs which will be magnified by HORIBA MIRA and MTP’s unique position in the industry. Firstly, a core benefit will be the ability to secure a range of highly innovative companies working on the latest EV and low carbon technologies, thus creating a number of high-skill jobs and supply chain opportunities. Secondly, the Hub provides a flexible and cost-effective way to engage with dynamic and growing companies who, once onsite, will grow into larger facilities and add to the clustering of EV and hydrogen-focused companies. This creates a pipeline of opportunities for companies to grow into both existing and bespoke facilities allow for continued growth in business rates. Alongside this it will also create new job roles in the MIRA engineering team and safeguard a number of the existing roles. We believe that this project represents real value for money as it based on a successful existing model, has significance at a local and global level and is a key link in the development of electric vehicles and reducing global carbon footprint.

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Is the project scalable?	The project is potentially scalable, although the current project proposals maximise the use of the existing space available. It is anticipated that this would act as a catalyst for the new development of a larger facility in the medium to long term and the delivery of additional low-carbon infrastructure as it becomes necessary or evolves. Importantly this project is seen as being an integral part of the EZ growth strategy, and a very significant catalyst for growth. The significance being the window of opportunity in evolution in the low-carbon technologies and the scale of investment from the target companies. It also comes at a point in the wider Technology Park development and EZ where the next major phases could significantly accelerate with the success of the project.				
Outputs, Outcomes and Impact					
The funding recipient will be responsible for reporting against all outputs, outcomes and impacts detailed below.					
Outputs and Outcomes: specific deliverables from the overall project Complete one column per output/outcome					
Outputs & Outcomes Category (Choose either: Jobs, housing, business assists, skills, land and commercial property, transport, other, Enterprise Zone)	Jobs	Skills	Property		
Outputs & Outcomes Sub Category					
Detailed description	Creation of high skilled jobs	Increase in the number of low carbon related skills course delivered and apprenticeship programmes	Growth in business rates from new facilities		
Baseline Value	Current tenant job numbers	TBC	Current sqft of new rates generating buildings		
Output or Outcome?	Output	Outcome	Output		
How will the output / outcome be measured	300 jobs	% increase in skills delivery	Measurement of development floorspace		
Measurement Source	Occupier employment numbers	MTI /Course bookings & occupier apprenticeship and training	EZ business rates growth		
Who is responsible for measuring the benefit?	HM	HM	HM		
Assumptions	Job creation will monitor direct and indirect jobs				

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What are the risks or issues to realising the benefit	Low risk assuming the Hub proceeds, due to the strong anchor interest.	Low as currently comprehensive engagement with MTI and incoming companies	Greater risk to the EZ if this initiative does not proceed. Incubation has proven to lead to growth and large bespoke requirements.		
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Measures

For each of the Outputs / Outcomes identified please provide the forecast of when they will be delivered. For example, if the project outputs were 175 homes this might look like-
 Period: March 2020, Units: Number, Target: 100
 Period: March 2021, Units: Number, Target: 75

Period	36 months	24 months	36 months		
Units	jobs	Course participants	Sqft occupied		
Target	300	tbc	50,000sqft		

Additional Benefits

Please identify which, if any, of the following social value impacts apply to your project. Where you have identified a relevant wider impact, please provide a brief explanation (max 100 words)

Employing locally and responsibly	Yes
If yes, please provide a brief explanation (Max 100 words)	Expect a number of new roles to be created and safeguarded, these will include technical and non-technical roles
Sourcing locally	Yes
If yes, please provide a brief explanation (Max 100 words)	Sourcing HM engineering and testing services and local supply chain companies
Supporting and engaging with local communities	Yes
If yes, please provide a brief explanation (Max 100 words)	Potential for apprenticeship/training with local employment opportunities. Potential for local low carbon trials ie. trial bus fleets
Improving environmental sustainability	Yes
If yes, please provide a brief explanation (Max 100 words)	Developing electric and alternative fuel cell vehicles and the alignment with the Government's road to Zero ambition.
Doing business ethically	Yes
If yes, please provide a brief explanation (Max 100 words)	Horiba Mira company ethos embodies sustainability and safety, which is demonstrated by the operation and practices at MTP.

Impacts

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

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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)
Job creation	300	Job numbers and baseline figures are monitored on an ongoing basis by Horiba Mira	HM
EZ growth	New companies establishing engineering operations on site.	Current engineering companies as occupiers.	HM
Business rates growth	Tbc.	Existing business rates growth being tracked	HM

<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>Local and regional employment will benefit as the initiative accelerates the wider benefits of the EZ. The employment impact is seen to be diverse as the intervention allows a range of organisations to participate in the hub. It importantly drives the training and skills agenda with the new technologies as a focus. This allows job creation from apprentices to highly skilled engineers to locate within the EZ .</p>
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<p>How will the intervention impact on the natural and built environment? (Max 100 words)</p>	<p>The intervention will allow the leveraged investment in the existing A5 Mira building upgrading the quality of the building, but also will lead to further investment in new facilities as the medium to long term consequence of growth. The existing building requires significant investment which is challenging to achieve commercially without the intervention, but delivers the outputs in the most efficient manner. It also effectively repurposes what is an aging but highly prominent element of the EZ.</p>
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Monitoring and Evaluation	
<p>How will you evaluate the success of the project?</p>	<p>The short term evaluation will include securing the initial occupants of the innovation hub, and companies bringing their engineering operations to the EZ who otherwise would have considered alternative locations both in the UK and Europe. Medium and longer term the evaluation can be substantiated with the growth in employment numbers and future company growth leading to new development. The new development in turn leads to the growth in the additional business rates on the EZ.</p>
<p>Are the costs of monitoring and evaluation included in your project budget?</p>	<p>No</p>

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

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What is the total cost of the project (£'s)?	£5M
If this application is for Project Development Funding, what is the expected total cost of the substantive project (£'s)?	As above
Please explain how the costs have been estimated and price base.	Based on a range of independent quotes for the redevelopment of the building and using the technical expertise of the engineering team with external suppliers relating to the infrastructure.
Funding Requirements and Match Funding	
What is the total funding requirement being requested (£'s)?	£2.5M
What assumptions is this figure based upon?	This figure is based on delivery of the minimum investment to achieve the necessary EV and Hydrogen related infrastructure. The private sector funding is also conditional on the application being successful.
What is the total match funding that will be provided (£'s)?	£2.5M

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				
Funding Source	Amount (£'s)	Percentage of Budget (%)	Confirmed	Description
Horiba Mira	£2.5M	50%	confirmed	Equity funding for the redevelopment of the existing building
LEP funding proposed	£2.5M	50%	proposed	Infrastructure funding for EV and hydrogen facilities integral to the Innovation hub

Financial Profile			
For each funding source identified, please provide the amount of funding required for each financial year.			
Period - Select March as end of financial year	FY 2020/2021	FY 2020/2021	FY2021/2022

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Description (If not applicable enter NA)	Building redevelopment	EV and hydrogen infrastructure	
Planned Amount £'s (Only include VAT if not recoverable)	£2.5M	£1M	£1.5M
Funding Source	Horiba Mira	LLEP proposed funding	

Business Rates Income Profile (£'s) (To be completed for Enterprise Zone funding applications only)	
Will business rates be generated as a direct result of this development?	Yes
Amount (£'s)	£170,000 approx.
Year	2023
Comment	The commitment of the anchor tenant is linked to the proposal for a new building within 3 years. The rates payable is the estimated rates projected based on the size and type of building proposed. No direct rates increase from the existing building (Innovation Hub).

Loan Funding Repayment – To be completed by loan applicants ONLY	
Payback Mechanism	
Amount	
Repayment Date	
What security will you offer against the loan	
Please explain how you will manage the repayment schedule	

Commercial and Management Case	
Partnerships for Delivery Demonstrate that Project will be delivered by the stated completion date.	
Identify partners involved in the project and demonstrate shared commitment to delivery.	N/A
Have you spoken with the Local Authority for where your project will take place regarding this project?	Yes, HBBC fully supportive of the project.
Effective Governance	
Briefly explain proposed governance structure, including reference to partners if appropriate.	The Innovation Hub will be delivered by Horiba Mira who will manage the future operation. Application of the project funding and monitoring of the outputs will be on a transparent basis as in the case of previous funded infrastructure projects.

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How will the project be managed?	The project will be managed by Horiba Mira and the MTP technical team.
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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.)		
Risk Identifier	Risk name	Description of risk including potential impact.
1	Occupier demand	Project is conditional on the anchor tenant contract and will attract other engineering companies as well as securing the Hub launch and success in the short term. General market demand has been identified subject to the appropriate facilities being available.
2	Cost control	The project expenditure will be managed for the elements of the project and costs tendered in advance to reduce risk of cost overrun.
3	Planning	The project does not need planning consent for the main Hub facility itself.
4		

Probability & Impact		
Please select the point on the matrix where the probability and impact converge to indicate the risk assessment.		
Probability	5	
	4	
	3	
	2	
	1	
		1 2 3 4 5
Impact		

Risk Identifier	Risk Assessment	Mitigating Action	Risk Assessment post mitigation
1	Project cost	Cost control and management by experienced project team	low
2	Match funding	Funding committed by private sector partner.	low
3	Occupier demand	Anchor tenant commitment will secure short term project success	low
4			

Dependencies

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If this project is dependent on outputs from other projects, please provide further details	The project is subject to pre-commitment from the proposed anchor occupier. Subsequently the future EZ business rates are generated by the bespoke facility proposed for this company.
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Supporting Information	
Supporting Documents	Low Carbon Innovation Hub slide pack accompanies the submission providing further detail and background on the rationale for the project.
File name	Low Carbon Innovation Hub EZ Steering 22-7-20
If 'other' please specify	
Description	

Declaration	
I declare that to the best of my knowledge, the information included within this form is accurate.	
Name	Andy Macdonald
Date	28-08-2020
Job title	Development Director
Organisation	Horiba Mira Ltd
Are you authorised to submit this business case on behalf of the Promoting Organisation?	yes
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.	
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	



Project Change Request

When completing the application please ensure that responses are completed in full.

Change Summary

Project Change Request Date	19/10/2022
Report Author	Jack Bartlett
Project Code	PR000414
Project Name	MIRA Low Carbon Innovation Hub

Please confirm the key change(s) proposed to the project

Please confirm the key change(s) to the project, selecting all that apply	The funding package (ie match funding)	The Financial profile (ie a variance)
	The planned outputs/outcomes/impact of the project	Choose an item.
	Choose an item.	Choose an item.
	Choose an item.	

Please summarise the change and the reason(s) for the changes	<p>We are proposing that of the £2.5m LLEP funding allocation, £70k be allocated to the delivery of the Innovation Hub from the Infrastructure allocation. To ensure that the full private sector match is included we have highlighted the Octopus Hydrogen investment of circa £3.66M.</p> <p>The £70K will cover the overspend on the Innovation Hub, which is the result of a rise in material costs and phased handover of the space.</p> <p>Increase in material costs has removed any contingency left in the project e.g., transformers costs, 100% increase in the price of copper, increase of 30% in general materials.</p> <p>Phased handover was implemented to allow the anchor tenant to occupy a large portion of the space whilst works were completed on a second section. The delay on the second section being occupational was caused by a delay in roof light installation (manufacturing issue). The tenant wanted to have access quickly to allow for their continued headcount growth onsite. Phased handover means an increase in delivery costs as you have to separate the areas, one operational, one construction.</p>
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	<p>HORIBA have signed off £2.3m for the Innovation hub project and cannot commit any further funds within this project scope. In the original business case MIRA was providing £2.5M of committed funding which was split between;</p> <ul style="list-style-type: none"> • £2.3M Low Carbon Innovation hub works • £200K Hub extension <p>The Hub extension has been postponed as we expect we will now need to create a much larger facility based on higher demand due to the increased onsite headcount.</p> <p>The movement of £70k from the EV and hydrogen infrastructure allocation is expected to have no impact on deliverables or outputs as there is anticipated to be an underspend on this part of the project of circa £70,000.</p>
Please detail any changes to the agreed nature, purpose or location of your project below	
Location of project	N/A

PROJECT OVERVIEW	
<p>Project Overview</p> <p>Please highlight any changes to the original overview in bold.</p>	<p>The Low Carbon Innovation Hub proposals will see a repurposing of existing property assets to create a facility designed to host the collaboration of engineering companies focussed on low carbon technologies.</p> <p>The Hub will create a platform to locate highly innovative companies and accelerate their development within the MIRA cluster.</p>

Please detail and explain any proposed changes to the original project start and end dates.	
Original Project Start Date	01/03/2022
Original Project End Date	31/03/2025
Revised Project Start Date	N/A
Revised Project End Date	N/A
Please explain any changes to the original project dates	Whilst there is no change to the overall project dates there has been a slight delay in the operational start of the innovation hub due to delays in construction.

Please update the project milestones and activities if necessary.

Project Milestones/Activities

Description	Start Date	End Date	Press Release?	Please provide details of the communication
Operational Start of the innovation Hub	24/10/2022 Original 01/10/2022		No	Social posts rather than PR

STRATEGIC CASE

Detail any changes in the strategic external drivers for this investment, with particular reference to the aims of the LLEP Strategic Economic Plan and evidence base, relevant local authority spatial and economic plans and any relevant Government policies and programmes. These should align to the LLEP objectives and priorities detailed in the LLEP SEP document.

Please update the following sections from your original Business Case if necessary. **HIGHLIGHT ANY CHANGES IN BOLD.**

Project Objectives

Primary objectives:

1. Create innovation space for companies in the EV automotive R+D sector
2. Delivery of critical EV infrastructure to ensure facilities are EV capable
3. Capture the growing demand for Hydrgen related R+D facilities from major commercial vehicle engineering companies.
4. Promote the growth of technology companies and subsequent long-term establishment at MTP
5. Secure a major anchor company for future growth.
6. Sustain the continued growth of the EZ and subsequent rates growth.

Aim of the project

The Innovation Hub provides a key component of the suite of facilities at MIRA Technology Park, but specifically to allow the growing number of EV and hydrogen-centric engineering companies to establish a presence and continue to grow. The evolution of EV technology has gathered pace and is now a core focus of both Horiba Mira and the UK automotive industry. MTP holds a unique opportunity to capitalise on the growth in the market and the test facilities on offer but lacks the EV-ready accommodation and associated EV and hydrogen facilities to secure these companies in the short term. It will also certainly act as a catalyst to allow companies to graduate to a bespoke permanent base on the Park.

ECONOMIC CASE

If the Output / Outcome profiles need to be changed please consider the following:

- Is the output still on track to be delivered within the original timeframe?
- If not, why? Update the **Forecast Date** and provide justification for slippage
- Has the output been achieved?
- If yes, update the **Actual Date** the output was achieved
- Has the **number of units** of outputs to be delivered increased / decreased?
- If yes, provide justification for change
- Are there any additional outputs / outcomes expected as a result of the change?
- If yes, please add
- Have any additional **risks / issues** been identified that could / will impact realisation?

Outputs and Outcomes: specific deliverables from the overall project

Outputs & Outcomes Category	Land & Commercial Property
Detailed Description	<p>To provide a hydrogen refuelling capability onsite in combination with the Energy Hub.</p> <p>This facility will provide the ability for customers to refuel their hydrogen vehicles onsite. In combination with the electric vehicle chargers, we will create what we believe is a world first. EV chargers, hydrogen refuelling linked to a green energy supply (solar) on a single site.</p> <p>Octopus has invested in the following items/ works;</p> <ul style="list-style-type: none"> • Electrolyser • Compressor • Storage • Trailers • Infrastructure works e.g. cabling, pipe, site office etc.
Baseline Value	0
Output / Outcome	Outcome
How will the output / outcome be measured?	Deployment of hydrogen assets and supply of hydrogen.
Measurement Source	MIRA
Who is responsible for measuring the benefit?	MIRA
Assumptions	

What are the risks / issues to realising the benefit?	Delay in delivery of equipment	
Measures		
Period	Units	Target
Mar 2023	Number	1

FINANCIAL CASE
<p>Demonstrate the changes to the project costs and funding strategy. You will be expected to deliver the scheme within the cost profile when agreed. Confirmation will be required that any cost overruns will be met by the project sponsor.</p>

What is the total cost of the project (£'s)?	£5,000,000
---	------------

Funding Requirements and Match Funding	
Approved Funding Amount	£5,000,000
Additional Funding Requested	£0
What is the total Match Funding that will be provided? (£'s)	£5,960,000
Reason for request	<p>Re-allocation of funds, £70,000 to be moved from the "EV and Hydrogen Infrastructure" allowance and re-directed to the "Building redevelopment".</p> <p>MIRA has postponed its investment into the Food hub extension as it was felt it would not be large enough to support the expect headcount growth. The works required for the hub extension equated to £200K of the private sector match, to ensure the minimum of 50% match is maintained we have included the Octopus Hydrogen investment.</p> <p>The Octopus investment is for the creation of a Hydrogen refuelling capability within the Energy Hub, this provides the ability to support both electric and hydrogen vehicles – a world first, a charger and hydrogen refueller power by green electricity (green hydrogen). In summary the Octopus investment is the</p>

procurement of an Electrolyser, compressor, storage and other enabling infrastructure.

Sources of Funding (£'s)

Please update the sources of funding and show the impact on the financial profile and cashflow

Funding Source	Description of Funding Source	Amount (£'s)	Percentage of Budget (%)	Confirmed?
Applicant's own funds (private)	Equity funding for the redevelopment of the existing building	£2,300,000	27%	Yes
Private Sector funds	Octopus Hydrogen capital equipment investment	£3,660,000	43%	Yes
LLEP	Infrastructure funding for EV and hydrogen facilities integral to the Innovation hub	£2,500,000	30%	Yes

Financial Profile (£'s)

For each Funding source identified below, please provide the amount of funding required for each Financial Year.

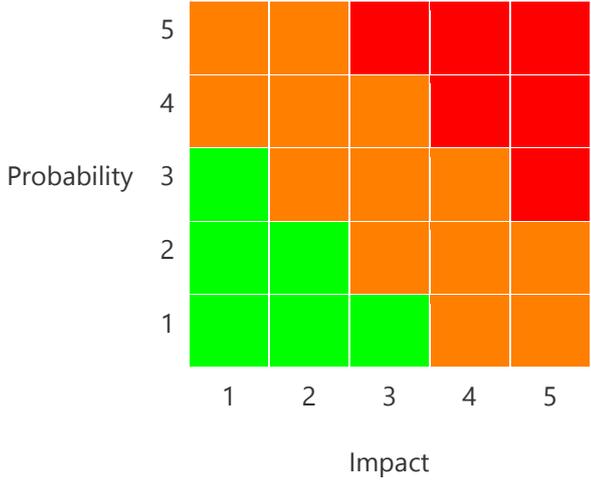
Period – select March as end of Financial Year	Description	Planned amount (£'s) – Only include VAT if not recoverable	Funding Source
Mar 2023	Building Redevelopment	£2,300,000	MIRA - Private Sector
Mar 2023	EV and hydrogen infrastructure	£1,690,000	LLEP – Public Sector
Mar 2022	EV and hydrogen infrastructure	£740,000	LLEP – Public Sector
Mar 2023	Building Redevelopment – Overrun	£70,000	LLEP – Public Sector
Mar 2023	Hydrogen Equipment investment	£3,660,000	Octopus – Private Sector

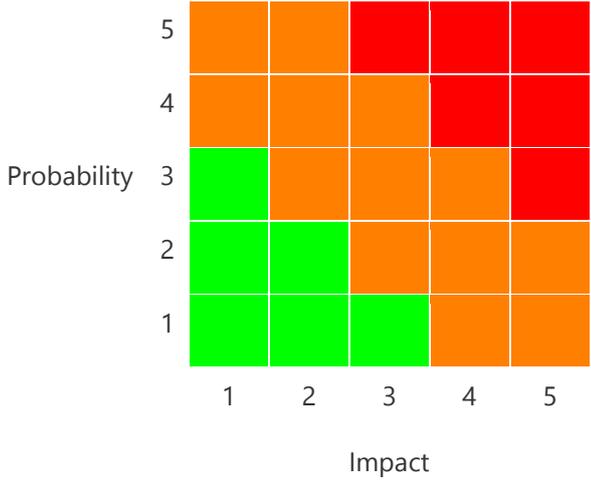
COMMERCIAL AND MANAGEMENT CASE

Demonstrate any changes to the deliverability and management structures for the project and risks associated with that delivery. If the request involves a fundamental change to the way the project is being delivered, please describe this in full.

Risks																																						
Risk Name	Occupier demand																																					
Description of risk including potential impact.	Project is conditional on the anchor tenant contract and will attract other engineering companies as well as securing the Hub launch and success in the short term. General market demand has been identified subject to the appropriate facilities being available.																																					
Probability & impact (please select the point on the matrix where the probability and impact converge to indicate the risk assessment)	<p>The risk matrix is a 5x5 grid. The y-axis is labeled 'Probability' and ranges from 1 to 5. The x-axis is labeled 'Impact' and ranges from 1 to 5. The cells are colored as follows:</p> <table border="1"> <tr> <td>5</td> <td>Orange</td> <td>Orange</td> <td>Red</td> <td>Red</td> <td>Red</td> </tr> <tr> <td>4</td> <td>Orange</td> <td>Orange</td> <td>Orange</td> <td>Red</td> <td>Red</td> </tr> <tr> <td>3</td> <td>Green</td> <td>Orange</td> <td>Orange</td> <td>Orange</td> <td>Red</td> </tr> <tr> <td>2</td> <td>Green</td> <td>Green</td> <td>Orange</td> <td>Orange</td> <td>Orange</td> </tr> <tr> <td>1</td> <td>Green</td> <td>Green</td> <td>Green</td> <td>Orange</td> <td>Orange</td> </tr> <tr> <td></td> <td></td> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> </tr> </table> <p>The risk assessment for 'Occupier demand' is at the intersection of Probability 3 and Impact 3, which is an orange cell.</p>	5	Orange	Orange	Red	Red	Red	4	Orange	Orange	Orange	Red	Red	3	Green	Orange	Orange	Orange	Red	2	Green	Green	Orange	Orange	Orange	1	Green	Green	Green	Orange	Orange			1	2	3	4	5
5	Orange	Orange	Red	Red	Red																																	
4	Orange	Orange	Orange	Red	Red																																	
3	Green	Orange	Orange	Orange	Red																																	
2	Green	Green	Orange	Orange	Orange																																	
1	Green	Green	Green	Orange	Orange																																	
		1	2	3	4	5																																
Assessment	Low																																					
Mitigating Action	Anchor tenant commitment will secure short term project success																																					
Assessment Post Mitigation	Low																																					

Risk Name	Cost Control
Description of risk including potential impact.	The project expenditure will be managed for the elements of the project and costs tendered in advance to reduce risk of cost overrun.

<p>Probability & impact (please select the point on the matrix where the probability and impact converge to indicate the risk assessment)</p>	
<p>Assessment</p>	<p>Low</p>
<p>Mitigating Action</p>	<p>Funding committed by private sector partner. Seeking funding allocation to cover cost overrun circa £70,000</p>
<p>Assessment Post Mitigation</p>	<p>Low</p>

<p>Risk Name</p>	<p>Planning</p>
<p>Description of risk including potential impact.</p>	<p>The project does not need planning consent for the main Hub facility itself.</p>
<p>Probability & impact (please select the point on the matrix where the probability and impact converge to indicate the risk assessment)</p>	
<p>Assessment</p>	<p>Low</p>
<p>Mitigating Action</p>	<p>Cost control and management by experienced project team</p>
<p>Assessment Post Mitigation</p>	<p>Low</p>

DECLARATION

To submit your Project Change Request to the LLEP for approval please select the 'Submit for Approval' option from the 'Project Change Request Actions' menu

Any personal data that you provide will be processed in accordance with current data protection laws. It will be used by Leicester and Leicestershire Enterprise Partnership Ltd 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 <https://llep.org.uk/privacy-policy/>

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



LLEP INVESTMENT PANEL

17th November 2022

Decision Paper

Repurposed GPF Net Zero Programme - Update

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to update the Investment Advisory Board (IAB) on the progress to date in the delivery of the £100,000 re-purposed GPF for several initiatives within a Zero Carbon programme.

2. RECOMMENDATIONS

- 2.1 The Investment Advisory Board is recommended to:
- i. Note the progress made to date.
 - ii. Discontinue the commissioning of a £20,000 Large Energy User's Study as previously agreed in October 2020.
 - iii. Provisionally, subject to approval, redeploy the £20,000 to commission a feasibility study and an Action Plan as a pilot to ensure that the LLEP's Enterprise Zones operate as Zero Carbon entities.
 - iv. Note a further £5,000 remains uncommitted.

3. BACKGROUND INFORMATION

- 3.1 It will be recalled that the then LLEP Investment Panel in October 2020 recommended to Board Directors several initiatives to mitigate the challenges the local economy would face post pandemic. £1.6m of Growing Places Funding was re-purposed to support a programme of initiatives. The IAB recently noted that some of the anticipated impacts of the pandemic did not in fact materialise and therefore several approved schemes with that hindsight may well have had a different focus. More recently the huge rise in energy costs will have a very significant impact on business profitability and indeed survival; challenges perhaps even more acute and enduring than those experienced during, and post, pandemic.

4. NET ZERO PROGRAMME – PROGRESS TO DATE

4.1 To date, £75,000 (75%) of the original budget allocated to this theme has either been spent or committed

Table 1: Breakdown of Funding Allocation

Activity	Funding (£)	Percentage of Budget Allocated	Match Secured (£)	Funding Position
Carbon Literacy Training	15,000	15%		Completed
Low Carbon Digital Platform Pilot (Zellar)	20,000	20%	5,000	Committed (project completion expected Q2 2023)
De-Carbonising Logistics Feasibility Study	40,000	40%	40,000	Committed (project completion expected Q2 2023)
Large Energy Users Study	20,000			Expected start date Q1 2023
Uncommitted	5,000			
Total	£100,000	75%	£45,000	

4.2 To date all the carbon literacy training has been completed with all members of the LLEP and Growth Hub having received the training in 2021. Zellar have now successfully on-boarded 85 businesses and anticipate all 100 licences being issued by the end of September 2022. A Task Group was set up to look at the data intelligence and has met on 2 separate occasions with a further 2 meetings planned before the end of 2022.

4.3 The De-Carbonising Logistics Feasibility Study is currently with LCC Procurement. Work is continuing the project with our partners Midlands Net Zero Hub and Midlands Connect who are match-funding it with £40,000. East Midlands Airport are on board and discussions have begun with the Freeport. The commissioning of consultants is expected to be completed by November 2022.

4.4 The final activity in the October 2020 programme to be completed is the procurement of the Large Energy User's Study. This was simply delayed because of capacity within the LLEP's Zero Carbon Team plus significant changes to the local management team over the last 12 months. The delay in actioning is however fortuitous as it may be prudent to reassess the priority of this initiative. Considering the very significant challenges all businesses now face it is difficult to see what practical value identifying the highest energy users / largest carbon emitters would be. It is unlikely that having identified a cohort of high energy users that these businesses would wish to join others in sharing

good practice or access advice on reducing their carbon footprints as was originally envisaged. The scale of the problem now and immediate future is such that any support we might offer will not make a significant difference, or indeed any difference. It is also unlikely that the biggest carbon emitters would be content to be identified as such – it's not great PR. We also could not offer confidentiality given the ever-present threat of a Freedom of Information request. In short, it is unlikely that we will secure sufficient business co-operation and engagement for a meaningful outcome.

- 4.5 In light of this LLEP Officers' have considered that the funding could be better used- to commission a feasibility study and subsequent Action Plan to work towards the LLEP Enterprise Zones becoming operationally carbon neutral. In the recently refreshed EZ Implementation Plans all four EZ sites have indicated this is an aim they wish to work towards. Based on the funding currently available and the size of the EZ sites it is considered prudent to propose this study is undertaken as a pilot with one site. Opportunities for additional funding to enable the scope of the study to be increased will be explored. The proposal requires a detailed business case and rationale to inform later consideration by the IAB at a subsequent meeting. At this stage we are requesting in principle support for the proposal from the IAB.

5 RECOMMENDATIONS

- 5.1 The recommendations are detailed at paragraph 2.1, above.

Summary of appendices

1. Original Report to LLEP Investment Panel (October 2020)

For further information please contact:

Name: Mary-Louise Harrison
Position: LLEP Senior Projects Manager
Tel: 0116 454 2944
E-mail: mary-louise.harrison@llep.org.uk

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Appendix 1 Re-Purposed GPF Net Zero Activities Original Report – October 2020

LLEP CASE -COVID RECOVERY

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

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

Strategic Case

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

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

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

Paper D - Apx1

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Number of staff and board trained in zero carbon understanding	38 staff (including Business Gateway advisors) 18 board	0	Measured by attendance at training.
Number of businesses engaged in zero carbon consultation/activity	50	Approx 5	Measured by attendance at focus groups, engagement with consultants and engagement with decarbonisation programme.
Number of zero carbon project business cases developed	2	1 (Flex-D)	Measured by business cases presented to the LLEP pipeline.
<p>Please outline whether the intervention will be targeted</p> <p>Who will be affected by the intervention? Will the impact be positive or negative? Please explain. (Max 100 words)</p>	<p>The intervention has multiple 'target' areas. The training will be targeted at the LLEP staff team and board. The work focussed on decarbonising businesses will have a dual focus – it will partly focus on those businesses already part of the Low Carbon and Environmental Goods and Services Sector (LCEGSS) to understand their growth ambitions and needs, and it will focus on businesses who are part of the wider community interested in becoming early adopters of decarbonisation activity. The final area of activity will focus on the business case for 2 distinct projects deemed to be early infrastructure needs for the LLEP area – these projects will be selected based on criteria set by a small group including the two Zero Carbon LLEP Board Champions (criteria would likely look at how well developed the proposal is, key stakeholders, links to jobs and supporting other businesses in the LLEP area amongst other things). An example project that might be taken forward is the creation of a zero carbon energy and transport hub located at/near East Midlands Airport - identified through a recently concluded piece of strategic work conducted by Cenex for the Midlands Energy Hub.</p> <p>All of the identified target audiences are expected to be positively affected by the interventions.</p>		

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<p>Please identify how the intervention supports sustainable economic growth, social inclusion, wellbeing and environmental sustainability.</p>	<p>These interventions will support all of these areas as detailed below – Sustainable Economic Growth – through a mixed approach of central training, running a sector specific forum, and looking at the needs of the wider business community we will be able to design our services so that future economic growth considers carbon impacts, but also demonstrates how businesses can generate resource savings. Social inclusion – climate change is an inclusive agenda – everyone uses energy and so everyone needs to be involved in wider societal changes. In particular is the need to understand the future jobs market and how employment will change as we look towards a green recovery from Covid-19. We can only do this in concert with the business community. Environmental sustainability – this is particularly strong within this application. One of the hardest elements of the zero carbon agenda is supporting businesses to decarbonise. Part of the solution is to support growth of the zero carbon sector so that businesses can see the potential to transition into this area of work, but part of the solution is also to support existing businesses to continue what they do in an energy efficient way. In order to do both of these the LLEP needs to be able to provide a strong and supportive voice and its services need to reflect the needs of the business community with regards to this agenda.</p>
<p>Please explain any criteria that should be considered as part of this intervention</p>	<p>The key consideration for these areas of work is partly their ability to prepare the LLEP and local businesses for the Green Recovery as we look towards zero carbon in the UK by 2050, but also their coherence as a package. Taken together, these measures will give the LLEP the tools it needs, and the business consultation to sit alongside so that we can progress with confidence. Finally, we will progress some key early projects for infrastructure investment.</p>

Financial Case

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

<p>What is the total cost of the project/support (£'s)?</p>	<p>£100,000</p>
<p>Funding Requirements and Match Funding</p>	
<p>What is the total minimum funding requirement being requested (£'s)?</p>	<p>£100,000</p>
<p>What is the total match funding that will be provided (£'s)?</p>	<p></p>

Capacity and Risk Management

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

Risk Identifier	Risk name	Description of risk including potential impact. And mitigation
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Paper D - Apx1

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1	Funding is spread to thinly	There is a risk that funding won't be sufficient to deliver all the areas needed within this subject. This is mitigated by linking with other pieces of work being completed by partners and Midlands Energy Hub – a study of the LCEGSS is due to be started shortly – this will give some useful baseline data.
2	Insufficient training	Training won't give the team enough information to be able to tailor individual work areas. This will be mitigated by conversations with trainers to ensure that support will be given alongside training to enable participants to better understand zero carbon within their work area.
3	Funding is insufficient for Business Case work	Work to look at the business cases associated with 2 zero carbon infrastructure projects would be hampered if funding is insufficient. Mitigation for this risk is partly provided by linking with existing work – Midlands Energy Hub is currently carrying out some pre-work on energy and transport hubs across the region – linking in with this work would not only ensure that we are taking a project forward that has already had some scrutiny, but that some of the early work has been carried out.

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

1

Decision Report

PROJECT CHANGE REQUEST – RESTOCKING THE BUSINESS BASE PROJECT

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to seek approval from the Investment Panel on the Project Change Request (PCR) for the Restocking the Business Base project.

2. RECOMMENDATION

- 2.1 The Investment Panel is recommended to approve the PCR for:
- a) a change in the activity eligible for grant funding;
 - b) amended delivery end date for two of the business cohorts; and
 - c) additional identified risks relating to the change to grant funding and changes to Stream Leaders.

3. BACKGROUND INFORMATION

- 3.1 As part of the EZ Business Rates legal agreement 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.
- 3.2 After the deduction of the proportion to be retained by Charnwood Borough Council (CBC) as the billing authority, the accumulated EZ business rates collected for the two sites in this area amounted to £1,255,039. Applying the 50% split resulted in a fund of £627,520 for interventions to aid Covid-19 recovery. The respective EZ Steering Groups for Charnwood Campus and LUSEP 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.
- 3.3 A business case for the use of the funding was prepared by CBC in conjunction with Loughborough University and the LUSEP EZ Steering Group. The project was a business start-up accelerator to support pre-start and early-stage businesses with a combined programme of training, on-hand business coaching and group peer action-learning, workspace and equipment access, and curated networking. This would be followed by a managed transition to other support programmes, facilities (through grant support) and networks.

Paper E

- 3.4 The project was approved by Board in December 2020 and commenced delivery in June 2021.

4. PROJECT CHANGE REQUEST

- 4.1 The Restocking the Business Base Project was originally designed with 20 x grants of £1200 to distribute to businesses which demonstrate strong potential, to contribute toward their transitioning to follow on facilities once their support through the Project has been completed. During delivery of the project, feedback from participants in the programme has been received which outlines that as a priority they are seeking funding to cover modest initial setup costs (which vary according to the business) as early-stage business start-ups are frequently ineligible for, or lack the resources to provide match funding, to existing grant funds provided for SMEs in the region.
- 4.2 Therefore, it is proposed that the scope of the grant funding is expanded to include modest setup costs which will better assist business to achieve critical milestones that they must reach in order to establish and begin trading and would provide a stronger pipeline of businesses able to access next levels of support through existing programmes in the region and be in a better position to transition to local workspaces.
- 4.3 Eligible spend would be either capital or time-limited revenue costs and application would be through the submission of a robust business case. Examples of activity include equipment or materials to generate first stock, web presence development or subscriptions to software packages. No staffing costs would be considered. Grant awards would be assessed through written application followed by in-person / virtual pitch to a Panel made up of the LUinc Incubator Manager, the project Stream Leader, and an external panel member to be appointed following approval of the project change request. Evidence of expenditure would be provided by the businesses to draw down the funding.
- 4.4 The project has also highlighted a change to the end date for the milestones relating to the delivery of Cohorts 3 and 4. This is due to two of the three Stream Leaders recruited to deliver the project securing more permanent roles elsewhere. These positions have been recruited for and it is expected that the individuals will be in post in January 2023. The process of onboarding the new staff is expected to result in a modest delay in the commencement of new cohort onboarding and administration of grant funding in Q1 2023.
- 4.5 In addition, two further project risks have been identified and mitigated against which are outlined in the PCR. These relate from the changes in staffing for the Stream Leaders and the proposed amendment to the details of the grant facility.

5. SUMMARY OF CHANGES

- 5.1 A summary of the proposed project changes is noted below:

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Outputs

An amendment to the activity eligible for funding.

Original Project	Project Change Request
20 Businesses accessing grant funding toward next-step facilities	20 Businesses accessing grant funding toward next-step facilities and other start-up setup costs

Milestones

An amendment to the end date for delivery of the milestone.

Milestone	Original Project	Project Change Request
Delivery of Stream A Cohort 3 and Stream B Cohort 3	31/12/2022	30/04/2023
Fourth cohorts recruited and delivery commenced	28/02/2023	30/06/2023
Delivery of Stream A Cohort 4 and Stream B Cohort 4	30/06/2023	31/01/2024
Project evaluation and close	30/09/2023	31/03/2024

Risks

Additional risks identified and mitigated for due the change to grant funding and changes to Stream Leaders.

New Risk	Description	Mitigation
Stream Leaders staffing changes	There has been some adjustment in staffing since the project was established with two of three Stream Leaders securing more permanent roles outside of the Project. This has not yet negatively impacted Project delivery due to ongoing commitment by the outgoing Stream Leaders to continue to support the Project during Autumn 2022. A new recruitment round has been undertaken and replacement	Outgoing Stream Leads have committed to greater level of support during Autumn 2022 than they are obligated to do so under employment notice, helping to alleviate problems with current cohort delivery. The Incubator Manager will provide further assistance as required for any shortfall in staffing.

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	staff resource will arrive in January 2023. Onboarding of new staff is expected to result in a modest delay in the commencement of new cohort onboarding and administration of grant funding in Q1 2023.	
Failing to adjust grant funding parameters to enable the grant to be used for other startup costs (in addition to follow on workspace)	Whilst grants toward follow on workspace are still attractive and in demand by project participants, a number of participants supported by the project are also demonstrating a need to be able to access funds toward setup costs which represent more immediate challenges for their business achieving key milestones; such as making first sales. The characteristics of the emerging start-ups the project supports means they often fall under the threshold for existing criteria for small grant funding for SMEs in the region (e.g. trading for less than 12 months). Therefore they are effectively 'falling through the cracks' of support.	By expanding the scope of expenditure which grant funding can be used toward setup costs, emerging businesses will have a better chance to achieve their key milestones more quickly, such as bringing their product to market, making initial sales and generating recurring revenue. The businesses will be in a better position to survive and thrive generating more project outputs.

Summary of appendices:

1. Restocking the Business Base Project Business Case
2. Project Change Request Application

For further information please contact:

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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>

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<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>

Project Milestones/Activities

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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).

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

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<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>	

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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>	

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How is your project State Aid compliant? Briefly explain why your project is State Aid compliant.

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.

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.

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.

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.

Economic Case

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

Investigation of Options

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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)

Digital Growth Programme providing regular high-quality training events and grant support for established trading businesses to enable development of their digital capability.

- **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.

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

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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.

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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>	

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Impacts 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.

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<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)

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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.

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Name	 Richard Bennett. Head of Planning and Regeneration Charnwood Borough Council
Date	20 November 2020
<p>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.</p>	
<p>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</p>	

APPENDIX

Total Project Costs		Total	2020/21	2021/22	2022/23	2023/24
Spend profile		£414,930	£20,160	£192,409	£186,248	£16,113
Of which EZ ask		£313,760	£8,581	£145,751	£147,875	£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	2,917	35,000	32083	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	8,581	145,751	147,875	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	20,160	192,409	186,248	16,113



Project Change Request

When completing the application please ensure that responses are completed in full.

Change Summary

Project Change Request Date	17/11/2022
Report Author	Pete Hitchings, Incubator Manager, Loughborough University
Project Code	PR000419
Project Name	Restocking the Business Base

Please confirm the key change(s) proposed to the project

Please confirm the key change(s) to the project, selecting all that apply	Other (please specify)	Choose an item.
	Choose an item.	Choose an item.
	Choose an item.	Choose an item.
	Choose an item.	

Please summarise the change and the reason(s) for the changes	<p>We are seeking to make an adjustment to the criteria for which grant funding can be issued through the project; to expand the scope from grants toward follow on facilities only, to also include the ability for businesses to use grant funding to cover modest setup costs, where there is no other suitable alternative grant funding provision available. Making this adjustment will enable business to meet critical milestones in their establishment and provide a better chance of surviving and growing in future. It will also help to establish a pipeline for other support programmes in the area including other grant funding programmes (see list below).</p> <p>The Restocking the Business Base Project has 20x grants of £1200 to distribute to businesses which demonstrate strong potential, to contribute toward their transitioning to follow on facilities once their support through the Project has been completed. Whilst interest in these grants in their current form is strong, our observations through the programme to date, and direct feedback from many participants, is that as a priority they are seeking funding to cover modest initial setup costs (which vary according to the business) as early-stage business startups are frequently ineligible for or lack the resources to provide match funding to existing grant funds provided for SMEs in the region.</p> <p>For example, the characteristics of programme participants are: their business is just about to register or is less than 12 months old, with no trading history; predominantly single founders without access to resources to match fund subsidised grant programmes; are seeking relatively small amounts of funding toward, for example, equipment</p>
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which is critical for developing their first product/service, materials to generate first stock, attendance at trade fairs to meet potential customers, web presence development, software packages specific to their business' requirements (e.g. for creation of 3D models).

Due to these characteristics many of the startups are currently ineligible or too early to access other grant funding. The funding landscape has also changed since the start of the project and as we approach the end of ERDF, many grant funding programmes are no longer available. Below is a summary regional grant funding opportunities which might typically considered by Leics based start-up businesses:

- [Growth Hub Business Growth Grants](#) - £2,000 to £25,000 grant funding providing 35% of total project costs for capital or revenue projects. Projects must have a minimum value of £5,715, businesses must be B2B and have been trading for a minimum of 12mths. *Our participants lack the trading history and match funds and are looking to cover setup costs less than £5,000.* However, this would be a good follow on grant for our participants after 12 months of trading.
- [NBV Business Grant](#) – £1000 to £2500 grant funding available to pre- and newly trading businesses providing a maximum of 25% of eligible costs. Thus, to access the grant, the minimum project spend is £4000. Does not cover retail businesses. *Now only available to those based in Nottingham City, Broxtowe and parts of Gedling, Rushcliffe and Ashfield.*
- [Sir Thomas White Grant](#) – individual grants of up to £5,000 for those in Leicester / Leicestershire. *Must have been running the business for at least 12 months. Grants applications are currently closed.*
- [Innovate UK EDGE SME Growth Fund](#) – £15,000 available to innovation focussed businesses launching new products and services. *Our participants might become eligible for this support as they grow and develop innovative new products and services but the purpose is not to cover more standard, lower setup costs.*
- [SPRING & PROSPER](#) – ERDF funded programmes delivered by Loughborough University are part funded (for example SPRING is paid at a rate of 44% for capital costs up to total spend of £40,000, and 30% up to £8,000), *the programmes will end March 2023, typically targeted at established SMEs and require match funding.*

Unlocking the ability for businesses to meet modest setup costs will better assist them to achieve critical milestones the business must reach in order to establish and begin trading, and would provide a stronger pipeline of businesses to be able to access next levels of support through existing programmes in the region (such as those above) and to be in a better position to transition to local workspaces.

Deployment of grants will occur during 2022/23 and 2023/24, and will be administered by Stream Leads. The highest potential businesses from all cohorts and demonstrating the greatest need will be selected. Applications would be assessed through written application followed by in-person / virtual pitch and marked using the following criteria (0-5) reviewed by a Panel. Evidence of expenditure would be provided by the businesses and recorded.

Criteria:

- Registered business participating on the Project
- Value proposition strength

	<ul style="list-style-type: none"> - Market potential - size of opportunity and market characteristics - Potential to scale – incl. to generate jobs & other opportunities - Products, services or processes are unique / innovative - Teams, skills, capability, experience, professionalism - Demonstratable technical feasibility - How close to launch of their product / service they are (if not already done so) - Extent to which milestones have been successfully achieved - Extent to which the business is committed to stay in the region - Evidence the participant is ineligible for other grant regional funding opportunities - The extent to which the business has engaged with support provided through the programme (i.e. commitment to support) <p>Tracking the progress of these businesses would be completed through the established processes of the Project incl. an annual survey of businesses participating for up to 3 years after the project.</p>
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Please detail any changes to the agreed nature, purpose or location of your project below

Location of project	<p>Stream A programme activity – LU Inc. business incubator, Loughborough University Science & Enterprise Park (LUSEP)</p> <p>Stream B programme activity – Loughborough Town Centre Careers & Enterprise Hub</p>
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PROJECT OVERVIEW

<p>Project Overview</p> <p>Please highlight any changes to the original overview in bold.</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 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>
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Please detail and explain any proposed changes to the original project start and end dates.

Original Project Start Date	01/03/2021
Original Project End Date	31/03/2024
Revised Project Start Date	n/a
Revised Project End Date	n/a

Please explain any changes to the original project dates

No change to overall project dates but due to recruitment delays at the start of the project four milestone end dates have been slightly pushed back, as noted below.

Please update the project milestones and activities if necessary.

Project Milestones/Activities

Description	Start Date	End Date	Press Release?	Please provide details of the communication
Delivery of Stream A Cohort 3 and Stream B Cohort 3	01/04/21	30/04/2023	Yes	
Fourth cohorts recruited and delivery commenced	01/04/21	30/06/2023	Yes	Press release to be issued to advertise programme places.
Delivery of Stream A Cohort 4 and Stream B Cohort 4	01/04/21	31/01/2024	No	
Project evaluation and close	01/04/21	31/03/2024	Yes	Press release to be issued summarising Project Impact.

STRATEGIC CASE

Detail any changes in the strategic external drivers for this investment, with particular reference to the aims of the LLEP Strategic Economic Plan and evidence base, relevant local authority spatial and economic plans and any relevant Government policies and programmes. These should align to the LLEP objectives and priorities detailed in the LLEP SEP document.

Please update the following sections from your original Business Case if necessary. HIGHLIGHT ANY CHANGES IN BOLD.

Project Objectives	<p>The specific objectives of the project are to:</p> <ul style="list-style-type: none"> Engage 250 individuals exploring business start-up (327 engaged to date) Train 100 pre and emerging start-ups (67 supported to date) Support setup of 35 new businesses (16 recorded to date*) Support 20 businesses to transition to follow on workspace facilities or other start-up set up costs (0 recorded to date) Support 20 business to secure follow-on finance from other private or public providers (4 recorded to date*) Support businesses to create 35 jobs (5 recorded to date*) <p>*actual number higher but evidence of these outcomes is still being collected</p>
Aim of the project	<p>Loughborough University on behalf of CBC will deliver a start-up accelerator to equip local business founders with skills, knowledge, resources, and networks to rapidly test, validate, setup and grow. It offers coaching, training, support networks, workspace, and the</p>

	<p>chance to apply for funding towards follow-on workspace and other appropriate start-up costs where no alternative start-up funding sources are available, on completing the programme. The primary aim is to help people in the region to create a new generation of businesses. The focus is 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. To achieve this early-stage business founders are being equipped with the skills, knowledge, resources and networks to rapidly test, validate, setup and grow their businesses.</p>
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ECONOMIC CASE

If the Output / Outcome profiles need to be changed please consider the following:

- **Is the output still on track to be delivered within the original timeframe?**
- **If not, why? Update the Forecast Date and provide justification for slippage**
- **Has the output been achieved?**
- **If yes, update the Actual Date the output was achieved**
- **Has the number of units of outputs to be delivered increased / decreased?**
- **If yes, provide justification for change**
- **Are there any additional outputs / outcomes expected as a result of the change?**
- **If yes, please add**
- **Have any additional risks / issues been identified that could / will impact realisation?**

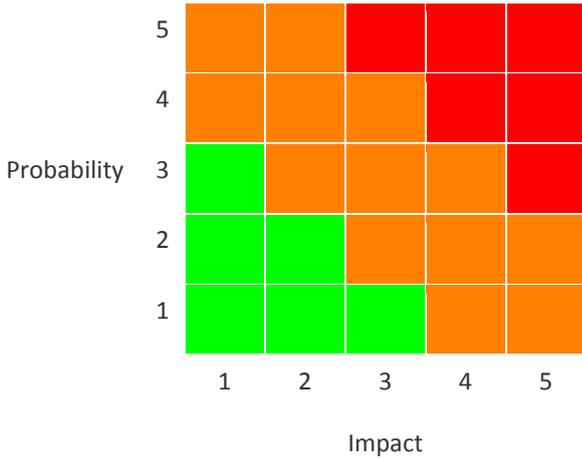
Outputs & Outcomes Category	Other
Detailed Description	Businesses accessing grant funding toward next-step facilities and other start-up setup costs
Baseline Value	0
Output / Outcome	Output
How will the output / outcome be measured?	Evidence collected throughout the Project by the Stream Leader. Agreement between business/individuals and office space provider and/or evidence of expenditure.
Measurement Source	Grants issued by Loughborough University and evidence of office space provider agreement / expenditure by business
Who is responsible for measuring the benefit?	Loughborough University
Assumptions	Subject to Project Change Request funding scope would be expanded to include the opportunity for grant funding to be used toward other startup costs, other than next-step

	facilities only, to enable the project to be more targeted to individual business needs enabling them to achieve target milestones.	
What are the risks / issues to realising the benefit?	If PCR is not approved then funding will not be as targeted to participant demand as it could have been, and some businesses may not be able to meet business critical milestones due to a lack of resources to enable them to achieve them.	
Measures		
Period	Units	Target
Feb 2024	Number	20

COMMERCIAL AND MANAGEMENT CASE
Demonstrate any changes to the deliverability and management structures for the project and risks associated with that delivery. If the request involves a fundamental change to the way the project is being delivered, please describe this in full.

Risks	
Risk Name	Stream Leaders staffing changes
Description of risk including potential impact.	There has been some adjustment in staffing since the project was established with two of three Stream Leaders securing more permanent roles outside of the Project. This has not yet negatively impacted Project delivery due to ongoing commitment by the outgoing Stream Leaders to continue to support the Project during Autumn 2022. A new recruitment round has been undertaken and replacement staff resource will arrive in January 2023. Onboarding of new staff is expected to result in a modest delay in the commencement of new cohort onboarding and administration of grant funding in Q1 2023.
Probability & impact (please select the point on the matrix where the probability and impact converge to indicate the risk assessment)	<p>Probability</p> <p>Impact</p>
Assessment	High

Mitigating Action	Outgoing Stream Leads have committed to greater level of support during Autumn 2022 than they are obligated to do so under employment notice, helping to alleviate problems with current cohort delivery. The Incubator Manager will provide further assistance as required for any shortfall in staffing.
Assessment Post Mitigation	Low

Risk Name	Failing to adjust grant funding parameters to enable the grant to be used for other startup costs (in addition to follow on workspace)
Description of risk including potential impact.	Whilst grants toward follow on workspace are still attractive and in demand by project participants, a number of participants supported by the project are also demonstrating a need to be able to access funds toward setup costs which represent more immediate challenges for their business achieving key milestones; such as making first sales. The characteristics of the emerging start-ups the project supports means they often fall under the threshold for existing criteria for small grant funding for SMEs in the region (e.g. trading for less than 12 months). Therefore they are effectively 'falling through the cracks' of support.
Probability & impact (please select the point on the matrix where the probability and impact converge to indicate the risk assessment)	 <p style="text-align: center;">Probability</p> <p style="text-align: center;">Impact</p>
Assessment	Medium
Mitigating Action	By expanding the scope of expenditure which grant funding can be used toward setup costs, emerging businesses will have a better chance to achieve their key milestones more quickly, such as bringing their product to market, making initial sales and generating recurring revenue. The businesses will be in a better position to survive and thrive generating more project outputs.
Assessment Post Mitigation	Low

DECLARATION

To submit your Project Change Request to the LLEP for approval please select the 'Submit for Approval' option from the 'Project Change Request Actions' menu

Any personal data that you provide will be processed in accordance with current data protection laws. It will be used by Leicester and Leicestershire Enterprise Partnership Ltd 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 <https://lep.org.uk/privacy-policy/>

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