

South Midlands Business Board

Thursday 27 February 2025, 15.00 – 17.00

The Guildhall, St Giles' Square, Northampton, NN1 1DE

Notes

Meeting started at 15.01

	Description
1.	<p>Welcome and Apologies</p> <p>Apologies noted and welcome to virtual attendees.</p> <p>Noted that Viren Patel from the Open University standing down due to change of employment. Agreed not to recruit at this time.</p> <p>Confirmed that the Chair is now co-opted to the Leaders Board meeting and have a direct link to the Business Board alongside Cllr Weir.</p> <p>Chair recently met with lead Officers to gather an understanding of expectations of relationship with the BB and upcoming priorities and pressures in the region.</p>
2.	<p>Notes of the Previous Meeting</p> <p>No comments or questions. Unanimously Agreed.</p> <p>Confirmed submission of the end of LEP funding government consultation – thanks given to all that contributed. BB would like to explore opportunities of other funding to support services.</p>
3.	<p>South Midlands Authorities Board Update</p> <p>2 main items in the meeting:</p> <ul style="list-style-type: none"> • A support into employment programme with DWP called Connect to Work is currently being developed. Officers hope to bring an update in the future and confirm engagement with this Board going forward which will be run at a south midlands level. • A closed commercial item. <p>Upcoming discussions expected to include devolution, economic strategy, and joint activity.</p>
4.	<p>South Midlands Services Update</p> <p>Joined by Growth Hub Manager and Careers Hub Lead, and expected future third service is the connect to work programme.</p> <p>Growth Hub update provided and Action for slides to be shared. Action – request for 1 member to be a Lead for the Growth Hub Board, email Emma for interest.</p> <p>Careers Hub update provided and Action for slides to be shared. Action – request for 1 member to be a Lead for the Careers Hub Steering Group, email Emma for interest.</p> <p>Discussion:</p> <ul style="list-style-type: none"> • Both services are keen to ensure alignment to local provision and be an asset to LA partners. • Noted the number of businesses using on funding to secure future skills and employment pipeline. • Discussion on role of the Board to connect sector gaps.
5.	<p>South Midlands Authorities Officers Introduction</p> <p>Economic Growth Strategy Update - Lichfields attended the previous meeting and feedback provided from the BB has been incorporated into the current reiteration.</p> <p>Noted that the latest has been shared with LA Officers but not the BB, which is frustrating given BB involvement in development. Action for latest evidence base and action plan to be shared to member review for provide next feedback and considerations.</p>

	<p>Noted that devolution is a separate matter and shouldn't affect the publication of what has previously been committed to deliver this strategy for the region.</p> <p>Action to confirm the expected timings on next steps, publication and use.</p> <p>Confirmed with Leaders that that the final version will need BB endorsement to be signed off and requested final review with Officers being final draft submitted.</p> <p>Discussion:</p> <ul style="list-style-type: none"> • Request for any documents shared with LA to be shared with the BB as well. • Would like to confirm where ownership of this document stands. Confirmed BB to shape strategy and endorse but would be for Leaders to sign off. • Noted a condition of funding of the LEP function transfer was the economic strategy, since change of government there is a focus on MCA / devolution pathway and this is a supporting document for that decision. • Noted the desire for investors to see the EGS and growth plans. • Discussion on importance of aligning the regional EGS to local plans and inform strategic planning for the Growth Hub and Careers Hub. <p>LA position / Updates</p> <p>MKCC</p> <ul style="list-style-type: none"> • Local strategy is 2017-27 and beginning review process later this year. • Leader position is a BLMK 4 region and full motion went to January meeting. • There is interest in the new arc geography and rationale compared to existing. • MK are hosting a visit for Patrick Vallance on 6/3/25.. <p>Luton</p> <ul style="list-style-type: none"> • Finalising local economic strategy and expected to go out to consultation in April 25. Keen for BB input during consultation phase. • Worked closely with south midlands consultants to align local, regional and national position. • GVA growth is key in region and growth in high performance, green economy, ai, and airport. Noted that new development sites coming and focus on attracting new business. • No update available at present on Universal position, an update will be provided when possible but remains hopeful for the region. <p>West Northants:</p> <ul style="list-style-type: none"> • Currently developing their strategy and undertaken consultation, with aim to be agreed at cabinet imminently. • Local investment plan was launched last week • Focus on Local Visitor Economy Partnership (LVEP) and now received national accreditation. • Whole council meeting held in January for WNC and NNC and both agreed preference of the south midlands region of the 6 authorities. • Ongoing discussions on Arc and keen for Northamptonshire to be considered in the geography. <p>Officers left at 16.13</p>
6.	<p>Devolution Update and Strategy *Closed item*</p> <p>Discussion:</p> <ul style="list-style-type: none"> • South Midlands Business Board was brought together to represent the voice of business and business community of the agreed 6 LA region, since formation historical tensions have arisen and the geography of the region has come into dispute. Frustration at lack of business or education engagement prior to EOI submission.

- The new government is keen to drive devolution plans and our region was in a key opportunity but failed to respond as a region and missed the opportunity to be on the priority pathway and millions in investment opportunities for the region.
- Noted the visit from Patrick Vallance on 6/3 – confirmed no BB members were invited when representatives of businesses in the region and is excluding 2 of the 4 Leaders.
- Concern that assumptions are being made on the Arc geography and are being acted on when decision has not been made by government.
- No evidence based reasoning has been provided in the change of geography preferences to a new 4 region over the 6. Concern raised about political decision making and not economic opportunities. Queries about the sharing of funding proportions as North and West have circa 50% of regions population.
- Position of the 6 Authorities in EOI submission: WNC & NNC – Endorse the 6 geography region. MKCC, LBC & BBC – Endorse the 4 geography region. CBC – More time requested for informed decision. Minimal press releases by LA post EOI submission.
- Noted the TOR for the group and representation of sectors and businesses.
- Discussion on undefined Arc geography and opportunity for the region and the private sector supercluster group promoting the potential of the larger region to maximise opportunities including investment, supply chains, and skills.
- Noted the Growth Hub and Careers Hub operating footprint and need for support from the LA and more optimally delivered on the 6 scale than 4/2.
- Discussion BLMK size for scale of opportunity and investment is undesirable, and Arc region is greater size opportunity. Outline provided on Oxfordshire, Cambridgeshire and Buckinghamshire devolution position.
- Noted that Government have not dismissed idea BLMK option, and ongoing conversations with Councils, but may result in position of government making the decision for the region.
- Discussion on the need to have the voice of business included in consideration for this economic region.
- Clarification on when the opportunity for devolution would come up again – potentially in the next budget.
- Discussion on who the BB position on devolution geography and Arc will be outlined to – LA, government, businesses. Agreed to take position to next Leaders meeting in June.
- Concern that letter to Vallance from supercluster board only mention Ox and Cambs, and does not mention south midlands or any of our assets such as Silverstone or LLA or the regions connectivity.
- Agreed desire for greater representation of the south midlands 6 region in place making activity and see the south midlands region a strong economic area with high growth potential.
- Outlined comparison and ability to compete with freeports – support, growth, skills, board. Risk of businesses leaving the area to move to areas where they are more strategically supported.
- Discussion on the possibility of any LA changing their position compared to EOI submissions.

Discussion on series of steps for action to champion for businesses in the region.

1. Chair / Business Board to make representation to UK Gov to support a 6 South Midlands region economic area – discussion on 4 vs 6 vs 6+ models and reasoning provided by LA for decision making on economic model, discussion on remit and TOR of the BB, discussion on economic potential of scales and potential of wider economic region of 6+ including Cambridge. Confirmed the remit of this Board is only of the 6. **Unanimously Agreed.**

2. Chair to issue letter to invite all MPs to a South Midlands Business Board devolution roundtable – discussion on communications of the above position with relevant parties, discussion on existing communications channels and MP engagement and relationships. **Unanimously Agreed.**
3. Invite to Baroness Taylor to meet with the Chair/Board regarding devolution – **Unanimously Agreed.**
4. Request to meet devolution Ministers – **Unanimously Agreed** to offer meeting with BB, **Action** to identify key devolution leads.
5. Request meeting with Lord Patrick Vallance regarding OxCam growth delivery and role of sub-regions and business leaders – Discussion on lack of business consideration or engagement in wider growth context – **Unanimously Agreed, Action for Paul to extend invite at visit on 6/3.**
6. Request the Local Authorities produce evidence of the pro and cons of 4 and 6 economic models, compare with previous CCOG economic model for central area proposal (2017) – discussion on lack of informed decision making or produced evidence of reasoning on 4 or 6 model, lack of comparison to wider geography opportunities. **Unanimously Agreed.**
 - Discussion on promotion of the BB and **Action** for Emma to share the BB logo and creation of communications channels and processes.
 - Concern on impact of devolution situation on relationship between LA, working relationship and support for south midlands service which will affect businesses in the region.

Meeting ended at 17.15

Attended:

Jason Longhurst	Prologis Ltd, Chair
Andy Paul	Fliweel Tech
Dr Cathy Smith	University of Northampton
Justin Richardson	Bedfordshire Chamber of Commerce
Keith Purdie	Colworth Science Park
Leon Terry	Cranfield University
Nicholas Greenway	Cosworth
Oliver Jaycock	London Luton Airport
Paul Clarke	Cranfield Aerospace Solutions Ltd
Phil Lawrie	Silverstone Museum
Suzanna Austin	Federation of Small Businesses
Vicky Hlomuka	West Northamptonshire Council
Sophie Lloyd	Milton Keynes City Council (virtually)
Sinead McNamara	Luton Borough Council (virtually)
Ruth Roan	South Midlands Growth Hub
Yvonne Ashby	South Midlands Careers Hub
Emma Panter	South Midlands Authority

Apologies:

Cllr Jim Weir	Bedford Borough Council, Authorities Lead
Michael Moran	2020 Developments Ltd
Naomi Butters	ICENA
Stephen Henson	TC Group

South Midlands Business Board

Agreement and Action Log

Agreement	Status	Date
Minutes of the December meeting confirmed	Agreed	5/12/24
Chair / Business Board to make representation to UK Gov to support a 6 South Midlands region economic area	Unanimous	27/2/25
Chair to issue letter to invite all MPs to a South Midlands Business Board devolution roundtable	Unanimous	27/2/25
Invite to Baroness Taylor to meet with the Chair/Board regarding devolution	Unanimous	27/2/25
Request to meet devolution Ministers	Unanimous	27/2/25
Request meeting with Lord Patrick Vallance regarding OxCam growth delivery and role of sub-regions and business leaders	Unanimous	27/2/25
Request the Local Authorities produce evidence of the pro and cons of 4 and 6 economic models, compare with previous CCOG economic model for central area proposal (2017)	Unanimous	27/2/25

Action	Date	Status
Regional context slides to be shared	5/12/24	Actioned
Forward plan of meetings to be arranged	5/12/24	Actioned
Economic growth strategy slides to be shared	5/12/24	Actioned
Growth Hub and Careers Hub slides to be shared	27/2/25	Actioned
1x member to be Careers Hub Steering Group representative	27/2/25	Actioned
1x member to be Growth Hub Board representative	27/2/25	Actioned
Latest evidence base and action plan for economic growth strategy to be shared with members for feedback.	27/2/25	Update on 2/6/25
Confirm next steps of publication for the economic growth strategy	27/2/25	Update on 2/6/25
Share the BB logo and creation of communications channels and processes.	27/2/25	Actioned
Chair / Business Board to make representation to UK Gov to support a 6 South Midlands region economic area	27/2/25	Update on 2/6/25
Chair to issue letter to invite all MPs to a South Midlands Business Board devolution roundtable	27/2/25	In progress
Invite to Baroness Taylor to meet with the Chair/Board regarding devolution	27/2/25	
Request to meet devolution Ministers	27/2/25	
Request meeting with Lord Patrick Vallance regarding OxCam growth delivery and role of sub-regions and business leaders	27/2/25	Update on 2/6/25
Request the Local Authorities produce evidence of the pro and cons of 4 and 6 economic models, compare with previous CCOG economic model for central area proposal (2017)	27/2/25	In progress

Board Report

24 June 2025

Growth Hub Grant Programme

Report author	Ruth Roan Growth Hub Manager, South Midlands Growth Hub
---------------	---

1. Recommendations

1.1 That the Board:

- a) Note the update on the Local Growth Fund Programme and activity undertaken to mitigate risk and lessons learnt.
- b) Approve the delivery of a new 3-year capital grants programme commencing September 2025, supported by £1.375 million LGF underspend.
- c) Agree that any further underspend from the Recovery and Innovation Grant (RIG) and Growing Innovation Fund (GIF) schemes may be reallocated into this new scheme to maximise capital support to businesses.

2. Background

- 2.1 The Local Growth Fund (LGF) provided significant capital investment in local economies between 2015–2021, aligned with the regional Economic Strategy, focused on job creation, skills, and new homes. A total of £265 million was awarded to the South East Midlands LEP (SEMLEP), resulting in over 50 successfully delivered capital projects.
- 2.2 Following the insolvency of Growpura Ltd, £1.375 million in unspent LGF funding remains available for reinvestment. Despite robust oversight by the Accountable Body and South Midlands Growth Hub, efforts to recover paid-out grant funds were unsuccessful.
- 2.3 Government has agreed for the remaining LGF capital to be repurposed into a new business support scheme, with delivery led by South Midlands Growth Hub. The new grant offer reflects lessons learned from the Growpura project and incorporates best practice in programme design.

3. Lessons Learnt

3.1 The key learning points from the previous capital project include:

- The need for increased risk analysis during application assessment.
- Deferring payments until later stages of the project lifecycle.
- More frequent milestones and reduced payment tranches.
- Improved monitoring and tailored oversight on high-risk projects.

3.2 These lessons will shape a more resilient, transparent, and responsive capital grants programme that prioritises value for money and impact.

4. New Capital Grant Scheme: 2025–2028

4.1 A new three-year capital grant programme will launch in September 2025, running until August 2028, and is fully aligned with the Government’s Industrial Strategy priorities, including:

- Clean Growth and Net Zero Transition
- Innovation and Commercialisation
- Infrastructure and Place Development
- Business Scale-Up and Productivity
- Digitalisation and Smart Technologies

4.2 The programme will consist of two distinct capital-only grant schemes, with a summary which can be found in Appendix A:

Grant Scheme 1: Micro Capital Grant

- Grants of £1,000
- 50% match funding required
- Targeted at sole traders, microbusinesses, and early-stage ventures
- Designed to support adoption of equipment, digital tools, and small-scale innovation

Grant Scheme 2: Capital Growth Grant

- Grants from £5,000 to £25,000
- 50% match funding required
- For established businesses seeking to invest in plant, equipment, or facilities to drive growth and productivity

4.3 A total of £1.2 million in capital grants will be made available to eligible businesses across the South Midlands region. A 10% administration top-slice (£137,500) will fund programme delivery, including staff, marketing, assessment, and due diligence.

4.4 Grants will be awarded via a competitive process, with projects assessed against clear criteria including strategic fit, deliverability, value for money, and alignment to industrial priorities, which can be found in Appendix C.

4.5 Programme design and rollout will be developed in partnership with:

- Local Authority Economic Development teams
- South Midlands Business Board
- Key regional stakeholders and industry representatives

4.6 The scheme aims to:

- Bridge support gaps arising from the uncertainty surrounding future UK Shared Prosperity Fund (UKSPF) allocations.
- Offer a capital injection to support innovation, infrastructure investment, and sustainable growth.
- Support sectors and geographies currently underserved in existing provision.
- Promote inclusive growth by simplifying access for microbusinesses and underserved founders.

5. Next Steps

5.1. The following actions will be undertaken between June–September 2025:

- Final evaluation of previous grant programmes
- Full design of scheme guidance and application criteria
- Partner and stakeholder consultation to ensure strategic fit
- Marketing and awareness campaign launch

5.2. Programme delivery to commence in September 2025, with grant rounds scheduled annually until August 2028, unless extended by new funding allocations. A timeline of activity and milestones can be found in Appendix B.

6. Reallocation of further unallocated grant funds

6.1. As final claims under the RIG and GIF schemes are concluded, there may be further unallocated capital due to project changes or withdrawals.

6.2. It is proposed that any such underspend be incorporated into the new grant programme, either:

- To increase the annual grant pot available, or
 - To extend the programme duration beyond 2028 to ensure continued support for business growth and capital investment.
-

Appendix A: Draft Grant Scheme Summary

Scheme Name: South Midlands Capital Growth Grants (2025–2028)

Total Budget: £1.375 million (including 10% admin allocation)

Delivery Period: September 2025 to August 2028

Grant Scheme 1: Micro Capital Grant

- **Grant Value:** £1,000
- **Match Funding:** 50% (total project value £2,000)
- **Eligible Applicants:** Sole traders, microbusinesses (1–10 employees)
- **Purpose:** Equipment, digital adoption, basic infrastructure
- **Outputs:** Business productivity increase, digital readiness, sustainability improvements

Grant Scheme 2: Capital Growth Grant

- **Grant Range:** £5,000–£25,000
- **Match Funding:** 50%
- **Eligible Applicants:** SMEs (up to 249 employees)
- **Purpose:** Plant and machinery, innovation infrastructure, net zero investments
- **Outputs:** Jobs created, capital leveraged, innovation adoption, carbon reduction

Eligibility Criteria for Both Grants:

- Located in the South Midlands region
- Viable business case with capital spend only
- Demonstrate alignment with at least one Industrial Strategy priority
- Match funding evidenced at application

Governance and Oversight:

- Delivered by South Midlands Growth Hub
- Oversight by South Midlands Business Board
- Accountable Body: Luton Borough Council
- Quarterly monitoring and evaluation reports submitted to DBT

Appendix B: Timeline and Milestones

Milestone	Date
Board Approval	24 June 2025
Stakeholder Consultation Begins	July 2025
Grant Scheme Launch & Marketing	September 2025
Round 1 Applications Open	15 September 2025
Round 1 Decisions and Awards	November 2025
Round 2 Launch	April 2026
Interim Evaluation Report	August 2026
Final Round Launch	March 2028
Programme Close	August 2028
Final Evaluation and Close Report	October 2028

Appendix C: Industrial Strategy Priority Alignment Overview

Priority	How Grant Programme Aligns
Clean Growth & Net Zero	Supports energy-efficient equipment, sustainable processes, and low-carbon tech.
Innovation & Commercialisation	Funds capital assets that help bring new products or services to market.
Infrastructure & Place	Enables facility upgrades and infrastructure that strengthen regional economies.
Business Scale-Up & Productivity	Supports equipment and tools to drive automation, production, and competitiveness.
Digitalisation & Smart Tech	Encourages adoption of digital systems, machinery, and tools.