

## HAMPSHIRE COUNTY COUNCIL

### Decision Report

<b>Decision Maker:</b>	Executive Member – Economic Development and Rural Affairs
<b>Date:</b>	4 November 2011
<b>Title:</b>	Possible Funding Agreement with Connect2 Innovation
<b>Reference:</b>	3418
<b>Report From:</b>	Director of Economy, Transport and Environment

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#### 1. Executive Summary

1.1 The purpose of this report is to seek approval to enter into an SLA with Connect2 Innovation on a trial basis to provide high growth support to businesses in Hampshire. The SLA would cover the period November 2011 until March 2012 to cover the gap in the market with the demise of SEEDA and the national procurement of the “Business Coaching for Growth” programme. The work would be evaluated to determine whether this arrangement should be continued in 2012/13, subject to further executive approval.

#### 2. Contextual Information

2.1 Connect2 Innovation works with companies designated as having potential high growth. The support that is offered depends on the business requirements and ranges from one to one advice and guidance to networking within specific sectors for both large businesses and SMEs.

2.2 Currently, Connet2 Innovation (C2I) works in Surrey and North East Hampshire particularly Rushmoor and Hart Districts. The Assistant Director (Economic Development) met with the Chief Executive Officer of C2I in September and was presented with information about their work. Whilst Hampshire County Council has been provided with some outputs, it would be useful to have more information on outcomes before entering into a formal contract. Therefore the Assistant Director will enter into further discussions with C2I before any agreements are reached to do additional work in Hampshire.

2.3 There is an opportunity for Hampshire County Council to work with this company through to March 2012 on a trial basis to allow further evaluation. It is suggested that as it is mid financial year the County Council could offer

up to £10,000 based on an SLA being drawn up clarifying what will be delivered and the potential outcomes for this amount of money. It is worth noting that C2I will be working with a number of organisations to seek funding from BIS to support businesses in the future.

### **3. Funding Arrangement**

- 3.1 An SLA has been suggested as the way forward to facilitate a pilot or trial period and evaluation in the limited period left in 2011/12. The suggested amount of up to £10,000 attached to an SLA agreement can be funded from within existing budgets in Economic Development. The Director of Economy, Transport and Environment, is recommended to be authorised to sign off the final amount depending on the SLA agreement. Time is of the essence as the funding requirement is until March 2012 and there are some planned activities for December 2011 which Hampshire could benefit from.
- 3.2 A letter setting out some of the detail of the work carried out by C2I is attached as an Appendix for information.

### **4. Recommendations**

- 4.1 That up to £10,000 be allocated from the Economic Development budget towards Connect2 Innovation work in Hampshire County Council, subject to a satisfactory SLA being drawn up.
- 4.2 That the Director of Economy, Transport and Environment be given delegated authority to finalise and administer the SLA, including authorisation of payments up to the approved ceiling figure of £10,000.
- 4.3 That an evaluation of the project take place, with results reported back to the Executive Member of Economic Development and Rural Affairs, before April 2012.

**CORPORATE OR LEGAL INFORMATION:****Links to the Corporate Strategy**

<b>Hampshire safer and more secure for all:</b>	no
Corporate Improvement plan link number (if appropriate):	
<b>Maximising well-being:</b>	yes
Corporate Improvement plan link number (if appropriate):	
<b>Enhancing our quality of place:</b>	no
Corporate Improvement plan link number (if appropriate):	

**Section 100 D - Local Government Act 1972 - background documents**

**The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)**

DocumentLocation

None

## **IMPACT ASSESSMENTS:**

### **1. Equalities Impact Assessment:**

- 1.1. There are no immediate impacts on equalities as a result of the proposals set out in this report.

### **2. Impact on Crime and Disorder:**

- 2.1. No direct implications.

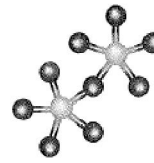
### **3. Climate Change:**

- 3.1. How does what is being proposed impact on our carbon footprint / energy consumption?

No direct impact on the County Council's carbon footprint or energy consumption.

- 3.2. How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

Sustainable economic growth is a pre-requisite to a more resilient future for the County, which factors in the response to a changing climate, and careful stewardship of natural resources, alongside the importance of wealth creation to sustain and support public services and investment in infrastructure.



**CONNECT2  
INNOVATION**  
Enabling Business to Succeed

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27<sup>th</sup> September 2011

Dear Hazel

On behalf of the Board of Connect 2 Innovation Ltd (C2I), many thanks to the team at Hampshire County Council – and in particular, to Chris - for the partnership support over the last two years whilst we have been operating the Innovation & Growth Team in W Surrey and NE Hants (IGT).

The following letter is a request for your continued support – both time and financial – to enable us to continue and expand our high growth support to businesses in Hampshire whilst there is a gap in provision with the demise of SEEDA and the national procurement of the 'Business Coaching for Growth' programme.

#### **Impact**

As we discussed last Thursday, through the IGT we have built a dynamic Community of Innovation (business network) and provided business coaching to help business clients accelerate their business growth, taken over 300 new products to market and leveraged 100+ for business growth. The impact has been over £20m GVA uplift and, for our SEEDA funding of £1.2m, we have provided a ROI of 1:15.

#### **Hampshire Geographical Scope**

During the time of the SEEDA Contract, our remit was to focus on the North East Hampshire – particularly Rushmoor and Hart districts. Currently, and in the future, this restriction will not apply and therefore we are able to provide support to further companies across Hampshire. To illustrate the scope of work undertaken please find attached the list of companies being supported in Rushmoor.

Across NE Hants, we delivered the following support:

- 11 companies receiving intensive support [portfolio clients]
- 18 additional businesses receiving support, actively engaged in our network, attending events, workshops and 1:1 clinics [network clients]
- Plus, we are in discussions with 13 businesses to engage them in the network [prospective clients]
- Plus a further 76 companies that we are aware of that may benefit from engagement in the business network [on radar].

For your reference, TISICS Ltd, based in Farnborough gave us feedback regarding our support, and this is at the end of this letter.

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County Council and the Borough Councils are providing respectively £45k and £65k gap grant funding to keep Connect 2 Innovation Ltd operational until they are successful in securing funding to deliver the national 'Business Coaching for Growth' programme, and to continue delivering value to local business whilst there is a gap in the provision of Government sponsored high growth support.

**What we would like to offer Hampshire County Council and Hampshire Companies**

We would welcome both your time and financial sponsorship over the period October 2011 – March 2011. With your grant sponsorship, we would wish to continue to support the existing portfolio and network clients in Hampshire, as well as increase our business engagement with further companies. This will, of course, be reliant on the amount of funding that is available. However, for example, for grant funding of circa £25k the proposed activity would include:

- Supporting existing portfolio and network companies through coaching and networking activities
- Engaging new companies in the Community of Innovation – attending innovation and growth events, support their capacity for growth and to connect them to other SMEs, Big Businesses, Finance organisations, Universities and Intermediaries
- Running a few seminar events with 1:1 coaching sessions offered to attendees [perhaps we could run these at Hampshire County Council Offices?]

Finally, using other funding, we plan to run our 4th Ambassador Academy on 13<sup>th</sup> December 2011. As part of this activity we will publish a Business Innovation e-catalogue to promote businesses in the Community of Innovation network. Hopefully we can provide added value to your investment by profiling Hampshire businesses at the event and in the planned e-catalogue.

**What would be expected from Hampshire County Council**

As mentioned, we would welcome both your time and financial sponsorship over the period October 2011 – March 2011.

We would wish to work with Hampshire County Council to

- Develop a few business case studies that can be used to help promote business growth in the County
- Send out a press releases working with the County Council as well as send out our electronic newsletter to our existing networks and to Hampshire County Councils business network

We very much valued the offer of facilities at Hampshire County Council which would support businesses, and raise the profile of the County Council.

I hope that the information, and proposed activities, outlined above are appropriate and meet your expectations and, of course, I am happy to work with you to refine activities to best suit. Once again, many thanks for all your support and I look forward to continuing to work with you to support economic growth in Hampshire.

Yours sincerely,

Anne Crean, CEO

Cc: Chris Shephard, Economics Project Manager



## Reference from TISICS, Farnborough

"Very few government groups are able to help build viable business which is where I think the input from the IGT run by Connect 2 Innovation Ltd has really helped TISICS.

Ray and I have had to move from R&D people with some business skills to having a significantly better understanding of the commercial issues of running a business and getting to grips with developing a business strategy and plan, (and we still need more!).

The IGT training courses and seminars have been very good and as they have been provided by people with real experience who also have some knowledge of our business they are more focussed and useful.

The network element also helps as we get to know some of the other companies in the group which makes it easier to discuss the subject openly. The two hours this week for instance would not have been provided by a commercial trainer and I would not have probably attended a one day finance session, 2 hours was a very valuable use of my time. The networking opportunities created by the IGT at events and through the portfolio directors are extremely useful both between us and larger companies and with other smaller IGT client companies, which could offer services or collaborative opportunities and also share experiences of building their businesses.

The other point from the innovation angle which is really critical to us, is that we are engineers and scientists which feeds the Innovation part of the IGT, the portfolio directors and the rest of the team help to provide the commercial input needed for growth. This is especially important for us as there is a large element of trust in the feedback we get from our business coach; I am unfortunately concerned that if we contracted this to a consultant we may get fed what we want to hear as long as we paid the bills.

Our IGT coach and the IGT resources/ scheme have helped TSIISC build its strategic approach to the business and to better understand the commercial issues required to grow and look for investment to enable us, as engineers, to develop business skills to grow our innovative technology."