Mark Bretton MBE TD DL
Chair, Business Board Network
E: chair@businessboardnetwork
M: 07740 924 159

18 July 2025

Dear Minister,

Once again, on behalf of the Business Board Network and all of our Network chairs, I would like to say how much we appreciated your time and insight in our recent discussion. It was appreciated and I hope it proved equally helpful for you and your team. I had hoped to catch you at this week's stakeholder reception, but I didn't quite manage to.

I wanted to follow up on a couple of areas we discussed during our meeting, and which remain of particular concern to our members. In the spirit of joint working, I hope you are able to take these views into account as you finalise the next steps in supporting local growth.

1. **Rural/Non-MCA Areas:** As you know our Boards are supporting the drive to deliver greater devolution. However, in some areas local politics remain challenging and continue to slow that process. Our members want to ensure that in those areas the local economy is not held back, and local growth is not frustrated. Notwithstanding the challenges in those areas, even where there is a clear pathway to unitary and strategic authority structures, we are still over two years away from them being implemented and so any absence or disruption to funding e.g. through EZs, throughout that period will cause significant harm, possibly damaging the devolution process itself.

   As the Prime Minister made clear at the Liaison Committee when quizzed on HOW he was going to deliver growth, he mentioned reform to planning and regulation as part of that – but he made clear "*we need to make sure we have local growth plans..but growth has to be across the country, not just in some parts of the country*." While we understand your drive to support locally elected Mayors, again which we support, we urge you to consider those areas both working through the process and outside of devolution deals, which remain vital to supporting national growth across the whole country, just as the PM stated, these areas continue to deliver over 50% of national GVA.

   As the MCA Board Chairs have made plain, key sectors, clusters and their supply chains do not respect political boundaries and so areas held back in some parts of the country can seriously damage the growth in our core city regions. **I hope you can find a way to ensure funding is being made available beyond neighbourhood funding, which can be used to support businesses and their supply chains in all areas, many of which are vital to national growth.**

2. **Revenue Funding:** We welcomed confirmation that funding would be made available to local areas, following the decision to wind up the UK Shared Prosperity Fund (UKSPF). Our concern is that we cannot see from the announcements at SR, or from our discussion, how **revenue funding** forms any part of future plans. While we welcome the £240m Growth Mission Fund and its focus on capital projects, revenue funding is still vital to local areas in order to deliver those capital projects successfully. Moreover, the flexibility provided

Mark Bretton MBE TD DL
Chair, Business Board Network
E: chair@businessboardnetwork
M: 07740 924 159

18 July 2025

through UKSPF is the primary source of revenue funding used locally to deliver a much wider range of services and programmes in direct support of the government's Growth Mission. Such funding has enabled third party (public and private) funding to be leveraged to deliver key economic interventions and so we firmly believe that a failure to replace UKSPF with a successor source of revenue funding will seriously damage growth prospects, **creating a funding cliff-edge on March 31st 2026, when many business growth and support services/programmes could cease to exist overnight.**

Of particular concern is the imminent launch of the new **Business Growth Service** which will rely on our network of **Growth Hubs** to ensure its success, delivering guidance, support and advice to SMEs across the country. In some areas, UKSPF accounts for half of the funding to operate their Growth Hub, so in the absence of any replacement funding, jobs will be lost and service levels will face stark reductions just 6 months after the Business Growth Service launch. This will be immediately obvious to the 1.6m SMEs who have relied on the Growth Hub service over the last year and are the primary target audience of the government's imminent **Small Business Strategy**. Technology accelerators, incubators supporting local innovators, business mentoring programmes, net-zero and scale up are all programmes which have been identified across our network which have relied on this funding, and which are now in jeopardy – with no effective replacement funding source.

Skills interventions will also be detrimentally affected. Business constantly points to skills as the number one area of concern. From Skills Boost in Worcestershire to the Pledge in Cheshire & Warrington, local initiatives (including employability programmes and our network of careers hubs) have again relied on UKSPF to deliver direct local support and are now under threat, with local jobs being lost from delivery teams.

As you made clear, this is an evolving conversation set against the backdrop of developing devolution structures – I wholeheartedly share that and your view that this is a journey, hence I would urge you to take the local experience into account as you finalise your plans to support local growth. I would, of course, be happy to provide specific evidence and case studies if that would help.

Thank you again and I look forward to working with you on this vital element of our national agenda.

Yours sincerely

Mark Bretton MBE TD DL