

Hull and East Yorkshire LEP Board

Paper F - Growth Hub Update, 16th June 2021
Report from Jon Brunton, Growth Hub Manager

1. Summary

1.1. This paper provides an update on the activities of the HEY Growth Hub including an overview of HEY Growth Hub delivery in 2021/22 and highlights from the annual review of the 2020/21 Humber Growth Hub.

2. Recommendations

2.1. That the Board notes the information included within the report.

3. Report

HEY Growth Hub Operational Update

3.1. The HEY Growth Hub received acceptance confirmation from BEIS for its delivery model and budget for 2021/22 on 26 May 2021. This has allowed the commencement of the requisite recruitment and procurement activity needed to fulfil the 21/22 delivery plan. A core annual budget of £430,750 will be used for the following elements:

- Programme management team of 2.4 FTE
- 2 FTE Growth Hub Business Advisors
- 2 FTE Start Up Business Advisors
- 1 FTE Workforce Development Business Advisor
- 1 FTE Gateway Triage Advisor
- One-to-many workshop and masterclass programme
- Digital toolkits and resources
- Client engagement and marketing activity
- Staff mileage and travel expenses
- Staff operational and office overhead costs

The recruitment of 1 FTE Workforce Development Business Advisor and 1 FTE Gateway Triage Advisor has now commenced, with an anticipated start dates for new potholders of August 2021. All other job post outline above are current filled.

The procurement of a supplier for one-to-many workshops and masterclasses for pre-start and start-up business commenced at risk in May and a supplier contract by mid-June 2021.

3.2. Key Performance Output targets for the Growth Hub in 2021/22 are as follows:

- KPO.1 - Number of businesses receiving light touch interaction (**1,100**)
- KPO.2 - Number of businesses receiving medium intensity intervention (**420**)
- KPO.3 - Number of businesses receiving intensive support (**100**)
- KPO.4 - Number of 'Scale up' businesses engaged (**60**)
- KPO.5 - Number of individuals (pre-starts) receiving light-touch support (**200**)
- KPO.6 - Number of new businesses created (**50**)

3.3. The Growth Hub has been awarded £90,000 by BEIS to deliver the Peer Networks Programme (PNP) in 2021/22, with six cohorts of eleven businesses to be supported for 18 hours of one-to-many action learning and 3.5 hours of one-to-one coaching and mentoring.

Funding was confirmed in March 2021 and therefore procurement of a provider for the PNP in 21/22 via open tender process has now competed, with the preferred supplier to attend an inception meeting with the Growth Hub on Wednesday 16 June.

The Growth Hub Programme Management Team have reviewed the feedback and outcomes of PNP delivery in 2020/21 and have made a number of changes accordingly, including the retention of £5,000 of the overall budget for exclusive use on marketing and communications to raise awareness of the PNP. Moreover, emphasis will be placed on case studies and testimonials develop in 2020/21 when recruiting businesses to the 21/22 PNP.

3.4. Preparatory work on the implementation of the BEIS-funded Made Smarter 12 month pilot scheme in Yorkshire & the Humber continues, with the Growth Hub Manager working on this alongside the rest of the Yorkshire & Humber Growth Hub cluster.

Made Smarter is a wrap-around programme of support interventions aimed at manufacturing SMEs, with an overall ambition of increasing the adoption of advanced digital manufacturing processes and systems throughout the region. BEIS have made £1.5m available to deliver the following interventions in Yorkshire & the Humber:

- Digital roadmap audits with up to 100 manufacturing SMEs
- Specialist/technical support for up to 60 SMEs
- Leadership & Management Programme for up to 50 SMEs
- Student placements and internships for up to 30 SMEs
- Capital expenditure grants for up to 20 SMEs

Sheffield City Region (SCR) LEP have agreed to be the accountable body for the programme, with the funding agreement between BEIS and SCR LEP to be in place imminently. Governance and scrutiny functions are also being set up, in the form of a strategic steering group and an operational working group, each with pan-regional

representation. It is anticipated that the programme will soft launch in July, followed by a hard launch in September.

Strategic Update

- 3.5.** The Growth Hub Manager has been asked to lead on writing a discussion paper examining the current range of business support services that sit under the Growth Hub and to identify gaps and opportunities in both the current and future business support landscapes in Hull and East Yorkshire. This paper will help inform the HEY LEPs business support strategy, subject to acceptance by the Board.

The paper will include the current and future funding contexts, and will also include additional service provision in the short and medium term. The proposed interventions will be ambitious and creative, whilst also recognising the opportunities and risks that are present in the HEY regional economy.

Any additional business support interventions suggested will be rooted in the evidence base of what's been successful historically, whilst recognising potential new opportunities and how the package of business support in the region can be as relevant and impactful as possible.

The paper will be presented to Hull City Council CST w/c 21 June and will be presented to the LEP Board at the meeting on 21st July.

- 3.6.** The Growth Hub Manager has been accepted onto a newly formed working group of the Growth Hub National Network. The "Development and Delivery Group" is one of three working groups established by BEIS to contribute toward the evolution and growth of the 38 Growth Hubs in England. The other working groups are "Comms, Customers & Partnerships" and "Data, Monitoring and Evaluation".

The Development and Delivery Group has a remit to explore and shape the future direction and funding of Growth Hubs, examine the strategic fit with other local, regional and national business support schemes, and to ensure that Growth Hubs are fit for the future of government funded business support in England.

This work is particularly timely as the profile of Growth Hubs' across government has never been higher and a number of related policy areas are currently under revision such as the national LEP review, the cross-government business support review, and the implementation of the UK Shared Prosperity fund (the latter as part of a wider picture of levelling up funding). The Growth Hub Network will therefore be reliant on the work of these working groups in steering Growth Hubs through a changing landscape of policy and funding.

Business Intelligence

- 3.7.** The Growth Hub continues to gather business intelligence for weekly reporting into BEIS. This responsibility was initially allocated to the Growth Hub in early 2020 to aid the government's view over Covid-19 and Brexit related business issues, needs, challenges and opportunities in the regions; particularly amongst the SME base. BEIS

found this business intelligence to be of such value that all Growth Hubs in England have been tasked with this function for the longer term.

Current intelligence trends show a marked decline in the number of Covid-19 and Brexit related business enquiries since March, and indeed many businesses are now concentrating on the “return to normal”. Other key issues and trends from recent business intelligence returns are:

- Challenges relating to cashflow management, in light of the costs associated with “reopening” and the recent commencement of Covid-19 emergency loan repayment (the “Bounce Back” and “CBILS” loans).
- Staffing shortages and recruitment difficulties in the leisure and hospitality sector.
- Sector-specific supply chain disruption and shortages due to Brexit, especially in the construction materials, advanced manufacturing, and chemicals sectors.
- Increased cost of goods and raw materials due to Brexit, especially in the construction, manufacturing, chemicals and agricultural sectors.
- There has been a marked increase in pre-start enquiries made to the Growth Hub from individuals looking at setting up their own businesses.
- A disparity between the attitudes of small and large businesses in becoming increasingly apparent. Large businesses are invariably more confident about their future revenue and growth potential, whilst smaller firms and more downcast about revenue growth and future expansion.

2020/21 Annual Review of Humber Business Growth Hub

3.8. The 2020/21 annual review of the Humber Business Growth Hub (the HEY Growth Hub’s predecessor) was recently submitted to BEIS. This review includes a strategic overview of the Growth Hub’s performance in 2020/21, including key achievements and successes, as well as a statement of the Growth Hub’s key performance outcomes (KPOs) and where relevant, KPO achievement against targets established at year start. Select KPOs as follows:

<u>Key Performance Outcome</u>	<u>Target</u>	<u>Actual</u>
Number of businesses that have received ‘light touch’ triage, information and/or signposting support	1,150	9,933
Number of (pre-start) individuals that have received ‘light touch’ triage, information and/or signposting support	200	754

Number of businesses receiving 'medium intensity' information, diagnostic and brokerage support	310	1,072
Number of businesses receiving 'high intensity' support e.g. account management / intensive support directly provided by the Hub or partner organisation	100	289
Number of businesses receiving 'Medium' and 'High intensity' support that, have the opportunity, ambition and greatest potential to grow (including Scale-Ups)	50	192
Total number of individuals who been helped to start a business	40	81
Total number of unique visitors to Growth Hub website	N/A	31,699

The Growth Hub also carried out a client evaluation survey with all businesses that received "medium" or "high intensity" support. Select results of this client survey as follows:

<u>Survey Question</u>	<u>Results</u>
How likely are you to recommend the Growth Hub to a colleague or friend?	95% likely or very likely to recommend growth hub
How satisfied were you with the quality of the Growth Hub Service?	97% very satisfied or satisfied with the quality of the service.
How would you rate the professionalism of the Growth Hub Advisor(s)?	93% rate professionalism as very good or good
How would you rate the level of understanding that the Growth Hub Advisor(s) had about your business and its support needs?	92% rate understanding of their requirements as very good or good.
How long would it have taken you to find the support you were looking for without the Growth Hub?	91% would not have accessed or taken longer to access support without the Growth Hub.

Other Updates

3.9. The LEP has been approached by BEIS to consider bidding to host a stage of the “Zero Carbon Tour” in October 2021. The Zero Carbon Tour will illustrate the phenomenal array of actions the business community is taking to address the climate crisis. The UK’s first fully electric bus – ‘the Carbon Battle Bus’ - will be touring the country in the months leading up to COP26 in Glasgow, in support of the *Together For Our Planet* campaign, showcasing the best local initiatives and business exemplars.

The campaign is being led by sustainability organisation Planet Mark, in partnership with the IoD and the network of BEIS-funded Local Energy Hubs. The route for the Carbon Battle Bus is not yet set and will be shaped around the intensity of planned local/regional engagement and events. The tour will be reaching the North East region between the 18th to 22nd October and the Growth Hub has been invited to complete an online survey to indicate how small businesses can be engaged and included in the “Race to Zero” in the lead up to COP 26. This will influence the scope, format and content of any engagement event hosted in the HEY region in October 2021. Whilst success is not guaranteed the team are looking to develop a compelling business case to secure the attendance of the Zero Carbon Tour.

BEIS will make capacity funding of £10,000 available to any organisation selected to host a Zero Carbon Tour event, on the provision of 100% matched funding from the host organisation and/or its delivery partnership of local authorities. This match can either be cash match or in-kind (staffing, venue and catering costs).

The HEY Growth Hub and Energy Hub managers are currently working on an event outline for the Zero Carbon Tour in the HEY region, which will in turn inform the business case. This will include the following:

- A showcase of the region’s clean growth business “trailblazers” in a conference style environment, with potential for the hosting of keynote speakers and facilitation of break-out sessions.
- Consideration of suitable businesses that could be invited to exhibit and/or present at the event on their clean growth/net zero activities (this could relate to anything from new product development through to ensuring a net zero, energy efficient business premises).
- Liaison with relevant partner projects and other stakeholders (including local authorities, the Hull Energy Efficiency Project, schools, colleges and training providers, the Local Digital Skills Partnership, Aura Innovation Centre, and the Flood Innovation Centre, to identify their involvement.
- Consideration on how to achieve SME “buy-in” for the event and also the “Race to Zero” (i.e. how do we make the event attractive and relevant for the SME audience?).
- Identification of suitable venues, with associated costs and availability.

4. Financial and resource implications

4.1. All Growth Hub services to be delivered in 2021/22 have funding confirmed and in place.

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