

# Hull and East Yorkshire LEP

Paper B – Growth Hub Operational Update

Report to the Business Support Board, 1<sup>st</sup> November 2021

Report from Jon Brunton, Growth Hub Manager

## 1. Summary

1.1. The HEY Growth Hub continues to deliver a suite of funded business support services in the region and is expanding its team with new job posts. This paper provides an operational update on the Growth Hub for the financial year to date.

## 2. Recommendations

2.1. That the Board notes the latest operational update

## 3. Operational Update

3.1. The Growth Hub's half-year review was submitted to BEIS on Friday 29<sup>th</sup> October. This review provides an overview of Growth Hub activity in the first half of the financial year and provides an update on the spend and key performance indicator target position of the Growth Hub.

3.2. The key performance indicator (KPI) target position as of 30 September 2021 set against each KPI is as follows:

KPI	Description	Target at 30/09/21	Achieved at 30/09/21
KPI.1	Number of businesses receiving light touch interaction	550	982
KPI.2	Number of businesses receiving medium intensity intervention	210	263
KPI.3	Number of businesses receiving intensive support	50	6
KPI.4	Number of 'Scale up' businesses engaged	30	39
KPI.5	Number of individuals (pre-starts) receiving light-touch support	100	1,047
KPI.6	Number of new businesses created	25	274

In addition to the above, the Growth Hub website also received 18,758 unique visitors to its website in the same period.

The Growth Hub management team are satisfied with the KPI's achieved in the first half of the 2021/22 year, with all bar one being overachieved. However, we note the underperformance against KPI.3 – Number of businesses receiving intensive support. Historically this has always been a challenging KPI target to achieve as businesses must be provided with 12 hours of support to attain the output indicator. We are currently exploring various ways in which the full-year KPI total (100) can be achieved.

3.3. In terms of general Growth Hub activity, the business advisor team report a high level of business enquiries and engagement. There is a particularly strong level of demand for the Growth Hub's start up support service and we are seeing a high prevalence of clients seeking support to explore business start-up. We are also starting to see a growing number of business enquiries relating to supply chain shortages or labour shortages – this is particularly prevalent across the manufacturing, construction, hospitality, and leisure industries.

3.4. In addition to two dedicated start up business advisors, the Growth Hub's start up support offer also includes the delivery of one-to-many workshops and these have proven to be popular with average attendee numbers of 10-12 per session. In light of this popularity, the Growth Hub commissioned a pilot "Fast Track" programme consisting of intensive wrap-around support for clients who desired to start a new business within a short space of time. This pilot Fast Track programme commenced on Friday 8<sup>th</sup> October and has delivered 10 start-up modules to a small group of 5 pre-start entrepreneurs. The feedback from this group has been excellent and via word of mouth alone there is already a waiting list of 2 clients wishing to join the next fast track programme.

3.5. The Growth Hub has also been working closely with the University of Hull to operate the "Business Essentials" Programme. This aims to give undergraduates, graduates, and alumni of the University access to specialist advice and guidance to support entrepreneurship across all of these groups. The first Business Essentials session held in October saw 34 students and alumni in attendance and looked at the topic of "What's Entrepreneurship". The second session is scheduled for 27 October and will look at "Researching the Market".

3.6. The Growth Hub management team are currently progressing recruitment activity to the following three job posts. Due to conditions of external funding all three posts are fixed until 31 March 2022.

- **Gateway Triage Business Advisor** – to provide sophisticated diagnostic and triage function to incoming client enquiries, and to also provide support to the wider advisor team by offering a "keep in touch" account management function to client businesses.

- **Workforce Development Business Advisor** – to provide specialist support to Growth Hub client businesses on all aspects of workforce development relating from recruitment, retention, skills support for the workforce and facilitating access to various employability schemes such as Kickstart, T-Levels, Traineeships and Apprenticeships.
- **Made Smarter: Digital Transformation Specialist** – to represent the Made Smarter Yorkshire Pilot Programme in the HEY and York & North Yorkshire LEP areas.

A preferred candidate for the post of Workforce Development Business Advisor was identified on Thursday 21 October and employment checks are currently being undertaken before a start date can be agreed.

The preferred candidate for the Made Smarter post unfortunately rejected the employment offer after a period of consideration, whilst the post of Gateway Business Advisor remains unfilled due to the only shortlisted candidate withdrawing from the recruitment process shortly before interview. The Gateway Business Advisor post was re-advertised on Monday 25 October whilst alternative options are being explored for the Made Smarter job post.

3.7. The 2021/22 Peer Networks Programme has made a strong start and delivery is currently well ahead of profile. Delivery contractor Biskit have already recruited to and filled four of the six cohorts to date (11 businesses per cohort), with these first four cohorts commencing in September and October. Cohort 5 is close to being filled and it is therefore anticipated that all six cohorts will be filled and will have started delivery by the end of November 2021. BEIS have approached the Growth Hub with an offer of further funding to operate additional cohorts and we have informed BEIS that a further 3 cohort groups could be operated, which will result in £45,000 of additional funding for the 2021/22 Peer Networks Programme.

3.8. The BEIS-funded Made Smarter Pilot in Yorkshire & The Humber has yet to launch and delivery is now anticipated to commence in November 2021. Delivered across Yorkshire and the Humber by the four Yorkshire LEPs and their Growth Hubs, Sheffield City Region (SCR) LEP were appointed as the accountable body for the pilot on behalf of the region and are tasked with the financial management, performance management, and procurement aspects of the pilot programme.

There have unfortunately been several delays with the implementation of this pilot programme and regularly assurances have been sought from SCR LEP over the outcome of these implementation delays. The services tender which accounts for most of the programme delivery was scored w/c 18 October and the preferred supplier was notified on w/c 25 October, with contracts to be in place by w/c 8 November.

3.9. The HEY Growth Hub is developing a series of sessions over the coming months to showcase the range of business support programmes that are currently on offer in the region, with the sessions aimed at business support and intermediary organisations. The first in the HEY Business Support Expo Series was a session hosted by the University of Hull on 8 October 2021 with over 30 delegates in attendance.

Attendees heard about the experts, facilities, training, and business support programmes offered by the University of Hull to businesses across the area. The session showcased programmes and activities including Spark Fund, Flood Innovation Centre, Aura Innovation Centre, Humber Internship Programme, Hull University Business School and Knowledge Transfer Partnerships.

A second session is scheduled for 17 November 2021 at which delegates will hear from the newly launched ESF-funded Leadership & Management training course for SMEs in Hull and East Yorkshire.

#### **4. Financial and resource implications**

4.1. None. All Growth Hub activity is accounted for via externally funded programmes.

