

HEY Growth Hub Review

Summary of Findings

May 2022



HEY
Growth
Hub

DRAFT

By Jon Brunton, Growth Hub Manager

12 May 2022

Contents

Introduction	3
Purpose and Need for Growth Hub Review.....	3
Summary of Current Growth Hub.....	4
Overview	4
Aims and Objectives.....	4
Core Offer	5
Key deliverables, Timescales and Key Performance Indicators (KPIs)	6
Target Audience	6
Investment.....	6
Delivery and Reporting Requirements	6
Future opportunities, challenges, barriers.....	7
Current Strategic Context	7
Methodology	10
Outcomes & Deliverables.....	10
Scope	11
Stakeholders.....	11
Sources & Evidence Base.....	11
Primary Sources & Evidence	11
Secondary Sources & Evidence	12
Deliverables	12
Summary of Review Findings.....	12
HEY LEP Economic Growth and Workforce Wellbeing Strategy 2021-26	12
KADA Research – Evaluation of The Humber Business Growth Hub 2020/21	17
KADA Research – Strategic Review of the HEY LEP Growth Hub, December 2021 – March 2022	18
Review Conclusions: A Future Blueprint for the Hull & East Yorkshire Growth Hub.....	27
Future Vision for the HEY Growth Hub.....	28
Components of a Core Offer	29
Next Steps.....	30
List of Appendices	30

Introduction

Purpose and Need for Growth Hub Review

With the launch of the Hull & East Yorkshire LEP and Growth Hub on 01 April 2021 and the subsequent formation of the LEP's Business Support Board in the Summer of 2021, LEP Officers recommend that a review of the HEY Growth Hub be undertaken, to ensure that the Growth Hub can meet the needs of the Hull and East Yorkshire business community, as well as play its part in the delivery of the HEY LEP Economic Growth and Workforce Wellbeing Strategy 2021-26. This recommendation was proposed and ratified at the meeting of the Business Support Board on Monday 01 November 2021¹.

The agreed purpose and objectives of the review were as follows:

- Given a variety of external governance, strategic and funding matters, the HEY Growth Hub is at a crossroads, and this is the opportune time to review the Growth Hub to identify growth and development opportunities and to refresh Growth Hub strategy.
- Once the multi-stakeholder review of the HEY Growth Hub has been undertaken, a detailed development strategy will be created which will govern the onward development of the Growth Hub. This strategy will include short, medium and long term objectives as identified.
- The completion of the review and the subsequent creation of a development strategy will provide the Growth Hub management team with a foundation document that can help to steer the future development of the Hub.
- The review and development plan will ensure that the HEY Growth Hub meets and exceeds the needs of its service users; that is the business community of Hull and East Yorkshire as well as pre-start individuals/entrepreneurs.

Whilst core funding confirmation for Growth Hubs in fy 2022/23 was received on 30 March 2022², longer term plans and funding assurances for the Growth Hub network after 31 March 2023 are yet to be made clear by Government.

The Growth Hub review and this summary of findings is intended to form a blueprint for the ongoing future development of the Growth Hub. However, the review and its findings could also be used to inform the development of the business support infrastructure in Hull and East Yorkshire more widely, whether this is under the Growth Hub brand or otherwise.

This review and its findings will therefore be a key resource for the HEY LEP, the two HEY local authorities, other business support stakeholders, and the prospective HEY Combined Authority. It can inform future development of the business support infrastructure in Hull and East Yorkshire to ensure that it meets the needs of the region's business community and their growth aspirations.

¹ The original terms of reference and gantt chart are at appendix i

² Letter from BEIS – Confirmation of Funding for Growth Hubs, Financial Year 2022/23, 30th March 2022

Summary of Current Growth Hub

Overview

The Hull and East Yorkshire Business Growth Hub provides free and impartial information, advice, guidance and signposting to businesses and pre-start entrepreneurs in Hull and East Yorkshire. It is one of 38 Growth Hubs in England and part of the national Growth Hub Network.

The Growth Hub's principle objective is to simplify the business support landscape in the region, and offer a one-stop-shop for any business need or enquiry, regardless of business size, sector, maturity, or location. The Growth Hub operates a suite of support services and also works closely alongside other local and national business support organisations which act as referral partners.

The Growth Hub is principally funded by the Department for Business, Energy & Industrial Strategy (BEIS) however it also operates contracts funded by other sources, such as the ERDF (European Regional Development Fund) funded #GrowMySME Programme³.

The Growth Hub is the business-facing arm of the HEY LEP and is able to support businesses as well as gather business intelligence and insight from the business community. The Growth Hub builds on the work of the erstwhile Humber Business Growth Hub which was launched in 2014. Whilst a multi-year funding settlement was sought by BEIS as part of the Government's Spending Review 2021, this was not successful and core funding confirmation for fy 2022/23 was confirmed on 30 March 2022 at 50% of the level of 2021/22.

Aims and Objectives

Growth Hubs were established by Government between 2011 & 2014 to provide free and impartial business support and advice that is locally-based and overseen by LEPs. In this way, the Growth Hub plays a key role in supporting the growth and development of the Hull and East Yorkshire economy. Moreover, the Growth Hub gathers and analyses business intelligence, trends and issues to inform ongoing LEP strategy and policy.

By helping businesses to overcome growth barriers; such as accessing the right form of finance, adopting the latest digital technology & systems, emphasising workforce & skills development, and raising awareness of new markets, the Growth Hub can help the regional economy to become more productive, competitive, outward-looking and innovation focused.

The Growth Hub also seeks to address market failure of business support provision and to "fill the gaps" in the business support landscape in the region. The Growth Hub and its team of programme and advisor staff has a thorough knowledge of the business support landscape in the region and is often able to commission business interventions to fill identified gaps. The Growth Hub's #GrowMySME Programme was developed in this way; launched in 2018 and funded by ERDF.

³ See HEY LEP Briefing Document - Growth Hub #GrowMySME Programme at appendix ii

Core Offer

The Growth Hub provides the majority of support via its business advisor team, who are predominantly employed by, and based within, the Economic Development teams of Hull City Council and the East Riding of Yorkshire Council. The Growth Hub operates this “Hub & Spoke” delivery model for a number of reasons, primarily related to value for money, operational fit, and maximising the number of enquiry and referral pathways into the Growth Hub.

The Growth Hub’s core advisor team funded via the core BEIS block grant in 2021/22 was as follows:

Advisor Type	Remit	Number and Location	Total Number of Advisors
Growth Hub Business Advisor	One-to-one support to established SME businesses	- 1 FTE at Hull City Council - 1 FTE at East Riding	2 FTE
Start Up Business Advisor	One-to-one support to pre-start individuals and business under 1 year old	- 1 FTE at Hull City Council - 1 FTE at East Riding	2 FTE
Workforce Development Business Advisor	One-to-one support to any businesses with workforce development needs	- 1 FTE at HEY LEP	1 FTE
Gateway Business Advisor	Initial business advice and triage at “gateway stage”. Provides “light touch” support to clients	- 1 FTE at HEY LEP	1 FTE
TOTAL			6 FTE

The Growth Hub Business Advisors are also part of the #GrowMySME Programme⁴ which offers a wider set of support interventions such as workshops, grant funding and scale up programmes.

The Start Up Business Advisors were part of the Growth Hub’s “HEY Start-ups” initiative which is aimed at showcasing the benefits of starting up a business in the region. This initiative also included a package of start-up workshops, masterclasses and digital resources and toolkits.

In addition to the advisor team, the Growth Hub also operates a website which is a comprehensive resource of business information, advice and guidance and also includes syndicated business support toolkits and guidance from government agencies, as well as a business support directory. In this way, the Growth Hub website act as a portal to a wide range of business support, advice and funding provided by both the Growth Hub and its various delivery partners.

⁴ See appendix ii

Key deliverables, Timescales and Key Performance Indicators (KPIs)

The Growth Hub agreed the following KPI's with BEIS for 2021/22:

- KPI.1 - Number of businesses receiving light touch interaction (*less than 1 hour*) **(900)**
- KPI.2 - Number of businesses receiving medium intensity intervention (*between 1 & 12 hours*) **(420)**
- KPI.3 - Number of businesses receiving intensive support (*12 hours of more*) **(100)**
- KPI.4 - Number of 'Scale up' businesses engaged **(60)**
- KPI.5 - Number of individuals (pre-starts) receiving light-touch support (*less than 1 hour*) **(200)**
- KPI.6 - Number of new businesses created **(50)**

These KPI's were achieved by the work of the advisor team and were reported bi-annually into BEIS.

At the time of writing KPIs for 2022/23 were yet to be agreed with BEIS.

Target Audience

The Growth Hub can support any pre-start individual or business regardless of size, sector, maturity or location. "Single issue" enquiries can be dealt with alongside long-term, "account managed" relationships between the advisor team and client businesses.

However, there is an increasing emphasis from BEIS on targeting support to businesses that have the greatest potential to grow at pace; so called "scale up" businesses. It is thought that by directing tailored and intensive support to scale-up businesses it will leverage disproportionately larger positive impacts on the regional economy.

Investment

The 2021/22 core budget allocation from BEIS was **£430,750**. This funded the core programme team and advisor staff as detailed above but did not include the wider suite of programmes such as the ERDF-funded #GrowMySME Programme or the BEIS-funded Made Smarter Programme.

The 2022/23 core budget allocation from BEIS is **£215,375**. At the time of writing funding utilisation had yet to be agreed with BEIS.

Delivery and Reporting Requirements

The Growth Hub must report KPI, client satisfaction and other qualitative measures into BEIS on a bi-annual basis. This takes the form of KPI metrics, survey results, and company-level data to aid the impact analysis of the Growth Hub's interventions with the business community.

The day-to-day operational and performance management of the Growth Hub is undertaken by the Growth Hub Manager and supported by a programme team of staff. The governance of the Growth Hub is provided by the Business Support Board and operational update reports are provided to the board bi-monthly.

Future opportunities, challenges, barriers

Despite submission of a business case to secure multi-year funding for Growth Hubs as part of government spending review 2021, such long-term funding settlement has not been forthcoming. Indeed, the core funding commitment for fy 2022/23 is at 50% of the level of 2021/22.

Whilst Growth Hubs were not explicitly mentioned in the Government's Levelling Up White Paper, LEPs were and it is understood that government see Growth Hubs as integral to the LEP model.

Current Strategic Context

Delivery of high quality publicly-funded business support activity continues to be a key priority for the HEY LEP, Hull City Council and East Riding of Yorkshire Council.

This is enshrined within the strategic documents designed to promote economic growth in the region. Published on 17 February 2022, the HEY LEP Economic Growth and Workforce Wellbeing Strategy 2021-2026 set out the blueprint to drive economic growth and facilitate greater devolution of power and resources to the region for the period to 2026. The strategy document puts a Growth Hub model at the heart of its strategic aspirations for delivering a wide range of support to the business community in the HEY region. This is covered in more detail in the 'Summary of Findings' section of this review document. The HEY LEP Economic Growth and Workforce Wellbeing Strategy was consulted on widely; with 34 individual and organisational responses received representing well over 500 HEY residents and regional stakeholders before being adopted by the HEY LEP Board in February 2022.

The Hull City Council Economic Strategy 2021-2026⁵ has laid out a vision for economic development in the city based on developing its people, its place and boosting productivity of its businesses. That document outlines the city as a place of opportunity whilst ensuring that everyone in the city can benefit from economic success. Actions are framed around three key themes of inclusiveness, green growth, and local focus; with the document acknowledging the requirement of good quality business support in delivering this strategy.

East Riding of Yorkshire Council's Economic Development Strategy 2018-2022 outlines four key priorities: business growth; lifelong learning; quality locations; and a sustainable economy. A mid-term review of the strategy was completed in January 2021⁶ which maintains these priorities for the remaining lifetime of the strategy. The business growth section outlines priorities committing to 'ensuring that investors and indigenous companies are supported to invest and expand in the East Riding' and to 'Deliver business support programmes to start-ups and existing small and medium-sized businesses.' These are directly relevant to this work.

Despite this strategic commitment funded business support in Hull and East Yorkshire is in a state of transition. The Growth Hub – as part of the HEY LEP – will be integrated into the forthcoming Hull and East Yorkshire combined authority as part of the Government's devolution process in England⁷. This was further confirmed in the integration guidance letter sent to LEP chairs on 31 March 2022, which advised that "the future role of LEPs – or the local democratic institutions after LEP functions have been integrated – will be

⁵ Hull Economic Strategy, Hull City Council, 2021.

⁶ East Riding Economic Strategy 2018-22 (2020 review), East Riding of Yorkshire Council, 2020.

⁷ Levelling Up the United Kingdom policy paper, 02 February 2022, p.146.

to.... continue to deliver a number of functions on behalf of Government departments... on the delivery of: Growth Hubs, on behalf of BEIS”⁸.

The government’s Levelling Up The UK White Paper published on 02 February 2022 did not specifically refer to Growth Hubs by name, however its Devolution Framework explicitly allocated the function of “supporting local businesses” to LEPs, which could be taken to include Growth Hubs and the business support services that they provide and connect to via signposting⁹.

However, with core Growth Hub funding from BEIS having been cut by 50% for 2022/23, government plans in the longer term for the Growth Hub network in England are not currently known. What is known is that the government is working on an “Enterprise Strategy” that will examine all government funded business support in England across all “business-facing” government departments such as BEIS, DiT, DCMS, DEFRA, and DLUHC¹⁰. It is currently understood that the future of all government business support policy and interventions will be informed by the completion of the Enterprise Strategy, including the future of the Growth Hub network.

In a wider context, European Structural and Investment Funds (ESIF)¹¹ programmes in England will conclude in 2023, ostensibly to be replaced by Government’s UK Shared Prosperity Fund (UKSPF). Hull and East Yorkshire (as part of the Humber region for ESIF purposes) currently benefits from approximately £118.73 million of ESIF monies under the 2014-2020 programme¹² though this includes priority axis activity beyond business and skills support such as capital infrastructure investment.

A range of ERDF business support programmes and ESF skills support programmes operate in Hull and East Yorkshire that cover a broad array of business needs and workforce interventions. Due to funding, these programmes will end during 2023; some of these programmes are detailed in table 1 below.

Table 1 – Currently Operational ERDF business support & ESF skills support in Hull & East Yorkshire

ERDF Business Support Programmes			
Delivery Organisation	Scheme	Area of Operation	Details
Hull City Council (on behalf of the HEY Growth Hub)	#GrowMySME – Business Growth Scheme	Hull & East Yorkshire	Information, advice, guidance, and grants to help SMEs overcome growth barriers and become more productive.
Hull City Council (on behalf of the HEY Growth Hub)	#GrowMySME – Finance for Growth Scheme	Hull & East Yorkshire	Information, advice, guidance, and grants to help SMEs understand, explore and access growth/investment finance.
Hull City Council (on behalf of the HEY Growth Hub)	#GrowMySME – ICT for Growth Scheme	Hull & East Yorkshire	Information, advice, guidance, and grants to help SMEs explore, adopt, and implement digital technology.

⁸ Integrating Local Enterprise Partnerships into local democratic institutions” – letter from Ministers to LEP chairs, 31 March 2022, p.4

⁹ Levelling Up the United Kingdom policy paper, 02 February 2022, p.140.

¹⁰ Business, Energy and Industrial Strategy (BEIS), Department for International Trade (DiT), Department for Culture, Media and Sport (DCMS), Department for Environment, Food and Rural Affairs (DEFRA), and Department for Levelling Up, Housing and Communities (DLUHC) respectively.

¹¹ ESIF is made up of three discrete funds in the UK, namely the European Regional Development Fund (ERDF) for business support, capital projects and infrastructure investment, the European Social Fund (ESF) for workforce, skills and employability support, and the European Agricultural Fund for Rural Development (EAFRD) for supporting the rural economy and environmental sustainability.

¹² Total is for the Humber region as a whole. ESIF funding breakdown for Hull and East Yorkshire only is not available.

HEY Growth Hub Review 2022 – Summary of Findings

University of Hull	Aura	Hull & East Yorkshire	Information, advice and guidance for SMEs to innovate new low carbon products, processes and services.
University of Hull	SparkFund	Hull & East Yorkshire	Grant funding for SMEs to undertake new product, service & process R&D and innovation activity.
University of Hull	Flood Innovation Centre	Hull & East Yorkshire	Information, advice and guidance for SMEs to develop new flood resilient products, services and processes.
East Riding of Yorkshire Council	The Supply Chain Network	Hull & East Yorkshire	Information, advice, guidance and industry engagement to help SMEs access new supply chains & markets.
Oxford Innovation Advice	Manufacturing Growth Programme	Hull & East Yorkshire	Information, advice, guidance and grant funding to help manufacturing SMEs to grow and become more productive.
British Business Bank	Northern Powerhouse Investment Fund	Hull & East Yorkshire	Debt and equity investment finance for SMEs who are unable to access investment from conventional sources.
Department for International Trade	Export Grant Scheme	Hull & East Yorkshire	Grants for SMEs to develop internationalisation activity.
Hull City Council	Hull Business Energy Efficiency Scheme	Hull only	Energy efficiency audits and grant funding for smart systems/energy efficiency projects for SMEs.
Hull Culture & Leisure (part of Business & IP Centre)	Innovate Humber	Hull & East Yorkshire	Specialist information and resources for anyone thinking about developing a new product or process for their business

ESF Workforce & Skills Programmes

Delivery Organisation	Scheme	Area of Operation	Details
Hull College Group	Skills Support for the Workforce	Hull & East Yorkshire	Funded skills training for SME employees, with training up to level 3 qualifications available.
Whitehead Ross Education & Consulting Ltd	Leadership & Management programme for SMEs (Skills for Growth)	Hull & East Yorkshire	Leadership and management development for SME owners and leaders.
University of Hull	Humber Internship Project	Hull & East Yorkshire	Support and facilitation for SMEs to create internships and student placements within their business.
The Tech Partnership	Humber Digital Skills Programme	Hull & East Yorkshire	Digital skills training and support for the workforce of SMEs
East Riding of Yorkshire Council	Humber Women in the Workforce	Hull & East Yorkshire	Support for SME employers to help them to address inequality in their workplaces, providing support and training to promote positive culture change and introduce reviews of policies and procedures.
East Riding of Yorkshire Council	Lifelong Skills for Growth	Hull & East Yorkshire	Support activities for SMEs to build capacity to invest in opportunities and training for people over 50.
East Riding of Yorkshire Council	Employability Wellbeing Service	Hull & East Yorkshire	Support for employers to improve workforce wellbeing and mental health

N.B – All schemes listed above that operate in Hull & East Yorkshire also operate across the wider Humber region including North and North East Lincolnshire. However, Northern Lincolnshire is outside the scope of this review.

The UK Shared Prosperity Fund (UKSPF) prospectus was published by government on 13 April 2022, confirming the Hull and East Yorkshire funding allocations for the period 2022-25 totalling £19.4 million, of which £9 million is for Hull and £10.4 million is for the East Riding of Yorkshire¹³. Government have split the UKSPF monies into revenue and capital allowances, with differing ratios for each of the three financial years in question, with a mean average of 14.3% for capital funding and 85.7% for revenue funding over the funding period¹⁴. This means that Hull and East Yorkshire will have approximately £16.6 million of UKSPF revenue funding for the period 2022-23, from which business support interventions and programmes could be funded.

As was the case with ESIF funds, LEPs are not charged with the strategic oversight of UKSPF investment planning, determining allocations, and commissioning calls for projects. Instead, local unitary authorities will fulfil this function (combined authorities where these exist), and indeed both Hull City Council and East Riding of Yorkshire Council must submit UKSPF investment plans to DLUHC by 1st August 2022.

It can therefore be seen that that funded business support in Hull and East Yorkshire will undergo significant change in 2023, due to the close of European structural funds and the inception of UKSPF in England, as well as the integration of the LEP and Growth Hub into the prospective Hull & East Yorkshire combined authority. It is therefore essential that an up-to-date blueprint for funded business support in the HEY region is available to aid the planning of the LEP, local authorities, the future HEY combined authority, and other stakeholders as appropriate.

Methodology

Methodology for the Growth Hub review was included in the terms of reference document for the review which was ratified by the HEY LEP Business Support Board on 1st November 2021. The timetable for the review was also ratified by the board via the presentation of a Gantt chart¹⁵.

In the event, due to staffing and resource constraints as well as other operational pressures, the final methodology was altered somewhat, with the final methodology being as follows:

Outcomes & Deliverables

- To carry out a multi-stakeholder review of the HEY Growth Hub which consults as many stakeholders, evidence bases and external publications as necessary.
- To fully understand the current delivery model, funding model and client base for the Growth Hub and to identify areas for future development
- To create a comprehensive development plan for the Growth Hub inclusive of short, medium and long-term objectives and outcomes.

¹³ <https://www.gov.uk/government/publications/uk-shared-prosperity-fund-prospectus/ukspf-allocations>

¹⁴ <https://www.gov.uk/government/publications/uk-shared-prosperity-fund-prospectus/uk-shared-prosperity-fund-prospectus>

¹⁵ Please see original terms of reference and Gantt chart at appendix i

Scope

The review of the HEY Growth Hub examined the following aspects:

- The funding model of the Growth Hub
- The delivery model and role of the Growth Hub
- The strategic fit of the Growth Hub
- How the Growth Hub meets the sector and region-specific needs of the HEY region.
- Other aspects as arising such as the Growth Hub's marketing and communications, delivery partnerships, referral pathways, monitoring and evaluation etc.

Stakeholders

The review consulted the following stakeholders:

- Growth Hub business and pre-start clients (service users)
- Businesses that have not previously engaged with the Growth Hub
- Members of the HEY LEP Business Support Board (as governance body)
- LEP personnel (LEP and Growth Hub staff)
- Delivery partners (such as the two local authorities)
- Education Institutions (University of Hull)
- Other providers of funded business support (Business & IP Centre, Innovate UK, DiT, Northern Powerhouse Investment Fund)
- Trade and Industry bodies (Chamber of Commerce, FSB, For Entrepreneurs Only etc.)

Sources & Evidence Base

Primary Sources & Evidence

KADA Research were commissioned to consult businesses and stakeholders on various aspects of the Growth Hub, which involved a telephone survey (undertaken by Blueberry Marketing) and an online survey facilitated by KADA. A small task and finish group formed by members of the Business Support Board helped inform the scope and content of this consultation.

Surveys were carried out to assess business awareness and engagement with the Growth Hub, as well as their current views on business support in the region. Key stakeholders were also consulted to share their views of the Growth Hub, as well as business focus groups which explored survey findings in more detail with select businesses.

Key stats from the KADA Research consultation are as follows:

- **617** telephone surveys completed with businesses
- **92** online surveys completed by businesses
- **2** business focus groups held with **8** unique participants
- **4** stakeholder focus groups held with **22** unique participants

In addition, the Evaluation of The Humber Business Growth Hub 2020/21¹⁶ undertaken by KADA Research in April – May 2021 was also used to inform this Growth Hub Review. This provided key insight into the satisfaction, attitudes and feedback on the Growth Hub service in 20/21.

Secondary Sources & Evidence

The following secondary sources and evidence bases were consulted.

- Levelling Up the United Kingdom White Paper
- UK Shared Prosperity Fund Prospectus
- HEY LEP Economic Growth & Workforce Wellbeing Strategy 2021-2026
- 2020/21 Annual Review of Humber Business Growth Hub

Deliverables

- Published review of HEY Growth Hub after adoption by Business Support Board on 12th May 2022
- Development strategy for HEY Growth Hub ongoing from 12th May 2022.

Summary of Review Findings

HEY LEP Economic Growth and Workforce Wellbeing Strategy 2021-26

As the LEP’s business-facing support service, the Growth Hub will play a vital role in the realisation of many of the strategy objectives, and indeed the strategy allocated a wide range of actions to the Growth Hub.

A summary of key Growth Hub actions arising from the strategy can be seen in table 2.

Table 2 – Growth Hub action arising from each priority of the HEY LEP Economic Growth and Workforce Wellbeing Strategy 2021-26.	
Priority	Key Growth Hub Actions
Priority 1 – A Productive & Innovative Economy	1) Develop and facilitate defined and tailored support offers via the Growth Hub or with partners for the following sectors: <ul style="list-style-type: none"> • Rail • Agriculture, Horticulture, Food Manufacture and Agri-Tech • Construction • Digital & Creative • Health & Social Care, Health Technology & Pharmaceuticals • Tourism & Culture 2) Provide support to enable new market and supply chain access for businesses in the following sectors, in partnership with The Supply Chain Network: <ul style="list-style-type: none"> • Rail • Food manufacturing • Construction • Digital & Creative

¹⁶ See appendix iii

- 3) Provide support to enable digital technology adoption for businesses in the following sectors, working with the ICT for Growth and Made Smarter Programmes as appropriate:
 - Agriculture, Horticulture, Food Manufacture and Agri-Tech
 - Digital & Creative
 - Health & Social Care, Health Technology & Pharmaceuticals
- 4) Foster and encourage good practice on energy and resource efficiency within the following sectors:
 - Rail
 - Agriculture, Horticulture, Food Manufacture and Agri-Tech
 - Construction
- 5) Encourage and support new product development and R&D activity amongst businesses in the following sectors:
 - Rail
 - Agriculture, Horticulture, Food Manufacture and Agri-Tech
 - Tourism & Culture
- 6) Commission or syndicate on the Growth Hub website digital resources for the following sectors:
 - Rail
 - Agriculture, Horticulture, Food Manufacture and Agri-Tech
 - Construction
- 7) Provide support to facilitate new investment opportunities amongst businesses in the following sectors:
 - Health & Social Care, Health Technology & Pharmaceuticals

Driving Innovation in the HEY LEP Region

- 1) Raise awareness of publicly funded support programmes and innovation organisations, including Innovate UK and the Catapult Network
- 2) Maximise the significant opportunities presented by public sector procurement
- 3) Connect businesses to innovation opportunities and support, as well as sector specific pilot schemes for innovative technology development

Boost Trade & Investment

- 1) Support SMEs to take advantage of emerging high potential opportunities resulting from these investments.

Support Pre-Start/Micro/SME Businesses and Drive Entrepreneurial Culture

- 1) Extend the Growth Hub as the coordinator of HEY business support and the central access point for free and impartial business support in the region, working in close partnership with the two local authorities, other business support organisations, as well as established business networks.
- 2) Expand the promotion of the Growth Hub, ensuring effective communication methods to reach a wider audience and engage businesses that are not aware of or have not utilised the Growth Hub's services
- 3) To develop the business support architecture with partners in the HEY LEP area which provides support to pre-start, start up and early start businesses and helps to achieve the objectives of this strategy. Consider the finalisation of

	<p>ESIF funds and the range of business support projects that they currently fund in the HEY region, maximising opportunities via the likes of UK SPF.</p> <ol style="list-style-type: none"> 4) Develop sophisticated package of pre-start and start-up support to foster a culture of entrepreneurship in the region, generating increased business birth rates, and more business starts from women, graduates and other under-represented groups. 5) Raise awareness of supply chain and sector development opportunities, particularly in relation to circular economy, public sector procurement, and emerging low-carbon related opportunities. 6) Work with SMEs to resolve the productivity gap through appropriate interventions, dependant on each assessed business need and provision of specialist support. Including support for scale-ups and high-growth firms that are given targeted support to leverage greater economic impacts. 7) Maximise use of Workforce Business Advisor Service and associated support to help SMEs attract and retain talent, share good practice in recruitment, management and staff engagement and meet future staffing needs. Also develop relationships between Growth Hub and post-16 training providers to aid SME skills and development. 8) Support improvement of business resilience to economic shocks and climate change impacts, ensuring appropriate continuity planning and links to Local Resilience Forum and others.
<p>Priority 2 – Clean Energy Economy</p>	<p><u>Optimise Clean Energy Generation</u></p> <ol style="list-style-type: none"> 1) Ensure business and innovation support is responsive to these opportunities <p><u>Drive Industrial Decarbonisation</u></p> <ol style="list-style-type: none"> 1) Support businesses to understand their carbon impact and identify opportunities to reduce emissions and contribute to Net Zero <p><u>Promote Decarbonisation and Resource Efficiency within Businesses</u></p> <ol style="list-style-type: none"> 1) Engage SMEs in a simple and effective way to engage with the carbon reduction/Net Zero agenda, providing good practice examples, links to funding opportunities, & support to reduce emissions and enhance resource efficiency. 2) Work with businesses to adopt practices which reduce emissions and increase energy and resource efficiency, whilst facilitating the Net Zero agenda in a way that promotes green growth opportunities, for example supporting business to switch to lower carbon energy sources. 3) Promote the development of a circular economy within the HEY LEP region, engaging local business to explore local opportunities to reduce waste, buy locally wherever possible and encourage industrial symbiosis.
<p>Priority 3 – A Skilled, Healthy &</p>	<p><u>Driving Higher Level Skills</u></p> <ol style="list-style-type: none"> 1) Maximise use of funding such as encouraging uptake of Advanced Learner Loans and the Apprenticeship Levy

<p>Inclusive Economy</p>	<p>2) Work with employers, education and training providers to increase number of residents with degree-level qualifications, whilst supporting the creation of jobs requiring higher level skills</p> <p><u>Upskilling and Reskilling the Workforce</u></p> <p>1) Work with stakeholders on initiatives which actively facilitate the movement of displaced or unemployed workers into occupations with identified skills gaps or shortages</p> <p>2) Promote apprenticeships as a vehicle to upskill and a route to alternative careers</p> <p><u>Maximising Progressions to Higher Education</u></p> <p>1) Work with local employers to upskill their workforce by maximising apprenticeship grants & levy particularly for higher/degree level apprenticeships.</p> <p>2) Work with local employers and skills providers to ensure apprenticeship standards are available that meet the need of the local labour market and allow employers to maximise the use of grants and Apprenticeship Levy.</p> <p>3) Work with levy paying employers who do not fully utilise their Apprenticeship Levy to support the transfer of this to other employers, including SMEs.</p> <p><u>Embedding Digital Skills</u></p> <p>1) Work with partners and the Humber Local Digital Skills Partnership to raise digital skills levels across the region and raise the ambition of employers, employees, and residents.</p> <p>2) Support businesses to adopt digital technologies and invest in upskilling employees to maximise efficiency and productivity</p> <p><u>Delivering a 'Green Recovery; through Skills Development</u></p> <p>1) Offer decarbonisation and energy efficiency support to businesses through the LEP Growth Hub, advising businesses on how to access the skills they need</p> <p><u>Retaining and Attracting Young People</u></p> <p>1) Work with local employers to facilitate graduate progression into higher level jobs including the use of graduate internships</p> <p><u>Support Labour Market Participation</u></p> <p>1) Work with employers to:</p> <ul style="list-style-type: none"> • Create inclusive employment opportunities • Encourage and support entrepreneurship to promote self-employment • Ensure future employer practices & skills support are adequate in helping women and the over 50s retrain & progress in employment <p><u>Greater Economic Inclusion</u></p> <p>1) Stimulate demand and build capacity for vocational and work-based learning opportunities including Apprenticeships, Traineeships, and T-Levels</p> <p>2) Support employers to adopt inclusive approaches to management and recruitment including equality and diversity policies, Supported Internships, and in adopting quality standards such as Mindful Employer and Disability Confident</p>
---------------------------------	--

	<p>3) Maximise social value opportunities for the benefit of Hull and East Yorkshire residents by working with businesses to enhance social value by setting ambitious targets, creating jobs and opportunities such as Apprenticeships and Traineeships</p> <p>4) Ensure that external funding opportunities are maximised in order to support our most disadvantaged communities and groups, building on the success of previous European funded initiatives</p> <p><u>A Healthy Workforce</u></p> <p>1) Providing links between employers and business in the HEY LEP region and anchor organisations delivering health and wellbeing programmes such as Live Well, Work Well</p> <p>2) Raise awareness of health and wellbeing with employers via a sustained campaign and engagement promoting good employment and HR practices to promote social mobility and enhance productivity</p> <p>3) Develop the HEY Workforce brand and website to bring together the various tools and resources available to employers from a diversity of sources</p> <p>4) Encourage employers to adopt holistic approaches to employee wellbeing including physical and mental health and other wider aspects of wellbeing</p>
<p>Priority 4 – Attractive, Competitive & Resilient Locations</p>	<p><u>Digital</u></p> <p>1) Encourage business to invest in their own digital infrastructure and skills of their workforce.</p> <p>2) Maximise the digital content of Growth Hub workshops & other interventions to support SME digitalisation</p> <p><u>Flood Defence & Infrastructure to Facilitate Living With Water</u></p> <p>1) Ensure businesses are aware of current support opportunities to help build flood resilience</p> <p><u>Housing</u></p> <p>1) Encourage locally sourced modular building & increased take-up of Homes England funding schemes, by collaboration between the Growth Hub & Local Authority housing teams, in order to contribute to housing delivery targets</p> <p><u>Natural Capital</u></p> <p>1) Work with environmental partners and businesses to identify innovative ways to invest in our region’s natural capital</p> <p><u>Enhance the Culture Offer and Visitor Economy Infrastructure</u></p> <p>1) Work collaboratively to package this infrastructure together to develop compelling and attractive regional destination packages</p> <p><u>Build on our diverse assts and further develop our place assets and offer</u></p> <p>1) Signpost town centre businesses including functional service businesses to the range of business support programmes available via the Growth Hub</p>

KADA Research – Evaluation of The Humber Business Growth Hub 2020/21

The most recently available annual evaluation into the performance and client satisfaction of the Growth Hub is for the delivery of the Humber Business Growth Hub in 2020/21¹⁷. Whilst its findings are not universally relevant to the HEY Growth Hub given the different geography, the delivery model and client demographics of the Humber Growth Hub in 2020/21 were similar to those of the HEY Growth Hub in 2021/22 and therefore some meaningful findings can be drawn from this evaluation¹⁸.

The evaluation was undertaken by KADA Research in April and May 2021 and consulted 70 businesses via both online survey and 1:1 interviews. These businesses had all received a minimum of 1 hour of support from the Growth Hub in and so were in a position to comment on their experiences with good insight.

A summary of key client feedback is as follows:

- 93% of clients were either very satisfied (88%) or satisfied (9%) with the service they had received.
- The majority of businesses (81%) were looking for business finance and/or grant support when they approached the Growth Hub. 44% were looking for general advice, 18% for start-up advice, 16% for skills and training support, and 12% for innovation/new product development support. Only 4% wanted exporting support and just 2% on energy or resource efficiency.
- 79% of businesses said it would have taken them longer to find support without the Growth Hub.
- 91% of businesses said that they were much more likely (44%) or more likely (47%) to meet their growth aspirations as a result of working with the Growth Hub.
- 90% of businesses had either already achieved (23%), would achieve (56%) or may achieve (11%) increased turnover in the ensuing 12 months due to the support received through the Growth Hub.
- Businesses were in particular grateful for the support of the Growth Hub business advisors. They explained how useful it was to have bespoke advice and welcomed having a consistent and continuing contact with a holistic understanding of their business. Some specific stats relating to the advisor team were as follows:
 - 96% of businesses rated advisor friendliness as very good (84%) or good (12%)
 - 93% of businesses rated advisor professionalism as very good (82%) or good (11%)
 - 90% of businesses rated the relevance and quality of support as very good (67%) or good (23%)
 - 92% of businesses rated the understanding of their requirements as very good (67%) or good (25%)
 - 90% of businesses rated the understanding of their business as very good (67%) or good (23%)

It can therefore be seen that the majority of clients accessing the Growth Hub felt the service to be very satisfactory, helped them to find support more quickly, made the realisation of growth ambitions more likely, and helped achieve increased turnover over the ensuing 12 months.

¹⁷ Please see appendix iii

¹⁸ At the time of compiling this summary of review findings, the annual performance evaluation of the HEY Growth Hub in 2021/22 was still to complete.

The 2020/21 evaluation also canvassed client feedback on how improvements could be made to the Growth Hub service. As summary of these can be found in table 3.

14% of businesses found it difficult or very difficult to access the support they needed. This was reflected in requests for a simpler, more streamlined gateway processes.	The Growth Hub could be a conduit/network between local businesses which would help upskill staff and provide an even better service to businesses	Some businesses felt that future grant application processes within the Growth Hub needed to be simplified or better explained.
Some businesses suggested the Growth Hub could raise its profile as they would have benefited from accessing support earlier.	Some businesses felt that the dedicated advisor allocated to them should come with some sector experience.	A small cohort of businesses rated the Growth Hub website poorly, suggesting there is scope for enhancements

KADA Research – Strategic Review of the HEY LEP Growth Hub, March 2022

Between December 2021 and March 2022 KADA Research were commissioned to undertake primary research with the business community in Hull and East Yorkshire, as well as the Growth Hub’s stakeholders such as delivery partners, the two local authorities, and other business support providers in the region. This consisted of telephone and online surveys with businesses, as well as facilitated focus group sessions with groups of stakeholders and businesses to explore certain topics and themes in more detail¹⁹.

A key requirement of this exercise was to consult businesses that had not previously accessed the Growth Hub, in order to understand their views and attitudes about the Growth Hub and funded business support more widely. In the event approximately 604 of the 717 businesses consulted (84%) had not previously engaged with the Growth Hub, making the findings of this review particularly useful.

A precis of key findings is presented below. Given the question sets used in the research and the results obtained, findings are given across two respective themes. The first theme is the strengths, weaknesses, opportunities and threats on **how** the Growth Hub operates and provides support to service users (see table 4). The second theme is a summary of strengths and opportunities relating to the actual **support and advice** that the Growth Hub provides to client businesses.

¹⁹ Please see KADA Research – Strategic Review of the HEY LEP Growth Hub, March 2022 attached at appendix iv.

Table 4 – How the Growth Hub Operates and Provides Support: Strengths, Weaknesses, Opportunities & Threats.
<p>Strengths</p>
<p>Advisor Team Businesses place high-regard on having a personal advisor contact to help diagnose needs, build an action plan, and help access sources of help. One business said <i>“The Growth Hub advisor was very helpful and made us completely aware where support and funding is available”</i>.</p>
<p>Flexible, Tailored, “One-Stop-Shop” Service The needs-led, tailored service offered by the Growth Hub is valued by businesses. The stakeholder focus groups also identified a number of strengths in the current Growth Hub delivery model. The “one-stop-shop” approach was praised, and many stakeholders felt that this should be maintained as <i>“you need to be all things to all businesses”</i>.</p> <p>Stakeholders made positive comments on the flexible nature of Growth Hub delivery and how responsive Growth Hub services are to feedback; <i>“they are very open to suggestions and ideas about how to make improvements and the programmes I have been working with them on have got better and better”</i>.</p>
<p>Client Satisfaction Of businesses surveyed that have accessed the Growth Hub, 83% were fully or partly satisfied with the service.</p>
<p>Methods of Providing Support Of business surveyed on their preferred methods of business support, 55% welcome a phone call, 52% face to face, and 45% a virtual meeting. Moreover, 36% welcome peer networking and 32% welcome events. All of these delivery methods can be facilitated by the Growth Hub.</p>
<p>Targeted Promotion Many stakeholders felt that the recent paid-for advertising undertaken by the Growth Hub had been effective in its reach and impact.</p>

Weaknesses

Promotion & Market Awareness

There is an evident lack of awareness of the Growth Hub in the HEY business community. 84% of firms surveyed had never heard of the GH; only 13% had done so. Stakeholders also felt that Growth Hub brand recognition is poor and that there is an urgent need for increased publicity and advertising – more could be done to get businesses and stakeholders to identify with the brand, and to improve the “jumbled” business support messaging.

There is also a lack of business knowledge about the GH’s services and support offer. For example, businesses at focus group had little knowledge about the Growth Hub’s financial resources and grant schemes.

It is felt that the Growth Hub needs to segment businesses via size, maturity and sector to improve marketing reach – particular with larger and more established businesses that don’t interact in local business networks or the Growth Hub, as they don’t realise the extent of the support that is available.

To improve marketing, a stronger more compelling message to business is needed so that businesses are not confused between the LEP, Growth Hub, local councils and the #GrowMySME Programme. Marketing should be business-led using local success stories, case studies, and the use of business ambassadors should be a priority. More paid-for social media advertising - particularly on LinkedIn & targeted at senior staff – should be a priority.

Finally, there is a lack of dedicated and regular contact points within the Growth Hub, which the University of Hull outlined as a challenge. Communication between Growth Hub and its stakeholders is key to discuss what providers can do together to progress local growth.

Website Awareness & Use

The GH website is not widely used by businesses. Only 5% of firms surveyed had visited the website. Of those that have visited it the site, only 50% found it very easy to use.

Stakeholders were somewhat critical about the website. It was felt that businesses struggle to access the resources and information on the website, and one stakeholder said the website lacks a ‘businesses click here’ function, and that there are too many different pages to look at with many different strands. The navigation on the website needs to be more clearly displayed and intuitive, so that the support offer is untangled, with a clearly defined route or pathway of support.

Business Attitudes to Accessing Growth Hub Support

Many firms (29%) would not seek advice from an outside agency, with only 7% feeling that they would seek advice from the GH. Whereas 22% would seek advice from their accountant or other provider of professional services, and 20% would seek advice from peers, other businesses, and networks.

Client Journey & Experience

Businesses do not appreciate being “passed around” various schemes and support providers. At focus group, firms expressed a desire for a direct pathway of support, that is relevant to businesses and communicated in a language they understand.

Stakeholders also felt that there needs to be a better “pathway” of support for businesses over a longer term. One stakeholder said that *“There is no legacy, there is no pipeline and once a business completes a programme, that is it. These programmes are great, but they work in isolation and there’s not enough to help businesses progress further”*. It was also stated that some Growth Hub services seem to be working in isolation of each other and that *“they do not talk to each other”*.

Incoming referrals were also discussed; some stakeholders feel it can be difficult to refer into specific Growth Hub services as they have different criteria. A shared CRM system would be beneficial, as would joint business advice sessions & collaborative events between Growth Hub and other providers.

Monitoring, Reporting & Processes

Businesses find the paperwork requirements of some schemes, the “government language” used, and how some schemes were structured with eligibility criteria are big “turn-offs” to accessing support. One business said *“The forms being complicated or lengthy and it does tend to put people off”*. This paperwork burden was also seen by stakeholders as detrimental to the capacity of advisors, with one advisor at focus group said *“1/3 of my time is spent on paperwork and admin”*.

Stakeholders see weakness in Growth Hub monitoring and reporting. Specific Growth Hub projects are restricted by meeting output targets with rigid definitions, which negatively affect the client journey and experience. There should also be less focus on outputs and more on time well spent with a business i.e. more focus on quality over quantity of support. A more sophisticated range of outcome measures that reflect diverse business needs over and above “employment creation” or meeting “time spent” targets (i.e. 12 hours of support) were suggested.

Stakeholders commented on recent staff departures from the Growth Hub, and the fact that clients move on when staff do. New staff coming in on short fixed-term contracts does not build long term relationships between the Growth Hub and businesses. Permanent staff can better establish long-term relationships with businesses, with one stakeholder stating that *“people buy from people”*.

Opportunities

Marketing & Promotion

Growth Hub awareness in the business community is low, yet those that are aware is due to the advisor team and their work with businesses, rather than the website, resources or other services. Businesses would like to see more promotion of Growth Hub client success stories as this would encourage firms to engage with the Growth Hub for the first time. *“There’s sometimes a maybe a feeling amongst business that “I’m not applying for that; I’ll never get it anyway.” If they can see that another business has got some funding for a similar use, they might be more inclined to apply for funding themselves”*.

There is evidence that businesses find the GH website via social media (21% of firms), word of mouth (13%) and via referrals from business support organisations (10%) such as the local authorities, Chamber of Commerce & Job Centre. All three engagement pathways could be further developed.

Stakeholders feel that the Growth Hub can raise its profile by fostering more of a national approach to promotion by collaborating with like-minded Growth Hubs and ensuring a more cohesive message nationally around the network. More use of social media – especially LinkedIn – was encouraged.

The Growth Hub’s unique “one stop shop” approach could be used to improve business engagement with publicly funded support services overall, given that not all businesses know where to go for business support. This should be based on a “business-friendly” way of promoting the support available and seeking third part endorsement to engage with new types of businesses that have not previously engaged.

Client Journey & Experience

There is an opportunity to tweak the client journey, so the “one stop shop” model is further enhanced, perhaps by using digital smart technology to help triage and filter client enquiries and signpost to support. Eligibility criteria and paperwork associated with certain GH services would create efficiencies. One business said *“My expectations are that it could get easier, and it should get easier now that we allegedly have removed like the European restrictions, all that de minimis thing, all that kind of stuff”*.

Stakeholders would like to see current expertise and also the holistic, tailored approach to business support retained, but also to ensure that there is sufficient capacity to meet changing business needs and demand.

Furthermore, a strategy is needed for supporting the whole business development lifecycle and implementing follow-up programmes beyond start-ups. Promoting the Growth Hub to businesses as a long-term solution including advisory support throughout the development of a business will reduce the number of businesses who come to the Growth Hub for a grant and then go quiet. The long-term, wrap-around support element need to be emphasised. Data could be used to create “customer journey” map infographics to help with marketing the Growth Hub offer to new businesses.

Enhanced Planning & Stakeholder Engagement

There is a need to clarify the HEY LEP’s future business support offer and to proactively shape the future of local business support services, especially in light of ESIF programmes ending and the launch of UKSPF. One stakeholder said *“The Growth Hub need to engage with BEIS to help shape what the UK Shared Prosperity Fund is going to be, how it is going to operate and how different organisations can access it”*.

Stakeholders want to see more LEP and Growth Hub engagement with a focus on local, collaborative leadership, to ensure support for key sectors is in place. Furthermore, there was a call for increased engagement with the Growth Hub locally through other entities that offer support, as well as through education providers. Currently, a cluster of organisations exist in the sub-region with different offers, and it is key to better integrate these programmes and resources. Collaboration works well “on the ground” via the advisor network but more needs to be done on a strategic level.

Stakeholders outlined the need to think about how to create strong foundations in the local economy through education and youth enterprise. The University of Hull are very good at engaging with industry and business, and links between the Growth Hub, LEP and University will ensure more of this expertise and knowledge is retained and diffused locally. One stakeholder said; *“I think doing more collaborative, strategic events where we come together and work on ideas and initiative going on in Hull and East Yorkshire would be good”*.

Overall, stakeholders felt that by facilitating the strategic integration of business support providers in HEY, it will enhance the clarity of the business support offer for businesses.

Leveraging the Growth Hub’s Position

Stakeholders feel that the HEY/Humber advisor network is a welcome forum for knowledge sharing, that connects the North and South Humber divide, with the network giving stakeholders the opportunity to share business support insights, for example what schemes are being offered and what events are taking place. Although this network is not a direct result of the Growth Hub, it was suggested that this group could be more embedded within the LEP.

In addition, it was said that the LEP needs to be the conduit for growing companies as well as those who are not growing so well; and feeding this back to central government through BEIS as appropriate.

Threats

Accessing Public Sector Support – Business Attitudes & Barriers

The majority of businesses consulted have never approached or used the public sector for business support, whilst 29% of business surveyed do not seek external advice and support at all.

Further barriers to accessing external support were given as lack of management time (29% of businesses), followed by lack of staff time (12%) and the lack of time and/or ability to understand the needs of own business (11%). However, 27% of businesses felt that there were no barriers.

Funding Uncertainty

It was clear from stakeholders that provide business support, that the uncertainty around the future of business support needs addressing. There is concern about what is going to happen to current projects once ESIF closes down in 2023, and there is also a need to fix the fragmentation in the support offer and clarify the post EU funding priorities. One stakeholder said that *“the three senior stakeholders on the North Bank should control this particular function (i.e. the two councils and the University)”*.

The Support and Advice the Growth Hub Provides – Key Findings

The business and stakeholder engagement undertaken by KADA raised a number of support services and interventions that business would like to see made available by the Growth Hub. Many of these needs and requirements are already met by current Growth Hub programmes and delivery, however some needs are not and would require extra Growth Hub resource to provide the interventions needed. These business needs therefore present themselves as opportunities to further enhance the support and advice services of the Growth Hub.

A summary of how the Growth Hub can currently meet stated business needs and requirements can be found in table 5, followed by a summary of opportunities for further developing the support offer of the Growth Hub.

Table 5 – Stated business needs that current Growth Hub services can support	
Stated business need/requirement	How met by current Growth Hub
<p>Need for “one stop shop” where all business support and funding can be found in once place to streamline support landscape for businesses.</p> <p><i>“If there was a go to place that was marketed, you know, a website where the lists of funding pots are available, that would be a good start, you know, just so you can see almost an overview where what funding is there, what it’s for, what kind of qualification, high level stuff, what kind of criteria and eligibility you need, and then a direct signpost as to where to take it further as to what would be useful”</i></p>	<p>Growth Hub website operates as an online portal to all business support and funding available to businesses in HEY region. Website improvements are needed however this function is still available via website.</p>
<p>Need for allocated business advisors/account managers to proactively engage with businesses and to overcome growth barriers.</p> <p><i>“Going back to the concept of having account managers who deal with businesses in a postcode area or something, and then being a bit more proactive in talking to businesses would help. I think that there should be a portal that lists all the various things that are happening, roadshows workshops, all that kind of stuff. So, I think the funding bodies have got to get more proactive”.</i></p>	<p>Core Growth Hub advisor offer allows diagnostic of business needs and provision of ongoing “account managed” support to help businesses overcome growth barriers.</p>
<p>There was very little business knowledge of sources of finance – e.g., the UK business bank and the loans that it syndicates out locally (e.g., to Enterprise Trusts). Indeed, 37% of businesses surveyed were interested in financial support,</p> <p>Also, businesses want investment finance without giving away equity.</p>	<p>Growth Hub’s #GrowMySME – Finance for Growth Scheme is operational until June 2023 and can support SMEs to understand the business investment process and navigate sources of finance</p>
<p>Of businesses surveyed, 30% were interested in digital advice, and 28% declared an interest in wanting to adopt new technology,</p>	<p>Growth Hub’s #GrowMySME – ICT for Growth Scheme is operational until June 2023, and can support SMEs to better understand, explore, and adopt digital technology and solutions.</p>
<p>A number of businesses expressed interest in support to scale-up their business.</p>	<p>Growth Hub’s #GrowMySME ScaleUp Programme operated</p>

	from 2019 to 2021 and is undergoing re-procurement to operate from Summer 2022 to June 2023.
Knowledge sharing events & briefing sessions covering current topics of business interest such as Covid-19 recovery, Brexit, and Net Zero etc.	Growth Hub can convene expert speakers to facilitate events. #GrowMySME – Business Growth Scheme can also facilitate events that are aimed at sector or supply chain development.
<p>Businesses need regular signposting and referring to other sources of support in a straightforward way that is convenient to them.</p> <p>Stakeholders also suggested the formation of a central resource where businesses can tap into all the information that is on offer, featuring interactive lists of schemes and support available for businesses to interrogate based on their needs.</p> <p>It is acknowledged that Growth Hub resource & capacity is key to achieving this, though stakeholders feel that “<i>we need to be smarter with the resources we have</i>”. The recruitment of a Growth Hub “Key Account Manager” who would work with stakeholders was mentioned.</p>	<p>Both the Growth Hub advisor team and Growth Hub website signpost businesses to other sources of support and funding as appropriate.</p> <p>It is acknowledged that the website requires further development.</p>

Opportunities to Further Develop Growth Hub Support and Advice

There are a number of emerging opportunities for the Growth Hub to enhance and augment the range of support and advice provided to businesses. These are summarised as follows:

Market Engagement & Insight

To maintain true value from publicly funded business support, stakeholders feel there is a need to “work backwards” and regularly consult businesses about their growth ambitions and the barriers to achieving these. This needs to be undertaken on a segmented basis by business size, maturity and sector given that business needs are diverse, and the needs of a new micro business will be very different from an established medium sized firm.

Using business demographic analysis, and a model of business need triage and diagnosis to inform the business support provision in HEY will lead to more relevant and impactful support services.

Business Resilience

Given the economic and trading conditions over recent years, both businesses and stakeholders have highlighted the need for support focusing on business resilience and allied topics.

The trading impacts of Covid and the UK’s Exit from the EU have been significant, with several businesses facing major disruptions to international supplies and exports which has affected turnover, staff & skills levels, and supply chains. Furthermore, only 54% of businesses surveyed have a written business plan, meaning a significant minority of business do not have a business plan to support them through difficult trading periods and issues.

Stakeholders are also strongly of the view that the Growth Hub should now address the need for continued Covid-19 response and recovery support, and that building resilience should be a key theme for the coming year.

Recruitment & Skills

There is an evident need and demand for recruitment and skills-focussed business support in HEY.

A number of businesses consulted wanted to recruit to entry-level positions but have found the apprenticeship system and college leavers too difficult to navigate and access. Moreover, recruitment generally is seen as a big issue (52% of firms surveys have experienced difficulties in recruiting) and businesses cannot fill certain skills gaps and vacancies and feel that they are not getting much support from training providers and the apprenticeship system.

Of businesses surveyed:

- 40% have witnessed increased workloads for other staff due to gaps/deficiencies in workforce skills that cannot be filled.
- 37% see upskilling of their workforce as a priority for the next 12 months
- 27% are interested in skills support from the Growth Hub
- Only 24% have an HR staff member or department
- Only 22% have a dedicated workforce & skills plan
- Only 21% have a specific training & skills budget.

Finally, stakeholders feel that there are questions around workforce resilience given the “new normal” of remote working, which has made the job market more competitive. Personnel can be poached by competitors due to flexible working and the job market has become open to anyone, anywhere. This was outlined as a future challenge for businesses in the HEY region “*Hang onto your heroes [key employees]!*”.

Net Zero

Of businesses surveyed, 37% want to make their business greener, whilst 24% were interested in low carbon assistance. Stakeholders also encourage the Growth Hub to “*be bold on resource efficiency*”.

For example, Hull City Council is to become carbon neutral by 2030 and to achieve carbon net zero by 2040, and their ERDF funded *Hull Business Energy Efficiency Scheme* is a vital part of supporting businesses to reduce energy use and emissions and move towards carbon neutrality. It is felt the Growth Hub is well placed to amplify this message of resource and energy efficiency, sustainable growth, and Net Zero in the HEY region.

Support for Social Enterprises

Support for the third sector and social enterprise needs to be developed in the HEY region, and the support schemes that have been previously aimed at these organisations should have been better promoted. It is felt that the sector needs to feature as an integral part of the future Growth Hub offer.

Review Conclusions: A Future Blueprint for the Hull & East Yorkshire Growth Hub

This Growth Hub Review Summary of Findings has set forth the rationale behind the Growth Hub review, examined the current strategic context, explained the methodology used, and has showcased the key findings of the review; most prominently being the result of the business and stakeholder consultation – where **717** businesses and **22** stakeholders were consulted – as well as the performance evaluation of the Humber Growth Hub in 2020/21, and the Growth Hub commitments found in the HEY LEP Economic Growth and Workforce Wellbeing Strategy 2021-2026.

Headline findings of the Growth Hub Review can be summarised as follows:

- The Growth Hub's core offer of free, impartial, account-managed advice and guidance to any business in the region is highly valued by businesses and stakeholders alike. This is an essential facet of the business support infrastructure in Hull and East Yorkshire, and therefore adequate resource needs to be identified to maintain this offer.
- Some current Growth Hub services need to be further developed, expanded, and marketed including support to explore and adopt digital technology, access to investment and finance, support to access supply chains, support for firms to scale up, and workforce development support – with this delivery in place across the whole HEY LEP geography. Financial resource will need to be identified come the end of ESIF funded programmes in 2023 to continue some of these existing interventions.
- A number of specific business and enterprise support needs require new interventions, relating to such matters as business resilience, net zero, support for social enterprise, and a support package for pre-starts and start-ups to help foster an enterprise culture in the HEY region.
- The Growth Hub client journey and user experience needs to be overhauled, with less emphasis placed on the requirements and strictures of individual programmes and more focus on a single pathway of support for each unique business, driven by business need and handled by a consistent core offer via a named account manager. This will help to attract and retain more businesses to the service and remove some of the barriers to accessing support put forward by businesses.
- The Growth Hub is well networked with other providers of business support at an advisor level, and business referrals are made between providers to meet the needs of client businesses. However, greater collaboration at a strategic level is needed to ensure superior operational alignment, to avoid duplication of provision, and to help inform the business support infrastructure needed in the region. This would also help to coordinate utilisation of government and levelling up funding such as UK Shared Prosperity Fund. It is clear that the Growth Hub and indeed the HEY LEP need to play a key convening role here.

- Growth Hub marketing and branding needs a further specific review to improve effectiveness, reach of brand and market engagement, as Growth Hub awareness amongst the business community is low. The Growth Hub logo and branding needs to be used at all times by delivery partners to maximise the reach of the brand and to avoid client confusion about the organisations providing the support. Furthermore, a number of barriers and misconceptions about accessing publicly funded business support exist within the business community and these need to be overcome. Any market engagement activity needs to incorporate segmentation of the HEY business base (via business size, sector, and maturity) to ensure relevance of messaging and maximum reach.
- A specific review of the monitoring, data collection and evaluation undertaken by the Growth Hub needs to take place, with a view to creating more sophisticated data and intelligence that is used to inform the business support provision in the HEY region on an ongoing basis. Alignment with other delivery partners to achieve this would help to measure the impact of funded business support as well as the longitudinal outcomes of businesses accessing funded support. This would then help inform business cases to access external sources of funding such as levelling up, UKSPF and devolved funds.

Future Vision for the HEY Growth Hub

It is therefore possible to put forward a vision for the future of the Hull and East Yorkshire Growth Hub; a blueprint that is rooted in a strong policy and evidence base to help inform the future business support infrastructure in the region. It is also possible to suggest the essential components of a “core offer” of an ideal Growth Hub delivery model, that should receive priority for resourcing.

The vision statement for the future of the Growth Hub is as follows:

The HEY Growth Hub should continue to offer an impartial, account managed, and free at the point of access support service to businesses of any size, sector or maturity in Hull and East Yorkshire. Supported by a resource-rich and user-friendly website, the Growth Hub advisor team shall provide information, advice, guidance and signposting to businesses based upon a relevant diagnostic of business needs, ensuring that the prescribed pathway of support is relevant, responsive, and well communicated to clients at each stage of their journey.

Networked with other business support providers, the Growth Hub will act as the “front door” to business support in the region and will refer client businesses to other sources of support, ensuring that the client journey and user experience is seamless in doing so. Collaborating with partners and other business support stakeholders, the Growth Hub will play a strategic role in the development of the business support landscape in the region, ensuring that suitable provision is in place to meet all reasonable business needs, and that the offer of other support providers is well defined, well communicated, and non-duplicated.

A comprehensive marketing plan will ensure that the Growth Hub has maximum reach and engagement with the business community. Promoting support services and programmes in language that businesses understand, the Growth Hub will be a brand that stakeholders and partners would be proud to associate with.

Finally, the Growth Hub will encourage a standard approach to evaluating the impact of funded business support in the region, by measuring economic impact and the evolution of business needs, rather than the achievement of pre-defined output and outcome indicators set by funders. By using a common monitoring

and evaluation approach agreed with partners and stakeholders, the Growth Hub will build a comprehensive data set that can be used to inform business intelligence, provide ongoing impact assessment of funded programmes, and measure the longitudinal outcomes of businesses that access funded support over a longer period of time. This in turn will provide a sophisticated evidence base from which to inform future business cases for external sources of funding such as UK Shared Prosperity Fund, levelling up and devolved funds as appropriate, ensuring relevant, needs-based support provision that attains maximum impact and value for money.

Components of a Core Offer

It is acknowledged that financial resource over coming years may not be available to fund a business support infrastructure that accommodates all business and stakeholder needs. Therefore, it is advisable that the essential components of a core offer are set out, so that resource can be directed to areas of most need. This can be seen in table 6.

1	A core offer consisting of free, impartial and 1:1 business support, with businesses “account managed” by “generalist” business advisors, with sufficient capacity to meet service need. Resource identified to operate such a service over the longer term, to ensure a consistent experience for the service user, and for longer-term pathways of support to be provided to each business that wants one.
2	A core team of programme staff to undertake the majority of client monitoring, paperwork, and validation processes, to enable the advisor staff to focus on the provision of tailored, quality support to client businesses. This would ensure that business support is dictated by client need rather than by the funder’s monitoring, process, or eligibility considerations. The programme staff would also undertake the monitoring and evaluation activity outlined at point 8) below.
3	Staffing and financial resource to provide sectoral, issue or need-specific business support above and beyond the “generalist” core offer, focussing on that which is not available elsewhere in the HEY business support landscape. This can build on existing teams and resource where in place, though future funding will need to be secured (given end of ESIF programmes). Presently, this would include support for: <ul style="list-style-type: none"> • Business resilience • SME access to finance and investment • Support to access supply chain and new markets • Digitalisation/digital tech adoption (Industry 4.0) • SME support for transition to Net Zero (energy & resource efficiency, circular economy, decarbonisation) • Workforce development, skills, and wellbeing support for employers • Support for pre-start entrepreneurs and new start-ups (entrepreneurial culture) • Support for Scale-up businesses
4	A market leading website that provides relevant, engaging and value added information, guidance, and resources to businesses. The website should be a true one-stop-shop that is easy to use for any pre-start individual or business, and that should provide frequent “calls to action” so that users are encouraged to get in touch with the Growth Hub for more bespoke and intensive advice from a business advisor. A specific budget should be available to commission digital resources, especially for sector or need specific purposes.

5	A client journey and user experience that is needs-led at all times, with a clear single pathway of support. This would include less emphasis on the requirements of individual funded programmes, and more focus on a tailored, agreed, pathway of support that is informed by unique business need. The user experience is a seamless one, with the service being straightforward and efficient for client businesses at all times, and client referrals between schemes and providers are not disruptive or detrimental to the user experience.
6	A comprehensive marketing and communications strategy to ensure maximum reach of the business support offer. This would be built on a strong brand that all delivery partners and stakeholders are proud to associate with, as well as detailed market segmentation to ensure the message is relevant, jargon free, and of value to businesses of any size, sector, or maturity.
7	Strong strategic and operational collaboration between the Growth Hub, stakeholders, and other providers of business support. Strategic collaboration to ensure that all funded business support in the region is aligned, complementary and streamlined for business access. Operational collaboration to ensure that business referrals are made between programmes for the benefit of business users.
8	A sophisticated monitoring, data collection and evaluation framework, to help inform the funded business support provision in HEY on an ongoing basis. This would comprise ongoing impact analysis as well as review of longitudinal outcomes achieved by client businesses. Ideally, this is done in alignment with other business support providers to help evaluated

Next Steps

It is recommended that the findings of this review are used by the HEY LEP, HEY local authorities and other stakeholders to inform the strategic development of business support in Hull and East Yorkshire. A delivery plan should be created inclusive of headline objectives, allocated SMART actions, a timetable, and a resource plan.

It also recommended that the findings of this review are used to develop an action plan for the continuation of funded business support in Hull and East Yorkshire after the end of ESIF programmes in June 2023. This would then contribute toward the investment planning processes for the UK Shared Prosperity Fund, levelling up funding, and future devolved funds as appropriate.

List of Appendices

Appendix	Document
i	Growth Hub Review – Terms of Reference and Gantt Chart
ii	HEY LEP Briefing Document - Growth Hub #GrowMySME Programme
iii	KADA Research - Evaluation of The Humber Business Growth Hub 2020/21
iv	KADA Research – Strategic Review of the HEY LEP Growth Hub, March 2022