

Hull and East Yorkshire Business Support Board
Growth Hub Operational Update
Report by Jon Brunton, Growth Hub Manager
Wednesday 7th February 2023
Paper C

1. Summary

1.1. The HEY Growth Hub continues to deliver a suite of business support services in the region. The Growth Hub also collates business and economic intelligence from across the region. This paper provides an operational update on the Growth Hub for the financial year to date.

2. Recommendations

2.1. That the Business Support Board notes this report.

3. Operational Update

3.1. Core Growth Hub service

3.1.1. The core BEIS funded Growth Hub continues to perform to the established 2022/23 KPI and budget profile. Notification on 2023/24 core funding is still awaited from BEIS, although reports from the fortnightly Growth Hub network cluster calls with BEIS are positive in this regard and it is likely that notification should be received in February 2023. It has been reported that BEIS are examining various options for future Growth Hub funding, including a possible two-year funding settlement for the period to March 2025.

3.1.2. The Growth Hub has attended a number of high-profile business events in recent weeks including:

- **Help to Grow: Management Alumni event in Leeds – Wednesday 18th January.** The Growth Hub Manager was invited to speak as part of a “Digital Transformation for SMEs” panel at this event. Aimed at ‘alumni’ of the government backed Help to Grow: Management programme, over 80 SMEs from across Yorkshire attended this event, as well as senior civil servants from BEIS and officers from the Yorkshire cluster of LEPs and Growth Hubs. Growth Hub enquiries from four HEY SMEs were obtained at the event.
- **Stronger North Roadshow (Northern Powerhouse Investment Fund) at C4di, Hull – Wednesday 25th January.** The Growth Hub Manager attended this event to present on the current business support offer of the HEY Growth Hub. The event showcased the three funding streams of the British Business Bank’s Northern Powerhouse Investment Fund (NPIF) which has made investments

in the region since 2017 and which will close in December 2023. Around 15 local SMEs attended the event and the Growth Hub received four business enquiries at the event.

3.1.3. The Growth Hub is planning a number of events to take place over coming weeks including:

- **Apprenticeships for Beginners: A mini-conference for SMEs, at Aura Innovation Centre – Thursday 9th February.** Taking place during national apprenticeship week, this event will help SMEs explore all things apprenticeships. From knowing how and where to recruit an apprentice, through to looking at apprenticeship standards and understanding the levy fund and how it can be used. A wide range of support agencies and training providers will be on hand for SMEs to meet.
- **Business Funding and Support drop-in event – Wednesday 15th March.** The Growth Hub will host a marketplace style event at the Craven Park Enterprise Centre on 15th March. Over 12 business support and funding agencies will be present on the day for SMEs to meet and engage with, to learn more about the funding, support and advice currently available. It is hoped that this builds on the success of a similar event held at the Aura Innovation Centre on 23rd November which saw over 75 business attend over the course of the morning event.

3.2. #GrowMySME Programme (ERDF funded)

3.2.1. The Growth Hub's ERDF-funded #GrowMySME Programme continues to deliver specialist support to SME across the region. The three strands of programme activity are:

- Business Growth Scheme – support to help businesses overcome barriers to growth.
- Finance for Growth Scheme – support to help businesses understand the range of finance options available and to make them 'investment ready'.
- ICT for Growth Scheme – support to help businesses explore, adopt, and implement digital technology and solutions.

3.2.2. All three #GrowMySME projects are working hard to ensure that all contracted outputs are achieved, and budgets fully spent by project closedown on 30th June 2023. The majority of output indicator targets have already been achieved by the three schemes, and where that is not the case, proactive performance management is in place to ensure that these targets are reached.

3.2.3. The Business Growth Scheme has an intensive and broad programme of workshops & webinars taking place in Q1 2023. Covering the topic areas of sales & marketing; business improvement and productivity processes; business leadership, innovation and culture, and recruitment, HR, and workforce development, over 60 workshops and webinars are scheduled.

3.2.4. The Business Growth Scheme's Visitor Economy support strand has proven to be very popular, with over 20 leisure, retail, and hospitality businesses attending workshops in both Driffield and Cottingham in November and December 2022. A repeat series of these workshops is taking place in Hull city centre in February and March 2023 and initial bookings numbers are very positive.

3.2.5. The Business Growth Scheme has almost fully allocated the additional SME grant budget of £100,000 which was confirmed in November 2022. The Finance for Growth Scheme has some of its SME grant budget remaining, whilst the ICT for Growth Scheme has now fully committed its SME grant budget, with only the ICT Start Up grant with any budget remaining.

3.2.6. The ICT for Growth Scheme's 'Digital Catalyst' continues to support SMEs to explore and implement digital technology at pace but is still looking for further SMEs to access the service prior to June 2023.

3.3. Made Smarter Programme (BEIS funded)

3.3.1. Made Smarter provides wrap around support to manufacturing SMEs to aid their exploration, adoption, and implementation of digital technology, with a view to improving business productivity and competitiveness. This will help UK manufacturers move towards 'industry 4.0'.

3.3.2. The South Yorkshire Mayoral Combined Authority (SYMCA) have recently awarded a contract for the delivery of the Made Smarter service in Yorkshire & Humber after a competitive open tender exercise. Inception meetings with the appointed contractor have taken place throughout January and it is anticipated that the programme will "hard launch" by March 2023; running though to March 2025.

3.3.3. Following a recruitment exercise, HEY LEP have notified the preferred candidate for the post of Made Smarter: Digital Transformation Specialist. At the time of writing final clearances and a start date were still pending, however it is anticipated that the preferred candidate will be in post by the middle of March 2023. This will then provide HEY LEP & Growth Hub with a dedicated resource for the delivery of the Made Smarter programme in Hull & East Yorkshire.

3.4. Business & Economic Intelligence

3.4.1. The Growth Hub continues to gather business and economic intelligence from the region which is submitted to BEIS in the form of a monthly report. Recent key intelligence findings are as follows:

- December saw additional reports of companies continuing to struggle with the increasing cost of energy. This is a key area in which small businesses are approaching our business advisors in the HEY LEP area for assistance.
- Intelligence from the agricultural sectors suggest that production costs including energy are increasing rapidly which is causing a great issue with food production. High tech horticultural businesses (glasshouses) are being particularly affected due to the large amounts of energy they consume. We have also received reports of how increases in fertiliser, transport, packaging, and labour are impacting upon a range of sub sectors including egg and poultry production.
- We have again received reports of ongoing issues of labour availability in the region. We have received this month reports of businesses struggling to recruit a range of staff, in both professional and non-professional roles. Report this month of an acute regional and national shortage of Civil Engineers.
- For the second month the LEP have received reports that businesses are pulling back on larger scale investment projects/major cap ex due to uncertainty over the economy in 2023. Interest in our capital grant scheme for small businesses has noticeably reduced since November, signifying a reduced appetite for business to invest in growth projects.

4. Financial and resource implications

5.1 All Growth Hub delivery is externally funded under various contracts of funding. The core Growth Hub service is funded by BEIS, with other projects and support strands funding via ERDF and BEIS. There are no other financial or resource implications arising from this report.