

Hull and East Yorkshire Business Support Board  
Growth Hub Operational Update  
Report by Jon Brunton, Growth Hub Manager  
Wednesday 7<sup>th</sup> December 2022  
Paper C

## 1. Summary

1.1. The HEY Growth Hub continues to deliver a suite of business support services in 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 Growth Hub submitted its half-year report to BEIS on 31st October 2022, which detailed activities and performance of the Growth Hub in the two quarters to 30th September 2022. A summary of key performance indicators can be seen as follows:

KPI	Q1 & Q2 Target	Actual	Variance
KPI.1- Number of <b>businesses</b> receiving 'light touch' triage, information, and/or signposting support.	332	<b>395</b>	<b>+ 63</b>
KPI.2 – Number of <b>individuals</b> that have received 'light touch' triage, information, and/or signposting support	62	<b>141</b>	<b>+79</b>
KPI.3 – Number of businesses receiving 'medium intensity' information, diagnostic and brokerage support	165	<b>338</b>	<b>+173</b>
KPI.4 - Number of businesses receiving 'high intensity' support e.g., account management / intensive support directly provided by the Hub or partner organisation	40	<b>87</b>	<b>+47</b>
KPI.5 – Number of businesses receiving 'Medium' and 'High intensity' support that, have the opportunity, ambition and greatest potential to grow (including Scale-Ups)	20	<b>328</b>	<b>+308</b>

**N.B** – The overperformance against all KPIs stated above is due to an initial downturn in the KPIs forecasted at year-start, due in turn to the 50% reduction in core Growth Hub funding by BEIS. As an example, the Q1 & Q2 target for KPI.1 in **2021/22** was set at 550 and was reduced to 332 in 2022/23 due to the reduction in funding and commensurate reduction in funded business advisor posts. This overperformance is nevertheless welcomed and gives a good benchmark from which to set KPIs for future years.

3.1.2. The Growth Hub has been proactive in providing support to businesses in relation to the energy and cost of living crises. A dedicated webpage has been established on the Growth Hub website which provides information on such measures as the government's Energy Bill Relief Scheme, as well as links to other sources of information, guidance and funding support. The webpage can be viewed here: [heygrowthhub.com/energy-crisis-the-economy/](https://heygrowthhub.com/energy-crisis-the-economy/)

3.1.3. Additionally, in collaboration with the Yorkshire cluster of Growth Hubs, a series of webinars is to take place across November and December covering the energy crisis for small and medium businesses. These webinars will examine the government support for business energy bills and will also look at energy efficiency and cost control measures for businesses. Five 90-minute webinars will run in total, covering this topic on both a generic basis and a sector-specific basis for the Manufacturing, Retail & Hospitality, and Agricultural sectors. More details can be found via the weblink above.

3.1.4. The Growth Hub has also hosted and attended a number of high-profile business events in recent weeks including:

- **Tech Week Humber Expo – Tuesday 8th November.** The Growth Hub's Business Growth Scheme exhibited at the prestigious Tech Expo at Hull's MKM Stadium and was also joined by four digital client businesses who gained their first experience of exhibiting at a business facing event: aiding their business development in the process. Over 300 delegates attended the Expo with the Growth Hub receiving over a dozen business enquiries and referrals on the day.
- **Business Finance Week Event with the British Business Bank – Thursday 10th November.** In partnership with the British Business Bank, the Growth Hub co-hosted an event at C4di in Hull, exploring how investment finance can support Hull & East Yorkshire businesses to grow as well become more resilient to economic challenges. Over 25 delegates were in attendance and the Growth Hub's Finance for Growth Scheme benefited from a number of business enquiries and connections made with banks and investment funds. Due to the success of the event the British

Business Bank have expressed a desire to collaborate on more joint events with the HEY Growth Hub going forwards.

- **Business Funding and Support drop-in event – Wednesday 23<sup>rd</sup> November.** The Growth Hub hosted a marketplace style event at the Aura Innovation Centre which comprised 14 providers of business funding and support covering a range of specialisms. This was the largest gathering of business funding and support providers in the region since 2019. Over 75 business delegates visited the event on the day, with feedback from both delegates and exhibitors universally positive. Such was the success of the event another similar event is being planned for February 2023 at an alternate location to attract a different business catchment.

3.1.5. 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:

- SMEs are being faced with substantial cost rises to their energy supplier contracts, with some businesses starting to consider their future financial viability in light of these cost rises. However, it should be noted that the recently announced (21 September 2022) package of government financial support for businesses' energy use will help in many cases, however the impact of this on Hull & East Yorkshire businesses is yet to be seen.
- Many businesses are still struggling to fill vacancies and recruit personnel with the requisite levels of knowledge, skills, and experience. The leisure and hospitality sector are still struggling to recruit front of house and kitchen staff, which is in turn impacting their business operations and therefore turnover.
- Some sectors are having to compete regionally and nationally for talent (for example the Digital Sector) and whilst some enhanced salary packages are being offered, this is not always possible given other financial pressures on businesses.
- Businesses reliant on B2C trade, such as leisure, retail, and hospitality, are reporting a marked downturn in customers and spend, which is being ascribed to the cost of living situation.
- Some sectors are reporting buoyant trading conditions such as the construction sector (house building and civils) and digital firms.

### **3.2. #GrowMySME Programme (ERDF funded)**

3.2.1. The Growth Hub's ERDF-funded #GrowMySME Programme continue 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. Due to the end of the ERDF programme in England in 2023, all three #GrowMySME Schemes will conclude on 30 June 2023. The current focus of the programme team is ensuring that all budgeted spend is committed, and that all programme output targets are achieved prior to programme closedown. Good progress is being made in this regard and indeed many of the output targets have already been achieved; for example the Business Growth Scheme has already achieved its contracted output targets for: new businesses (less than 12 months old) supported, new jobs created, and the number of businesses receiving diagnostic, information, and brokerage.

3.2.3. The Business Growth Scheme has operated an intensive and broad programme of workshops and webinars since September 2022. Covering the topic areas of sales & marketing; business improvement and productivity processes; business leadership, innovation and culture, and recruitment, HR and workforce development,

3.2.4. The Business Growth Scheme has recently let a contract for the delivery of sector development support for the region’s Visitor Economy. Consisting of workshops, webinars and conference style events, the package of support will focus on sector-specific needs of SMEs that are reliant on tourists and visitors for part or all of their income. This will include such topics as how to offer packaged deals between businesses, how to improve the visitor experience, and how to better market services via online channels.

3.2.5. The Business Growth Scheme has also obtained permission from the ERDF contract manager to uplift the available SME grant budget by £100,000. This will enable a minimum of 40 further grants (at a maximum of £2,500 per business) to be awarded to SMEs to help with the cost of business improvement projects that require external consultancy and advice.

3.2.6. The ICT for Growth Scheme has recently let a contract for the delivery of intensive technical support for SMEs. Named ‘Digital Catalyst’, this package of support is tailored to the specific needs of each individual business and helps them implement digital technology and solutions via

12 hours of support. Digital Catalyst will operate from 1 October 2022 to 30 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) are the accountable body for the Yorkshire & Humber Made Smarter programme, on behalf of the Yorkshire cluster of LEPs and Growth Hubs. SYMCA are commissioning a services contract that will deliver the majority of programme interventions. Due to a technical error in the initial set of procurement documents, this commissioning activity is approximately 6 weeks behind schedule. It is now expected that the contract will be awarded and a delivery provider in place by mid-January 2023.

**3.3.3.** The funding agreement between SYMCA and Hull City Council (on behalf of the HEY LEP) to account for the 1 FTE Digital Transformation Specialist job post was executed in mid-November. Recruitment activity for this post is to start imminently. This job role will be responsible for raising awareness of Made Smarter amongst Hull & East Yorkshire manufacturing SMEs and managing a caseload of manufacturing firms whilst supporting their access to the various support interventions as commissioned under the services contract, including digital road-maps, technical support, a leadership & management programme, and facilitated student work placements.

## **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.