

Hull and East Yorkshire LEP Board

Paper E– Business Support Board Update

Report to the Board – 23rd November 2022
Report from Gill Alton, Chair Business Support Board

1. Summary

1.1 The Business Support Board was scheduled to hold its most recent meeting on the 12th October 2022. Unfortunately due to a timing clash with the East Riding Shared Prosperity Partnership group this meeting was altered from its original planned time and was ultimately not quorate. A decision was made not to hold this meeting. A full set of papers were produced providing valuable updates on business development matters. These, and subsequent related matters, are summarised below.

2. Recommendations

2.1 To note progress to date.

3. Report

3.1 Key updates on Business Support related matters as follows:

- **UKSPF – Supporting Local Business Theme**

Both local authorities in our area have submitted Investment Plans to government for consideration and sign off. These investment plans lay down each areas priorities for Supporting Local Business. For Hull CC area these are:

Fig 1 Hull Priority Interventions Supporting Local Business

E19: Increasing investment in research and development at the local level. Investment to support the diffusion of innovation knowledge and activities. Support the commercialisation of ideas, encouraging collaboration and accelerating the path to market so that more ideas translate into industrial and commercial practices.
E23: Strengthening local entrepreneurial ecosystems, and supporting businesses at all stages of their development to start, sustain, grow and innovate, including through local networks.
E24: Funding for new and improvements to existing training hubs, business support offers, ‘incubators’ and ‘accelerators’ for local enterprise (including social enterprise)
E26: Support for growing the local social economy, including community businesses, cooperatives and social enterprises.
E28: Export Grants to support businesses to grow their overseas trading, supporting local employment.
E29: Supporting decarbonisation and improving the natural environment whilst growing the local economy.
E30: Business support measures to drive employment growth, particularly in areas of higher unemployment.
E32: Investment in resilience infrastructure and nature based solutions that protect local businesses and community areas from natural hazards including flooding and coastal erosion

The Hull CC area funding split for Supporting Local Business activity is as below:

Fig 2 Hull Funding Spilt across priority areas

	Indicative % split	Total
Communities and Place	15%	£1,362,152
Supporting Local businesses	35%	£3,178,355
People and Skills	50%	£4,540,507

East Riding of Yorkshire Council area priorities are:

Fig 3 East Riding Priority Interventions People & Skills

Intervention List	
E33	Employment support for economically inactive people
E34	Courses including basic, life & career skills
E35	Enrichment & volunteering activities
E36	Increase levels of digital inclusion, essential digital skills
E37	Tailored support for the employed to access courses
E38	Local areas to fund local skills needs
E39	Green skills courses
E40	Retraining support for those in high carbon sectors
E41	Funding to support local digital skills

Figure 4 show the funding split across priority areas of activity:

Fig 4 East Riding Funding Spilt across priority areas

	Indicative Split %	Allocation
Communities & Place	37%	£3,832,847
Supporting Local Business	28%	£2,884,990
People and Skills	31%	£3,285,000
Management & Admin	4%	£416,782
TOTAL		£10,419,619

The Department for Levelling Up, Housing and Communities are currently assessing the investment plans they received. Approval for the Investment Plans is expected imminently. In the meantime both Local Authorities are seeking to commence activity 'at risk' in order to achieve programme spend for 22/23.

Hull City Council have opened a grant programme for bids from external organisations which will close on the 21st Nov 2022. The focus of the provision they are seeking to commission for this year is Innovation, R&D and Export support.

ERYC are seeking to use their UKSPF allocation for 22/23 to fill the funding gap created by loss of Growth Hub Funding for start-up business advise a well as opening a business support strand focussing on energy efficiency.

- **HEY LEP Growth Hub Update**

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 businesses receiving 'light touch' triage, information, and/or signposting support.	332	395	+ 63
KPI.2 – Number of individuals that have received 'light touch' triage, information, and/or signposting support	62	141	+79
KPI.3 – Number of businesses receiving 'medium intensity' information, diagnostic and brokerage support	165	338	+173
KPI.4 - Number of businesses receiving 'high intensity' support e.g., account management / intensive support directly provided by the Hub or partner organisation	40	87	+47
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	328	+308

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.

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/

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.

A further review is to take place to consider whether business information & advice toolkits, guidebooks and interactive resources are needed by the HEY business community. If evidence dictates these are needed, these could be commissioned via the Growth Hub's Business Growth Scheme which has a budget for such resources.

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.

- **Export Update**

Hull City Council has confirmed that approx. £134K will be allocated against UKSPF export interventions, split across 2022/3, 23/4 and 24/5, with an initial allocation of approx. £28K available to support any project being delivered between Jan-March 2023.

The Export Partnerships Manager is looking to submit an export intervention project proposal for the period Jan-March 2023, which will involve HEY LEP commissioning a series of export awareness workshops, targeting Hull-based businesses, which will highlight topical exporting themes and global exporting opportunities and include a number of sector-specific workshops which will engage SMEs in export that are working in key priority sectors, as identified in HEY LEP's Economic Growth and Workforce Wellbeing strategy.

Engaging SMEs in the above project will lay the foundations for further engagement in any future UKSPF export intervention project which may commence from April 2023 onwards.

A further export intervention proposal will be submitted early in 2022, which will look to deliver an Export Support Grant-type programme, which will assist Hull-based SMEs in attending overseas trade shows in addition to internationalisation activities which can help a business to engage in new export markets.

East Riding Council is yet to announce its UKSPF allocations for export interventions. It is hoped that there may be some alignment with any export intervention projects that are funded by Hull City Council, which would result in a greater overall export budget that would offer benefits to existing and new-to-exporting businesses across the Hull and East Yorkshire region.

- **Foreign Direct Investment Key Account Management Programme Update**

Following the resignation of Antony Wallis who previously undertook this role, a new delivery model for FDI KAM has been developed. This brings both Local Authorities into the delivery of this service which ensures continuity of delivery for the next six months to March 2023. A KAM Midterm review was undertaken with the Department of International Trade on Wednesday 9th Nov. This midterm review went well, and they were positive about the new temporary delivery model.

- **The DCMS Create Growth Bid**

On the 9 June 2022 the Department for Digital, Culture, Media, and Sport (DCMS) invited local area partnerships in England to submit Expressions of

Interest (EOIs) to participate in the Create Growth Programme (CGP) from FY22/23 to FY24/25 (three years).

£1.275 million in funding would be made available to successful local area partnerships to develop and deliver a package of business support for creative industry SMEs with “high growth” potential. Support would focus on improving the investment readiness of creative industry SMEs with a view to enabling scale-up driven business growth.

The final application was submitted to DCMS on 25 August 2022.

Notification was received on Friday 30th September from DCMS that The HEY LEP had not been successful with its bid. Subsequent feedback outlined a key area of weakness was long term mainstreaming of this programme after the completion of the project. Alternative methods of supporting the creative sector in the region are now being investigated.