

HEY LEP Business Support Board

14th June 2023

Paper B - Growth Hub Annual Review

Report by Jon Brunton, Growth Hub Manager

1. Summary

1.1. The HEY Growth Hub continues to deliver a suite of funded business support services in the region. This paper provides an overview of Growth Hub performance in the 2022/23. year

1.2. This paper also provides an update on Growth Hub funding for the 2023/24 year and also a summary of business & economic intelligence trends seen by the Growth Hub in recent months.

2. Recommendation

2.1. That the Board notes this report.

3. Growth Hub Performance in 2022/23

3.1. The Growth Hub annual performance report for 2023/24 was returned to DBT on 5th June. This contained comprehensive detail on Growth Hub activities in 2022/23, including client engagement outcomes and client satisfaction data. A summary of key outcomes is presented as follows.

| Outcome Indicator | Annual Target | Actual | Variance |
|--|---------------|--------|----------|
| KPI.1 - Number of businesses receiving light touch interaction | 665 | 585 | -80 |
| KPI.2 - Number of businesses receiving medium intensity intervention | 330 | 399 | +69 |
| KPI.3 - Number of businesses receiving intensive support | 81 | 143 | +62 |
| KPI.4 - Number of 'Scale up' businesses engaged | 40 | 485 | +445 |
| KPI.5 - Number of individuals (pre-starts) receiving light-touch support | 125 | 281 | +156 |
| KPI.6 - Number of new businesses created | 30 | 14 | -16 |

3.2. As can be seen, four of the six KPI targets in 2022/23 were achieved, with notable overachievement for those four KPIs. However, the number of businesses receiving light touch interaction (KPI.1) was 60 below target, and the number of new businesses created (KPI.6) was 16 below target. These attainment figures for 2022/23 will be taken into account when setting KPI targets for the 2023/24 year.

3.3. As part of the annual reporting process, a digital survey was sent to all clients who has benefitted from medium or high intensity support in 2022/23. Key headlines from this survey activity can be seen as follows.

- **100%** of clients were very satisfied or satisfied with the support provided by the Growth Hub in 2022/23.
- **94%** of clients are very likely or likely to use the Growth Hub in 2023/24.
- **91%** of clients are very likely or likely to recommend the Growth Hub to a friend or colleague.
- **82%** of clients felt that that they were much more likely or more likely to meet their growth aspirations of their business as a result of engaging with the Growth Hub.
- **70%** of clients who had been referred by the Growth Hub to another provider of support of funding reported a positive impact
- **76%** of clients reported that it would have taken them significantly longer or slightly longer to find the support they were looking for without the help of the Growth Hub.

3.4. From the 2022/23 year onwards, the Growth Hub is required to record anonymised data on the protected characteristics of service users. This is to demonstrate that the Growth Hub network adheres to the Public Sector Equality Duty and to ensure that Growth Hubs embed equality, diversity, and inclusivity within service delivery. A summary of HEY Growth Hub protected characteristics data for 2022/23 is as follows:

| Measure 1) Client Gender | | | |
|--------------------------|--------|-------------------------|-------------------|
| Male | Female | Prefer to self-describe | Prefer not to say |
| 58% | 39% | 0% | 3% |
| Measure 2) Client Age | | | |
| 16-24 | 25-34 | 35-44 | 45-54 |

| | | | |
|---------------------------------------|--------------------------------|---------------------|-----|
| 3% | 15% | 18% | 43% |
| 54-64 | 65+ | Prefer not to say | |
| 15% | 3% | 3% | |
| Measure 3) Client Ethnicity | | | |
| White | Mixed/multiple ethnic groups | Asian/Asian British | |
| 91% | 0% | 0% | |
| Black/African/Caribbean/Black British | Other Ethnic Group | Prefer not to say | |
| 6% | 0% | 3% | |
| Measure 4) Client Disability | | | |
| Yes, has a disability | No, does not have a disability | Prefer not to say | |
| 6% | 91% | 3% | |

3.5. Now that benchmarking data is available for the first time the Growth Hub will develop and implement an EDI strategy in 2023/24 to ensure that the Growth Hub service is accessible to all clients across the region, irrespective of their protected characteristics.

4. 2023/24 Growth Hub Funding

- Further to the notification of funding allocation received on Wednesday 29 March, the LEP received funding schedule documents on Thursday 25 May, which need to be completed and returned to DBT by Friday 9 June to enable the issue of a funding offer letter. The work to complete these documents is currently underway.
- Once the funding offer letter has been received, this will be signed and returned to DBT to enable draw down of the Q1 grant payment. This will also allow for SLAs to be entered into with delivery partners Hull City Council and East Riding of Yorkshire Council. The SLAs will confirm the agreed budgetary and output target position with both local authorities.
- As presented to the LEP Board on Thursday 25 May, funded Growth Hub activity in 2023/24 will consist of the following job posts and activity:

- 1 FTE Growth Hub Manager
- 1 FTE Growth Hub Programme Officer
- 1 FTE Growth Hub Business Advisor (Hull City Council)
- 1 FTE Growth Hub Business Advisor (East Riding Council)
- 0.4 FTE Workforce Development Business Advisor
- Events & Workshop delivery
- Enhanced marketing & communications activity, and website development

5. Business & Economic Intelligence

5.1. The Growth Hub is responsible for the gathering and monitoring of business intelligence, economic trends and issues in the Hull and East Yorkshire region. This is reported into DBT on a monthly cycle, using a prescribed intelligence monitoring template.

5.2. Some of the key business intelligence trends seen over recent weeks include:

5.2.1. *Labour Market Issues* – Recruitment and retention issues are faced by many businesses at all skills levels. This is particularly acute in the manufacturing, food production and health & social care industries.

5.2.2. *Energy & Production costs* - There are continued concerns over energy costs – particularly with the end of government subsidy support. We are seeing an increasing number of enquiries around support for energy costs and capital projects aimed at energy use reduction. Growth Hub advisors are reporting cash flow pressures within SMEs due to rising costs across the board, with a particular focus on energy costs. Businesses are not progressing with projects, including grant funded ones due to cash flow pressures.

5.2.3. *Artificial Intelligence* – The Growth Hub is receiving an increasing number of enquiries from SMEs about the use of AI in their business operations. SMEs are beginning to see the potential use of AI in regard to marketing, sales, customer service, and product design. The impact of AI on the local employment market is yet to be understood.

5.2.4. *Caravan Industry* – We are aware of a possible slow-down within the region's caravan and static home industry. Atlas Leisure Homes made 100 redundancies on 17 May, and there are wider warnings from the sector about an oversupply of product combined and a fall in consumer demand.

6. Finance and resource implications

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