

Audit Finance and Governance meeting
Tuesday 28th November 2023
Paper C – Creative Industries Project
Jon Brunton, Growth Hub Manager

1 Summary

- 1.1. This paper summarises the Create Growth Programme and the HEY Growth Hub's involvement in programme delivery.
- 1.2. This paper provides an overview of the project and the associated resourcing and key outcome indicators.

2 Recommendations

- 2.1 That the board notes this report.

3 Report

3.1 Background

- 3.1.1 The Create Growth Programme (CGP) is a government funded initiative that supports high-growth potential SMEs in the creative industries to scale and to become investment ready, via the provision of expert advice, guidance and mentoring to participant SMEs.
- 3.1.2 Funded by the government Department for Culture, Media and Sport (DCMS), the programme was launched to help deliver on DCMS's Creative Industries Sector vision, published in June 2023 which set out a clear and ambitious vision for supporting the UK's creative industry up until 2030.
- 3.1.3 A successful "Creative Scale-Up pilot was delivered 2019-2021 in Greater Manchester, the West Midlands and the West of England, which demonstrated a need for targeted business support to creative firms in order to boost their growth. This included insight into the distinct market and information failures that prevent creative firms scaling and accessing finance outside of London and the South East.
- 3.1.4 DCMS invited competitive applications from English regions in 2022 to deliver the Create Growth Programme via local area partnerships. HEY LEP in partnership with Hull City Council and East Riding of Yorkshire Council were successful at EOI stage, but were unsuccessful at full application stage, which would have released £1.2 million to deliver the CGP in HEY from December 2022 to March 2025.
- 3.1.5 In July 2023 HEY LEP received written invitation from DCMS to consider reapplying to the expanded CGP. The HEY area partnership – with the University of Hull as a new partner – were successful at EOI stage and were invited to submit a full application in September 2023. As with the 2022 bid,

DCMS awarded a small (£9,500) application grant to help support the business case and bid writing development. Kada Research were appointed to carry out this work following a competitive RFQ process. The bid was submitted by the 19 September deadline.

- 1.3. On 19 October 2023 DCMS advised HEY LEP that the application on behalf of the HEY local area partnership had been successful, thus releasing £520,000 to deliver the CGP in the HEY region. A formal funding offer letter / funding agreement is still awaited from DCMS.

3.2 Aims of the programme

3.2.1 The HEY Create Growth Programme will aim to:

- Support high-growth potential creative businesses to become investment ready
- Develop the beneficiary business's knowledge, skills and access to finance in order to facilitate high-growth.
- Increase the number of private and institutional investors willing to invest in creative businesses in the HEY region, by educating and developing investor networks
- Develop the organisational capacity, knowledge and understanding required to support the growth of the creative industries in HEY beyond the lifetime of the programme.

3.2.2 It is the ambition of DCMS that the CGP will engage with diverse businesses, including those owned by, and employing, individuals with protected characteristics. In addition, the CGP will support beneficiary businesses to diversify their workforce and open up opportunities for those with protected characteristics.

3.2.3 In the context of the HEY region, it is also hoped that the CGP can contribute toward the objectives of the HEY LEP Economic Development and Workforce Wellbeing strategy 2021-2026, which identifies the 'Creative' and 'Digital' sectors as priority sectors for the HEY regional economy.

3.3 Programme Delivery Model & Offer

3.3.1. The CGP will provide a curated package of business support interventions to high-growth potential creative firms via a cohort model. It is anticipated that four cohorts will run, each taking place over a period of 12 weeks during the 2024/25 year.

3.3.2. Businesses will be encouraged to submit an EOI to the CGP, and subject to eligibility, will be offered an initial diagnostic meeting to identify their scale-up support needs. Based upon the outcome of this diagnostic, the business will then be placed onto a cohort that best suits their needs.

3.3.3. Each cohort will undertake a bespoke package of support. It is anticipated that 70-80% of the support will be identical to each cohort, with the remaining

20-30% unique to the needs of that cohort group. Whilst each cohort will offer a bespoke package of support, it is anticipated that the support offer will be as follows:

- Weekly workshops covering a specific topic each week (3-4 hours)
- Fortnightly 1-2-1 review meetings with allocated business advisor (1-2 hours)
- Monthly peer-support “action learning” sessions (2-3 hours)
- Monthly meeting with a mentor (1-2 hours)

3.3.4. Some indicative workshop topics are as follows:

- Business planning & strategy
- Intellectual Property
- Access to new markets
- Export and internationalisation
- Financial management & projections
- Creative Innovation and R&D
- Tax and investment incentives
- Understanding the investment process
- How to pitch and present your business

3.3.5. The CGP will also engage with Innovate UK, DCMS’s national delivery partner for the ‘investor capacity building’ and ‘finance’ strand of the programme. This will involve the hosting of investor events, business showcases, the development of resources, and facilitation of business grant applications to the finance strand.

3.3.6. On current timescales, the programme will have a high-profile launch in February 2024, and the first cohort will commence from 1st April 2024.

3.4 Programme Outputs

3.4.1 As part of the application, the HEY area partnership have pledged to support 60 creative SMEs through the programme, in 4 cohort groups. Further programme outputs and KPIs are expected to be agreed with DCMS once the project’s grant funding agreement has been entered into.

3.5 Project Management & Governance Arrangements

3.5.1 The GGP budget allows for the recruitment of 1 FTE Programme Manager, the recruitment for which is now underway. The CGP will sit as part of the HEY Growth Hub suite of programmes and the programme manager will

report to the HEY Growth Hub Manager. Until the programme manager has been recruited, the HEY Growth Hub Manager will act as programme lead.

- 3.5.2 HEY LEP are the programme lead, on behalf of the HEY area partnership. Hull City Council will act as accountable body for the programme, in line with their status as the same of the HEY LEP and its programmes. It is anticipated that the CGP will transition over to the HEY Joint Unitary Leaders Board along with other LEP legacy programmes on 1st April 2024. The status of HCC as accountable body would in that scenario remain unchanged.
- 3.5.3 A steering group has already been established and features representative from each of the four delivery partners: HEY LEP, Hull City Council, East Riding of Yorkshire Council, and the University of Hull. A memorandum of understanding will be executed between these four organisations once the DCMS funding agreement has been received and assessed.
- 3.5.4 The HEY area bid also proposed the establishment of a “creative industries consultative/advisory board”, made up of appropriate representatives of the CI as well as funders and other key stakeholders. The board will provide sector-specific guidance, advice and insight to the programme manager and steering group. Whilst this will purely be a consultative group and have no decision making powers (which is the remit of the steering group), terms of reference will be enforced to manage any declarations or conflicts of interest.
- 3.5.5 The HEY CGP is also a member of the national CGP Programme Board, facilitated by Innovate UK on behalf of DCM. This board meets bi-monthly and provides strategic governance and alignment of the 12 regional CGP in England.

3.6 Funding

- 3.6.1 A budget of £520,000 has been made available by DCMS for the delivery of the CGP in HEY. Whilst a granular programme budget was submitted as part of the successful funding application, this has yet to be contractual agreed as the funding agreement from DCMS has not yet been received.
- 3.6.2 A top-level budget breakdown can be seen as follows:

Cost Category	Budget (project lifetime)
Programme Manager Salary & On Costs	£71,026
Overheads (15% of salary & on costs)	£10,654
Workshop Delivery	£240,000

Peer Learning Session Facilitation	£20,000
Mentoring Facilitation	£20,000
Networking & Social Events	£5,000
Website, Marketing & Comms	£40,000
Programme Launch and Showcase Events	£20,000
Creative Industry CPD Sessions for Existing Advisor Staff	£20,320
Commissioning of Digital Resources and Assets for Participants	£25,000
Programme Evaluation & EDI Action Planning	£20,000
Contingencies Budget (i.e., to commission support provision not elsewhere procured)	£25,000
Travel Expenses	£3,000
TOTAL	£520,000