

Hull and East Yorkshire Business Support Board
Growth Hub Update
Report by Jon Brunton, Growth Hub Manager
Thursday 23rd November 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. HEY Growth Hub submitted its half-year report to DBT on Monday 6th November. This report contains a summary of Growth Hub activity in the first 6 months of the 2023/24 financial year, and also provides the key performance metrics for the same period. A summary of performance metrics against key performance indicators are as follows:

KPI	Half-Year Target	Actual	Variance
KPI.1 – Number of businesses receiving ‘light touch’ triage, information or signposting support	188	218	+30
KPI.2 – Number of businesses received ‘medium intensity’ support	105	170	+65
KPI.3 – Number of businesses receiving ‘high intensity’ support	33	18	-15
KPI.4 – Number of businesses supported that have the opportunity and greatest potential to grow (Scale-Ups).	33	115	+82

3.1.2. The Growth Hub has been kept closely informed about the roll-out of the UK Shared Prosperity Fund (UKSPF) business support provision by the

two HEY local authorities, with the Growth Hub Manager attending a number of meetings with LA colleagues over recent months. This has enabled a more “joined-up” approach to designing and delivering business support in the HEY sub-region. This has also enabled the Growth Hub to progress its workshop and events delivery plan for the 2023/24 year, which can now be developed in full knowledge of the UKSPF business support of the two local authorities.

3.1.3. With the closedown of the Growth Hub’s ERDF funded schemes on 30 June, the Growth Hub’s primary service offer in 2023/24 is to act as a business support gateway for the region, offering information, advice & guidance (IAG) services to client businesses, as well as signposting and referral activity to other providers of business funding and support. To aid this objective, the Growth Hub is currently leading on the development of a business support handbook for the HEY sub-region. This handbook will contain details of all publicly funded business support and business funding schemes that are currently available for businesses in the sub-region. It is currently anticipated that the handbook will be published by the end of November.

3.1.4. The Growth Hub’s Workforce Development Business Advisor (WDBA) continues to work with an active caseload of 30 client businesses. Offering support ranging from access to skills funding, through to apprentice recruitment and facilitating levy transfer between large firms and SMEs.

3.1.5. The Growth Hub continues to facilitate the Hull & East Yorkshire Manufacturers Network, which to-date has attracted over 16 SME manufacturers to various events and meetings. Since the last meeting of the board, the Network has hosted two successful events:

3.1.5.1. On 7th September 14 network members attending an industry insight visit to Ideal Heating’s factory in Hull, part of the multinational Group Atlantic. Members were given a presentation on how Ideal Heating implement process and resource efficiency, as well as a brief look at R&D activity. This was followed by a full factory tour, which included a look at Ideals’ new automated robotics workstations. The visit has received highly positive feedback from network members and further visits to other regional manufacturers are now being planned.

3.1.5.2. On 12th October the Growth Hub organised an employment and skills event for members of the network. The event consisted of a one hour briefing session on current support and funding available for workforce upskilling and apprentice recruitment in the manufacturing sector, as well as a look at the work of the Humber Careers Hub and how manufacturing employers can get involved. The second half of the event consisted of an interactive Q&A discussion session between manufacturers and four training providers, as well as the LSIP team from the Hull & Humber Chamber of Commerce. Whilst the number

of manufacturers that attended this event was disappointing, the feedback from those that attended has been very positive.

3.1.6. Despite positive statements from colleagues within the Department for Business and Trade, there is as yet no update on core Growth Hub funding for the 2024/25 financial year. There have been suggestions that a funding announcement could be made during the government's autumn budget statement on 22 November 2023. However, for the past two financial years a funding decision was only confirmed in the last week of March.

3.1.7. In the meantime, governance, and delivery arrangements for the Growth Hub – should it be funded in 2024/25 – will need to be made with the two HEY local authorities. As reported at the last meeting of the HEY LEP Board, the current proposal is that the Growth Hub would sit under the Hull and East Riding Joint Leaders Board (as a Shadow Combined Authority), with the Growth Hub Manager reporting to the HCC Director of Regeneration. The Business Support Board will be kept apprised of development and these conversations continue.

3.2. Made Smarter Programme (DBT funded)

3.2.1. 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'.

3.2.2. HEY Growth Hub's Made Smarter – Digital Transformation Specialist is currently working with a caseload of 29 client businesses. 18 of which have undertaken the digital roadmap session, 12 have accessed technical support, and four have been awarded a Made Smarter capex grant.

3.2.3. A current priority is the building of a pipeline for the HEY cohort of the "Leading Digital Transformation" strand, delivered by Sheffield Hallam Business School and aimed at the senior leaders of manufacturing SMEs. This cohort will commence in January 2024 but requires a minimum viable number of 10 delegate to operate.

3.2.4. An update on the prospective expansion of the programme is still awaited. It is currently anticipated that an announcement may be made as part of the Government's autumn budget statement on 22 November 2023. This would allocate additional funding to deliver more activity within the current timescales of the programme to March 2025, as well as a possible time extension of the programme to September 2025.

3.3. DCMS Create Growth Programme

3.3.1. Following submission of the HEY local area partnership bid to DCMS on 19 September 2023, on 19 October HEY LEP were informed that following

a competitive assessment process, the bid had been successful. The HEY local area partnership is one of six partnership areas that have been awarded £520,000 under the extend Create Growth Programme to support high-growth potential firms from the creative industries.

3.3.2. HEY LEP led on the bid, in partnership with Hull City Council, East Riding of Yorkshire Council, and the University of Hull. This collective will now form the delivery partnership for the programme.

3.3.3. The process of accepting the funding award is now underway as well as programme design and inception activities.

3.3.4. The award of DCMS funding was formally announced by the Secretary of State for Culture, Media and Sport, Lucy Frazer MP, at a national Creative Industries conference in Manchester on Monday 13th November. The HEY LEP Growth Hub Manager attended this conference on behalf of the HEY local area partnership. HEY LEP issued a press release in support of this announcement on the same date.

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 DBT in the form of a monthly report.

3.4.2. Recent key intelligence findings are as follows:

- We have reported ongoing concerns with increases to the various costs of doing business. This relates to energy costs, fuel costs, stock & raw material costs, and insurance costs. In response, many firms are now repricing their products and services twice per year, which is in turn making it hard to forecast future cashflows.
- We continue to see acute challenges related to filling vacancies and upskilling staff. Access to suitable and appropriate upskilling support for the workforce is also noted as key business challenge that is acting a barrier to growth.
- Over recent months, our reports have included various examples of fluctuating and depressed business and consumer demand across many sectors in region. This includes a decline in consumer demand for non-essential products and services, as well as suppressed demand for new homes, which is affecting development plans of homebuilders.
- Despite reporting on a number of negative developments within the local economy, it must also be reported that a range of new business announcements related to investment, expansion, new premises and new jobs have been included within our monthly reports.

4. Financial and resource implications

4.1. 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 funded via SYMCA and DCMS. There are no other financial or resource implications arising from this report.