

Hull and East Yorkshire Business Support Board
Growth Hub Report
Report by Jon Brunton, Growth Hub Manager
Wednesday 6th March 2024
Paper B

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 to inform a monthly report sent to DBT. This paper provides an operational update on the Growth Hub for the financial year to date.

2. Recommendations

2.1. That the Board notes this report.

3. Operational Update

3.1. Core Growth Hub service

3.1.1. The Growth Hub continues to provide support to businesses across Hull and East Yorkshire via its team of business advisors, its discrete support programmes, and its website. A current focus is ensuring that the Growth Hub fulfils its agreed KPIs before the end of the financial year for reporting into the Department for Business and Trade.

3.1.2. At a Yorkshire Growth Hub cluster call on 21st February, it was advised that DBT would not be able to confirm the Growth Hub funding settlement for the 2024/25 year until after the government's budget statement on Wednesday 6th March 2024. DBT will aim to issue letters of comfort as soon as possible after this date. This comes after Growth Hub funding for the 24/25 year was confirmed in the government's autumn statement in November 2024. It is anticipated – but not confirmed – that the budget settlement for the Growth Hub network in England in 24/25 will be the same as that in 2023/24. However, it was noted that due to LEP transition in England, from April 2024 there would be 41 Growth Hubs in England, an increase on the current 37. The budget implications of this development are not yet known.

3.1.3. The Growth Hub Manager is working with LEP and accountable body colleagues to ascertain the implications for LEP integration into Hull City Council from 1st April 2024. It is currently anticipated that there will be no substantial changes to the Growth Hub's delivery model or service offering; though this is of course subject to any funding conditions specified by DBT for the 2024/25 year.

3.1.4. The Growth Hub continues to work closely with the two HEY local authorities in relation to the development and delivery of their UKSPF

business support programmes; ensuring that a joined-up approach can be maintained, and that each organisation can help promote and amplify each other's provision. One example of this partnership work is the proposal to host a conference for construction industry firms in May 2024, with the Growth Hub represented on the working group for this event. A 2-day manufacturing summit is also being worked upon in partnership between the Growth Hub and the two HEY local authorities.

3.1.5. A revised business support handbook for the HEY region was published in February. This 50-page handbook contains 28 listings of various business support and funding schemes that are currently available for businesses in the HEY sub-region. The contents of the handbook are now being used to update the business support directory on the Growth Hub website, which provides the same function. The handbook is also being shared with the Growth Hub's stakeholders and networks.

3.1.6. The Growth Hub's Workforce Development Business Advisor (WDBA) continues to work with an active caseload of around 45 client businesses. Offering support ranging from access to skills funding, through to apprentice recruitment and facilitating levy transfer between large firms and SMEs.

3.1.7. The Growth Hub continues to facilitate the Hull & East Yorkshire Manufacturers Network, which to-date has attracted over 18 SME manufacturers to various events and meetings. Since the last meeting of the board, the Network has hosted a workshop by Levantar Consulting Ltd which explored the overlap between staff skills and business needs, which was attended by 11 local manufacturing firms.

3.1.8. The Growth Hub had been leading on the development of a mini conference style event which will explore AI for SMEs. This event will take place on the morning of Wednesday 13th March. Further information can be found in Paper C.

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 around 44 client businesses, each of whom has accessed various strands of the programme including digital roadmap diagnostics, technical support, and capital grant funding.

3.2.3. A joint HEY and North Yorkshire cohort of the "Leading Digital Transformation" strand, delivered by Sheffield Hallam Business School on behalf of the Made Smarter Yorkshire & Humber programme, was

launched w/c 26th February. This cohort has ten businesses enrolled, of which three are from Hull and East Yorkshire. This strand will provide business owners and leaders with the knowledge and skills needed to take their manufacturing business on a digital change journey.

3.3. Create Growth Programme (DCMS Funded)

- 3.3.1. Further to confirmation of a successful application on 19 October 2023, the HEY Growth Hub team have been working on the various inception actions required to establish the Create Growth Programme.
- 3.3.2. Unfortunately, due to delays associated with taking receipt of the formal funding documentation from DCMS, the launch of this programme has been delayed from late February to late March 2024. However, the programme has essentially “soft launched” in that 22 EOIs have been received from firms looking to access the programme. The first cohort of firms is still due to commence in late April.
- 3.3.3. The funding agreement from DCMS is still awaited and we have been informed that this can be expected “imminently”. DCMS are aware of the impacts that this delay will generate. LEP officers are working with delivery partners and accountable body colleagues to ensure that all other elements are in place, ready for a quick turnaround of the funding documentation once it arrives.
- 3.3.4. However, a number of key deliverables have already been achieved. The job advert for a Create Growth Programme Manager is currently live and will close on Sunday 10th March. The Growth Hub Manager has already fielded a number of phone calls from prospective applicants to the post. Moreover, a contract for the design of a logo, brand and marketing assets for the programme was awarded w/c 26th February. A meeting with the Innovate UK team responsible for the grant funding and Investor Capacity Building strands of the programme took place on Thursday 15th February.

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. The Growth Hub also provides ad-hoc reports to government when requested to do so.
- 3.4.2. In relation to the Growth Hub’s business intelligence report for January 2024, key intelligence findings were as follows:
 - As with previous months, we reported various challenges faced by SMEs in relation to staff recruitment and retention. Numerous examples of this were provided via the Growth Hub advisor team, with specific notable example reported in the engineering sector.

- Again, whilst this is a recurring business intelligence item, we again reported the difficulties SMEs are facing with operating costs and cashflow pressures. January's report highlighted these issues with the retail and hospitality sectors, as well the implications of the Red Sea disturbances on supply chain costs and timescales.
- January's report also contained some specific intelligence around the region's agricultural sector and the severe impacts of the winter flooding seen in Holderness and within the River Hull catchment. This intelligence was gathered via the LEP's Rural Champion Madge Moore, who connected the Growth Hub with the National Farmers' Union to obtain data on possible crop destruction and the financial impact of this. This data gave a tentative projection of £3.1 million of winter feed wheat having been destroyed by floodwaters, in addition to the £2.6 million cost of production.

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. There are no other financial or resource implications arising from this report.