

**3<sup>rd</sup> November 2015****Agenda Item: 6****REPORT OF THE CORPORATE DIRECTOR, PLACE****THE D2N2 GROWTH HUB****Purpose of the Report**

1. To seek approval for a £150,000 total funding contribution over 3 years towards the D2N2 Growth Hub. The funding contribution from the Council, alongside similar contributions from Derbyshire and Nottinghamshire partners, is proposed be used to support a full application for funding from the D2N2 European Structural and Investment Fund (ESIF). In line with the ESIF application process and timeline, a decision is required on confirming the resources from the County Council.

**Background and Advice**

2. At its meeting in January 2015, this Committee considered the Council's response to the overall Strategy for the development of the Growth Hub and at its following meeting in February 2015, Members received a presentation from the D2N2 Local Enterprise Partnership (LEP), responsible for the Hub's roll-out across the area. The Growth Hub is also the subject of reports to the D2N2 LEP Board and the County Council is represented on a Steering Project Group comprising all the partners alongside the LEP.
3. Members will recall that the overall ambition of the Growth Hub is to offer a single route for quality advice and support for businesses across the LEP area. It has had to start small, with limited (1 year's) resources up to March 2016 having been secured by LEPs nationally from Government (via Growth Deal 1) to initiate the Hub's establishment. To date it has developed with the support of partners, putting in place the core "front line" service, being:
  - Information to help businesses access the right support through a comprehensive website and help line;
  - The promotion of the benefits of using business services through outreach and engagement activities;
  - Referrals to public & private services to find ways of addressing the required support by theme and / or geography.
4. The D2N2 Growth Hub website ([www.d2n2growthhub.co.uk/](http://www.d2n2growthhub.co.uk/)) contains information and signposting to all available business support plus guidance on key business basics. The Help Line offers initial advice & signposting in response to any enquiry. All activity is tracked and reviewed using a CRM

system provided through the Growth Hub, and on-going analysis of this data will facilitate continuous improvement.

5. The remaining limited resources from Government have been used to commission some additional support over the course of 2015/16, filling some gaps in support. The LEP is reviewing the support on offer and identifying where specialist support as demanded by businesses is missing or where there are business support “cold spots” across the wider geographical area.
6. Priority target beneficiaries are high growth / potential high growth businesses in the eight D2N2 key growth sectors which is where proactive support will focus, however an effective reactive service will be available to all existing businesses and individuals looking to start a business. Through both proactive & reactive engagement the Growth Hub will pursue its prime purposes of:
  - Increasing the uptake of business services, given the strong evidence that firstly, those businesses taking advantage of and implementing business support have better prospects for survival and growth than those that don't and secondly, that take-up of business support is generally relatively low;
  - Using intelligence gained from increased interaction with businesses to identify future needs and further provision.

### **County Council Support**

7. Through previous reports to this Committee, the Council has confirmed its support for the Growth Hub model and the principle of supporting Nottinghamshire businesses access good quality comprehensive advice dependent on their specific needs. Equally, the Council has recognised that local services vary in intensity across the area and as it stands, with the limited resources for the core hub services, the Hub is limited in its reach.
8. To that end, it is proposed that support of £150,000 over three years be allocated from the Council's Economic Development budget, commencing in the 2016/17 financial year to support a combination of core and enhanced local services in the County. This will be provided in tandem with support from other partners and will allow the services to be expanded for the benefit of business growth in Nottinghamshire.
9. The precise mix of support is to be agreed, but it will have a focus on enhancing the Hub's offer to Nottinghamshire businesses and where appropriate, enhancing the local services across the County. At the time of writing, these resources could be commissioned via established agencies or potentially could see the employment of a member or members of staff (employed through the D2N2 Growth Hub or directly via the Council) – or a combination of the two. The detail remains under discussion but will be managed through an appropriate Agreement and subject to annual review. An annual review being required given at this time, it is uncertain whether additional resources will be secured directly via the LEP or potentially via the Devolution Deal if agreed for the future support of the Growth Hub. The following section commencing at paragraph 11 also relates.

10. In addition, it is proposed that future facilitation of the Nottinghamshire Business Engagement Group (NBEG) could be facilitated via these resources and this will be factored in to the discussions.

### **ESIF Support for the Growth Hub**

11. Members will be aware of the availability of European Structural & Investment Funds (ESIF) over 2014-20. Other reports on this Committee meeting's agenda relate but specifically here, in March 2015 the D2N2 LEP launched the first call for projects through the ESIF Programme. The call requested Expressions for Interest for submission to the Department for Communities and Local Government (CLG) by the end of May. Following the submission of an initial Expression of Interest, the D2N2 Growth Hub project has been invited to submit a full application for consideration by CLG by 5<sup>th</sup> November 2015.
12. As part of this process, applicants must confirm that the total funding package is in place including match funding contributions from delivery partners and it is proposed that the Council's funding or elements of it, if approved, be utilised to in effect double the resource available in the County. The applicant and lead partner is Nottingham City Council, working alongside delivery partners East Midlands Chamber, D2N2 LEP, Chesterfield District Council, Derbyshire Dales District Council, High Peak Borough Council, Ashfield District Council, Mansfield District Council and Derbyshire County Council in addition to Nottinghamshire County Council.
13. If approved, the project will operate over three (calendar) years (2016-18) with a total cost of £4,309,942 (£2,154,971 ERDF). At the time of drafting, the overall project proposes to deliver around 1,200 businesses assisted outputs and 300 new jobs over three years.
14. The ability to double the resources available by supporting this ESIF bid appears attractive, particularly as it allows the Council to potentially appoint two members of staff – a specialist business advisor and a business support co-ordinator – and retain the ability to commission specialist support as may be required. Subject to progression on the ESIF submission, a further report will be brought to this Committee on the establishment of the posts and the final costs. However, given the anticipated phasing and delivery, the annual budgetary breakdown of the £150,000 contribution will likely be as follows:  
  
2016/17 - £36,000; 2017/18 - £56,000; 2018/19 - £58,000
15. Meeting the terms and conditions of any ESIF award will prove challenging as will the integration via the Growth Hub of the many other likely ESIF supported business support programmes and it is therefore proposed that while confirmation of the Council's resource being used as match-funding be offered, the final signing-off of the ESIF submission be undertaken by the Corporate Director for Place in consultation with the Chair of this Committee. At the time of writing, this discussion is on-going and the latest position will be reported to the Committee. Should the bid be unsuccessful, then alternative proposals will be reviewed with the Growth Hub and partners, to be brought back to this Committee for consideration.

## **Reason(s) for Recommendations**

16. This report is offered to request approval of support towards the D2N2 Growth Hub and to ensure its delivery meets the needs and ambitions of businesses across Nottinghamshire.

## **Statutory and Policy Implications**

17. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the public sector equality duty, safeguarding of children and vulnerable adults, service users, sustainability and the environment and ways of working and where such implications are material they are described within the body of the report.

## **RECOMMENDATIONS**

18. It is recommended that Committee :
- (a) Approves a budget allocation of £150,000 over a period of three years towards the D2N2 Growth Hub, commencing in the 2016/17 financial year, subject to the terms referenced in the report and
  - (b) Confirms that its financial commitment be used as match towards the proposed ESIF submission, subject to the conclusion of the details as referenced in the report, with the final signing-off of the ESIF submission and the budgetary phasing being undertaken by the Corporate Director for Place in consultation with the Chair of this Committee.

**Tim Gregory**  
**Corporate Director, Place**

**For any enquiries about this report please contact:**  
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### **Constitutional Comments (SLB 22/10/2015)**

Economic Development Committee is the appropriate body to consider the content of this report.

### **Financial Comments (SES 22/10/15)**

The financial implications are set out in the report.

### **Background Papers**

D2N2 Growth Hub ESIF Expression of Interest

### **Electoral Division(s) and Member(s) Affected**

All