

Report to the City of Nottingham and Nottinghamshire Economic Prosperity Committee

Date 24th February 2017

Agenda Item: 5

REPORT OF THE CHIEF EXECUTIVE, NOTTINGHAM CITY COUNCIL

THE D2N2 GROWTH HUB

Purpose of the Report

1. The purpose of this Report is to update the Economic Prosperity Committee on the progress of the D2N2 Growth Hub. This report will be accompanied by a presentation by Simon Hall, the D2N2 Growth Hub Manager.

Background

2. The D2N2 Growth Hub was set up in December 2015 as part of a national network of Growth Hubs based on the Local Enterprise Partnership network. Its primary role is to ensure that there is maximum take-up of business support by the business community. Research shows that those businesses that are prepared to accept external advice and support are twice as likely to grow as those who do not. The Growth Hub therefore aims to increase the number of businesses receiving support and advice, and hence contribute to an increase in business growth. In the period up to April 2016 the Growth Hub simply consisted of a core team of two business advisors based at D2N2 who operated a Helpline service for businesses.
3. Since April 2016 the Growth Hub has expanded significantly as a result of a successful bid for European funding from a number of partners which secured £1.377M of European Regional Development Funding (ERDF) for the period up to 31st March 2019 with match provided as follows:
 - Nottingham City Council: £560K (also acting as Accountable Body)
 - East Midlands Chamber: £467K
 - Nottinghamshire County Council: £150K
 - Chesterfield Borough Council: £72K
 - Derbyshire Dales District Council: £69K
 - Derbyshire County Council: £36K
 - D2N2 LEP: £23K
 - Total Match Funding: £1.377M
 - **Total Overall Growth Hub Funding (ERDF Plus Match): £2.75M**
4. Although the ERDF Partnership began operating an expanded Growth Hub on 1st April 2016 on an assurance from the Department for Communities and Local

Government (DCLG) that ERDF funding would be provided, a number of factors, not least the United Kingdom's vote to withdraw from the European Union, delayed the issue of a formal funding agreement to September 2016. Some aspects of the expanded Growth Hub were not therefore implemented until the funding agreement was in place as the partners concerned were understandably not prepared to risk significant expenditure without a formal contract. There have therefore been some delays in mobilisation.

5. With funding now in place until the end of March 2019, the expanded ERDF Funded Growth Hub Service model is as follows:

- Nottingham City Council acts as ERDF Accountable Body and provides the Growth Hub Manager;
- The Core Service (jointly provided by East Midlands Chamber and Nottingham City Council) operates across the whole of D2N2. It provides three business facing Advisors plus a dedicated helpline facility and comprehensive website. Marketing and communication activity also forms part of the Core Service to increase awareness of the Growth Hub and the business support available;
- In addition to the Core Service those partners who provided match funding receive additional support. These "Enhanced Local Services" are provided as follows:
 - Derbyshire County Council - One part time Advisor working across Derbyshire (in place)
 - Nottinghamshire County Council - Two full time Advisors working across Nottinghamshire (in place shortly)
 - Nottingham City Council - Three full time Advisors covering Key Sectors in Nottingham City (in place)
 - Derbyshire Dales - One local full time Advisor (in place)
 - Chesterfield Borough - One local full time Advisor (in place)
 - East Midlands Chamber - One full time Advisor covering the south of the D2N2 Area (both Derbyshire and Nottinghamshire) (in place).

6. While Derbyshire and the Nottingham City areas currently have greater Enhanced Local Service capacity; the mobilisation of the Nottinghamshire County Council Enhanced Local Service will redress this.

7. The Growth Hub's activities are monitored and steered by a Project Board chaired by a D2N2 Board member. Both Nottingham City Council and Nottinghamshire County Council are members of the Project Board. Nottinghamshire Districts/Boroughs interests are represented by Mansfield District Council.

D2N2 Business Support Landscape

8. The significant level of ERDF funding made available through several recent D2N2 ERDF Bidding Rounds has led to the creation and deployment of a comprehensive and diverse range of local business support programmes. Including national programme there are currently some 50 different support schemes available for local businesses covering areas such as:

- Start Up Support
- Recruitment and Training Support
- Sector Specific Support
- Innovation Support
- Ecommerce
- Exporting
- Energy Efficiency
- University Connectivity
- Small Grant / Loan Schemes
- Funding For Growth

9. While this wide variety of support is obviously beneficial to the local business community, its complexity also offers a challenge to businesses in finding the right support for their individual situation. The Growth Hub therefore plays a critical role in firstly ensuring that businesses are aware of what is available and secondly in helping the business to identify the most appropriate support.

Impact to Date

10. Since its inception, the Growth Hub has interacted with 3,519 individual businesses of which 1,575 were within the N2 area (Nottinghamshire 688 / Nottingham City 887). The high number of businesses for Nottingham City is due to Nottingham City's significant investment in Enhanced Local Service. The table below gives the breakdown and an update will be provided in the presentation:

Local Authority Area	No of Businesses (ONS 2016)	Growth Hub Interventions Dec 15 – Jan 17	%
Ashfield	2,800	83	2.96
Bassetlaw	3,875	85	2.19
Broxtowe	3,180	97	3.05
Gedling	3,385	82	2.42
Mansfield	2,645	103	3.89
Newark & Sherwood	4,675	115	2.45
Rushcliffe	5,155	123	2.38
Total Notts County Area	25,715	688	2.67
Nottingham City	8,480	887	10.45
Total N2	34,195	1,575	4.60%

11. The impact in the Nottingham City area is very positive and while the Enhanced Local Service in Nottinghamshire is yet to commence the Growth Hub and the County Council have together been actively endeavouring to raise the profile of the Hub and its activities across the County. Some 17 events have been held in the County area alone since November last year and the presentation will offer further details. Additionally the Growth Hub's Partnership Manager has met with all District / Borough Economic Development officers in the last three months looking to engage and align the respective offers. This collaborative approach across all the local authorities within the N2 area is welcome and will continue to be developed further.

12. Going forward the D2N2 Growth Hub will be developing the following activities:

- The imminent mobilisation of the Nottinghamshire County Council Enhanced Local Service which will significantly increase penetration rates in Nottinghamshire;

- Continued and increased liaison with Local Authorities to ensure that Growth Hub activity and Local Authority activity is aligned and delivering the best possible service for businesses;
- The introduction of additional support aimed specifically at Scale Up/High Growth businesses – shortly to be launched as an ERDF bidding opportunity.

Reason(s) for Recommendations

13. The report is for information only but seeks the Committee's endorsement of the work of the Growth Hub and that it be the subject of future reports to this Committee.

RECOMMENDATION/S

14. It is recommended that the Economic Prosperity Committee:

- (a) endorses the work of the Growth Hub and the continued collaboration with the local authorities and
- (b) requests that a further D2N2 Growth Hub update is given in 6 months' time.

Chris Henning, Strategic Director Economy, Nottingham City Council

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Background Papers

D2N2 Local Enterprise Partnership Strategic Economic Plan, available online at:

http://www.d2n2lep.org/write/Documents/D2N2_SEP_March_31st.pdf