

7th March 2017

Agenda Item: 5

REPORT OF THE CORPORATE DIRECTOR, PLACE

THE D2N2 GROWTH HUB

Purpose of the Report

1. To update members on the work of and the Council's participation within the D2N2 Local Enterprise Partnership's Growth Hub. This report will be supported by a presentation on the Growth Hub's performance to date.

Background

2. At the meeting of this Committee in November 2015, members approved a budget allocation over a period of three years towards the D2N2 Growth Hub, commencing in the 2016/17 financial year. Further, it was agreed that this resource be used as a match towards a partner-based European Funding submission to the European Structural and Investment Funds (ESIF) programme, doubling the resources available to the Council to support Nottinghamshire businesses in collaboration with the D2N2 Local Enterprise Partnership (LEP) Growth Hub. A further report to this Committee in February 2016 saw the establishment of two posts, subject to the ESIF approval.
3. Delays in implementing the overall LEP-wide approach were as a result of the EU Referendum and the subsequent delays in signing the agreement with the Department for Communities and Local Government. In addition, a partners' Collaboration Agreement was also required which was eventually signed-off in late autumn last year. The Growth Hub has continued to offer support over this period but following the approval of the ESIF submission, the Hub's services have been enhanced, complemented by the approval of a wider range of business support projects also receiving ESIF support.
4. On 24th February 2017, the Nottinghamshire and Nottinghamshire Economic Prosperity Committee received an update on the D2N2 Growth Hub.

Support Available

5. In summary, the D2N2 Growth Hub offers the following services:
 - A core "front line" service, offering businesses across the LEP area access to support through a website and telephone help line;
 - The D2N2 Growth Hub website (www.d2n2growthhub.co.uk/) contains information and signposting to all available business support plus guidance on key business needs. The Help Line offers advice & triage;

- The Hub offers advice directly and / or makes referrals to other public & private services by specialism, theme and / or geography;
 - All activity is tracked and reviewed using a CRM system and on-going analysis of this data will facilitate continuous improvement and the further development of the business support offer
6. The ESIF award allows the partners to develop a longer term offer and the funding is now in place until the end of March 2019. The expanded Growth Hub service model may be summarised 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 the helpline and 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”, in the form of a wider range of business support projects receiving ESIF support, also include additional staffing resources, as follows:
 - Derbyshire County Council - one part time Advisor working across Derbyshire
 - Nottingham City Council - three full time Advisors covering Key Sectors in Nottingham City
 - Derbyshire Dales - one local full time Advisor
 - Chesterfield Borough - one local full time Advisor
 - East Midlands Chamber - one full time Advisor covering the south of the D2N2 Area (both Derbyshire and Nottinghamshire)
7. The Derbyshire and the Nottingham City areas currently have the greater Enhanced Local Service capacity; the mobilisation of the Nottinghamshire County Council Enhanced Local Service will redress this. The Committee will recall that the County Council offer is as follows:
- **Business Support Co-ordinator** - to work in part with the Growth Hub Core offer, to respond to inquiries from Nottinghamshire businesses and to support the work of business support programmes in their delivery. The post will also generate enquiries directly, as well as working closely with the Nottinghamshire Business Engagement Group (NBEG) and the local business groups directly to promote the Hub and the various services, as well as supporting the development of new and influence existing provision. The post will also make referrals to the Business Advisor.
 - **Business Advisor** - a qualified position, the post will work directly with businesses across Nottinghamshire, ordinarily via referrals from the Growth Hub / the Coordinator and offering direct advice and brokering support from providers allied with the Growth Hub and supporting businesses' plans for expansion, especially those seeking finance and those with scale-up potential.

8. A small commissioning budget will also be established which will be available to draw in additional specialist expertise as may be required.
9. The Growth Hub reports to the D2N2 LEP Board; its activities are monitored and steered by a Project Board, chaired by a D2N2 Board member. Nottinghamshire County Council is represented on the Project Board and is a member of the executive team responsible for day-to-day management of the Hub and the performance of ESIF sponsored project. Nottinghamshire Districts/Boroughs interests are represented on the Project Board.

D2N2 Business Support Landscape

10. The significant level of European funding made available through several recent D2N2 bidding rounds, has led to the creation and deployment of a comprehensive and diverse range of local business support programmes. In addition to the national programme there are currently 50 different support schemes available for local businesses covering areas such as:
 - Start Up Support
 - Recruitment and Training Support
 - Sector Specific Support
 - Innovation Support
 - E-commerce
 - Exporting
 - Energy Efficiency
 - University Connectivity
 - Small Grant / Loan Schemes
 - Funding For Growth
11. While this wide variety of support is beneficial to the local business community, its complexity offers a challenge to businesses in identifying the right support for their individual situation. The Growth Hub therefore plays a critical role in not only ensuring that businesses are aware of what is available but crucially in helping identify the most appropriate support.

Impact to Date

12. Since its inception, the Growth Hub has interacted with 3,519 individual business of which 688 were within the County Council area (January 2017 figures). 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 and additional context 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 Nottinghamshire County Area	25,715	688	2.67

13. Nottinghamshire has secured just under 20% of the total business interactions – and this is an improving figure. However, the above proportional interactions arguably offer a more meaningful reflection of the Hub’s impact and this is the focus of the Hub’s attention going forwards. The above referenced recruitment and their activity as referenced in paragraph 6, will impact meaningfully on these figures. Initial surveys of businesses using the Hub and the related services suggest high levels of satisfaction and of implementing its advice. Further details will be offered in the presentation.
14. While the Enhanced Local Service in Nottinghamshire is yet to commence, the Growth Hub has developed its activity, being responsible for the above figures and in readiness, has been actively endeavouring to raise the profile of the Hub and its activities across the County. Some 21 events have been held in the County area alone since November last year.
15. As the Growth Hub is now entering a period of stability, the Hub and its partners will be looking not only to establish a review of its reach and impact, but to develop its products in discussion with businesses and support agencies, as well as reviewing business support gaps, overlap and duplication. Specifically, the D2N2 Growth Hub is 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
 - Increased marketing and web sophistication
 - The introduction of additional support aimed specifically at Scale Up/High Growth businesses – shortly to be launched as an ERDF bidding opportunity

Other Options Considered

16. The Council has now signed the agreement with partners and is committed to deliver its contribution towards the overall ESIF award and the overall outcomes. Recruitment is currently underway and a verbal report will be offered to the Committee. Should this prove unsuccessful, further options will be explored.

Financial Implications

17. 50% of the costs would be met from the EU funding grant with the costs impacting over the 207/18 and 2018/19 Economic Development Budget, as reported previously to this Committee.

Statutory and Policy Implications

18. 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

19. It is recommended that the Economic Development Committee notes this report and receives a further D2N2 Growth Hub update in 6 months' time.

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For any enquiries about this report please contact:
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Constitutional Comments [LM 20170217]

The recommendations in the report fall within the Terms of Reference of the Economic Development Committee and may approve the recommendations.

Financial Comments [SES 21/02/17]

The financial implications are set out in the report.

Background Papers and Published Documents

- *The D2N2 Growth Hub* - Report to Economic Development Committee, published 3rd November 2015
- *The D2N2 Growth Hub* - Report to Economic Development Committee, published 23rd February 2016
- [The D2N2 Growth Hub](#) – Report to the City of Nottinghamshire and Nottinghamshire Economic Prosperity Committee, published 24th February 2017

Electoral Division(s) and Member(s) Affected

All