

22nd June 2016

Agenda Item: 7

REPORT OF THE BUSINESS GROWTH MANAGER, GROWTH HUB, NOTTINGHAM CITY COUNCIL

D2N2 GROWTH HUB UPDATE

Purpose of the Report

1. The purpose of this report is to update EPC Members on the progress and current status of the D2N2 Growth Hub.

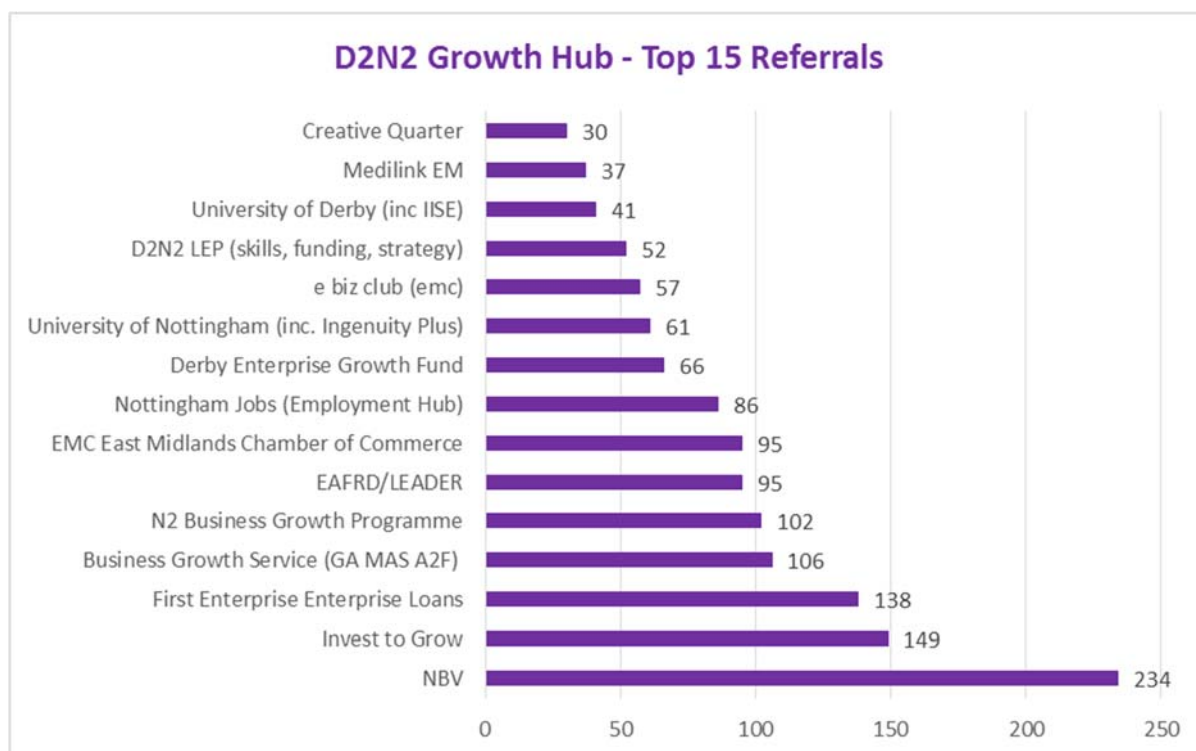
Background

2. The D2N2 Growth Hub was set up in December 2015 as part of a national network of Growth Hubs based on the LEP network. Its role is to ensure that there is maximum awareness and take-up of business support in the business community. Numerous pieces of research have shown 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 June 2016 the Growth Hub has consisted of a core team of two business advisors based at D2N2 who have operated a Helpline service for businesses. This has been supplemented by staff in Economic Development Teams in Local Authorities who have followed up calls to Helpline Service with face to face contact with businesses.
3. Since its inception in December 2015 up to 31st May 2016 the D2N2 Growth Hub has dealt with 2,378 business enquiries. The Derbyshire/Nottinghamshire split is:
 - Derbyshire County Council Area: 895
 - Derbyshire City Council Area: 212
 - Nottinghamshire County Council Area: 436
 - Nottingham City Council Area: 650
 - Enquiries from outside D2N2 (passed to other Growth Hubs): 185
 - Total: 2,378

4. A more detailed breakdown of the N2 business enquires is as follows:

Local Authority	Total Businesses in LA Area	Businesses Assisted Dec 14 – May 16	%age of business population
Ashfield	2,700	57	2.1%
Bassetlaw	3,775	61	1.65%
Broxtowe	3,065	56	1.82%
Gedling	3,255	49	1.50%
Mansfield	2,545	64	2.51%
Newark & Sherwood	4,585	74	1.61%
Nottingham City	8,075	651	8.06%
Rushcliffe	4,860	74	1.58%
Total	32,860	1,086	3.3%

5. These figures clearly demonstrate that while Growth Hub penetration has been excellent in Nottingham City, the performance has scope for improvement elsewhere. It is intended that this will be addressed in the coming months, however it is at least partially due to the higher level of resourcing in the business support function within Nottingham City Council which means that there is greater capacity to engage with businesses.
6. The Growth Hub is primarily a referral service which uses its knowledge of the available business support to refer businesses into the most appropriate form of support for their needs. Currently the top 15 referral sources are:



7. It is notable that the most heavily used referral source is NBV who provide business start-up services, and that three of the top five referral sources are access to finance programmes (Invest to Grow, First Enterprise Loans, N2 Business Growth).

8. Visibility and usage of the Growth Hub has been on a consistent upward trajectory since its inception (evidenced by website hits, twitter followers, business contacts) indicating both growing awareness of its existence and growing confidence in its services. A recent independent Customer Satisfaction Survey (based on a sample of 200 of the Growth Hub's clients) produced the following headline results:
- **79%** of clients rated the service excellent or good
 - **88%** of clients would recommend the service to another business
 - **59%** of clients have taken positive action as a result of interaction with the Growth Hub
9. The future direction of the D2N2 Growth Hub has now been determined through the recent news that a bid for European Structural and Investment Funds (ESIF) which was co-ordinated by Nottingham City Council has been successful. Using match funding contributions totalling £1.36M from the D2N2 LEP, East Midlands Chamber and a number of Local Authorities including both Nottingham City Council and Nottinghamshire County Council, a further £1.36M of ESIF funding has been secured giving the Growth Hub overall funding of £2.72M. This will:
- Secure the future of the Growth Hub until 31st March 2019
 - Allow the current core capacity to be increased to three advisors plus a dedicated business finance advisor – this will allow a more proactive approach and in particular a shift in emphasis to focus on supporting growth businesses with less emphasis on support for start-ups
 - Fund the appointment of a full time Growth Hub Manager (to be provided by Nottingham City Council)
 - Fund enhanced local services in both Nottingham City Council and Nottinghamshire County Council to increase the capacity for face to face contact with businesses
10. Overall the D2N2 Growth Hub has so far performed satisfactorily in its role and the ESIF funding guarantees its future operation (with some useful enhancements) for the next three years. A priority in the coming months will be to increase penetration in the Nottinghamshire County Council area which currently lags behind the Nottingham City Council Area in terms of the percentage of the business population engaged.

Statutory and Policy implications

11. 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 in the body of the report.

RECOMMENDATIONS

It is recommended that the N2 EPC notes the D2N2 Growth Hub Update and that a further update is provided in December 2016.

Simon Hall

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For any enquiries about this report please contact:

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Background Papers

Nottinghamshire Growth Plan

Nottingham Growth Plan

D2N2 Local Enterprise Partnership Strategic Economic Plan

D2N2 Devolution Prospectus

Electoral Division(s) and Member(s) Affected

All