

**West of England Local Enterprise Partnership
Board meeting – Tuesday 13th September**

West of England Growth Hub

Purpose of the report

1. To provide an overview of the region's business support service, the West of England Growth Hub, including delivery arrangements, performance to date, and future direction and opportunities.

Recommendation

For Board members to note background ahead of a presentation at the meeting.

Overview

Background

2. Growth Hubs stem from national government policy aimed at delivering a more consistent and quality-driven service for businesses to raise productivity and deliver economic growth across the English regions. In simple terms, they:
 - Offer a triage, diagnostic and signposting service so businesses can access the right support at the right time.
 - Provide co-ordination and simplification of the business support 'ecosystem' in partnership with a range of local and national stakeholders, across the public, private and third sectors.
 - Shape provision according to local business needs and maintain wider communication channels with businesses.
 - Support delivery of national and regional strategies, policies and programmes; and
 - Gather 'on the ground' business and economic intelligence to support local and national service provision, and ongoing policy development.
3. The West of England Growth Hub, managed by the Combined Authority's Business and Skills Directorate, is an integral part of the region's support for businesses, drawing together a wide range of interventions into a single coherent offer.
4. In the 2021/22 reporting year, our Growth Hub supported over 2,400 businesses, with a 69% annual increase in intensive growth support **where a business received multiple support measures*. The service received 46,170 unique visitors to its revamped website, helped almost 800 individuals start a business, and directed 2,078 businesses to a relevant skills or training programme. Since 2018/19, it has supported just under 8,500 businesses in total. An interactive performance dashboard can be accessed [here](#).

Delivery arrangements

5. The Combined Authority has built additional resource to complement the Growth Hub offer, including through regional recovery funding which now stands at £20m total investment. This has included, for example, a Cultural and Creative Recovery Programme (with targeted support for creative freelancers), a Business Growth and Adaptions Grant, and continuation of the Low Carbon Challenge Fund, among other new strategic programmes and services.
6. In addition, the West of England Productivity Challenge – a £5m investment blending core Growth Hub funding with Combined Authority Investment funding – established to tackle low productivity (our “long tail”) by promoting the uptake of new technologies, innovation, improved management practices, cleaner business models, and export opportunities, has continued to deliver.
7. The £8m Workforce for the Future programme, has enhanced the Growth Hub’s skills and training offer to small businesses, including through ‘Share to Support’ – a regional service designed to encourage levy paying businesses to support the creation of new apprenticeship opportunities across their supply chains – this has already retained £1m funds in the region and generated 100 apprenticeships.
8. Alongside this core regional offer, the University Business Support programme – a ‘hub and spoke’ model of business support delivery between the Combined Authority and West of England Unitary Authorities – has helped extend the reach of core services into all parts of the region and facilitated a more inclusive approach.

All of these interventions are summarised in a refreshed [Business Support Guide](#).

9. The Growth Hub has continued to develop key partnerships with local, regional and national stakeholders. The regional Business Insights Panel has been particularly valuable and was established to provide intelligence on ‘real time’ issues and opportunities impacting on the local economy. The Panel shares good practice and information on business support projects, services and initiatives being introduced and delivered in the West of England. Membership includes Business West, FSB, Visit West, Institute of Directors, ICAEW, British Business Bank and the main regional commercial banking leads.

Impact

10. An *evaluation* has shown that:
 - Business feedback about the Growth Hub services is generally very positive. Most businesses rate the support provided very highly, and many responses to surveys mention the quality of interactions with Growth Hub staff and the importance of a personalised approach.

- The business support ecosystem in the West of England remains very complex, however, with numerous publicly funded providers and multiple levels of 'regional' organisation. Some businesses found it difficult to correctly identify the funder or provider of their support, leading to confusion. The Growth Hub's prominence in the ecosystem has reduced this issue to some extent.
- The Growth Hub provides support to thousands of businesses, and no business network or business support provider reported receiving any significant negative feedback. Despite the breadth of support offered, the perception of the Growth Hub is positive across the board.
- The Growth Hub has pivoted more to high intensity support in the last year reflecting the impact of macroeconomic factors like the Covid-19 recovery and inflation. Growth Hub statistics show increases in medium and high intensity support and similar increases in referrals to skills, training, finance and funding courses.
- 50% of businesses that responded to the evaluation survey had experienced improvements in productivity or staffing as a result of the support. Some respondents describe the support having dramatic positive effects on their business.

Looking forward

11. Despite this broadly positive picture, the Growth Hub faces ongoing challenges in maintaining and building on the high-quality service which has been developed. BEIS has confirmed core funding for the 2022/23 delivery year at 50% of the value of the last two years, which means certain aspects of our offer will need to be reduced. The Combined Authority with the West of England Unitary Authorities is currently looking at alternative funding sources to bridge this gap, including the UK Shared Prosperity Fund.
12. The reduction in funding and the absence of a longer-term funding settlement, will inhibit the ability of our services to focus more concertedly on the strategic issues that matter the most to our people and businesses. Soaring inflation, driven by increasing energy costs, is already placing huge pressures on the region's businesses at a time where the impact of the pandemic has left many vulnerable.
13. The Growth Hub will play a key role in delivering on the West of England Metro Mayor's priorities. This includes, for example, the [Good Employment Charter](#) - a new voluntary and free accreditation scheme, to ensure employers provide a more rewarding, inclusive, and sustainable work environment for all their employees. The Charter has already seen over 80 businesses sign up as active supporters.
14. The new [West of England Jobs Connect](#) service has been established to help businesses develop an end-to-end recruitment approach to make it much easier to access the people they need to fill job vacancies and manage redundancy situations. In addition, the new Climate and Ecological Strategy and Action Plan 2022, will support businesses and local people to benefit from the growth in the green economy;

maximising government investment in the region and supporting our businesses to grow, by tapping into new opportunities like renewable energy.

15. There are opportunities to further extend the reach of support across the region by strengthening links and capacity across the Combined Authority and Unitary Authority economic development functions, building on the success of the Universal Business Support programme. This will allow a more bespoke level of support to be built up and targeted locally where evidence shows a clear need for this.
16. A range of *Case Studies* of how Growth Hub support has helped people and businesses to make real changes and increase their resilience and growth prospects can be found [here](#).

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