

Local Members' Interest
N/A

Prosperous Staffordshire Select Committee - 19th January 2017

Stoke-on-Trent and Staffordshire Growth Hub

Recommendation

1. The Select Committee is recommended to consider and discuss the Growth Hub programme.

Report of Cllr Mark Winnington, Cabinet Member for Economic Growth

Summary

What is the Select Committee being asked to do and why?

2. The Select Committee is asked to recognise the success of the Growth Hub programme in supporting Staffordshire businesses to start up, thrive and grow.
3. That the success of the Growth Hub programme in unlocking investment and job creation among local businesses and improving cross-referral between business support initiatives, innovation and international trade support be noted.
4. Growth Hub supported 3,852 businesses since it was launched in May 2014, 10% of which relates to key growth sectors in manufacturing and 15% in Professional, Scientific and Technical services. Of the calls to the helpline, 26% calls relate to access to finance, and are referred to other business support schemes such as the Staffordshire County Council loan fund which administered 68 loans supporting the creation of 165 jobs and safeguarding 133 jobs.
5. The Committee members are also asked to help to promote the Growth Hub services to local businesses of all sectors and sizes by raising awareness of the Staffordshire Business Helpline and the Growth Hub Advisors.
6. It is also requested that the Select Committee recognise the role that the key partners, Stoke on Trent City Council and the Staffordshire Chambers of Commerce make in the Growth Hub.

Report

Background

7. The creation of Growth Hubs was a Government initiative introduced across the Country in 2013. They are a local public/private sector partnerships led by the Local Enterprise Partnerships (LEPs) and they join up national and local business support so it is easy for businesses to find the help they need. As of May 2016 the national network of Growth Hubs was complete for the first time as all 39 LEP areas now have an operational Hub.

The Stoke on Trent & Staffordshire Growth Hub was established in May 2014 through the Wave 2 Growth Hubs Programme managed by Lancaster University.

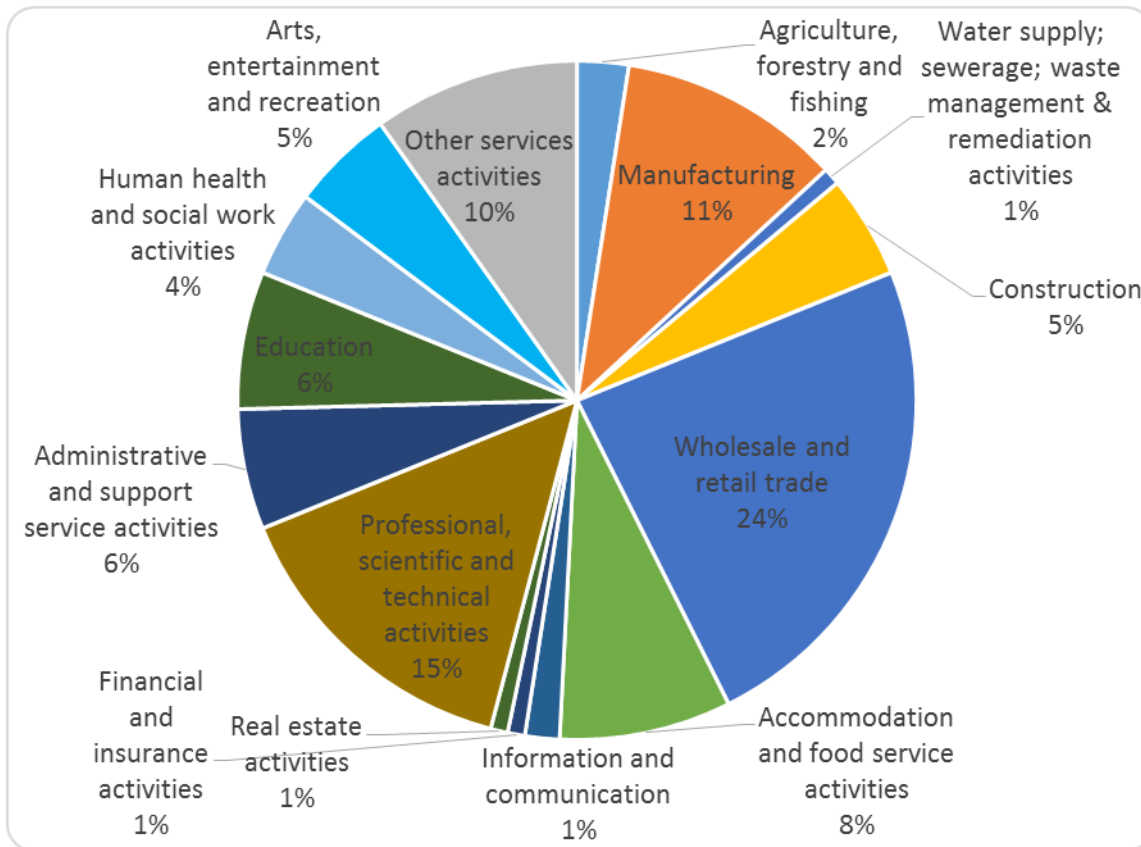
8. The Stoke on Trent & Staffordshire Growth Hub is a virtual model operated by Staffordshire County Council as the Accountable Body for the Stoke on Trent & Staffordshire LEP (SSLEP) with Staffordshire Chambers of Commerce and Stoke on Trent City Council as key partners. Governance is provided via the Growth Hub Steering group which is chaired by the SSLEP, an Operational Group ensures objectives are actioned and a Partnership group works to ensure good working relationships between partners.
9. The Staffordshire Business Helpline (0300 111 8002) was tendered at the beginning of this year and the contract was won by Staffordshire Chambers of Commerce which provided an opportunity for greater integration of this service with the Growth Hub. The Business Helpline is now based in the Stafford office of the Chambers and the Helpline Operator works closely with the Growth Hub Advisors based there.
10. The Growth Hub is all inclusive as it aims to support all Staffordshire businesses regardless of size or sector. It is currently funded by a two year funding agreement (awarded to the SSLEP) from the Department of Business, Energy and Industrial Strategy (BEIS) of £0.405m which lasts until 31st March 2018 and European Regional Development Funding (ERDF) from the Department of Communities and Local Government (DCLG) of £1.636m until 31st March 2019. This funding helps to provide the Growth Hub with 13 qualified Advisors, the Business Helpline and a small grants fund of £811,000. This funding stream also part funds the salaries of three County Council employees who manage the Growth Hub and a small grants fund. No funding is allocated to fund the Growth Hub by Staffordshire County Council. It is anticipated that we may be able to extend the European funding up to 2020 but it is currently unconfirmed whether the Government will continue to support the Growth Hub programme beyond 2018. Long term sustainability options are being considered and will be the subject of future partnership discussions.
11. The Growth Hub does not directly provide business support; therefore it is not in competition with any other private or public sector organisations in the area. The Growth Hub purpose is to simplify the business support landscape in Staffordshire and provide a 'first stop shop' for businesses to call on when they need assistance. The Growth Hub has established excellent partnership arrangements with business support providers which are maintained via the Enterprise Round Table. This group meets bi-monthly across Staffordshire and is attended by private and public sector, local and national business support organisations all working with the same aim of helping businesses to start-up, thrive and grow in Staffordshire.
12. The Growth Hub Advisors use a diagnostic tool to analyse business need and use a signposting and referral mechanism to get each business the help it needs. At present the Growth Hub refers to over 60 programmes and schemes provided by both local and national organisations. Some of the most regularly referred to are:
 - a. Get Set for Growth West Midlands c/o YTKO Group Ltd (1:1 Advice)
 - b. Let's Do Mentoring c/o Staffordshire Chambers of Commerce (Mentoring)
 - c. Apprenticeships c/o Ladder for Staffordshire (Sourcing apprentices for companies)
 - d. Make it Stoke on Trent and Staffordshire (Inward Investment / premises)

e. Department for International Trade (Exporting advice)

13. Up to 5th January 2017, the Growth Hub has worked with the 3,852 businesses. Here are some statistics on those businesses:

851	Start-ups/pre starts have contacted us
10%	Of all contacts have been from the manufacturing sector.
444	Business Diagnostics have been carried out by the Growth Hub Advisors
416	Companies were classified as small (10 to 50 employees)
7,854	Contacts have been made by the 3,776 businesses with the Business Helpline.
5,847	Referrals have been made to business support organisations on behalf of the 3,852 businesses.
26%	Of all calls to the Helpline are regarding Finance. Growth Hub refers to other business support schemes, such as the Staffordshire County Council loan fund. The SCC loan fund has administered 68 loans supporting the creation of 165 jobs and safeguarding 133 jobs since April 2014).

14. A new small business grant fund (via the European Regional Development Fund c/o SSLEP) is offering businesses a grant of between £1,500 and £10,000 to spend on capital items which will provide benefit and growth to their organisation. A Panel evaluates each company's application to ensure they meet the criteria and all businesses awarded a grant of over £5,000 are expected to create a new job within their organisation.
15. The Growth Hub arranges and participates in many events across the County to promote the Growth Hub and the advantages of contacting the independent Business Helpline. Business Support Clinics are currently being organised for industrial parks and estates to try and make contact with the hard to reach businesses who do not regularly attend events. Experts in areas such as employment law, social media and finance will be available to talk to people who can drop in at their convenience to talk about their business queries or issues. In addition, the future work programme is to target some of the sectors who have had little contact with the Growth Hub in an attempt to try and secure a wider distribution of service provision take-up across the County.
16. The pie chart below details the percentage of businesses from specified sectors that have contacted the Growth Hub during the autumn of 2016.



17. In summary, since its inception in 2014, the Stoke on Trent & Staffordshire Growth Hub has supported 3,852 businesses to start up, grow and create jobs. It does this through providing Helpline advice and assistance, and by diagnosing areas of strength and weakness, and identifying opportunities for improvement. Support has been provided to businesses across all geographical areas of Stoke on Trent and Staffordshire and all sectors. In 2017 the Growth Hub plans to engage more hard to reach businesses and sectors, and to work with high growth and potential high growth companies to help create more and better jobs in the City and County areas.

Link to Strategic Plan

18. The Growth Hub service will support the people of Staffordshire to start up, grow or turn around failing businesses so that residents can access more good jobs and feel the benefit of economic growth.

Link to Other Overview and Scrutiny Activity

19. None. However, the Growth Hub is part of a package of Business Support services, and complements other services, for example Enterprise Centres and County Farms that may be subject to other overview and scrutiny activity.

Community Impact

	Impact Assessment	
SCC's Priority Outcomes & Impact Areas	Impact: (positive / neutral / negative)	Provide brief detail of impact
Prosperity, knowledge, skills, aspirations	Positive	The Growth Hub partnership works hard to help Staffordshire businesses grow.
Living safely	Neutral	No impact
Supporting vulnerable people	Neutral	No impact
Supporting healthier living	Positive	As Staffordshire businesses thrive, the improvement in the local economy will have a positive impact on the people living here.
Highways and transport networks	Neutral	No impact
Learning, education and culture	Positive	The Growth Hub signposts and referrals businesses to skills and training opportunities every day.
Children and young people	Positive	The Growth Hub will provide opportunities for young people through signposting businesses to apprenticeship and graduate programmes in Staffordshire.
Citizens and decision making, improved community involvement	Neutral	No impact
Physical environment including climate change	Positive	The Growth Hub refers businesses to schemes which help the environment such as the Low Carbon Business Evolution Project and Green bridge
Maximisation of use of community property portfolio	Neutral	No impact
Equalities Impact	Impact: (positive / neutral / negative)	Provide brief detail of impact
Age	Positive	The Growth Hub promotes apprenticeships and training programmes

		to people of all ages.
Disability	Neutral	No impact
Ethnicity	Neutral	No impact
Gender	Neutral	No impact
Religion / Belief	Neutral	No impact
Sexuality	Neutral	No impact
	Impact / Implications	
Resource and value for money (in consultation with finance representatives)	The Growth Hub is receiving £2m external funding from DCLG and BEIS in addition to support from Staffordshire County Council, Staffordshire Chambers of Commerce and Stoke on Trent City Council.	
Risks identified and mitigation offered (see corporate risk register categorisation)	Funding from BEIS is presently only agreed until 31 st March 2018 and from DCLG until 31 st March 2019. Legal Agreements are in place with DCLG for ERDF funding and with the Staffordshire Chambers of Commerce as a partner organisation with a shared responsibility for achieving outputs.	
Legal imperative to change if applicable (in consultation with legal representative)	None	

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Appendices/Background papers

None.