

Development of a Growth Hub bid for the Heart of the South West

Cabinet Member **Cllr Richard Chesterton**
Responsible Officer **Head of Communities and Governance**

Reason for Report: **To inform Cabinet of activities being undertaken to develop a Growth Hub service for the Heart of the South West.**

RECOMMENDATION: **That Cabinet notes the activities of the Economic Development Officer in respect of the Growth Hub bid**

Relationship to Corporate Plan: Thriving economy

Financial Implications: None

Legal Implications: None

Risk Assessment: Potential risk is that the Economic Development Officer devotes significant resource to the project and do not win the bid.

1.0 Introduction

1.1 The Heart of the South West Local Enterprise Partnership (HotSWLEP) are due to commission a Growth Hub service, with the tender going live by the autumn of 2015. The service is likely to have £2.1m allocated to it over a 3 year period. However, there are concerns shared by Economic Development teams across the region, that if a new Growth Hub model is developed without our direct involvement or consultation, it will not meet local business needs, as the existing model demonstrates. We are keen to ensure that any procured service will add value to existing business support services, without replicating or competing with local provision.

1.2 MDDC's Economic Development Officer (EDO) has been working with the Better Business for All (BBfA) group and Economic Development staff from across the region to explore the opportunity to bid for the Growth Hub service as a collaborative project. BBfA involves integration of regulatory services as part of the business support offer, and making those services more business friendly, so that they are seen as an enabler of business growth. For more information on BBfA, visit:

<https://www.gov.uk/government/publications/business-regulation-better-business-for-all>

2.0 What is a Growth Hub?

2.1 A Growth Hub is a regionally based service that provides business diagnostics, and signposting to relevant business support services. There are

25 operational hubs across the UK, and all LEPs have a legal duty to provide a Growth Hub service by March 2016. What a Growth Hub service looks like is highly flexible, but it must achieve 2 main objectives:

- It must have a governance structure which is part of the LEP
- It must be able to signpost to all relevant services, on a local, regional and national level

2.2 Some Growth Hubs have a physical location from which they operate while others are entirely virtual. In Devon and Somerset the existing service, GAIN (Growth, Acceleration and Investment Network), is operated by Plymouth University and has been operational for 18 months. The model they have used is a virtual hub (a website) supported by a team of advisors who provide telephone support to businesses. However, there are a number of issues with the current model:

- It has not been making referrals to local business support organisations
- The service has been mostly used by Plymouth based businesses despite covering Devon and Somerset
- The website requires a lengthy registration process in order for businesses to be able to use it
- Data collected through the site is not shared with local authorities

3.0 Local Buy-in

3.1 The Council's EDO has already held a series of meetings with Economic Development Officers across Devon and Somerset and has addressed Chief Executives and Council Leaders at their relevant meetings. He has received overall support for this approach and for Mid Devon to lead on a bid. He has also been assigned the role within the BBfA group of leading on Growth Hub activities on behalf of the group. EDOs from across the region have been approaching key employment, skills and enterprise organisations to get their buy-in for any bid that will be put forward, including the Federation of Small Businesses (FSB), local colleges, Exeter University, Chambers of Commerce and local business support providers. Locally this includes our FSB, PETROC College and Business Information Point. Several local authorities have now officially offered staff time to support the development of a bid, if Mid Devon continues to lead on it.

4.0 National Support

4.1 The Government Department for Business Innovation and Skills (BIS) has shown great interest in the work that we are doing around Growth Hub. The Assistant Director for Growth Hub Policy & Implementation made a personal visit to a combined meeting of EDOs and BBfA representatives on the 5th of June. We have been described by BIS as trailblazers, and they are keen to follow us through the bidding process, as they feel that our Growth Hub bid has the potential to become a best practice example.

5.0 Proposal

5.1 The EDO will allocate some of their time to work on developing a bid for Growth Hub activities for the HotSWLEP area. This will involve holding meetings with a Growth Hub team every few weeks throughout August and

September to develop a proposal and lead on the project. 5 members of staff from other local authorities and partner organisations are in a position to support the EDO to develop a bid, but the bid requires an individual to take the lead on it. This is an open tender process, so there is not a guarantee that we will win the bid, but if we can maximise local support by getting local authorities and their respective local economic stakeholders on board, we will have a strong chance of being successful.

- 5.2 The project would operate using a “no wrong door” approach, rather than a “one stop shop” so that anywhere a business goes to get advice and support, they will be given access to the full range of advice and support services. All organisations across the HotSWLEP area will be able to refer clients to the service, and should also receive referrals directly from the service, and from other organisations. The Growth Hub will act as a tool for strengthening relationships between local organisations so that a better understanding is developed of the full business support picture. The project may also involve the use of shared office space or “hot-desking” so that organisations get to work much more closely with each other on a more regular and formal basis.
- 5.3 There will be a website portal that will be promoted and signposted to by all business support organisations, with a significant marketing campaign developed using some of the Growth Hub funds. Upon entering the website, businesses will simply input their postcode to find out about all of the services available to them. This makes it as simple as possible to provide them with relevant information, and is the most time efficient method of providing them with information. Sitting behind the website will be a CRM (Customer Relationship Management) system that all partner organisations will have varying levels of access to, and an intelligence gathering piece of software that will use IP location (a location allocated to a computer’s Internet Protocol address) to identify businesses that visit the website. This means that even though a company hasn’t had to put their details into the website to access information, it will still be possible to identify every business using the site, the pages they accessed, any searches they undertook, what led them to the site, and other useful information.
- 5.4 The data gathered from the site will be used to inform local and regional organisations of what type of support our business communities are seeking, and will enable the tailoring of support, and the development of new projects, that will directly meet the needs of businesses. The face to face diagnostics undertaken during site visits will also help to identify other issues that businesses are facing, and through the extensive network of organisations that will be part of the Growth Hub, packages of solutions will be pulled together where possible. This will mean that businesses get all of the support and advice they require, from fewer interactions with support agencies.

6.0 Key benefits to MDDC

There are many benefits to Mid Devon District Council, and the Mid Devon businesses that we support, by taking the lead on developing this project.

- Significantly better business support services would be delivered for our local business community. Services will be tailored to meet local needs rather than delivered generically across the HotSWLEP area.

- MDDC would be playing a much more significant role in the development of business support for the South West. The group that is set up during this project would set a precedent that will see MDDC leading on future business support initiatives.
- MDDC would have greater influence over regional strategic priorities, ensuring that money coming into the region was better allocated to meet the needs of our businesses and that regional support is led by local intelligence. This would make it far more likely that we would get a more significant share of funds.
- MDDC would get national recognition if the bid is successful, and our Growth Hub could be used as an example of best practice.

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Circulation of the Report: Cllr Richard Chesterton and Management Team

List of Background Papers: N/A