



LEAD MEMBER FOR ECONOMY

DECISIONS to be made by the Lead Member for Economy,
Councillor Rupert Simmons

MONDAY, 16 NOVEMBER 2020 AT 2.00 PM

CC1, COUNTY HALL, LEWES

++Please note, the Lead Member will not be present in person, but will be taking the decisions remotely++

AGENDA

- 1 Decisions made by the Lead Cabinet Member on 14 September 2020 (*Pages 3 - 4*)
- 2 Disclosure of Interests
Disclosure by all Members present of personal interests in matters on the agenda, the nature of any interest and whether the Members regard the interest as prejudicial under the terms of the Code of Conduct.
- 3 Urgent items
Notification of any items which the Lead Member considers urgent and proposes to take at the appropriate part of the agenda.
- 4 Review of East Sussex County Council Growth Hub Provision (*Pages 5 - 8*)
Report by the Director of Communities, Economy and Transport
- 5 Any urgent items previously notified under agenda item 3

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6 November 2020

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NOTE: *As part of the County Council's drive to increase accessibility to its public meetings, this meeting will be broadcast live on its website and is accessible at:*
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LEAD MEMBER FOR ECONOMY

DECISIONS made by the Lead Member for Economy, Councillor Rupert Simmons, on 14 September 2020 at County Hall, Lewes

++ The Lead Member was not present in person, but took the decisions remotely ++

1 DECISIONS MADE BY THE LEAD CABINET MEMBER ON 11 DECEMBER 2019

1.1 The Lead Member approved as a correct record the minutes of the meeting held on 11 December 2019.

2 REPORTS

2.1 Reports referred to in the minutes below are contained in the minute book.

3 SUPPORTING AMBITIOUS BUSINESSES TO RECOVER AND GROW: DEVELOPMENTS IN THE SCALE UP EAST SUSSEX PROGRAMME IN LIGHT OF COVID 19

3.1 The Lead Member considered a report by the Director of Communities, Economy and Transport.

DECISIONS

3.2 The Lead Member RESOLVED to (1) note the progress of the Scale Up East Sussex pilot projects and the independent evaluation of the programme; and

(2) endorse the County Council's proposal for an adapted programme offer to support ambitious business through recovery in light of Covid-19.

Reasons

3.3 The Scale Up East Sussex pilots have provided a strong evidence base that the programme is beneficial and necessary to support ambitious businesses across the County.

3.4 The economic landscape has shifted significantly since conducting the pilots. There is a need to support ambitious businesses who may now find themselves needing to pivot, diversify or adapt their operations. The SEEDA/EDRF legacy funding provides an opportunity to help ambitious businesses rethink their strategy and get their business through recovery and back onto a growth trajectory.

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Report to:	Lead Member Economy
Date of meeting:	16 November 2020
By:	Director of Communities, Economy and Transport
Title:	Review of East Sussex County Council Growth Hub Provision
Purpose:	To assess the progress and effectiveness of Growth Hub services delivered by East Sussex County Council and to determine future delivery

RECOMMENDATIONS: *The Lead Member is recommended to:*

- (1) note the integration of Growth Hub services into East Sussex County Council since April 2020 and the key role it has, both in the business support landscape and the delivery of the Economy Recovery Plan (East Sussex Reset);**
- (2) agree the continuing delivery of Growth Hub services by East Sussex County Council (subject to availability of funding) in order to maintain momentum and optimum flexibility to meet the increasing and changing needs; and**
- (3) note that funding is still subject to yearly availability from Government, and that reviews are taking place into the future shape and direction of Growth Hubs. Subject to agreement of Recommendation 2, a report will be brought back to Lead Member should either funding cease or reviews mean that decisions need to be taken about the future of the Growth Hub.**

1 Background Information

1.1 'Driving Sustainable Economic Growth' remains one of East Sussex County Council's (ESCC) priority outcomes. Key to supporting sustainable economic growth is the provision of Growth Hubs which act as a gateway 'one stop shop' in providing business support services. These are funded by Government and run by the 38 Local Enterprise Partnerships in England to help businesses navigate the variety of local and national sources of support available to them.

1.2 The South East Local Enterprise Partnership (SELEP) receives a grant from the Government's Department of Business, Energy and Industrial Strategy (BEIS) and is the responsible authority for Growth Hubs in the region. SELEP's Strategic Board delegated responsibility for the delivery of Growth Hub services to each of the three upper tier local authorities in the federated areas of the SELEP (East Sussex, Essex and Kent).

1.3 At a meeting in December 2019 the Lead Member for Economy agreed the closedown of the commissioned outsourced Growth Hub model and the transfer of provision to East Sussex County Council for the period April 2020 to March 2021 in order to:

- Provide the Growth Hub with a more sustainable framework;
- Preserve the neutrality of the service;
- Allow for the Growth Hub to respond to the expected national review of Growth Hub structures more easily than if we were already under contract;
- Increase the profile awarded to the County Council as a Growth Hub delivery body, as well as increasing the opportunity to make strategic links and referrals across other teams in the County Council and other public sector bodies.

1.4 A review of the County Council service provision by November 2020 was also agreed, to enable the Lead Member to assess progress and effectiveness and determine future delivery. This report sets out progress since April 2020 and what has been achieved in that timeframe which also coincided with the onset of the Covid-19 pandemic and resultant economic shock.

2 Progress of the Growth Hub since April 2020

2.1 Operationally, the transfer of the service to the County Council went smoothly despite the significant challenges posed by lockdown, and we continued to provide a responsive and seamless service to SMEs throughout a period of intense uncertainty and increased need among local businesses. The Growth Hub Manager and two navigators transferred to the County Council on 1 April 2020 under Transfer of Undertakings (Protection of Employment) Regulations (TUPE), becoming part of the Economic Development Team within the Economic Development, Skills and Infrastructure service.

2.2 Since then, significant progress has been achieved in meeting the objectives of the move, even against the background of the Covid-19 pandemic. Indeed, having the Growth Hub integrated within a core offer service area has aided the Council to respond quickly to address the impacts of the pandemic on our business community. It has also made the service more robust, with the Growth Hub team bringing new professional business skills to the team, whilst equally being able to draw on the wider skill set within the Economic Development Team and be supported by colleagues during a time of unprecedented demand.

2.3. The Economic Development Team, and the Business East Sussex (BES) Steering Group (a subgroup of the Team East Sussex Federated Board) took the lead on developing a partnership approach to responding to business needs caused by the pandemic, drawing together emergency meetings of key partners to assess impact in the county, lobby for additional resources and ensure information is shared quickly and effectively between agencies. Having the Growth Hub in-house meant that the team had access to 'real time' information about businesses' concerns sharing these with senior management to inform decision making, and the Economic Development Team and Growth Hub team were able to work together with key partners such as the Sussex Chamber of Commerce, the Alliance of Chambers in East Sussex, Federation of Small Businesses and District and Borough colleagues. The Growth Hub team also helped to inform the development of the Economy Recovery Plan, in particular mission 1: Business Support (Thinking Local, Acting Local).

2.4 The Growth Hub has developed strong relationships with internal County Council departments and services, working with Public Health on workplace wellbeing, the Skills and Employment Team on the new Kickstarter schemes and other employment initiatives and with the Broadband Team around digital connectivity. We have also recently had confirmation that two European Social Fund (ESF) bids have been approved which will work closely alongside the Growth Hub, creating co-located staff between East Sussex College Group, the Growth Hub and the Sussex Council of Training Providers.

2.5 Since the beginning of the pandemic, enquiries to the Growth Hub have been running at more than double usual rates, with the Growth Hub acting as a conduit for information on the many new schemes released by Government. Nearly 600 businesses have been supported since the beginning of April 2020 and we have used the Growth Hub social media channels, mailing lists and regular newsletters to push out up to date information on new and emerging schemes on a regular basis in order to support the wider business community.

2.6 Our last newsletter was sent to 195 people, and opened by 337 recipients; our combined Social Media following is now 2,953 and is growing steadily; on LinkedIn we have grown our following by 15% in the last three months; and since 1 April we have made 296 social media posts on Twitter and Facebook, and since 1 July 84 posts on LinkedIn. In those same periods we have over 682 active engagements with content we have posted and 496 click throughs. This measures not how many people would have seen our posts and benefitted, but the number of people who clicked and interacted with them such as liked, shared, retweeted.

2.7 As well as navigating businesses through the plethora of national schemes, the Growth Hub has worked with the Better Business for All (BBfA) partnership which includes Trading Standards to develop toolkits and risk assessments for businesses across Sussex to help them reopen and trade safely. We have developed an online directory of webinars for businesses to help them respond to Covid, including running a series of workshops in conjunction with Brighton University. Most recently, we have worked with partners at SELEP to roll out the South East Business Covid Recovery Grants with over 150 businesses expressing an interest in the first few weeks of delivery.

2.8 We also worked with a local diversity focussed business organisation to develop short videos on support available in 12 community languages in order to increase the reach of Growth Hub services and support Black and Minority Ethnic (BAME) businesses who may be more adversely affected by Covid-19 and who, traditionally, find it harder to engage with mainstream business support.

2.9 The Lead Member will recall that part of the rationale for insourcing the Growth Hub was to ensure the service was able to operate within a budget which had not been increased since 2015, in spite of increasingly complex demands on the service. The intention pre-Covid was to rationalise the staffing structure and move to a more online/virtual service. However, as a result of unprecedented levels of demand from businesses since the pandemic started, a decision was taken to maintain staffing levels in order to deliver the support needed. We are grateful that BEIS granted a small uplift in funding (£30,000) to East Sussex Growth Hub to help with these pressures and we have actually been able to increase staffing by one day per week. The service is currently running to budget and expects to reach year end with no overspend, despite all the additional areas of work it has been able to take on in response to Covid 19.

2.10 Whilst the expected BEIS review of the structure and delivery models of Growth Hubs has been delayed by the pandemic, it is expected to start in November and conclude in 2021. Alongside this, Hatch Regeneris, Belmana and BMG Research are conducting an evaluation on the European Regional Development Fund (ERDF) for the Ministry of Housing, Communities and Local Government (MHCLG). Part of the review is focusing on Growth Hubs (both those that have been funded by ERDF and those that have not). The East Sussex, Essex and Kent federated area Growth Hubs have been chosen to participate in that evaluation. SELEP is also planning to do its own options appraisal on future delivery structures for Growth Hubs next year (2021).

3 Next Steps for the Business East Sussex Growth Hub

3.1 The remainder of this financial year is set to continue to pose significant challenges, as well as opportunities, to businesses. The Growth Hub will continue to work on supporting businesses and work with partners to ensure that business needs are voiced, and heard, locally and nationally.

3.2 As well as Covid-19, the end of the EU transition period on 31 December will bring new ways of working for businesses that they will need to adapt to. We are already working with key partners to prepare for this and will begin to provide advice and support as the shape of the future working relationship with the EU becomes clearer.

3.3 The Growth Hub will have a role in delivering several actions in the Business Support mission in the East Sussex Economy Recovery Plan termed 'East Sussex Reset' and will continue to support businesses to adapt, survive and thrive through the next few months. We have recently gained both Lead Member and SELEP approval to run a 'Pivot' programme to support businesses who are still looking to grow and adapt through Covid and beyond.

3.4 As noted above, a number of reviews are taking place nationally and regionally into the future shape and direction of Growth Hubs. The County Council have no reason to believe that Government will not continue to mandate each LEP area to have a Growth Hub presence and we are working on an assumption that funding will continue to be made for provision of the service in the next financial year. We believe that the outcomes of both the SELEP and Government reviews are likely to be completed in 2021/22 so are unlikely to be implemented before the current funding runs out at end of March 2021. As such, should sufficient future funding not be made available, a report will be brought back to the Lead Member for decision on the future of the Growth Hub, but

assuming funding similar to this year's allocation is granted, it is the view of the service that the current set up of the Growth Hub is working well and should continue, allowing us to respond flexibly to the outcomes of the impending reviews as they emerge.

4 Conclusion and Reasons for Recommendations

4.1 The Growth Hub has continued to deliver services seamlessly and develop these further following its transfer to the Economic Development Team at the start of the pandemic. It has forged new and effective linkages both internally and externally.

4.2 Several reviews of the Growth Hub and associated activity and funding streams are underway and will continue well into 2021. Growth Hubs will remain central to efforts to support economic recovery and it is quite likely that they will be subject to increasing and changing demands as needs also change. For the reasons stated in the report it is imperative that a flexible Growth Hub delivery model is maintained so that it can adapt to rapidly changing circumstances.

4.3 As a result the Lead Member is asked to note

(i) the successful integration of Growth Hub services into the County Council and the key role it has both in the business support landscape and the delivery of the East Sussex Economy Recovery Plan;

(ii) the significant work that has taken place to support businesses during very challenging times;

(iii) the successes that have been achieved in making strategic links across the authority and partner organisations to support their work; and

(iv) the changing environment within which it continues to operate and effectively respond to aid businesses.

4.4 The Lead Member is recommended to agree the continuing delivery of Growth Hub services by the County Council for the foreseeable future (subject to funding being secured year on year) in order to maintain momentum and optimum flexibility to suit increasing and changing business needs.

4.5 Finally, the Lead Member is asked to note that funding for Growth Hubs is still subject to yearly confirmation from the Government's department for Business Energy and Industrial Strategy. Therefore, subject to agreement to recommendation 4.4 above, a report will be brought back to Lead Member for a decision on the future of the Growth Hub should either funding cease or reviews put in place different delivery structures.

RUPERT CLUBB

Director of Communities, Economy and Transport

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LOCAL MEMBERS

All

BACKGROUND DOCUMENTS

None