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**Manchester City Council  
Report for Information**

**Report To:** Economy Scrutiny Committee – 14 November 2012

**Subject:** Update on the Business Growth Hub

**Report of:** Interim Head of Regeneration

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**Summary**

This report provides an update on the Business Growth Hub since its launch in November 2011 and the outline recommendations of a recent review of the Business Centre of Excellence. A representative of Manchester Solutions has been invited to present this report.

**Recommendations**

Members are requested to note progress on the development of the Growth Hub and the key findings of the independent review of the Business Centre of Excellence as it pertains to the Growth Hub.

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**Wards Affected:**

All

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**Background documents (available for inspection):**

- Business Growth Hub 2011 - report to Economy, Employment and Skills Overview and Scrutiny Committee, 16 November 2011
- Business Centre of Excellence Update, Greater Manchester Combined Authority, 26 October 2012-11-05

## **1 Introduction**

This report provides an update on the Business Growth Hub since its launch on 17th November 2011 and the key recommendations of an independent review of the Business Centre of Excellence.

## **2 Background**

- 2.1 The Business Growth Hub was established by Manchester Solutions following the demise of the North West Development Agency and Business Link and in response to national Government's policy of stimulating private sector led growth. It is part of the Greater Manchester Business Centre of Excellence, which comprises of the work of MIDAS, Manchester Solutions and the Chamber.
- 2.2 The primary aim of the Hub is to drive strong, sustainable business growth in Greater Manchester and the wider Northwest. The Growth Hub works with businesses of all sizes and sectors that have the potential and ambition to grow. Its services address identified barriers to growth and enable businesses to get the support they need in areas such as access to finance, international trade, innovation and leadership and recruitment.
- 2.3 The Hub works with an extensive network of private and public sector organisations that are committed to helping businesses to grow, including Manchester City Council. This network acts as both a source of referrals for the hub and provides a pool of services that businesses can access.
- 2.4 The separate agenda item for this meeting on the annual business survey undertaken in 2011, details the actions that MCC has delivered with the Growth Hub based on the findings of the survey to inform delivery of business support in Manchester.

## **3. Progress to Date**

- 3.1 The Growth Hub is continuing to develop and increase the range of services it offers whilst its referral network has grown considerably, now consisting of 114 partners, of which 50 are Manchester based.
- 3.2 The Access to Finance Northwest service and the Northwest Business Angels were transferred from the NWDA to the Growth Hub in 2012. Referral arrangements have been developed with a number of high street banks who are also Hub partners (Natwest; RBS; Yorkshire Bank) and with providers of alternative finance including the Northwest Fund. National programmes such as UK Trade International (UKTI) and the Manufacturing Advisory Service (MAS) are closely aligned with the Hub in terms of promotion, referrals and delivery.
- 3.3 The Hub is also developing a business start up service for 'mid growth' businesses that will be delivered alongside universities (HE Champions), the

Growth Accelerator (Winning Pitch - high growth start ups) and Business Start Up Support (Blue Orchid – non growth start ups). Business Finance Solutions manages the loan element of the New Enterprise Allowance and the new Start Up Loans programme for 18–24 year olds, the latter delivered jointly with Blue Orchid.

- 3.4 A Core Hub Team of seven staff is in place. Their role is to manage and support the referral and suppliers' networks, run an IT and telephone based service to diagnose client needs, refer clients to recommended support, manage the Hub website and online services and organise conferences, seminars and networking events.
- 3.5 Initial funding of £750k was used to establish the Hub and for its first year of delivery. Further funding is being sought from City Deal and the Northwest European Regional Development Fund which will ensure the Hub's financial viability pre and post 2015. Further ERDF bids are planned. including one to enhance the Manufacturing Advisory Service (MAS) in the Northwest. The Hub will also continue to develop and promote its corporate sponsorship package.
- 3.6 In terms of delivery, levels of engagement are increasingly steadily. Each month the Hub receives 220 enquiries/referrals with a high level from the MCC web site. The Hub's web site has received 30,000 web hits and the Hub has 2,500 social media followers.
- 3.7 The Hub has engaged with 1,193 Manchester clients and there have been 1,200 Manchester attendees at Hub events (some have attended more than one event). In terms of specific services, 701 clients used UKTI, 107 MAS (Jan – Oct 2012) and 47 have used Enworks, which supports companies with reducing waste, increasing energy efficiency and developing low carbon technologies and services.

#### **4 Review of the GM Business Centre of Excellence**

- 4.1 A review of the functionality of the Business Centre of Excellence and the role of Manchester Solutions was agreed by AGMA, the Chamber and Manchester Solutions Board. The review was conducted by KPMG on behalf of the Greater Manchester Combined Authority and a report outlining its findings considered by the GMCA at its meeting on 26 October 2012.
- 4.2 The key findings of the independent review are:
  - The formation of a single new "Group" focused on business support activities. The new "Group" would include MIDAS, trade & investment including UKTI, the Business Growth Hub and business support. Manchester Solutions would operate as a separate group focused on the main trading elements of their current work primarily skills & employment;
  - Governance of Manchester Solutions and the new "Group" would be separate and independent to build provider neutrality;

- Manchester Solutions Board has agreed to refresh its membership;
- The appropriate structure and composition of the new Group Board is to be mapped out. However, the proposal is to create a new, single, strategic level Board which would replace the existing Business Support, Trade and Investment Strategic Board;
- A new “Group” Chief Executive is to be appointed. The role will ensure that the activities of the new “Group” align with the GMCA and LEP objectives. The post holder will have a pivotal role in delivering the City Deal;
- Further work is carried out to investigate how the activities of Marketing Manchester can be aligned with the activities of the new Group board.

4.3 Implementation of the above will mean changes in the operation and governance of the Business Growth Hub, including the transfer of staff and the potential to co-locate it with MIDAS, trade and investment and business support functions. A project board which includes the Chief Executive of Manchester City Council will oversee the implementation of the review and give early consideration to interim arrangements. The Combined Authority will be regularly updated on progress.

## **5. Conclusion**

This report sets out the progress that has been made in establishing the Growth Hub. A representative of Manchester Solutions has been invited to present an update on the Growth Hub, which provides more detail. Members are asked to comment on progress to date and future plans to develop the Growth Hub within the context of the recent review.