

5. TRANSFER OF WORCESTERSHIRE'S GROWTH HUB (WORCESTERSHIRE BUSINESS CENTRAL) TO WLEP

WLEP BOARD RECOMMENDATION

The WLEP Board is asked to:

- Note the work that has been undertaken by WLEP Executive Team and partners in executing the recommendations of the Growth Hub review following the WLEP Board decision to bring the Growth Hub within its management and governance structure; and
- Note the progress in securing a different parent organisation to employ Growth Hub staff.

5.1. Background

- 5.1.1. During the WLEP Annual Performance Review in February 2020, BEIS indicated that central government were considering national policy changes, stipulating that Growth Hubs needed closer alignment with the strategic operations of the LEPs nationally.
- 5.1.2. Following a presentation of findings and recommendations from the Growth Hub review Jan - Mar 2020, the WLEP Board approved Option 1, that the Growth Hub move within its management and governance structure, with a different parent company. This was approved at May 2020 WLEP Board, with a timeline of the 31st January 2021 to complete the transfer to the new model of operation.

5.2. The Transfer

- 5.2.1. Following staff consultation, the Growth Hub will transfer from its current parent company, Herefordshire and Worcestershire Chamber of Commerce, to its new parent company, Worcester City Council, at 23:59 on Friday 8th January 2021.
- 5.2.2. Worcester City Council will employ the staff and provide HR and finance services for the Growth Hub as part of this agreement.
- 5.2.3. All staff (and roles) will be transferring to Worcester City Council apart from the Contracts and Funding Manager. This role will move to Worcestershire County Council and continue to manage the ERDF contract.
- 5.2.4. The ERDF contract will be novated at the same time (23:59, 8th January 2021) and this will transfer from Herefordshire and Worcestershire Chamber of Commerce to Worcestershire County Council (as the WLEP accountable body).
- 5.2.5. The new operating model includes the following elements, as per the recommendations agreed by WLEP Board in May 2020:

Physical Hub: Establish a permanent physical Growth Hub base located at the Hive, Worcester city centre, with walk-in capability. In addition, a north Worcestershire office for the WLEP and WBC staff would be supported in Bromsgrove, with other support satellite

offices in Malvern Hills Science Park, the Kiln and potentially new locations such as the Kidderminster Old Magistrates Court as they come on-line in the future. **Update - WLEP have agreed a location in Worcester City for the team to be based at 4 Copenhagen Street, with satellite offices in Bromsgrove Parkside and Malvern Hills Science Park.**

Data and metrics: reform the data collection process and consider data sharing agreement as would not have to transfer data between CRM systems but utilise one shared CRM (shared with County and District Councils ED teams). Compliance with refreshed Growth Hub 'Metrics and Evaluation Framework'. Using robust monitoring and evaluation systems to exercise continuous service improvement; ensure excellence in quality delivery and deliver greater levels of impact on business growth. **Update – The WBC team will use a separate IT provider to access a cloud-based system and we have agreed licences to utilise Tracktivity, the shared CRM with local government. Work to consider performance metrics will be in line with the findings of the national growth hub review which is currently underway.**

Strategic partnerships and business support simplification: Build and strengthen relationships across the public and private sectors and national providers such as UK Research and Innovation Council (UKRI), Department for International Trade (DiT), the British Business Bank, investors, universities and others to exploit opportunities for collaboration and to further join up and simplify the local business support ecosystem. **Update – We will continue to build on these partnerships and focus on delivering a business support system which collaborates with and exploits the excellent relationships and networks of WLEP.**

Triage, diagnostic and signposting: Encourage more businesses (particularly SMEs) to take up external advice (public and private) by providing access to a free and impartial local 'single point of contact' prioritising those businesses with the opportunity, ambition and greatest potential to grow. **Update - A marketing and communications strategy has been commissioned and will inform the work going forwards. However various channels and targeting specific types of companies will be key element of the growth hub delivery in the future.**

Ambitious and high growth businesses (Scale-Ups): Make best use of available national and local data sets to identify and target those businesses with the opportunity, ambition and greatest potential to grow. Develop deep relationships with public and private sector providers and use these to curate impactful interventions (including those offered by universities, export, access to finance and innovation support and private sector programmes). **Update – the internal team are reviewing current relationships with intermediaries and stakeholders and identifying where they can support in identifying and engaging these high growth companies. Similarly, a review of WBC relationships with providers who can add value to the offer is also underway, particularly those not located within the County, i.e. - Manufacturing Technology Centre in Warwick.**

Integrated Model: The ability of the LEP to bring together its work on skills with business engagement and innovation hubs creates a holistic approach to sharing opportunities across themes with one business opposed to a siloed approach between business support, skills and innovation that we have currently. **Update – early work has taken place; reviewing the offer to 25+ employee businesses and FDI businesses to ensure we service their needs appropriately.**

Funding: Looking at new funding models and opportunities to support the growth hub activities and success in the region. **Update – too early to confirm but a similar level of funding for Growth Hubs was secured in the November 2020 Spending Review. We are however awaiting confirmation and a contract for next financial year.**

Innovation/Growth Hub: Development of a physical innovation style hub network that brings together innovation assets such as BetaDen and/or other locations; with a concentration of

specialised agencies e.g. National Dementia Centre which are identifying problems daily, these could link to an innovation hub to solve them. In addition, local issues such as flooding and affordable housing could be targeted by challenging growth businesses to innovate and consider solutions, supporting growth/innovation and local industry base. **Update – Multiple locations provides the growth hub with opportunities to gather more detailed intelligence and information from a business and link these into partners and stakeholders, as well as feedback to WLEP Board.**

Business Representation: Creation of a business panel with a chair from the WLEP board to further embed business representation in governance. Involvement would include recent start-ups/growth programme delegates, larger enterprises to create a broad base of business input. A rolling cohort of those who go through the schemes, would enable them to advise the next generation and then move on ensuring the Growth Hub offer remains relevant to the current needs of business and evolves accordingly. **Update – WLEP NED recruitment deadline 15th January, this recommendation will be implemented after this period.**

5.3. Funding and Delivery

5.3.1. The Growth Hub’s primary funding is from Department for Business, Energy and Industrial Strategy (BEIS), and routed via LEPs. The current funding from BEIS is secured until March 2021. In addition to this funding, the Growth Hub secured additional funding from European Regional Development Fund (ERDF) in March 2017. This funding is matched to BEIS funding and is secured until March 2022. The table below covers Growth Hub core funding and ERDF.

Financial year	BEIS Core Funding	ERDF
20/21	£205,000	£105,000

5.3.2. The focus for Worcestershire’s Growth Hub (Worcestershire Business Central) has been to facilitate support for all businesses, from start-up to scale-up, and to simplify the business support landscape, essentially creating a ‘one-stop shop’ for business support across the county. The team of nine people have been employed to engage with businesses and signpost them to support – this could be through face to face, telephone (inbound and outbound) or through website and social media. Over the last nine months, reacting to the Covid-19 crisis, this focus has shifted from sign-posting businesses to external support, to direct delivery of support.

Financial year	BEIS Supplementary Funding
20/21	£257,000

5.3.3. This shift to delivery has come with additional funding. The first tranche of funding came through as supplementary money to support the further development of the Growth Hubs aligned to the Government’s commitment to ensure that businesses in every region have access to high quality free and impartial advice and guidance via Growth Hubs. In addition, it was also awarded in recognition of the immediate pressures faced by Growth Hubs as a result of Covid-19 to support delivery of activities and solutions to alleviate immediate pressures on businesses caused by COVID-19.

5.3.4. The second tranche of additional funding has mostly been awarded in the guise of specific, time-restricted projects, and has been awarded between September and December 2020 for delivery by end March 2021. This funding is supporting the Growth Hub (and partners) to deliver 11 cohorts on Peer to Peer networks, award 125 ERDF grants to businesses affected by Covid and offer local and regional specialist support to all businesses affected by EU

Transition. In order to deliver this the Growth Hub is working closely with the West Midlands Cluster of Growth Hubs.

The table below details the additional time-restricted programmes and the amount awarded to the Growth Hub.

Programme of support	20/21
Peer Networks	£165,000
EU Transition	£136,050
ERDF Grants	£370,000

5.4. Performance Management and Reporting

- 5.4.1. Government set out basic criteria and a common set of KPIs for the Growth Hub and these are reported bi-annually; in summary these cover the number of businesses engaged, the number receiving high intensity support, number of jobs created or safeguarded, and any impact on business turnover.
- 5.4.2. The additional funding is following a similar reporting framework, and this is completed by WLEP executive team and submitted to accountable body for sign-off.

5.5. The Future

- 5.5.1. This year has been an exercise in spend and delivery and the Growth Hub (managed at a distance by the WLEP Exec) looks set to achieve this. In conclusion, we know and have fed back that small pots of money awarded by Government with strict spending parameters are not always the most effective method of supporting businesses and may not always offer the best value for money, however, what this additional funding has highlighted is:
- The Government is keen for Growth Hubs to become more delivery focussed
 - Our current Growth Hub resource is well-skilled in engagement but there are gaps in programme and project management and delivery which will need to be addressed.
 - Moving the team back under direct management of WLEP will support the team to flex appropriately and in line with priorities and pressures.
 - Greater co-ordination of the business support offer to include skills support, new technology adoption and future trends on businesses such as 5G, energy costs and innovation.

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