

5. UPDATE ON PROGRESS OF TRANSFER OF WORCESTERSHIRE'S GROWTH HUB (WGH) TO WLEP

WLEP BOARD RECOMMENDATION

The Board is asked to:

- Note the work that has been undertaken by WLEP Executive Team since last update to Board (21 January 2021)
- Note and provide feedback on the draft business engagement strategy for 2021/22

5.1. Background

- 5.1.1. Following staff consultation, the Growth Hub transferred 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.
- 5.1.2. Worcester City Council employ the staff and provide HR and finance services for the Growth Hub as part of this agreement.
- 5.1.3. All staff (and roles) transferred to Worcester City Council, apart from the Contracts and Funding Manager. This role moved to Worcestershire County Council and continues to manage the ERDF contract.
- 5.1.4. The ERDF contract was novated at the same time (23:59, 8th January 2021) and transferred from Herefordshire and Worcestershire Chamber of Commerce to Worcestershire County Council (as the WLEP accountable body).

5.2. The new operating model

- 5.2.1. 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

- **Worcester city centre location will be available to Growth Hub and WLEP team October 2021 (following Worcester City Council's refurbishment).**
- **The staff have access to satellite offices in Bromsgrove Parkside and Malvern Hills Science Park but at present, with the current restrictions, there are no 'walk-in' facilities.**

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

- **All client engagement is recorded on shared CRM which is utilised by all 7 local authorities and the Business & Intellectual Property Centre (BIPC) and there is a data-sharing agreement between all parties. This enables teams across the business support eco-system to monitor and track a client's journey, reducing the number of diagnostics a client needs to complete.**
- **The team have enhanced their reporting to the District council partners and now provide a monthly report detailing the businesses they have visited and key trends and issues, these can easily be fed into meetings with senior officers and members.**
- **The CRM system has been updated to provide performance metrics to fulfil the requirements of BEIS and ERDF.**
- **The findings of the national growth hub review are imminent, there are likely to be changes to some reporting requirements (in-line with BEIS new direction of travel, from numbers-driven performance to intelligence driven performance).**

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

- **This work is driven by WLEP Executive team.**
- **The WLEP Draft Business engagement Strategy (appendix 1) sets the intention for this work in more detail.**

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

- **WGH Team have updated job descriptions and minor job title changes to reflect the identified shift from signposting to intelligence gathering and more focussed account management. The Business Engagement Managers new title is Account Managers and the Business Engagement Officers are Business Navigators**
- **The Account Managers are focussed on engaging with businesses 4+ employees and will account manage (more intensive and regular business support) c.200 businesses a year.**
- **The Business Navigators role has evolved to include signposting and light-touch support of 0-3 employees and B2C businesses**
- **A marketing and communications strategy has been presented to WLEP and WGH Exec.**
- **A plan detailing various channels and targeting specific types of companies is in development, this incorporates additional programmes.**

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

- **A stakeholder and intermediary relationship plan has been developed and the team are looking to fully implement this over Summer.**
- **Engaging with intermediaries and stakeholders will hopefully lead to them introducing their high growth companies and clients to the Growth Hub.**
- **A review of WGH 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

- **A new model is being designed, based around the success of the DIT funded Key Account Management programme, where WGH and DIT Investment Team work closely together.**

Funding: Looking at new funding models and opportunities to support the growth hub activities and success in the region.

Update

- **Funding has been approved for 2021/22. The Core funding pot has been increased to match the figure of last years Core and Supplementary grant.**

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 provide 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.**
- **LEP Executive have established a Worcestershire Innovation Board which is looking to develop an innovation action plan by Autumn 2021**

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

- The recent WLEP NED recruitment has brought two new private sector board members join the Growth Hub board- Derrin Kent, The Development Manager, and Nick Baxter, Baxter Williams.
- The Growth Hub board has been refreshed to bring a more balanced public/private membership and ensure that it does not duplicate other public sector ED meetings.
- The first refreshed Growth hub board met w/c 21 June. The meeting was very positive. The WLEP/GH Executive team have been tasked with building a business panel. They will report back on progress with this action in August.

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 2022. 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
2021/22	£ 462,000	£105,000

5.3.2. The core funding for 2021/22 has expanded to support more than just staff salaries and costs. The Growth hub can now broaden their reach to provide specific, time-restricted projects for delivery by end March 2022.

5.3.3. The Growth Hub have received additional funding to support Peer Networks Year 2. The Growth Hub will be delivering 8 Peer networks in 2021/22 and procurement for delivery partners to support these sessions has been completed.

Programme of support	21/22
Peer Networks	£120,000

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 funding follows a strict reporting framework, and this is completed by WLEP executive team and submitted to accountable body for sign-off in-line with BEIS requirements.

5.5. The first quarter 2021/22

5.5.1. Last year was an exercise in spend and delivery and the Growth Hub (managed at a distance by the WLEP Exec) achieved this.

5.5.2. The Growth Hub network will be releasing their external evaluation of Growth Hub's imminently and this will be fed in to the LEP Review.

- 5.5.3. WLEP Executive are members of two national working groups which are focussed on evolution of Growth Hubs.
- 5.5.4. The Government is keen for Growth Hubs to become more delivery focussed and our current Growth Hub resource is well-skilled in engagement but there were gaps in programme and project management and delivery which have been addressed through recent recruitment - these roles have been recruited through WLEP and not Worcester City Council.

5.6. The Future

- 5.6.1. Moving the team back under direct management of WLEP is supporting the team to flex appropriately and in line with priorities and pressures. There are some limitations with current structure which the Executive team are working through.
- 5.6.2. Greater co-ordination of the business support offer is already having a positive impact on local partners and businesses with a more structured approach towards skills support, new technology adoption and future trends on businesses such as 5G, energy costs and innovation.
- 5.6.3. nexGworx and the CEC Skills team meet regularly with the Growth Hub team, to refer businesses in and out of schemes and opportunities.

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