



GROWTH HUB FUNDING TO LOCAL ENTERPRISE PARTNERSHIPS (LEPs)

SCHEDULE 3 - PRINCIPLES OF FUNDING (2018-2019)

STRATEGIC CONTEXT

To build on the success of Local Enterprise Partnership (LEPs) the Government recognises that local economies are reliant on strong businesses to provide sustainable private sector-led growth and job creation. Growth Hubs (led and governed by LEPs) have been a central instrument in achieving this goal.

It is for this reason that through the Industrial Strategy the Government has announced its intention to ensure that all businesses in every region have access to a local Growth Hub. We want Growth Hubs to carry on building their reach, developing peer-to-peer networks, connecting businesses to the best support available from the private and public sectors and to target support on those businesses with the opportunity, ambition and greatest potential to grow. The following 'principles of funding', therefore reflect these ambitions whilst also acknowledging the Government's commitment to greater devolution of the tools of economic growth and productivity to local areas.

Through these 'principles of funding' Government will seek to ensure that all Growth Hubs across England offer a consistent, quality and output driven service to business and ensure that core Growth Hub services are prioritised on those activities with the greatest impact on business growth, supporting delivery of local Strategic Economic Plans and the Industrial Strategy. This will also provide LEPs (including those in City and Devolution Deal areas) with the freedom and flexibility needed to 'blend' and 'evaluate the impact', of new and innovative local business support solutions around a core offer.

REQUIRED ACTION

For LEPs to consider the 'principles of funding' set out below and provide responses to a number of key questions which will enable the Department for Business, Energy and Industrial Strategy (BEIS) to develop and issue formal grant offer letters.

To note that as in previous years, grant awards will provide LEPs with revenue funding, which can only be spent on core Growth Hub delivery and development activities and cannot be used to make direct grants to business.

Responses should ideally not exceed 300 words per question, but please feel free to attach any supporting documents that would be of interest to BEIS e.g. organisational charts, presentations, evaluation reports etc.

Completed templates should be returned to Growth.Hubs@beis.gov.uk and Karen.Hopwood@beis.gov.uk by no later than **Friday 9th March 2018**.

SCHEDULE OF WORK

As part of the wider offer for Local Growth Deals, Government is also providing revenue funding to LEPs in 2018-19 for Growth Hubs. This schedule of work will enable LEPs to meet the Governments 'principles of funding,' which are as follows:

Principle 1 – Management, governance and coordination

Growth Hub remains under direct leadership and governance of the LEP, under oversight of the LEP Accountable Body (AB) and that all appropriate LEP governance, transparency and accountability arrangements are in place and aligned and compliant with the national LEP Assurance Framework.

1. What approach will the LEP and Accountable Body take to governance in 2018-19 to ensure that the Growth Hub remains under the direct leadership and governance of the LEP and under oversight of the Accountable Body? To include confirmation that all appropriate LEP governance, transparency and accountability arrangements are in place and compliant with the national LEP Assurance Framework.

The Marches LEP Board oversees the setting of the strategic direction for the Marches Growth Hub (MGH) and receives six monthly reports from the Chair of the MGH Steering Group. The Growth Hub Steering Group is a sub group of the LEP Board. Please see diagram on Page 4.

The Growth Hub governance is outlined in the Accountability & Assurance Framework including the Terms of Reference (TOR) for the group. The TOR is reviewed annually and the election of the Chair takes place every two years. The Chair of the Steering Group is also the Small Business Champion on the LEP Board. Growth HUB Steering Group agendas and minutes are prepared in line with the TOR. Performance of the Growth Hub budget and spend is monitored by the Performance Risk and Monitoring Committee (PRMC). PRMC meet every two months and comprises three LEP Board members, three Section 151 Officers and the LEP Director.

The Business Boards help to provide direct links to private businesses testing the effectiveness of the service and provide a route to publicise the service.

2. Which local stakeholders, partners and businesses will be involved in the governance of the Growth Hub in 2018-19 and how will any potential conflicts of interest be managed? Please attach a diagram illustrating the structure where available.

MGH Steering Group meets on a quarterly basis. The group has a very important role to play with regards to governance and provides guidance on key issues such as policy, objectives, budgetary control, marketing strategy and resource allocation. Each member (excluding Local Authority partners) is required to complete the Register of Members' Interest Form on joining the group and this is reviewed on an annual basis by the LEP Director and Chair of the MGH Steering Group in line with the LEP Conflicts of Interest Policy. This form was recently completed by all using the new template provided by government. In addition to this, the group are asked to declare any conflicts of interest at the start of all meetings for any relevant agenda items.

The MGH Steering Group Membership comprises:

- Chair (private)- LEP Board Member/ Chair of Telford Business Board (nominated small business champion)

- Herefordshire Business Board (private)
- Shropshire Business Board Representative (private)
- Telford & Wrekin Business Board Representative (private)
- Shropshire Chamber of Commerce (private)
- Herefordshire & Worcestershire Chamber (private)
- Marches Skills Provider Networks (private)
- Federation of Small Businesses (private)
- Department for International Trade (private)
- University of Wolverhampton (public)
- Telford & Wrekin Council (public)
- Herefordshire Council (public)
- Shropshire Council (public)
- Marches LEP (public/private)
- PR/Marketing consultant (private)

In attendance: - Cities and Local Growth Unit team member

MGH Operational Group

This is an officer level working group which meets every two months to ensure that activities are co-ordinated effectively across the virtual hub and the three physical hubs. It reviews business support services from all partners in order to manage referrals, monitor outputs and share information. Its membership includes:

Local Partners:

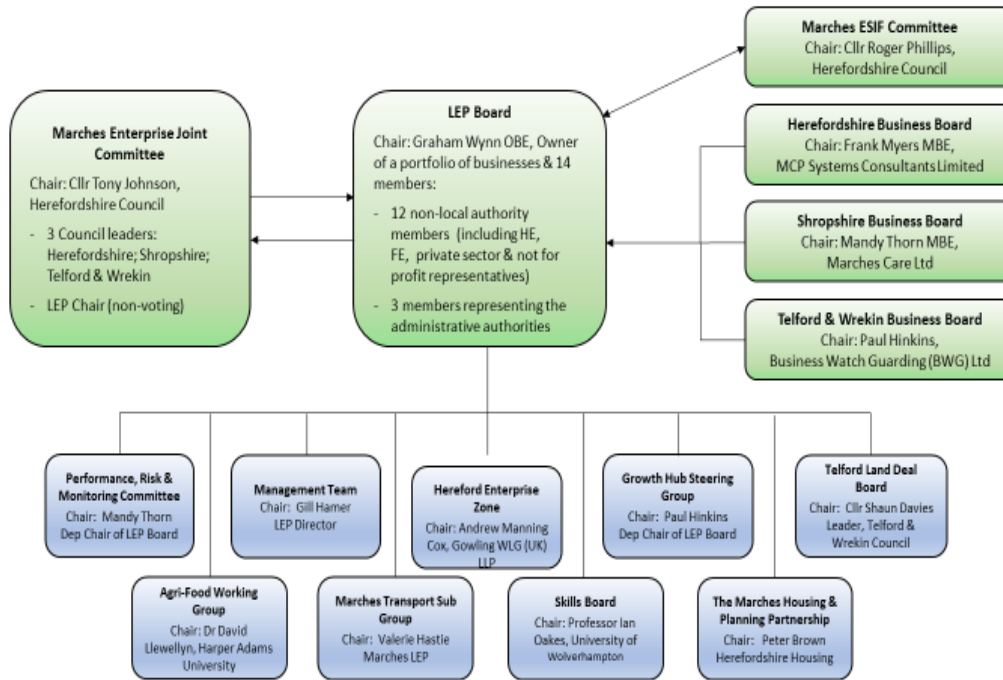
- Herefordshire Council
- Shropshire Council
- Telford and Wrekin Council
- Shropshire Council (European Regional Development Fund Technical Assistance Officer)
- University of Wolverhampton
- Marches Growth Hub staff
- PR/Marketing consultant

National:

- Department for International Trade
- Economic Growth Solutions
- British Business Bank

The diagram on page 4 sets out how the MGH Steering Group reports into the Marches LEP Board, the reporting structure plus our three Business Boards. The LEP Board is made up of the Chair and fourteen members.

Diagram 1: Marches Local Enterprise Partnership (LEP) Group Structure



3. What approach will the LEP and Accountable Body take to ensure compliance with funding requirements (e.g. high level of scrutiny of spend; quarterly claims submitted to BEIS in a timely fashion alongside associated evidence of defrayal; timely notification to BEIS of potential underspend and provision of end of year audit report?)

The Marches LEP team meets with the Accountable Body (finance team) monthly to review spend against profile and to discuss any concerns, including underspend. The information from this meeting is used to update the PRMC which meet every two months. As outlined previously, this is a sub-group of the LEP Board.

BEIS quarterly claim deadline dates are noted at the beginning of the financial year. Internal deadline dates are agreed with the finance team to ensure that quarterly claims are checked and submitted on time with the appropriate evidence.

Monitoring of the expenditure and financial performance of the Growth Hub is considered at every MGH Steering Group meeting.

An audit by the independent audit team at Shropshire Council has been scheduled to verify project costs and financial processes. This helps ensure that year end and reporting deadlines are met. The cost of this audit has been budgeted to come from Marches LEP operating costs.

4. What approach will the LEP take to ensure management and key delivery roles are appropriately resourced to ensure that the Growth Hub has the capacity and capability to deliver its contracted objectives, business outputs and intended impacts?

MGH Model

Currently, MGH has a centrally managed virtual hub which includes a website www.marchesgrowthhub.co.uk, a central helpline (0345 6000 727) and a general enquiries e-mail address enquiries@marchesgrowthhub.co.uk.

The virtual hub is supported by three-physical hubs situated in Hereford, Shrewsbury and Telford. Due to limited funding and resources, we work in partnership with the three local authorities, University of Wolverhampton and University Centre Shrewsbury who provide well-equipped facilities and Business Support/Economic Development staff to support the operation of the three physical hubs.

The virtual hub previously had in place one full time member of staff (MGH Coordinator), who managed enquiries, supported Steering Group and Operational Group meetings, was responsible for the collection and management of KPI data and maintained the MGH website. In Autumn 2017 this colleague left the business and as 2018/19 Growth Hub funding was not yet known, temporary cover was arranged with the opportunity to review the position. The full time Business Support Officer oversees the day to day finance and performance management of the Growth Hub. This position remains in place. In October 2017, the LEP team welcomed a Partnership Manager who will oversee the strategic direction of the Growth Hub.

2018/19 Virtual Hub Restructure

In April 2018, we will transfer the virtual growth helpline to the National Business Helpline as most of the enquiries received relate to pre-start and start-up. E-mail enquiries will continue to be received via the MGH website and will be forwarded to each physical growth hub to action.

A new higher-level Support Officer post will be recruited in March 2018. The new post will support both the MGH and LEP team and will strengthen the Growth Hub's level of skills to support data collection, website maintenance and marketing. With regards to MGH, the role will continue to support the management of the MGH website, the collection and management of KPI data and support the Steering Group and Operational Group meetings. In addition to this, the role will focus on supporting the physical growth hubs with a Marches-wide events programme and provide PR and marketing support.

The LEP Director recently met with partners from the three local authorities and the University of Wolverhampton. All partners have confirmed their continued support towards the operation of the three physical hubs and endorsed the proposed changes to the virtual hub.

During the April 2018 Steering Group meeting, the group will review the current Data Sharing Agreements and Service Level Agreements in place with the three local authorities. The agreements will be updated in due course to reflect the required aggregated, non-aggregated and yet to be agreed local KPI's.

5. Growth Hubs are currently embedded within LEPs Strategic Economic Plans. Please confirm what plans will be put in place to embed the Growth Hub within any forthcoming Local Industrial Strategy (aligned to the National Industrial Strategy)?

The Marches LEP is currently updating its Strategic Economic Plan and developing, with partners, its Local Industrial Strategy (LIS). In doing this, it is considering how best to align it with areas of specialism across the Marches region and the economic growth plans that each of the local authority partners has developed.

As part of the development of the LIS, Marches LEP will hold a programme of facilitated consultation events with stakeholders. The MGH Steering and Operational Groups, MGH clients and partner projects will form part of this and some consultation events will be held at the physical hubs.

MGH will continue to provide information on and access to a range of business support programmes, including those that are designed to support the LEP's key sectors as defined in its LIS.

6. What plans will be put in place to enable the LEP and/or any external Growth Hub providers and partners to work proactively together to leverage additional sources of public and private sector funding and other resources to demonstrate coordination, alignment of business and enterprise support to add value and further enhance the Growth Hub offer e.g. EU funding, HEFCE, Local/Combined Authority, private sector contributions etc.?

Other sources of funding

Our operating model, working with local authority and HE partners, is designed to maximise leverage of public and private sector funds. As previously mentioned, the virtual hub is supported by three-physical hubs situated in Hereford, Shrewsbury and Telford. Due to limited core funding and resources, we work in partnership with our three local authorities, University of Wolverhampton and University Centre Shrewsbury who provide facilities and Business Support/Economic Development staff to support the operation of the three physical hubs. These partnership contributions significantly enhance the scope and breadth of Growth Hub services offered.

Local authority contributions to the Marches Growth Hub may be estimated as below:

- Shropshire Council – rent, heat, light and operating costs related to Marches Growth Hub – Shropshire premises and dedicated staff resource (estimate £130k per year)
- Telford and Wrekin Council – dedicated staff resource at Marches Growth Hub – Telford & Wrekin (estimate £150k per year)
- Herefordshire Council – dedicated staff resource at Marches Growth Hub – Herefordshire estimate £70k per year)

Our HE partners also contribute financially.

- University of Wolverhampton provides premises, equipment and covers all rent, heat and lighting costs at Marches Growth Hub – Telford & Wrekin and Marches Growth Hub – Herefordshire – estimated to be approx. £35K per year.
- University Centre Shrewsbury provides rooms for events and conferences – this is estimated to be approx. £2k per year.

MGH is the gateway to 22 EU funded business support projects (including grants and consultancy support) with a financial value of £22million. This includes the £1.2million ERDF funded Marches Growth Hub/Building Business Confidence project led by Telford and Wrekin Council. This provides additional diagnostic support and business advice through the 3 physical Growth Hubs and also enables effective referrals to in-depth business support on offer within the Marches.

Information sharing events are held on a regular basis to support referrals. The events bring EU project managers, Growth Hub staff and other business support and Local Authority economic development officers together to support relationship building and alignment of the business and enterprise support landscape. The events provide an opportunity to find out more about new projects as well as providing a refresher on some of the more established projects. A full list of projects can be found in **Appendix A**.

The Marches LEP has secured £5k funding from the Learning and Work Institute to work with the growth hub staff to increase their understanding of skills issues and how these can be considered in the delivery of business support programmes. It is hoped that this will lead to better promotion of the importance of staff training and development (including leadership and management, reskilling and apprenticeships) in driving business growth and increase referrals to HEFCE, ESFA and ESF funded programmes.

Principle 2 - Data, monitoring, reporting, valuation and value for money

Compliance with new Growth Hub '**Metrics and Evaluation Framework**' agreed between Government, the What Works Centre and LEPs. 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.

The LEP must commit its Growth Hub (including any external providers) to use common metrics and evaluation approaches as set out in the new Framework. This will include provision by the LEP to BEIS of **aggregated** Growth Hub performance data on a bi-annual and end of year basis for all interventions regardless of level of intensity.

The LEP will also be expected to submit **non-aggregated** (firm level) data to BEIS on an annual (and ad-hoc) basis for all medium and high intensity diagnostics and interventions (including provision of primary unique business identifiers e.g. Companies House Registration Number or VAT/PAYE and postcode) to enable BEIS to undertake an overarching evaluation of the performance, outputs and impact of all Growth Hubs.

In addition, the LEP will be expected to produce an end of year evaluation of the impact of the Growth Hub and publish the results in an Annual Review of the Growth Hub's performance and impact which will be shared with BEIS by the **31st May 2019**.

7. What systems will be put in place to ensure that the Growth Hub (including any externally contracted delivery agents/brokers) fully complies with the data collection and reporting requirements set down in the new 'Metrics & Evaluation Framework' including indicators that relate to levels of business awareness, engagement, transformation, value for money, outputs and impact?

Note: New Growth Hub Metrics & Evaluation Framework to be developed and agreed in discussion with LEPs and Growth Hubs by the **30th March 2018**.

We already have robust Data Sharing Agreements and Service Level Agreements with all Growth Hub delivery partners. These will be reviewed and updated to reflect the information required for reporting purposes from the three physical hubs and external partners.

KPI reports used to capture the information required will be updated accordingly and support offered to all partners to ensure receive correct and full information is received in a timely manner. The new post in the MGH and LEP team will have a key role in working with partners to enhance data collection and information management approaches. Marches LEP and MGH will comply with the requirements of the new M&E Framework once agreed between BEIS and LEPs.

The importance of accurate and timely data collection will be confirmed at both the MGH Steering Group and MGH Operational Group meetings. KPI data is presented at these meetings therefore any concerns can be flagged in a timely manner.

8. What systems will be put in place to ensure robust and quality driven data capture and reporting to BEIS of **non-aggregated** (firm level) data for all businesses receiving medium-intensity and high-intensity diagnostics, support and advice e.g. in each instance this must include accurate capture of Companies Registration Number or VAT/PAYE and postcode as the primary unique business identifiers .

MGH staffing will be strengthened within this financial year and additional capacity will be put in place to support data collection. A new data capture sheet has already been developed for use by all local authority partners in each of the 3 physical Growth Hubs. 2018/2019 funding has been allocated to support CRM development to enable better data recording and analysis.

It should be noted that there is a significant number of micro businesses in the Marches, many of which are sole traders, therefore the proportion of businesses supported that appear on Companies House records due to incorporation, will be low. In addition, micro businesses will often be below the VAT threshold level.

9. What Growth Hub service delivery and Key Performance Indicators (KPIs) have been agreed with BEIS and embedded within the LEP's performance management system?

Marches LEP and MGH will comply with the requirements of the new M&E Framework once agreed between BEIS and LEPs.

Local MGH arrangements are supported through service level agreements with key partners.

MGH currently records the following activities:

- Enquiries (broken down by sector, local authority area, trading status, source and referrals)
- Referrals to partner projects (in line with service level agreements)
- No of events and attendees (broken down by subject and local authority area)
- Customer satisfaction.

The MGH Steering Group reviews these KPIs at each meeting.

10. How will the LEP ensure that the Growth Hub makes best use of freely available national data sets (e.g. HMRC export data) to supplement local intelligence, shape delivery of core Growth Hub services, and identify, engage and support the business target audience?

Note: BEIS will also explore the viability of purchasing private sector data sets centrally and issuing to LEPs and Growth Hubs under licence.

The virtual hub and three physical hubs all have access to COBRA, Grantfinder and FAME/MINT. The current FAME/MINT contract expires at the end of March 2019.

In addition to this, all available national data (export, HMRC and Scale-up Institute) is shared with the 3 physical Growth Hubs and local authority partners. National data will be used to segment the local business population in order to deliver targeted support. Examples of this will include working with local Department of International Trade partners to review level of exports across the Marches and identify opportunities to support new exporters and new market development. Data on levels of R&D activity and investment will be considered when planning innovation themed events under EU funded projects.

11. What approach will the LEP take to ensure that the performance and impact of the Growth Hub is robustly measured and evaluated? Including areas such as value for money and short, medium and longitudinal impact on business growth?

We have recently completed an independent Review and Evaluation of the MGH and will be implementing the recommended action plan during 2018/2019. This will be overseen by the MGH Steering Group.

Due to the recent completion of this formal evaluation, we had not anticipated undertaking one in 2018/2019. We have now included a small financial allocation to undertake some impact assessment work with a sample of MGH clients. This will review their business performance, assess the value of support received through MGH and partners and identify its impact on the organisation's growth aspirations.

A further independent evaluation will be carried out during 2019/2020.

Principle 3 - Strategic partnerships and business support simplification

Build and strengthen relationships with the key local players across the public and private sectors and national providers such as Innovate UK (IUK), 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.

12. What approach will the LEP take, via the Growth Hub, to continue to develop strong, inclusive partnerships with all of the local and national players (public and private) involved in the ongoing development and delivery of the Growth Hub?

National service and local providers namely FSB, two Chambers of Commerce, Department for International Trade (DIT), Intellectual Property Office (IPO), Innovate UK, Enterprise Europe Network, and EU funded projects are encouraged to hold events and regular clinics at each of the three physical hubs (free of charge). This increases the opportunity for local businesses to update their knowledge, obtain quality advice and access networking opportunities.

Innovate UK

Since 2010/11, Innovate UK has awarded £359.5m in business-led innovation with 1622 unique organisations. Businesses within the Marches have been awarded total of £11.5m of this funding. There is and will continue to be regular communication between the Marches LEP and Innovate UK's Regional Manager to understand how we can further support those businesses that have already received funding and how we can support additional businesses.

The MGH also works very closely with Innovate UK's Regional Manager to promote their services and events as well as improve the information on our website in relation to their services and support.

Knowledge Transfer Network (KTN)

MGH refers appropriate businesses to the University of Wolverhampton's Knowledge Transfer Partnerships to help them to improve their competitiveness, productivity and performance through the better use of knowledge, technology and skills.

DIT

All three physical hubs have a regular DIT presence which has helped inform the Operational Group on emerging business issues and concerns. Events providing practical support to new exporters and new markets are delivered at each of the 3 physical Growth Hubs.

British Business Bank

We will continue to work very closely with the Midlands Engine Investment Fund (MEIF) Senior Relationship Manager and four fund managers to help support outreach activity to help raise the profile of the funds available.

We are in the process of considering a replacement MEIF Strategic Oversight Board Member to act as an alternate. Two members of the MGH team represent Marches LEP on the MEIF Regional Advisory Board (RAB).

Intellectual Property Office (IPO)

IPO will continue to be encouraged to run events at each of the 3 physical Growth Hub locations to ensure that local business are able to tap into relevant patent, trademark and intellectual property support.

Be the Business (Productivity Leadership Group)

In 2018, we will link to <https://www.bethebusiness.com/> from <https://www.marchesgrowthhub.co.uk> and identify further opportunities for collaboration.

ICAEW/Accountants

The Marches Growth Hub links into ICAEW members and other accountants through the Professionals Partnership in Shropshire and Telford which is supported by the Shropshire Chamber of Commerce. During 2018, MGH will identify opportunities to work with a similar network in Herefordshire to support events and business clinics run by accountancy and finance professionals.

Angel Networks – there are no dedicated Angel Networks within the Marches area but referrals into the Midlands Engine Investment Fund offers access to a range of finance options include venture capital and business angels.

IOD & IOEE

We have developed and will further develop relationships with Institute of Directors (IOD) and Institute of Enterprise and Entrepreneurs (IOEE).

Universities and Business Schools

The Marches Growth Hub Telford & Wrekin and Marches Growth Hub Herefordshire are sponsored and hosted by University of Wolverhampton which allows access to information on HE including undergraduate, post graduate programmes, degree level apprenticeships and business support projects. Events being run by University Centre Shrewsbury, the University of Wolverhampton and Harper Adams University are promoted on the MGH website's events calendar and information on training providers, FE and HE programmes is contained on its skills micro site at <http://skillssearch.marchesgrowthhub.co.uk/>.

Business Intermediaries (e.g. Chambers, FSB etc)

The FSB, Shropshire Chamber and Herefordshire & Worcestershire Chamber of Commerce are all represented on the MGH Steering Group. Where possible, business events are arranged in partnership with these organisations and information on forthcoming events is shared to avoid duplication.

Enterprise Zones

Marches Growth Hub – Herefordshire is based on Hereford Enterprise Zone (Skylon Park) which is the UK's only Enterprise Zone with a defence and cyber security focus. Business located on the Enterprise Zone are encouraged to use the growth hub for access to business advice and information.

Local/Combined Authorities

As detailed earlier, our 3 local authorities are critical to the delivery of the Marches Growth Hub. They provide staffing for the 3 physical hubs which enables effective referrals to core local authority economic growth and business support services.

Catapults/Incubators and Accelerators – the Marches LEP has met with the Manufacturing Technology Centre (MTC) - part of the High Value Manufacturing Catapult to identify opportunities for joint working. Initial thoughts are concentrating on developing a high-profile event programme potentially hosted at each of the 3 physical Growth Hub locations. There are currently no incubators within the Marches LEP region.

Better Business for All (BBFA)/Regulators

The Marches LEP is a member of the Better Business for All (BBFA) Steering Group which includes economic development and regulatory services representation from across the Marches, as well as business representation. Events will be arranged in the 3 physical Growth Hubs during 2018/2019 to enable regulators to engage and support businesses in being compliant.

Libraries/Business & IP Centres

There is limited opportunity to work with libraries across the Marches due to reductions in public funding.

Enterprise Agencies

There is no Enterprise Agency presence in the Marches however MGH works with and often hosts events by organisations that champion business start-up, e.g. Women in Rural Enterprise, Shropshire Youth Support Trust etc.

Cross Boundary

Midlands Business Support Network

The network includes National Business Support Providers along with the West and East Midlands Growth Hubs. Opportunities for cross border working will continue to be investigated as well as sharing best practice and coordination of events to ensure value for money is obtained across the wider area.

BEIS National Growth Hub Conference Events

Attendance provides an opportunity to network and explore models/practices that operate outside the West Midlands area and to share best practice/ resources.

LEP Network

The Marches LEP Chair sits on the board of the LEP Network representing the West Midlands group of six LEP's. The Network sees all 38 of the UK partnerships come together on areas of shared importance, to work with Government and share knowledge and good practice.

EU Funded Business Support Projects

The MGH work with regional partners to deliver a range of business support services. Please see **Appendix A**.

13. What approach is/will the LEP/Growth Hub take to explore opportunities for sharing office space, hot desking and other resources with local partners such as DiT, Innovate UK, the BBB and IPO where it makes sense to do so and will deliver a greater level of value for money and/or deliver greater outputs and impact for the Growth Hub? Please confirm where this is already happening.

DIT

All three physical hubs already have weekly DIT presence at each of the three physical growth hubs which has helped inform the Operational Group on emerging business issues and concerns. There is a DIT representative on both the Operational Group and Steering Group. Marches Growth Hub - Shropshire is co-located with DIT within a Local Authority owned building.

Universities

The Herefordshire and Telford & Wrekin growth hubs are situated within buildings operated by the University of Wolverhampton. The aim of the co-location of the physical hubs at the University sites is to improve links between graduates and the wider business community, encourage innovation and increase access to business support and skills development programmes delivered by the University. Space is available within the University Centre Shrewsbury at no cost to the Shropshire Growth Hub.

Chambers of Commerce

The Herefordshire & Worcestershire Chamber of Commerce is co-located with the Marches Growth Hub – Herefordshire and Marches Growth Hub - Shropshire Hub is currently co-located with the Shropshire Chamber of Commerce

All three physical hubs have access to meeting rooms, event space and hot desking facilities. The hot desking facility in Shropshire has been sponsored by the FSB and the private sector. Marches Growth Hub - Telford & Wrekin has a high-tech video conferencing suite available to both partners and businesses and provides hot desk facilities for local entrepreneurs.

BBB

The MEIF Senior Relationship Manager recently joined the MGH Operational Group. This will help support the delivery of the MEIF Funds resulting in greater take up, outputs and impact.

Collaboration

All local partners have access and are encouraged to hold regular clinics/workshops/seminars (free of charge) at the three physical hubs to help increase the opportunity for local businesses and business intermediaries to access the support and advice available. In addition, local networking groups including Women in Rural Enterprise, Shropshire Constructing Excellence, Business Environmental Support Scheme for Telford, use the facilities to encourage their members to access other business support initiatives.

14. What steps will be taken to collaborate flexibly with other LEPs and Growth Hubs, BEIS, other government departments and agencies, national and regional services (e.g. Investment Funds) and sector lead bodies to ensure that business and enterprise support interventions activities are optimised across wider geographies and to deliver increased value for money, outputs and impacts (e.g. across Northern Powerhouse, Midlands Engine, rural networks, natural clusters etc)?

Midlands Engine

The Marches LEP is a key partner in the Midlands Engine (a long-term strategy for economic growth for the wider region). The LEP worked with nine other LEPs to develop the Vision for Growth strategy

launched in September 2017 and is supporting its implementation through work with Midlands Connect and its Trade and Investment Group.

Drive Midlands

Drive Midlands provides a central hub for businesses; coordinating local support services for the automotive sector and collaborating more closely with higher and further education to support skills development. The Marches LEP supports the Drive Midlands initiatives and promotes this to local manufacturing businesses that supply the auto sector.

University of Wolverhampton

In partnership with the University of Wolverhampton, the Marches LEP supports several EU projects namely; Green Shoots Plus Fund, Innovative Product Support Service (IPSS), Knowledge Exchange & Enterprise Network (KEEN) and Built Environment Climate Change Innovations (BECCI). These are delivered across the Black Country and the Marches LEP areas.

The University of Wolverhampton has secured funding through the Marches LEP to develop a Centre for Cyber Security in Hereford. This will provide innovation workspace, consultancy support and specialist facilities. These will be in addition to the University's new investment in a Science, Technology and Prototyping Centre in Wolverhampton that provides dedicated workspace for scientific based SMEs.

West Midlands Manufacturing Club

University of Wolverhampton has continued with the development of their West Midlands Manufacturing Club as the preferred route to market for engagement with the West Midlands manufacturing and engineering SME community. Members are able to access a series of manufacturing themed events (including those held in Hereford and Telford) aimed at addressing the shortfall in manufacturing productivity and technology adoption across the West Midlands.

The Manufacturing Club has also launched their High-Speed Rail (HS2) **Get on Track** Rail Tender Supplier Readiness Programme following a successful pilot in 2017.

University Centre Shrewsbury

Centre for Research into Environmental Science and Technology (CREST) is based at University Centre Shrewsbury and provides research and innovation support to small and medium enterprises across Shropshire, Telford and Wrekin to develop and test new products, processes or services which relate to the Environmental Science and Technology sector. This support includes; research collaborations, bringing products to market, feasibility and testing, lab facilities on site, masterclasses and workshops.

The Business Growth Programme (BGP)

This is a £33m fund which consists of four strands of business support; namely the Business Development Programme, the Business Innovation Programme, the Green Bridge Supply Chain Programme and the HS2 project. BGP grants are available to eligible companies across the Marches area, via the European Regional Development Fund. The scheme is being delivered by Birmingham City Council in partnership with the Marches LEP and Greater Birmingham & Solihull and Stoke on Trent and Staffordshire LEPs. During April to September 2018, **£30,000** of funding was awarded to businesses within the Marches area. A further **£124k** of funding was pending a decision.

The Manufacturing Growth Programme

This project has been operating since October 2016 and is now working across 16 LEP areas. Delivered by Economic Solutions Ltd, the programme supports SME Manufacturers to grow by identifying, understanding and removing barriers to growth and enabling sustainable business improvement. Progress to date includes 42 grants offered worth £57,466 to businesses within the Marches. This project has been extended for a further year and will continue to support the Marches area. Representatives from this programme are members of the MGH Operational Group.

Food & Drink

Agri Project

This is a food and drink sector project that will support Marches SMEs in the sector. This is an ERDF funded project being delivered by Aston University and Harper Adams University. It will support about 100 SMEs in the Marches over the next 2-3 years to innovate to help exploit market opportunities, particularly in agri-tech/agri-food. It will deliver both short and long-term one to one assistance, workshops and innovation collaboration opportunities.

Agri-Tech West (ATW)

This project is a recently developed food and drink sector project. This project is funded by 4 LEPs – the Marches, Worcestershire, Staffordshire and Stoke and Cheshire and Warrington. The project has a website and information service and will work in partnership with the Growth Hubs. The website will support/include: -

- Showcasing the geographical region as being an area of leadership for Agri Tech, Agri Food and related innovation;
- An information point/one stop shop for anything with an Agri Tech focus or agenda. (like a virtual growth hub but focused on Agri Tech);
- A tool to evidence the collaboration between all partners and cross LEP workings as well as the external interest and interaction; and
- Increase the visibility and awareness of ATW as a whole – regionally, nationally and globally.

Over the next 6-12 months a series of collaborative events will run across the ATW region which will start to launch ATW and build momentum and awareness. The project will then look to have a standalone ATW event.

15. How will the LEP through the Growth Hub continue to simplify the local business support landscape, building on previous work undertaken to map, streamline and join-up the ecosystem for the benefit of business? How will duplication be minimised/avoided?

To ensure the business landscape is not populated by duplicate products and services, the LEP officers work with the Marches European Structural Investment Funds (ESIF) Committee to ensure that any new applications for business support funding are discussed at the Growth Hub Operational Group to ensure that they compliment current business support rather than duplicate.

A member of the European Regional Development Fund (ERDF) technical team has recently joined the MGH Operational Group and will help keep the group informed.

The Marches LEP is a member of the Better Business for All (BBFA) Steering Group which includes economic development and regulatory services representation from across the Marches, as well as business representation. Organisations represented on the Steering Group include: -

- Shropshire Chamber of Commerce
- Herefordshire & Worcestershire Chamber of Commerce
- Federation of Small Businesses
- Herefordshire Council
- Herefordshire and Worcestershire Fire and Rescue
- Shropshire Council
- Shropshire Fire and Rescue
- Telford and Wrekin Council

- Business Board representation as and when required.

The aims and objectives of the BBFA Steering Group are: -

- To work on the principle of getting regulation right first time for the benefit of both businesses and regulators.
- Regulators and business support services working together to create a sustainable regulatory delivery model based on the benefits that good regulation can bring.
- Form new and strengthen existing working relationships between regulators and business support services, pooling knowledge, resource, skills and intelligence to achieve smarter and better outcomes together.
- Make better use of limited resources and save time and money by working smarter and better together.
- Support economic growth, provide assured advice and improve perceptions of regulators and business support services to enable mutually beneficial relationships between business, regulators and business support services to flourish.
- Regulators and businesses working together to better understand one another, breaking down barriers and working together towards common goals.
- Support good business across the Marches by engaging and supporting businesses in regulatory compliance, offering co-ordinated, relevant and timely advice and support in response to business feedback.
- Ensure consistency of advice and support to businesses across the Marches.

16. Provide confirmation that the Growth Hub (and any local spokes) agree to embed an agreed 'strapline' within the Growth Hub website and appropriate local collateral in order that the Growth Hub Network demonstrates that the service is supported and endorsed by Government in line with guidance to be agreed between BEIS, LEPs and Growth Hubs (**by 31 May 2018**).

Confirmation of agreement to embed an agreed 'strapline' within the MGH website and appropriate local collateral.

Principle 4 - 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.

17. What type of Growth Hub delivery model will be used by the LEP in 2018-19 to deliver a proactive local triage and diagnostic service to all businesses in the LEP area, prioritising those with the opportunity, ambition and greatest potential to grow? Are any changes planned to the current Growth Hub delivery model?

2018/19 Virtual Hub Restructure

In April 2018, we will transfer the virtual growth hub helpline to the National Business Helpline as most of the enquiries received relate to pre-start and start-up. E-mail enquiries will continue to be received via the MGH website and will be forwarded to each physical growth hub to action.

A new higher-level Support Officer post will be recruited in March 2018. The new post will support both the MGH and LEP team and will strengthen the Growth Hub's level of skills to support data collection,

website maintenance and marketing. With regards to MGH, the role will continue to support the management of the MGH website, the collection and management of KPI data and support the Steering Group and Operational Group meetings. In addition to this, the role will focus on supporting the physical growth hubs with a Marches-wide events programme and provide PR and marketing support.

The LEP Director recently met with partners from the three local authorities and the University of Wolverhampton. All partners have confirmed their continued support towards the operation of the three physical hubs and endorsed the proposed changes to the virtual hub.

As well as hosting a programme of events, the three physical hubs offer a drop-in service and the opportunity to have face to face appointments. The face to face activity intervention tends to be light touch to medium intensity both of which is reported to BEIS.

To note, we do not have an established skilled business advisor team in our physical hubs. We have, however, recruited with EU funding a more skilled team of advisors (x7) to deliver the Building Business Confidence (BBC) Programme. The BBC programme is a mentoring scheme for both start-up and growing businesses focusing on sales, improving turnover and developing the workforce. From 1 April 2017, this team has worked across the Marches and has some capacity and skill sets to work with scale-up potential companies.

Access to in-depth support programmes, e.g. EU funded, is reserved for those businesses that have the most capacity and potential to grow and create new jobs.

18. What steps will the LEP take to ensure that the Growth Hub focusses on those delivery models demonstrated to be most effective for SMEs, prioritising those businesses with the ambition and greatest potential to grow e.g. through intensive and sustained face-to-face support, creation of peer to peer and mentoring networks and locally embedded and/accessible expertise and or specialist support?

The transfer of the virtual growth hub helpline to the national enquiry line will enable generic questions to be answered promptly and those clients with more complex issues to access more in-depth support from staff at the relevant physical hub.

A structured telephone or face to face diagnostic will enable MGH staff to identify key issues and relevant areas of support. These may include referrals to 22 different EU funded programmes which are designed to support those businesses with the ambition to grow and create jobs. These programmes provide the opportunity for businesses to access in depth face to face support, grant funding towards consultancy/capital investment and/or to work with a mentor.

Information on the EU funded programmes and the economic growth programmes delivered by the 3 local authority partners is shared regularly to ensure that the network is kept up to date of support that is available to growth oriented businesses.

19. What steps will the LEP take to ensure that the Growth Hub continues to provide access to a free and impartial local 'single point of contact'?

The Marches LEP is committed to providing a free of charge and independent point of contact through the Marches Growth Hub. Our enquiry handling capacity will be enhanced by using the national enquiry line in addition to the staff in the physical Growth Hubs and this will ensure that businesses are able to access impartial advice and signposting/brokerage to potential areas of support.

Marches Growth Hub will remain an impartial broker and continue to work with relevant local, regional and national partners who deliver programmes and services within our area. In addition, we will continue to leverage resources to amplify the Marches Growth Hub and to work with Government to establish the Growth Hub as a key route to market for national and local industrial strategy delivery.

20. How will the LEP ensure that the Growth Hub delivers greater value for money, by making best use of free national assets (e.g. GOV.UK and GREAT) and the national Business Support Helpline (e.g. to support pre-starts).

The MGH website is fully aligned with the Business is Great Campaign and links to content and tools on GOV.UK and GREAT.GOV. In addition to this, the website links with the national Business Support Helpline to assist with pre-start and start-up enquiries. We also live data share with the national Business Support Helpline.

As previously mentioned, we are looking to transfer the virtual hub helpline to the National Business Support Line from 1 July 2018.

21. How will the LEP ensure that the Growth Hub proactively promotes those programmes (public and private) that:

- a. enable more businesses to access new market opportunities and be more confident in trading internationally;
- b. are most successful at stimulating business investment in science, research & development and innovation, and encourage the adoption of innovative technologies and management best practice;
- c. enable more businesses to source the right people, access apprenticeships and develop workforce skills to enable businesses to attract and employ new workers and fill gaps in technical and basic leadership and management skills; and
- d. increase business awareness and participation in public procurement and major infrastructure projects, improving the knowledge needed to compete successfully and increasing SME procurement capabilities?

Website - www.marchesgrowthhub.co.uk

The website includes information and links to national, regional and local business support services, training, events and tender opportunities. It has been designed with a searchable directory. A filter to the search facility has been created to help businesses pinpoint eligible products and services.

The website also includes an Employer Skills Search Facility. This was developed by the LEP and its Skills Board (which includes business representatives, training & skills providers and universities). This search facility brings together in one place all the providers delivering training, skills and qualifications in the Marches for the first time. As well as detailing, more than 1000 courses on offer, it is designed with employers in mind. It offers businesses a chance to search directly for courses, training and skills adding value to their staff and their businesses.

All programmes are proactively promoted by the MGH PR/Marketing consultants. This is done through website content, regular MGH e-newsletters, social media, through e-marketing campaigns and advertorials.

Specific examples of each of the above points is now detailed below:

- a) This is supported through referrals to locally delivered DIT programmes and services, including international trade missions, support for new exporters and support for existing exporters that are seeking new international markets.
- b) Eligible businesses are encouraged to access in depth support from relevant projects and partners, e.g. through the AGRI, Manufacturing Growth Programme, KTN etc. Awareness raising events are also held in the 3 physical growth hubs to promote innovative practices.
- c) Businesses are encouraged to access information the MGH website on local training providers to meet their skills needs. Events on skills issues and potential solutions, e.g. traineeships, apprenticeships, recruitment and retention etc, are regularly held at each of the 3 physical Growth Hubs. Finally, in-depth programmes, e.g. the Manufacturing Growth Programme, allow businesses to attract consultancy support for leadership and management skills development.
- d) Businesses are encouraged to participate in public procurement opportunities and these are promoted on the MGH website. In addition, events are held at the 3 physical Growth Hubs to highlight opportunities and increase awareness of good practice in tendering. Recent examples of this include the Get on Track programme from University of Wolverhampton which encourages businesses to tap into contracts associated with HS2.

22. What steps will the Growth Hub take to work in partnership with the BBB, banks, accountants and others to raise awareness of mainstream and alternative sources of finance covering debt, equity (e.g. private equity funding, venture capital, alternative bank lending), leasing, diversified funding streams and microfinance to increase supply of finance options for growing firms?

We have excellent working relationships with the BBB and local business professionals (accountants and solicitors) through the recently formed Business Professionals Network. The lead from the Business Professionals Network is a member of the MGH Steering Group. The MEIF Senior Relationship Manager from the BBB is a member of the Operational Group.

Part of the new Support Officer's role will be to proactively search for and raise the awareness of existing and new mainstream and alternative sources of finance.

Principle 5 – 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).

23. What plan is the LEP putting in place to further develop and deliver against locally agreed 'Scale-Up Plans' to ensure that recognised scale-up challenges are overcome and businesses with the opportunity, ambition and greatest potential to grow are prioritised and supported by the Growth Hub?

Each of the three physical growth hubs currently has a 2017/18 scale-up plan in place. The virtual hub will work with each growth hub to review progress at the end of the financial year. The growth hubs will be asked to and supported to further develop a scale-up plan for 2018/19 considering any identified growth challenges faced by businesses.

The 2018/19 scale-up plans will be aligned with an events programme that will help target businesses with the potential to grow and get ahead. The events will help promote business growth advice as well as business growth interventions available. The events will also be open to those who work closely with the business community (business professionals network and business support intermediaries).

The three physical growth hubs will be encouraged to use national and local data wherever possible to help further develop their plans.

24. How will the Growth Hub use national and local data such as the Scale-Up Institute (SUI) map, the Fast Track 100 and those made available by Government to identify and target those businesses with the opportunity, ambition and greatest potential to grow?

As detailed in our scale up plan, the Marches Growth Hub uses data sources such as the MINT/FAME databases, and the Scaleup Institute map/ report to identify and monitor scale up businesses.

The MGH Operational Group is also encouraged to consider ways in which partners can identify businesses with most potential to grow based on indicators used by the local authority economic development teams.

25. How will the LEP ensure that the Growth Hub is able to broker/introduce high quality face-to-face Account Managers that have the skills and experience to:

- undertake a high level 'diagnostic' review that takes a 360 degree view of areas for development across the business;
- spend time with the senior management team of the business to identify the barriers that are preventing them from achieving their high growth ambition and broker a solution;
- work in collaboration with the private and public sector to draw on impactful programmes such as the London Stock Exchange's ELITE programme, Goldman Sachs 10k SMEs together with any locally driven bespoke programmes;
- maintain close relationships with these programmes and develop a strong understanding of local provision in order to help identify the most appropriate package of support; and
- manage the relationship with the business over the life of the intervention and report progress along the firm's growth journey, improving the LEPs, Growth Hubs and Government's' understanding of the challenges this group of businesses face and the solutions they need now and will potentially need in the future.

Note: Where available please confirm the level of this resource (e.g. 1 FTE); their skill levels; any sector/other specialisms; where they are located and whether alternative sources of funding are/will be used to fund the post/s (e.g. ERDF).

To re-confirm, MGH does not have the resources to fund an established core advisor team in our three physical hubs to undertake an account management service.

Our generic advisory teams, comprising local authority /University of Wolverhampton staff, work with businesses to identify their key needs and opportunities for signposting to appropriate in-depth support, including our 22 EU funded programmes (see appendix A). Information on referrals is captured on the

MGH CRM to ensure that MGH retains an overview of brokerage undertaken and recommended next steps.

For example, we have recruited with ERDF a more skilled team of advisors (x7) to deliver the Building Business Confidence (BBC) Programme. The BBC programme is a mentoring scheme for both start-up and growing businesses focusing on sales, improving turnover and developing the workforce. From 1 April 2017, this team has worked across the Marches and has some capacity and skill sets to work with scale-up potential companies. Eligible clients are referred to this by the generic MGH advisory teams. The BBC advisor team then works directly with the individual businesses to develop a more detailed understanding of their growth potential.

Access to in-depth support programmes, e.g. EU funded, is reserved for those businesses that have the most capacity and potential to grow and create new jobs.

MGH also refers appropriate businesses to the Goldman Sachs programme for in-depth follow up support.

26. Please set out below proposals for any other local innovative approaches identified and defined by the LEP aimed at those businesses with the opportunity, ambition and greatest potential to grow, which have the potential to become local or cross-LEP/Growth Hub test and learn pilots, with best practice shared across LEP and Growth Hub Networks and feeding into and informing future business support policy thinking (agreed with BEIS on a case by case basis).

Each of the three physical growth hubs wishes to develop an area of expertise in line with their local specialisms and economic priorities: Herefordshire – defence and security; Shropshire – environmental technologies and Telford & Wrekin – digital. This would enable each physical hub to develop sectoral expertise across the Marches LEP area and encourage referrals between hubs for follow up in-depth support. These aspirations are dependent on successfully securing external funding.