



GROWTH HUB FUNDING TO LOCAL ENTERPRISE PARTNERSHIPS (LEPs)

SCHEDULE 3 - PRINCIPLES OF FUNDING (2019-2020)

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 continue to 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 22nd February 2019**.

SCHEDULE OF WORK

As part of the wider offer for Local Growth Deals, Government is providing revenue funding to LEPs in 2019-20 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 (including sub-hubs) remains under direct leadership and governance of the LEP and under oversight of the LEP Accountable Body (AB). All appropriate LEP governance, transparency and accountability arrangements are in place and aligned and compliant with the national LEP Local Growth Assurance Framework. All Growth Hub branding meets the minimum requirements set down in the Growth Hub Network Branding/Communications Guidelines and Media Toolkit.

1. What approach will the LEP and Accountable Body take to governance in 2019-20 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 Local Growth Assurance Framework.

The Marches LEP can confirm that all appropriate LEP governance, transparency and accountability arrangements are in place and compliant with the national LEP Local Growth Assurance Framework.

The Marches LEP Board oversees the setting of the strategic direction for the Marches Growth Hub (MGH) and receives regular 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.

Shropshire Council acts as the Marches LEP's Accountable Body. The MGH 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 MGH Steering Group is also the Small Business Champion on the LEP Board. MGH Steering Group agendas and minutes are prepared in line with the TOR. Performance of the MGH 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 2019-20 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 completed by all in 2018 using the new template provided by government. In addition to this, the group are asked to complete

a Declaration of Interest form should there be any conflicts in relation to the agenda for each meeting. The completed form is presented to the Chair at the beginning of the meeting.

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)
- Marches Skills Provider Networks (private)
- Federation of Small Businesses (private)
- Department for International Trade (public)
- 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 LEP managed virtual hub and the partner-led three physical hubs in Shrewsbury, Telford & Wrekin and Hereford. It reviews business support services from all partners in order to manage referrals, monitor outputs and share information. Its membership includes:

Local Partners:

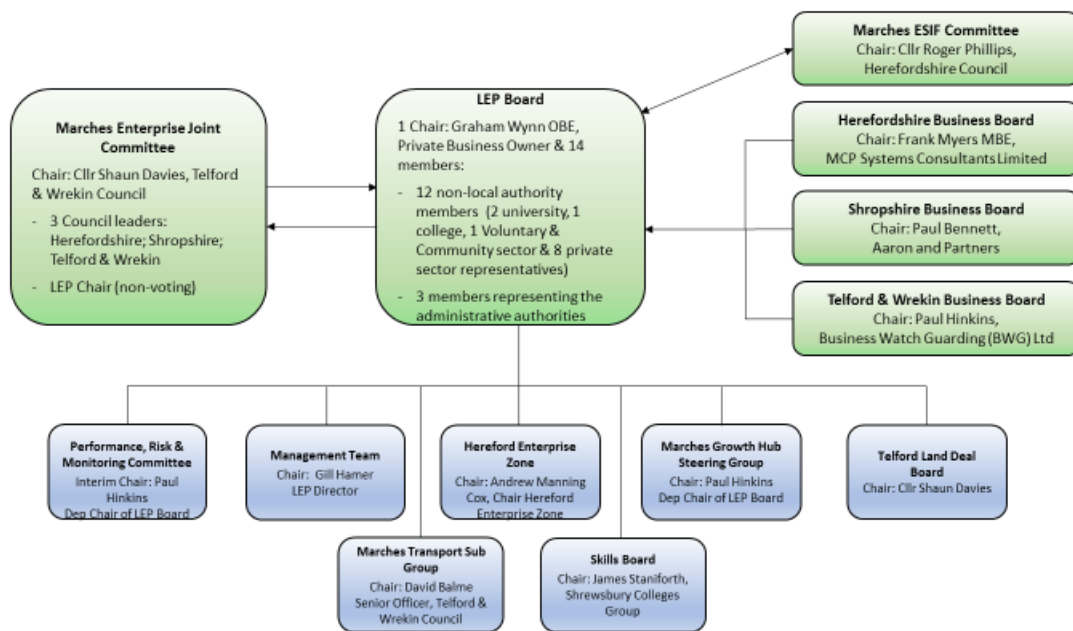
- Herefordshire Council
- Shropshire Council
- Telford and Wrekin Council
- Shropshire Council (European Regional Development Fund Technical Assistance Officer)
- University of Wolverhampton
- Marches LEP
- PR/Marketing consultant

National:

- Department for International Trade
- Economic Growth Solutions (Deliver Manufacturing Growth Programme and work across 15 LEP areas)
- British Business Bank (under review at present due to staff changes)

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 PRMC which meet every two months. As outlined in Section 1, 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.

The cost of the MGH Audit report is included in Schedule 1 to BEIS at the beginning of the financial year and the audit team at Shropshire Council is given sufficient notice to carry out the work required. This helps ensure the year-end reporting deadline is met.

To confirm, the audit service provided by Shropshire Council is a chargeable service.

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

MGH has a centrally managed virtual hub which includes a website www.marchesgrowthhub.co.uk and a general enquiries e-mail address enquiries@marchesgrowthhub.co.uk.

In April 2018, the virtual hub central helpline 0345 6000 727 was transferred to the National Business Helpline as most of the enquiries received related to pre-start and start-up.

The virtual hub is supported by three-physical hubs situated in Hereford, Shrewsbury and Telford & Wrekin. Due to limited funding and resources, we work in partnership with the 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. All partners have confirmed their continued support towards the operation of the three physical hubs.

For the period April 2018 to March 2019, an interim Data and Marketing Officer has supported the MGH team to help strengthen data collection and has coordinated a Marches wide programme of high-profile growth hub events. The Data and Marketing Officer has also continued to support the management of the MGH website, the collection and management of KPI data and supported the Steering Group and Operations Group meetings.

After a review of the LEP team resource, it has been decided this full-time role is not needed and its responsibilities will be divided between other members of the LEP team.

The Business Support Officer (BSO) oversees the day to day finance and performance management of the MHG. Previously the BSO's time was split 50/50 between the MGH and the LEP (supported Marches Investment Fund programme) and from 1 April 2019 the BSO will support the growth hub full time and will be funded 100% from growth hub funding. Moving forward, the BSO will pick up duties previously carried out by the MGH Coordinator and will receive 1-day support per week from a LEP admin officer. This new structure will be reviewed to ensure quality is not being compromised as a result of the change.

The LEP Partnership Manager oversees the strategic direction of the Growth Hub.

The partner Service Level Agreement/Data Sharing Agreements are currently being reviewed by Shropshire Council legal team and will reflect the required aggregated and non-aggregated data requirements.

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 your Local Industrial?

The Marches LEP at present is finalising its Strategic Economic Plan (SEP) 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 SEP.

Innovation and productivity improvement will be key strands of the Marches LIS. The LEP will work with strategically important companies (and their supply chains) to identify innovative projects that increase efficiency, reduce costs and drive productivity in our core and emerging sub sectors. The MGH will remain central to the delivery of and access to business support and innovation services.

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

The MGH 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 & Wrekin. 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 are 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 (estimated £200k 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 £140K per year.
- University Centre Shrewsbury provides rooms for events and conferences – this is estimated to be £2k per year.

MGH clients currently have access to 23 EU funded business support products. Information sharing events help bring EU project officers that manage the EU funded business support products, growth hub teams and other business support and enterprise officers together from the three local authority areas. This helps support relationship building and alignment of the business and enterprise support landscape. The information sharing events provide an opportunity to find out more about new projects as well as providing a refresher on some of the more established projects. Full list of projects can be found in **Appendix A**.

Marches LEP has bid for £75k funding from Department for Education to support the development of the analytical toolkit for Skills Advisory Panels. If successful, this funding will enable us to have a better understanding of current and future skills and employment priorities that will impact on our area. This will result in an evidence-based approach to skills development programmes and may provide further opportunities for integration of business support and skills interventions, particularly in our strategically important sectors.

7. What plans are/will be put in place to ensure that the Growth Hubs will meet the minimum requirements as laid out in the Growth Hub Network Branding/Communications Guidelines and Media Toolkit?

The Marches LEP will work with the contracted PR & Marketing consultants to ensure that the MGH meets the minimum requirements by the given deadline as laid out in the Growth Hub Network Branding/Communications Guidelines and Media Toolkit. The MGH website will continue to be reviewed at the LEP/MGH monthly website review meetings.

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

Compliance with refreshed 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**.

8. 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?

We have Data Sharing Agreements and Service Level Agreements in place with all Growth Hub delivery partners. These documents are currently being reviewed by the legal team and will be 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 for all partners to ensure we receive correct and full information in a timely manner.

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

9. 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.

A data capture excel spreadsheet has been developed for use by all local authority partners in each of the 3 physical Growth Hubs. 2019/2020 funding has been allocated to support further CRM development to enable better data recording and analysis by the three physical growth hubs.

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.

10. What local Growth Hub service delivery and Key Performance Indicators (KPIs) have been agreed locally?

Marches LEP and MGH will comply with the requirements of the new M&E Framework.

Local MGH arrangements are supported through Service Level Agreements with key partners.

MGH currently and will continue to record the following activities:

- Enquiries (broken down by local authority area, trading status and source)
- Referrals to partner projects (in line with Service Level Agreement)
- 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.

11. 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?

The virtual hub and three physical hubs all have access to COBRA and FAME/MINT. The current FAME/MINT contract expires at the end of March 2019 and will be renewed in April 2019.

In addition to this, all available national data (export, HMRC and Scale-up Institute) is highlighted and shared with the three physical hubs to help support engagement strategies.

12. 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 completed an independent Review & Evaluation of the MGH in 2017/18. The action plan from this exercise was implemented during 2018/19. This was overseen by the MGH Steering Group.

As part of the 2018/19 evaluation, the MGH commissioned three impact case studies to help demonstrate value for money and short, medium and longitudinal impact on business growth. The case studies will be shared in the 2018/19 year-end report.

The MGH would like to continue with impact case studies during 2019/20 and would welcome BEIS feedback and approval.

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.

13. 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? This would typically, but not exclusively include the following:

Note: Please provide a short summary under each organisation.

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 (UKRI):

For period FY2010/11 to 14/01/2019 the following was achieved in the Marches area: -

147 separate organisations were involved in Innovate UK funded projects, 108 of these were (micro, small, medium and large) businesses. A total of £14,366,988 was offered in grant funding, with £11,789,561 of this going to businesses.

The LEP met with Ewa Bloch, Innovate UK's new Regional Manager for the West Midlands in January 2019. We will work closely with Ewa to understand how we can further support those businesses that have already received funding and how we can support additional businesses.

In addition to this, we will continue to promote Innovate UK's services and events as well as improve the information on our website.

Knowledge Transfer Network (KTN):

The growth hub teams refer businesses to the University of Wolverhampton Knowledge Transfer Partnership (KTP) programme.

In September 2018, a meeting took place between the LEP and Mark Matchett who is the KTN lead supporting the 'Place' based innovation agenda in the West Midlands and a Knowledge Transfer Adviser - West Midlands. The purpose of the meeting was to discuss collaborative working to better support innovation in the Marches area. Since the meeting, the MGH website has been updated to reflect the KTN/KTP offer including links to success data and case studies. Mark was also a guest speaker at the January 2019 MGH Operations Group meeting. Mark will look to work closely with the three physical hubs including spending time at each growth hub delivering drop in sessions/workshops/seminars as well as piggy backing onto MGH events.

Department for International Trade (DIT) / Enterprise Europe Network (EEN):

All three physical hubs have a regular DIT presence which has helped inform the Operations Group on emerging business issues and concerns. Events providing practical support to new exporters and new markets are also delivered at each of the 3 physical hubs. During 2018/19 two high profile Business Growth & Exporting events were delivered across the Marches. Further high-profile events will be considered in 2019/20 should there still be a need to raise awareness of the DIT support on offer.

Referrals are also made to the EEN and the MGH promotes their services and events.

British Business Bank (BBB):

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.

The new MEIF Senior Relationship Manager Ryan Cartwright has been invited to attend the MGH Operations Group meeting in March 2019 with a view to joining the group should he have the capacity.

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) one of which has been nominated as Vice Chair at the December 2018 meeting.

Intellectual Property Office (IPO):

The new IPO contact Sophie Walker will be encouraged to run events at each of the 3 physical Hub locations to ensure that local businesses are able to tap into relevant patent, trademark and intellectual property support.

Sophie is busy meeting the growth hub teams at present to discuss collaborative working and she is also our guest speaker at the MGH Operations Group meeting in March 2019.

Be the Business (Productivity Leadership Group):

We understand that the current program is running from October 2018 to October 2019 in Birmingham, Manchester, North East and London. The MGH has been trying to connect with Be the Business to understand more about the program and to see if/how we can be part of the next wave in October 2019 - October 2020 should we have capacity.

The MGH is waiting to hear back Jane Howells (lead) and Oliver Sayers (support) who as we understand are our new points of contact.

Banks:

The LEP plan to deliver two Access to Finance Summit events across the Marches in 2018/19. The first event took place on the 23rd of November 2018 and the second Summit is planned for April 11th, 2019.

The events are aimed at banks, professional services advisers to small businesses, accountants, solicitors, enterprise support advisers, business finance advisers, finance brokers, insolvency practitioners and alternative finance providers in the Marches area.

The events have/will bring together some of the region's leading experts in the funding, legal and banking sectors who will explain the various funding streams small businesses can access – including peer-to-peer lenders, equity funds, invoice discounters, crowd funders and locally-based small business loan funds.

The Summit events will seek volunteers to form a Marches LEP Access to Finance Forum who will work together to form a LEP Access to Finance strategy and help inform 2019/20 Marches wide Access to Finance high profile events aimed at the business community. To date, one LEP Access to Finance Strategy workshop has taken place on 23rd of January 2019.

ICAEW / Accountants:

The MGH 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 2019/20, the 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:

The MGH will continue to promote the Regional Angels Programme which was launched by British Business Banks on 1 October 2018. The programme is designed to help reduce regional imbalances in access to early stage equity finance for smaller businesses across the UK. It aims to address this issue by increasing the availability, supply and awareness of angel and other early-stage equity investments across the country, particularly in areas where this type of finance is less readily available.

Other than the above, there are no dedicated Angel Networks within the Marches area. Referrals into the Midlands Engine Investment Fund also offers access to a range of finance options include venture capital and business angels.

Universities/Business Schools:

The MGH Hub Telford & Wrekin and MGH Herefordshire are sponsored and hosted by University of Wolverhampton which allows access to information on Higher Education including undergraduate, post graduate programmes, degree level apprenticeships and business support projects.

Events being delivered 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 and Shropshire Chamber of Commerce are both represented on the MGH Steering Group. Herefordshire & Worcestershire Chamber of Commerce are yet to confirm a representative for 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:

MGH – Herefordshire is based on Hereford Enterprise Zone (HEZ) 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. In 2019/20 we will explore opportunities to access HEZ funding to sponsor the delivery of events at MGH – Herefordshire.

Local/Combined Authorities:

As detailed earlier, our 3 local authorities are critical to the delivery of the MGH. 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. The MGH promotes events delivered at MTC and other Catapult sites in the UK.

Hereford Shell Store Business Incubation and Innovation Centre

Preparatory work has begun for the redevelopment of the derelict building on HEZ (Skylon Park). This will be the first Incubation Centre in the Marches. The project will help create more than 2,000 square metres of employment space, with room for new and growing businesses to set up and expand alongside facilities for development and innovation, presently earmarked for the new NmiTE University in Herefordshire. The centre is due to be completed in early 2020. The project is being funded via the European Regional Development Fund, Herefordshire Council and a loan from the Marches LEP's Marches Investment Fund.

<https://www.marcheslep.org.uk/shell-store-development-to-create-a-business-incubation-and-innovation-centre/>

Better Business for All (BBfA)/Regulators:

The Marches LEP is a member of the BBFA Steering Group which includes economic development and regulatory services representation from across the Marches, as well as business representation.

A pilot BBFA project is in progress for Shropshire at present. It was agreed by the Steering Group that surveys – one for businesses and one for local regulatory officers who interact with businesses will be conducted in the first instance.

The survey designs were agreed in August 2018 and tested with a handful of businesses in September via the MGH - Shropshire. The survey will be launched as the next step. The results of these surveys will be the

foundation for an event later this year for local businesses and regulators to agree a way forward for BBfA in Shropshire.

Libraries/Business & IP Centres:

MGH – Shropshire is exploring the option of a redundant mobile library that can be re-configured to support outreach activity. The Head of Libraries at Shropshire Council will alert the growth hub when a bus comes available.

Shropshire Libraries have agreed with MGH – Shropshire that they can have a place on the mobile library to help support outreach activity in rural areas. The mobile library visits 240 villages during a two-week period. MGH - Shropshire is also holding 121 surgeries at different libraries every month.

MGH Herefordshire and MGH Telford & Wrekin are currently exploring opportunities with their local libraries.

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.

Others (public and private):

Business Boards

The Marches LEP is private-sector led - it has the voice of its business community at its heart and engages with employers through the three Business Boards in Shropshire, Telford and Herefordshire. As well as engaging with individual businesses, the Business Boards also work with organisations including the Chambers of Commerce, Federation of Small Businesses and local authorities.

<https://www.telfordbusinessboard.co.uk/>

<https://www.herefordshirebusinessboard.co.uk/about-hbb/>

<https://shropshire.gov.uk/shropshire-business-board/about-us/>

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.

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.

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.

IOD & IOEE

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

Shropshire Coaches Group and Shropshire Wildlife Trust Partnership

Supported by MGH – Shropshire, this was a new exciting opportunity for businesses to discover how coaching can help them problem solve, think creatively and increase the bottom line. The NetWalking/Coachwalking took place in 2018/19 on a nature reserve, so the businesses could enjoy the

therapeutic benefits of the outdoors and exercise with time and space to think. 15 delegates attended the event and feedback is currently being evaluated to inform further sessions.

Retail Collaborations

This initiative was delivered in 2018/19 and involved businesses taking up an empty unit in a shopping centre for free for a set time duration. Thirty businesses showed an interest with 20 completed expressions of interest received, out of which 8 businesses successfully secured a unit space. The successful businesses went on to trial retailing from the unit in October 2018. Successful outcomes were measured as permanent take-up of units in the Shopping Centre. MGH - Shropshire worked in partnership with a local provider and delivered a workshop a couple of weeks before the event, so that businesses could make the most of the 'retail' opportunity.

HR Collaborations

Each physical team is actively working with local HR specialists and delivering workshops and events encompassing employment and company law. The workshops and events were fully subscribed in 2018/19 and have been followed-up with 121 meetings and business surgeries.

Another good example is where MGH – Telford & Wrekin supports the local HR Forum which is a private sector led networking and discussion group made up of HR professionals from the area's larger employers. This enables referrals to the MGH's events programmes and wider support.

Growth Hub Gurus

MGH Telford & Wrekin have launched a Hub Club which will maximise their collaborative work including event delivery and follow on support as an 'extension to the team'.

<https://www.marchesgrowthhub.co.uk/news/growth-hub-gurus-launched-to-drive-business-success/>

ERDF Programmes

The MGH is the gateway to 23 EU funded business support projects (including grants and consultancy support) with a financial value of £19.7million. The growth hub teams and project managers will continue to very closely to help maximise promotion and up-take.

Local Authority Town Councils and Town Clerks

The growth hub teams will continue to actively work with the Town Councils and Town Clerk teams to help support outreach activity. This includes growth hub presentations at Town Clerk meetings to help raise awareness of the MGH service.

14. What approach is the LEP/Growth Hub taking 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 a weekly DIT presence at each of the three physical growth hubs which has helped inform the Operations Group on emerging business issues and concerns. There is a DIT representative on both the Operations Group and Steering Group. Marches Growth Hub - Shropshire is currently 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 MGH.

Chambers of Commerce

The Herefordshire & Worcestershire Chamber of Commerce is co-located with the MGH – Herefordshire and MGH - 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. MGH - 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 previous MEIF Senior Relationship Manager was a member of the MGH Operations Group. This helped support the delivery of the MEIF Funds resulting in greater take up, outputs and impact. The new MEIF Senior Relationship Manager will attend the March 2019 Operations Group meeting with a view to becoming a member should he have capacity.

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.

15. What steps are being 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)?

The LEP has a strong track record in working with other strategic partners and work continues with: -

- West Midlands ERDF funded business support and innovation projects such as Business Growth Programme as well as supporting extensions of projects such as Manufacturing Growth Programme
- Three other LEPs on Cyber Security (Cyber Resilience Alliance)
- Three other LEPs on Agri Tech (Agri Tech West Alliance) which signpost SME's to GHUBs
- Supporting Midlands Engine (including Midlands Engine Investment Fund, Midlands Connect and Midlands Engine Trade and Investment Strategic Programme Group including attendance at MIPIM)
- Welsh partners on identifying opportunities for potential collaboration.

16. 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 Operations Group to ensure that they compliment current business support rather than duplicate.

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

A mapping exercise of the Marches business support offer has been carried out in 2018/19 and shared with the Midland Engine Enterprise Sub-Group. This document will be used to help identify any gaps in support as well as possible duplication.

As previously mentioned, the Marches LEP is a member of the Better Business for All (BBFA) Steering Group and a pilot project is currently being developed in Shropshire.

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 2019-20 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?

Virtual Hub Restructure

For the period April 2018 to March 2019, an interim Data and Marketing Officer has supported the MGH team to help strengthen data collection and has coordinated a Marches wide programme of high-profile growth hub events. The Data and Marketing Officer has also continued to support the management of the MGH website, the collection and management of KPI data and supported the Steering Group and Operations Group meetings.

After a review of the LEP team resource it has been decided this full-time role is not needed and its work will be divided between other members of the LEP team.

The Business Support Officer (BSO) oversees the day to day finance and performance management of the MHG. Previously the BSO's time was split between the MGH and the LEP (supported Marches Investment Fund programme) and from 1 April 2019 the BSO will support the growth hub full time and will be funded 100% from growth hub funding. Moving forward, the BSO will pick up duties previously carried out by the MGH Coordinator and will receive 1-day support per week from a LEP admin officer. This new structure will be reviewed to ensure quality is not being compromised as a result of the change.

Partners from the three local authorities and the University of Wolverhampton have confirmed their continued support towards the operation of the three physical hubs. 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 Business Support Helpline has enabled 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 enables MGH staff to identify key issues and relevant areas of support. These may include referrals to 23 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 all businesses via 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 MGH. Our enquiry handling capacity has been enhanced by using the National Business Support Helpline in addition to the staff in the physical growth hubs and this model ensures that businesses are able to access impartial advice and signposting/brokerage to potential areas of support.

MGH 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 MGH 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).

As previously mentioned, we transferred the virtual hub helpline to the National Business Support Line in July 2018.

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.

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 detailed below:

Enable more businesses to access new market opportunities and be more confident in trading internationally:

- 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.

Are most successful at stimulating business investment in science, research & development and innovation, and encourage the adoption of innovative technologies and management best practice:

- 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.

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:

- 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 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.

In 2018/19 The Marches LEP secured £5k funding from the Learning and Work Institute. The funding was used to deliver two training sessions to the MGH teams to help increase their understanding of skills issues and how these can be considered in the delivery of business support programmes. This has led to better promotion of the importance of staff training and development (including leadership and management, reskilling and apprenticeships) in driving business growth and helped increase referrals to HEFCE, ESFA and ESF funded programmes.

Increase business awareness and participation in public procurement and major infrastructure projects, improving the knowledge needed to compete successfully and increasing SME procurement capabilities:

d) Businesses are encouraged to participate in public procurement opportunities and these are promoted on the MGH and LEP website.

In addition, events are held at the 3 physical growth hubs to highlight opportunities and increase awareness of good practice in tendering. MGH Shropshire is planning a high-profile procurement event in partnership with Shropshire and Telford & Wrekin Council in February 2019.

Another good example 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 was recently appointed as the Chair of Shropshire Business Board and LEP Board Member.

The LEP Board has an Access to Finance Champion Paul Kalinaukas, who raises the prolife of finance support available to businesses.

As previously mentioned in this report, the Access to Finance Forum aim will be to put together an Access to Finance Strategy for the Marches LEP and help inform 2019/20 Marches wide Access to Finance events.

The previous MEIF Senior Relationship Manager from the BBB was a member of the MGH Operations Group and the new MEIF Senior Relationship Manager has been invited to join the group should he have capacity to do so.

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 steps with the LEP take in 2019-20 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?

The three physical growth hubs will be asked to further develop their scale-up plans considering any identified growth challenges faced by businesses in their area.

The scale-up plans will be aligned with their local authority strategic economic plans which will tie into the LEP SEP and LIS.

Planned scale-up/business growth activity in 2019/20 will aim to target businesses with the potential to grow and get ahead. Each growth hub will be allocated an amount of ringfenced funding to support this activity.

The growth hubs will have an option to continue to deliver high profile events to help promote business growth advice as well as business growth interventions available. 2018/19 high profile events were open to both businesses and 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 LEP ensure that the Growth Hub uses 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 the MGH Scale-up Plan, the MGH uses data sources such as the MINT/FAME and the Scaleup Institute map/report to identify and monitor scale up businesses.

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

The MGH Operations 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.

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 23 EU funded programmes. Information on referrals is captured on the MGH CRM to ensure that MGH retains an overview of brokerage undertaken and recommended next steps.

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.

25. Please set out below proposals for any other local innovative approaches identified and defined by the LEP and/or Growth Hub 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 and advanced manufacturing. 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.