

Report to the Greater Birmingham and Solihull Supervisory Board

14th October 2014

Greater Birmingham and Solihull LEP Growth Hub

1. Purpose of the Report

- 1.1. Members are asked to note progress being made on the development of the GBS LEP Growth Hub and next steps (appendix a).
- 1.2. To endorse proposals agreed by the GBS LEP Board to fund two pilot programmes from the Local Growth Fund Growth Hub award, to commence with immediate effect.

2. Recommendations

That Members are asked to:

- 2.1. Note proposals to take forward the LEP Growth Hub;
- 2.2. Endorse the LEP Board decision to spend a total of £100k to fund two pilot programmes from the LEP Growth Fund allocation of £625k.

3. Background

- 3.1. In December 2013 Government launched its Small Business Strategy; Small Business: GREAT Ambition. An important aspect of the Great Ambition report are the initiatives that will be put in place to support businesses across the UK, including a commitment to roll out Growth Hubs during 2014 and 2015, to provide a single place for businesses to go to for local advice and support.
- 3.2. The establishment of a Growth Hub to help small businesses was included in the LEP's Strategic Economic Plan (SEP) as one of the important "game changers" that when taken together with other game changers would have a truly transformational impact on our local economy enabling us to maximise businesses' opportunities and potential for growth. Subsequently GBS LEP was allocated £625k as part of the Growth Deal to support the development of our Growth Hub. The funding needs to be spent in 2015/16.
- 3.3. **Progress to Date – Phase 1. (see appendix a)**
- 3.4. Over the past few months the GBSLEP Enterprise Board and a Growth Hub Task and Finish Group have been working on Phase 1 of the Growth Hub to further develop the CRM and Knowledge Bank infrastructure specifications as agreed at the last Supervisory Board meeting. Indicative timescales for this Phase 1 activity are; tender specifications to be ready for external advertisement in October with a view to launching both products at the end of January 2015.
- 3.5. Other meetings/discussions are taking place with key local, regional and national representatives to ensure our LEP Growth Hub proposals are not developed in isolation, but in the context of the wider sub regional/national proposals. GBSLEP is also working with the Core Cities Group and sharing best through a growth hub network run by BIS.

3.6. Phase 2 and Phase 3 (appendix a)

- 3.7. Following the Growth Fund award of £625k, the LEP would like to take forward two pilot programmes which support its Growth Hub ambitions; £50,000.00 to progress the Mid-Size Business Review and £50,000.00 toward the Entrepreneurs Network. The partners delivering the projects are keen to progress this work with immediate effect and whilst Growth funds will not be made available until April 2015, they are both largely being funded, supported and delivered through them. Therefore these projects are being brought forward for your endorsement at this time to allow partners to progress this work.
- 3.8. The Mid-Size Business (MSB) Proposals were part of our original SEP submission and the outcome of the Mid- Size Business Pathfinder Programme (MSB). The initial MSB SEP submission was for a £257,500k pilot which if successful was to be followed by 2 further programmes which totalled £800k. The funds now requested from the LEP will contribute toward a scaled down version of the original proposal to be run as a pilot, with further costs and resources being covered by Royal Bank of Scotland (RBS) and Aston Business School (ABS). The programme will be a collaboration led by Mark Hart on behalf of Aston Business School, the Enterprise Research Centre and RBS. The pilot will also link in with other universities and stakeholders in the LEP area.
- 3.9. The Department for Business, Innovation and Skills (BIS) have expressed an interest in this pilot as we have been advised that at this time we are the only LEP looking to progress any work with the MSBs. BIS have advised that they will provide information on this programme to the Deputy Prime Minister, who has an interest in the work we are looking to progress with the MSBs.
- 3.10. GBS LEP are also looking to support proposals for an Entrepreneurs Network, a programme run out of Aston Business School supporting a cohort of prominent entrepreneurs to provide mentoring to emerging entrepreneurs. The costs sought from the LEP will fund a “coordinator” for the network, with all other costs being covered by ABS.
- 3.11. The GBS LEP Board has agreed to the recommendations to support these two projects at their meeting of the 26th September, we are now seeking Supervisory Board endorsement on these proposals and spend.

4. Key Issues

- 4.1. Proposals are being developed in order for the LEP to make the Growth Hub sustainable over the longer term (phase 3) with a view to securing funds from ERDF.
- 4.2. Work is also underway to ensure that longer term plans are developed to align with proposals for Birmingham City Council’s Joint Economic Growth Unit that is being developed.

5. Financial Implications

- 5.1. The £100k for which approval will be drawn from the £625k allocated to the development of the Growth Hub in the Growth Deal. It needs to be spent in 2015/16. If endorsed by the Supervisory Board, the necessary approvals will be sought by the Accountable Body to release funding.

5.2. To further comply with our Accountable Body procurement requirements, we will work with officers from Birmingham City Council's Procurement team to ensure procurement processes are adhered to.

6. Conclusion

6.1. This report provides a brief update on progress to date of the LEP Growth Hub and details funding requests from the LEP Growth Fund Growth Hub allocation for two programmes that we are seeking Supervisory Board endorsement for. More detailed proposals in relation to the £525k balance and ERDF approach are to be developed and taken to the LEP Board for consideration.

Prepared by: Lisa Hamilton
GBSLEP Executive Officer
0121 303 9861 Email: lisa.hamilton@birmingham.gov.uk

Date Created: 3rd October 2014

GBSLEP GROWTH HUB – 2015 TO 2018

Phase 1.
£200k Business
Rate Pool
Available now

Phase 2.
£625k Growth Fund
April 2015 to March
2016

Phase 3.
ERDF Bid
Indicative award
August 2015 - 2018

£200K BUSINESS RATE POOL:

- GBSLEP CRM
- CRM PLATFORM
- ON LINE KNOWLEDGE BANK TO INC. CAPACITY FOR SOCIAL MEDIA
- MAPPING AND REVIEW EXERCISE
- INITIAL USE OF BIS TELEPHONE HELPLINE / DIAGNOSTIC
- GROWTH HUB COORDINATOR/ SUPPORT POST FOR MONITORING EVALUATION, PROGRESSING REFERALLS,

£625K GROWTH FUND:

- MSB PILOT PROGRAMME **£50k**
- ENTREPRENEUR PILOT PROGRAMME **£50k**
- **£525K** TO BE ALLOCATED AS MATCH FUNDING FOR ERDF GROWTH HUB BID
- COVER ESSENTIAL COSTS FOR ONGOING SUPPORT TO CRM/KNOWLEDGE BANK/STAFFING
- BEGIN TO PROGRESS ACTIVITES AS PER PHASE 3

ERDF GROWTH HUB PROPSAL £££ T.B.C.

A CONSORTIUM OF KEY LEP BUSINESS SUPPORT PROVIDERS TO DEVELOP RESPONSE TO GROWTH HUB ERDF CALL TO MOVE FROM ON LINE TO CENTRALLY LOCATED FULLY ENGAGED/ RESOURCED LEP GROWTH HUB TO INC:

- DEDICATED BUSINESS SUPPORT OFFICERS ENGAGING WITH LOCAL BUSINESSES
- TARGETTED INTERVENTIONS & SUPPORT
- ENHANCED RESOURCE SUPPORT IN CENTRAL HUB TO MANAGE TRIAGE, DIAGNOSTIC SIGNPOSTING
- POTENTIAL FOR DIRECT GBSLEP TELEPHONE HELPLINE
- ONGOING MAPPING OF LOCAL LANDSCAPE/SUPPORT
- MARKETING/PR/EVENTS/ NETWORKING
- EVALUATION/ MONITORING