



Black Country Executive Joint Committee
Dudley, Sandwell, Walsall and Wolverhampton

REPORT OF THE CITY DEAL AND GROWTH DEAL ADVISORY BOARD

TO

BLACK COUNTRY EXECUTIVE JOINT COMMITTEE

ON

WEDNESDAY 17 JUNE 2015

Local Growth Fund – Black Country Growth Hub – Accountable Body approval to accept EU funding

Key Decision: Yes
Forward Plan: Yes

1. PURPOSE OF REPORT

1.1 To present the recommendations of the Advisory Board of the Joint Committee in relation to Wolverhampton City Council accepting EU funding on behalf of Black Country partners for all appropriate Growth Hub bids approved by Government or its appointed agents or bodies.

2. RECOMMENDATIONS

2.1 The Joint Committee grants approval for the Accountable Body (Wolverhampton City Council) to accept EU funding on behalf of the Black Country partners for all appropriate Growth Hub bids approved by Government or its appointed agents or bodies.

3. REPORT DETAIL

3.1 The Black Country Growth Hub was established with funding (up to £3.1 million) from Regional Growth Fund (RGF) through the University of Lancaster as part of City Deal. The Growth Hub offers a one stop shop approach of business assistance across the Black Country, with packages of support available to local businesses. It aims to equip Black Country manufacturing SMEs with the tools and support they need to compete, innovate and take advantage of supply chain opportunities on offer to them.

- 3.2 An additional £400k from the Department of Business Innovation and Skills has been secured through Local Growth Fund to fund the ongoing co-ordination of the project until March 2016. An evaluation of the project is currently underway, learning from our experience to date, to inform the way forward.
- 3.3 The outline proposal for European Regional Development Funding (ERDF) for Black Country Growth Hub, called 'Aim for the Black Country', will encompass Invest Black Country and was submitted in response to the March call for outline proposals to the Department for Communities and Local Government (DCLG).
- 3.4 Moving forward, the key role for the Growth Hub is to respond to business demand and help drive business growth throughout the business lifecycle by providing:
- Advice through a pool of expert staff and interventions focusing on 1-2-1 individual business support;
 - Advice and guidance on investment propositions
 - Advice and assistance in developing access to new Markets
- 3.5 The Growth Hub looks to increase its focus on business engagement since it is estimated that 90% of the 30,000 businesses across the Black Country are not engaged with any trade body, business organisation or any business support mechanism. A relationship model is essential to successful engagement with local businesses; raising their awareness and enabling their development. An emphasis must also be put on "pre-engagement" activities to increase the volume of businesses engaging and focus on account and relationship management and diagnostic support.
- 3.6 The Aim Programme will focus on the following :
- Enquiries Handling resource – an increased focus on driving up the number of enquiries directly, through partners and the National Helpline and positioning the Hub as the central access point for all businesses
 - Marketing, Promotion, Networking and Events – to drive up the traffic, report the successes, develop case studies and a corps of Business Hub Ambassadors
 - Business Account Managers - providing entry level diagnostics (1 day of business assist) and developing long term relationships with businesses, and helping them to access appropriate business support and opportunities (these relationship managers could focus on specific and key sectors and local geography)
 - Access to Finance Support – Specialist referrals and analysis of the current landscape highlighting gaps to be filled in provision, following up on enquiries and reporting back on good and bad practice
 - Programme Management and Administration – A central point for all the management and administration of Business Support eligible ERDF activity across the Black Country
 - Customer Relationship Management (CRM)

3.7 An enhanced Aim Programme Hub, with additional resource from the EU Programme could also seek to add the following services:

- Additional Business Account Managers - providing entry level diagnostics (1 day of business assist) and developing long term relationships with businesses, and helping them to access appropriate business support and opportunities (these relationship managers could focus on specific and key sectors and local geography)
- Development of and partnership with, financial, business and sectoral intermediaries with an end goal of new projects, sponsorship opportunities and increasing traction with SMEs – especially in our key sectors
- Ongoing analysis of the business support landscape to influence local and national policy and programme development
- Commissioning – a central commissioning team for Business Support services potentially including Inward Investment and specialist support but crucially one place from which to channel and make bids for Pan Black Country Business Support activity
- Inward investment activity through the Invest Black Country Programme to market the sub region and support supply chain developments to attract new businesses to the area

3.8 In addition, the Hub's role will continue to co-ordinate the specialist support and opportunities provided by local and national partners, which will comprise but not exclusively:

- Supply chain development (support with procurement and relationship building)
- Access to new markets including International Trade
- Management and Leadership Development
- Access to finance (grant schemes and assistance with loans)
- Innovation (developing new products and processes)
- Enterprise (support and transformational development)
- Entrepreneurship (start up support particularly for high growth SMEs)

3.9 The Black Country Growth Hub will continue with Wolverhampton City Council as Accountable Body (alongside the Black Country Growth Opportunities Local Delivery (GOLD) initiative) whilst the long term future of the Growth Hub is secured and new governance arrangements implemented.

3.10 Approval to make an ERDF funding submission for GOLD is also being sought from the Joint Committee in a separate report. BC Transformational GOLD will be a product of the Growth Hub, the single gateway for business support in the Black Country. It sits within the Access to Finance strategic intervention area of the BC ESIF.

4 FINANCIAL IMPLICATIONS

- 4.1 The Growth Hub is bidding for £2.1 million of ERDF with a total project value of £4.2 million at a rate of 50% match. Partners are committing cash and in kind resources as match funding to support the development of the Growth Hub. The scale of the ESIF bid, and therefore the size of the delivery team depends on the level of resources partners are able to offer up as match. Collectively, the partnership can build up a team of matched resources in this way reflecting demand, expertise and resource. Wolverhampton City Council is contributing financial match towards delivering business relationship management (with expertise in the geographic area of Wolverhampton) as well as support for the strategic management of the Hub. A 3 year project bid would seek to secure long-term sustainability for the Hub alongside local and national business support programmes and projects, which would align their activity to the Hub as described above.
- 4.2 BC GOLD is seeking £2.5 million of ERDF matched with contributions from partners including Black Country Local Authorities with SME's matching grant with a variable intervention ranging from 10% to 50%. The total project value is £5 million, predominantly for capital and revenue grants for businesses.
- 4.3 The paper seeks authority for Wolverhampton City Council to make the relevant funding submission on behalf of partners.

5 LEGAL IMPLICATIONS

- 5.1 Should the outline ERDF applications be successful, Wolverhampton City Council, as Accountable Body for the Growth Hub, and as bidder for Black Country Gold would be invited to submit full bid on behalf of the partnerships and enter into funding agreements outlining the conditions of the grant.

6 RISK MANAGEMENT

- 6.1 Wolverhampton City Council has substantial experience of managing ERDF projects on behalf of wider partnerships and will utilise its Risk Management processes and procedures.

7 EQUALITY IMPLICATIONS

- 7.1 None at the time of drafting.

Background papers

Growth Hub Accountable Body Request – *Advisory Board Report 19th November 2014*
City Deal Progress Update - *Advisory Board Report 2nd February 2015*

City Deal Progress Update - *Advisory Board Report 7th April 2015*

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