



**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**

**20 April 2016**

**Black Country Local Growth Deal – GROWTH HUB, ADDITIONAL FUNDING**  
**Grant Agreement Approval**

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<b>Key Decision:</b>	<b>Yes</b>
<b>Forward Plan:</b>	<b>No</b>

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**1. PURPOSE OF REPORT**

- 1.1 To present the recommendations of the Advisory Board of the Joint Committee in relation to approval for the Accountable Body for the Growth Deal (Walsall Council) to move to contracting and subsequent grant agreement with City of Wolverhampton Council for the Black Country LEP Growth Hub Funding 2016/17.
- 1.2 The project has been endorsed by the Working Group, the Advisory Board and received LEP Board approval on 25 February 2016.

**2. RECOMMENDATIONS**

- 2.1 That the Joint Committee approves the Accountable Body for the Growth Deal (Walsall Council) to proceed to a Grant Agreement with the City of Wolverhampton Council **to the value of £328,000** for 2016/17 financial year to deliver the Black Country Growth Hub Funding for 2016/17.
- 2.2 That the Joint Committee notes the offer from government relating to the Black Country LEP Growth Hub Interim Funding 2016/17, and the associated Programme of Work.

**3. REPORT DETAIL**

- 3.1 The Department of Business Innovation and Skills (BIS) awarded funding of £400,000 through the Local Growth Fund (LGF) towards the development of the Black Country Growth Hub for the 2015/16 financial year. The Black Country Joint Committee approved the development of a legal agreement between Walsall Council as the Accountable Body for LGF funding and the City of Wolverhampton Council as the lead

body for the Growth Hub to ensure Governance of this funding. At that stage BIS also announced that they would not provide additional funding for the Growth Hub in future years.

3.2 The City of Wolverhampton Council has applied for ERDF funding on behalf of the Black Country to ensure the sustainability of the Growth Hub.

3.3 However, following the Comprehensive Spending Review BIS recently announced that they would continue to support Growth Hubs in 2016/17 and 2017/18. In February 2016, the Black Country were informed that this would amount to £328,000 in each financial year.

3.4 The allocations will provide continuation revenue funding to LEPs, and can be spent on growth hub related activities (building capacity, capability and self-sustaining models) but cannot be used to make grants to businesses (in the style of RGF). We are required to confirm growth hub development plans for 2016-17 against each of the following key 'principles' of funding

- **Local partnerships** – BIS want evidence that we are inclusive in our partnership. Our core partnership comprises the key players involved in local business support. Chamber, University, BCLEP and the four local authorities.
- **Governance** – we have strengthened our governance with introduction of the Growth Hub Strategic Board and the establishment of the LEP Business Competitiveness Board.
- **Deliverability** - the expectation is that the Growth should focus on triage, diagnostic and brokerage. This is the approach which we have adopted since the Lancaster model. We are also committed to joint working with the Combined Authority LEPS and at the Midlands Engine level.
- **Sustainability** - as a partnership we committed to continuing a Growth Hub function in the absence of further Government funding. The funding bid for ERDF and this funding from BIS will support our sustainability.
- **Performance and impact** - BIS seek detail of our business interventions based on light touch interventions and in more detail where we have taken a business through diagnostics. We are working with BIS and DCLG to align reporting mechanisms. Our focus will continue to be on increasing business intervention and impact and meeting the GVA and other economic indicators set out in the Black Country Strategic Economic Plan and the emerging Combined Authority SEP.

3.5 On 19 February a proposal as to how we would use the funding award from BIS in 2016/17 was submitted on behalf of the Growth Hub Strategic Board. We proposed that the funding would be focussed on driving activities which were complimentary and additional to those which would be supported by the ERDF Bid. In summary, the funding will be utilised to:

- **Support the management and coordination of delivery** including a continuing presence at the Business Solutions Centre and to ensure that our data collection is robust and fully aligned to ensure value for money and influence future policy direction. **£112,000**

- **A detailed gathering of robust intelligence to inform our future work** .In particular we will focus on finding out what works best through our project management and CRM systems so that we better understand the return on our investment. This will inform the design of future programmes, commissioning partner led activity and developing common methods of working not only to shape our ongoing activity at the Black Country and wider Combined Authority level but also to inform Government and influence policy direction. **£72,000**
- **Enhance our engagement activity to attract more businesses** and to develop our triage activity so that enquiries are driven to the most appropriate solution eg self -help and web based solutions; telephone helpline; diagnostic and more intensive support. **£72,000**
- **Further development of our approach to major supply chain initiatives.** We will focus on better understanding of the needs of larger businesses to shape our activity with smes and to joint working with other areas on cluster and sectoral development. **£72,000**

BIS have approved our funding submission as described above. Detailed proposals on the allocation of spend against each of the functions set out above will now be developed by the Growth Hub Delivery Board for approval by the Growth Hub Strategic Board.

#### **4. FINANCIAL IMPLICATIONS**

- 4.1 BC Growth Hub Interim Funding consists of £328,000 of revenue funding to be spent between April 2016 and March 2017 in accordance with the activities and funding allocations set out in paragraph 3.2 above. This funding will be drawn down via the Accountable Body for the Local Growth Fund (Walsall Council).

#### **5. LEGAL IMPLICATIONS**

- 5.1 The Accountable Body for the Growth Deal (Walsall Council) and Accountable Body for the Growth Hub (Wolverhampton City Council) are in the process of developing a suitable Grant Agreement for 2016/17 based on what has been in place for 2015/16.

#### **6. RISK MANAGEMENT**

- 6.1 Based on the lessons learned with the initial development of the Growth Hub, revised governance arrangements are now in place with Growth Hub activity being overseen by a Strategic Board which will report to the LEP Business Competiveness Board and the Black Country Joint Committee.

#### **7. EQUALITY IMPLICATIONS**

- 7.1 No equality issues have been identified.

## 8. CONSULTATION

8.1 The Growth Hub partnership consists of the four local authorities, the Black Country Local Enterprise Partnership, the Black Country Chamber of Commerce and the University of Wolverhampton. All partners have been involved in the development of BIS funding proposal.

8.2 The Black Country LEP Business Competitiveness Board has endorsed the proposals.

### Background papers

- Growth Hub Accountable Body Request – *Advisory Board Report 19<sup>th</sup> November 2014*
- City Deal Progress Update - *Advisory Board Report 2<sup>nd</sup> February 2015*
- City Deal Progress Update - *Advisory Board Report 7<sup>th</sup> April 2015*
- Black Country Growth Hub Interim Funding - *Advisory Board Report 1<sup>st</sup> June 2015*
- Black Country LEP Business Competitiveness Board – *24<sup>th</sup> March 2016*

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