

**REPORT TO:** Employment, Learning, Skills and  
Community Policy and Performance Board

**DATE:** 21 September 2015

**REPORTING OFFICER:** Strategic Director People and Economy

**PORTFOLIO:** Economic Development

**SUBJECT:** The Proposed Implementation of the  
Liverpool City Region Growth Hub  
Brokerage Service in Halton

**WARDS:** Borough Wide

## **1.0 PURPOSE OF THE REPORT**

To advise Members of the development and proposed implementation of the Liverpool City Region Growth Hub Brokerage Service in Halton

## **2.0 RECOMMENDATION: That**

- I. Members endorse the Halton approach to the delivery of Liverpool City Region Growth Hub Brokerage Service in Halton;
- II. Members note the likely intention to recruit a Halton Growth Hub Broker for a fixed term period not exceeding thirty six months.

## **3.0 SUPPORTING INFORMATION**

### **3.1 Background**

The creation of Growth Hubs is a government initiative intended to:-

- Provide clarity, consistency and simplification across the business support agenda
- Increasingly migrate business support from the public to the private sector.
- Provide gateway support, that is information, guidance and brokerage to the business community

Growth Hubs are, therefore, not intended to be suppliers of business support rather the interface between the business community and, increasingly, commercial business support providers

### **3.2 A Liverpool City Region Growth Hub**

The Liverpool City Region Local Enterprise Partnership (LEP) has developed a proposal to create a 'Growth Hub' for the city region supported by an initial funding package of £500,500.00 from government.

The proposed LCR Growth Hub is not a physical entity but rather a virtual organisation to provide business support services across the six Local Authority (LA) areas.

The LEP proposal is based upon the recruitment of a team of 'Business Brokers'. A core team of Business Brokers will be based at the LEP and a single Business Broker will be based within each LA area.

The Business Brokers will:-

- Provide a business brokerage service to help SME's select appropriate advice and support services
- Maintain 'Advice Finder' <http://www.advicefinder.co.uk/> a new pan-Merseyside online resource to assist businesses to identify commercial business support providers
- Work with providers of support to ensure their services are visible and accessible to businesses
- Undertake a simple business diagnostic to quickly assess SMEs' support needs
- Maintain a shared pan-Merseyside CRM system

Growth Hubs will not provide on-going business aftercare or investor development support to companies based in the Borough. The establishment of long-term sustainable relationships with the Borough's more significant companies remains the responsibility of the LA. Local Growth Hubs, however, where appropriate, can deliver support directly to SME's from their existing portfolio of services

### **3.3 The Halton Approach**

The procurement of local Growth Hub delivery partners was subject to a full OJEU tender. The tender was broken down into six lots, one for each LA's area. Organisations successful at tender will be appointed to a five year framework. The LEP intends to appoint providers of future business support programmes from that LCR framework

Halton Borough Council and Halton Chamber of Commerce and Enterprise submitted a joint response to the Growth Hub tender as Halton Growth Hub Partnership.

The tender submission acknowledged that it would be impossible for a single 'Growth Hub Broker' to provide a comprehensive business brokerage and diagnostic service to all Halton businesses. The tender, therefore, identified the 'virtual Halton Team' made up of both Council Officers and Chamber staff who will support the Halton Growth Hub Broker.

The response to the OJEU tender is attached as Appendix I and provides a more detailed description of the form and function of the Halton specific element of the Liverpool City Region Business Growth Hub Service.

### **3.4 Current Position**

The LEP informed the Council in July 2015 that Halton Growth Hub Partnership had been successful at tender and been appointed to the Liverpool City Region Growth Hub Brokerage Framework. A contract was subsequently issued to the Borough Council as lead applicant to that effect.

Appointment to the framework does not necessarily mean that the Halton Growth Hub Partnership will be awarded a separate contract to deliver the Growth Hub. The LEP will employ a 'mini tender' approach to select an individual partner to deliver the Growth Hub service locally.

Two other organisations, Inventya based at SciTech Daresbury and The Women's Organisation (TWO), have also been appointed onto the Halton Framework. The Inventya proposal is very specific based around the company's core competencies while TWO proposal is pan-Merseyside and is focused upon the needs of disadvantaged communities and individuals

On August 18 2015 the LEP issued a supplemental 'mini-tender' to appoint an organisation to deliver the Growth Hub in Halton between September 01 2015 and March 31 2016.

The supplemental tender listed, for the first time, the outputs which the organisation appointed to deliver the Growth Hub in Halton would be required to achieve and capped the fees payable to deliver the Growth Hub at £40,000.00 for the contract period.

In the view of the Council the outputs associated with the delivery of the Growth Hub in Halton were onerous. The Council, therefore, submitted a tender response which listed the outputs which can be realistically achieved within the contract period

The LEP intend the Liverpool City Region Growth Hub Brokerage Service to go live on September 01 2015. The Halton Growth Hub Partnership are awaiting confirmation from the LEP regarding the award of a delivery contract

### **4.0 POLICY IMPLICATIONS**

The rationalisation and simplification of the delivery of business support across the LCR will impact not only upon business performance in Halton but also upon the way that Halton Borough Council and partners currently deliver a business support service.

The core function of a Growth Hub is the provision of a brokerage and diagnostic function rather than hands on, face to face, business support. The Growth Hub model is also predicated upon increasingly migrating business support from the public to the private sector. The role of the LA will become, therefore, a strategic\contract management function rather than operational delivery of business support.

## 5.0 OTHER IMPLICATIONS

The cost to deliver The Liverpool City Region Growth Hub Brokerage Service by the Halton Growth Hub Partnership until March 31 2016 shall be **£37,778.00**.

The breakdown of cost for the period September 01 2015 to March 31 2016 are describe as Figure I

**Figure I: Supplemental Tender Costs: Lot 1 – Halton: September 01 2015 – March 31 2016**

Element	Value
Employee costs 1 x HBC Grade 8 (SP 34) @ £29,559.00 + on-costs @ 27.81%	£37,778.00
Management and Supervision	£0.00
Combined Overheads (rent, rates, utilities etc.)	£0.00
<b>Total</b>	<b>£37,778.00</b>

The cost to deliver The Liverpool City Region Growth Hub Brokerage Service by the Halton Growth Hub Partnership for **a three year contract period** shall be **£113,334.00**.

If the supplemental ‘mini tender’ submitted by Council on behalf of the Halton Growth Hub Partnership is successful there will be no cost to the Council to deliver the Growth Hub in Halton in Year 1.

However, the LEP has only secured funding from BIS for Year 1. The LEP, in partnership with the LCR LA’s and Chambers is, therefore, seeking to secure additional resources from the EU Programme 2014-20 in order to enhance the Growth Hub in the short term and provide the funds to maintain the Growth Hub over the medium term. An application to that effect was submitted to DCLG on May 29 2015

The LEP intend to passport the Year 1 funding to the selected partner upon receipt of a signed delivery contract. Halton Borough Council will, therefore, receive £37,778.00 which must be spent before the end of March 2016. However, the LEP have confirmed that once the Year 1 funding has been transferred from the LEP account to the selected delivery partner then, from a BIS perspective, the funds have been spent.

It is proposed, therefore, to recruit a Halton specific Growth Hub Broker for a fixed term contract period, not exceeding thirty six months. However, tenure of appointment for Years 2 and 3 will be predicated upon additional funding being secured from BIS or the European programme 2014 – 20.

## **6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

### **6.1 Children and Young People in Halton**

Growth in the LCR business base will result in greater employment opportunities for the Borough's young people.

### **6.2 Employment, Learning and Skills in Halton**

Growth in the LCR business base will result in greater employment opportunities for the community of Halton.

### **6.3 A Healthy Halton**

Access to sustainable employment will impact positively upon the health of the Borough

### **6.4 A Safer Halton**

No implications

### **6.5 Halton's Urban Renewal**

Increasing the LCR business base will stimulate demand for land and premises in Halton which may, potentially, be a catalyst for urban renewal

## **7.0 RISK ANALYSIS**

There is clear risk to the Council regarding the confirmation of funding for Years 2 and 3 and the recruitment of a local Growth Hub Broker described above. That risk can be mitigated, however, by careful drafting of the contract of employment issued to the prospective Growth Hub Broker

A number of unknowns also remain regarding the delivery of the Growth Hub locally. Specifically, the OJEU tender makes reference to working to common 'Growth Hub Protocols'. However, the LEP cannot provide a copy of those protocols. Further, the LEP has not made it clear how suppliers of business support services will be procured. The LEP believe the role of the Growth Hub Service is simply to analyse the needs of a given SME and then to make that SME aware of the range of business support services available across the City Region utilising Advice Finder. The selection of an appropriate supplier is, therefore, the responsibility of a given SME. Internal legal advice will, therefore, be sought to indemnify the Council against any future challenge from the recipients of external business advice

Integration of the Growth Hub function with existing Council business support services and bids for European funding to deliver more specific business support under Priority 3c and 3d of the 2014 – 2020 European Programme will also require careful consideration and implementation in order to avoid duplication of service delivery and, possible, double counting of outputs.

## **8.0 EQUALITY AND DIVERSITY ISSUES**

There are no equality and diversity issues

## **9.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

There are no background papers under the meaning of the Act.