



Report to: Policy and Resources Committee, 28th July 2020

Report of: The Managing Director

Subject: WORCESTERSHIRE GROWTH HUB HOSTING

1. Recommendation

- 1.1 That the Committee approves the transfer of Worcestershire Growth Hub staff from the H & W Chamber of Commerce to Worcester City Council, subject to satisfactory agreements of Terms and Conditions; and**
- 1.2 That authority for agreement of terms and conditions is delegated to the Corporate Director, Finance and Resources in collaboration with Chair and Vice Chairs of the Committee.**

2. Background

- 2.1 Worcestershire Local Enterprise Partnership (WLEP) is the central government-funded body for Worcestershire delivering the local economic strategy to 2040. The Growth Hub (operating as Worcestershire Business Central) is funded via and delivered through the Local Enterprise Partnership. Its role is to implement the Growth Hub strategy of business engagement and signposting to support services. The funding for the Growth Hub comes through the Accountable Body (Worcestershire County Council) to the LEP.
- 2.2 Since September 2015, the Worcestershire Growth Hub has been managed by Herefordshire and Worcestershire Chamber of Commerce (HWCC). This has been supplemented by Worcestershire County Council (WCC) with additional staffing and in-kind support. Also, all District Councils make a financial contribution to the Growth Hub.
- 2.3 The Growth Hub is primarily funded by Government and has to report on an annual basis back to the Department for Business Energy and Industrial Strategy (BEIS) against a common criteria and set of KPIs covering the number of businesses engaged, the number receiving high intensity support, number of jobs created or safeguarded, and any impact on business turnover.
- 2.4 A breakdown of the annual income is as follows:
- BEIS: £467k
 - ERDF: £100k
 - District Councils: £30k (£5k each)
 - County Council: 3 x Staff (in-kind)

- 2.5 Following COVID 19 the Growth Hub's role is seen by government as gathering of economic intelligence and feeding back to government, on a weekly basis, the local economic conditions.
- 2.6 During Worcestershire Local Enterprise Partnership's (WLEP) recent Annual Performance Review, WLEP were asked by BEIS to undertake a review of the delivery and governance of the Growth Hub, with a view to better align with other WLEP core activities and roles. An independent consultant led a review with key partners which was completed mid May 2020.
- 2.7 An options assessment regarding the legal status and governance of the Growth Hub was undertaken and three options were considered:
- Establish a new legal entity;
 - Transfer hosting to a local government partner; or
 - Remain with the Chamber.
- 2.8 Each option considered the advantages, disadvantages and cost implications of operating against each governance model.
- 2.9 The WLEP Board in May agreed with the recommended approach: to bring the management of the Growth Hub in-house to WLEP with a new local government parent body acting as employer and host.
- 2.10 WLEP currently has staff based at Malvern Hills Science Park (BetaDen Accelerator) and it is proposed that a satellite office is established in the north of the County. Therefore a hosting arrangement that would place the Growth Hub in a central Worcestershire location is the preferred choice of the WLEP board.

3. Preferred Option

- 3.1 The Growth Hub will be under direct management and leadership of Worcestershire LEP, with the proposal that Worcester City Council becomes the body responsible for employing and hosting the staff.
- 3.2 Growth Hub staff will be located in the city centre and whilst operational management will rest with WLEP, the staff will be hosted within the Place Directorate.
- 3.3 This arrangement will apply to those roles (up to eleven members of staff) not employed by Worcestershire County Council with the City Council providing the HR and payroll service, including legal support and advice during the transfer.

4. Alternative Options Considered

- 4.1 Worcester City Council does not host the Growth Hub staff and employment is transferred to an alternative local government partner, thereby losing the opportunity to establish a centrally located Growth Hub in the city centre.

5. Implications

5.1 Financial and Budgetary Implications

The preferred option will be fully funded by WLEP and there will be no financial and budgetary implications for the city council.

5.2 Legal and Governance Implications

Arrangements will comply with employment law and city council policy requirements.

The transfer of staff into the Council will be subject to TUPE: the Transfer of Undertakings (Protection of Employment) Regulations 2006, which preserves the terms and conditions of transferring employees and protects them from detrimental actions related to the transfer.

The Council will enter into a funding agreement with the County Council to provide funding for an agreed period.

The Council will become the accountable body for the ERDF grant.

5.3 Risk Implications

Should there be a need to terminate the arrangements sufficient funding will be made available by WLEP to cover full exit costs including those attributable to staff redundancies should the staff not be transferring to a successor body.

5.4 Corporate/Policy Implications

There are no Corporate/Policy Implications.

5.5 Equality Implications

Arrangements will comply with all equality requirements.

5.6 Human Resources Implications

Incoming staff will not be employed on City Council terms.

5.7 Health and Safety Implications

Hosting arrangements will meet city council health and safety requirements.

5.8 Social, Environmental and Economic Implications

There are no significant implications although, compared to alternative arrangements, it is hoped that a city centre location for the staff may reduce commuting distances and contribute to the local economy.

Ward(s): N/A

Contact Officer: David Blake
01905 722200

Background Papers: None