



Investment Board

Date	19 th June 2023
Report title	Mobilising Plan for Growth Business Justification Case
Portfolio Lead	Councillor Ian Brookfield
Accountable Chief Executive	Laura Shoaf – Chief Executive West Midlands Combined Authority
Accountable Employee	Ed Cox - Executive Director - Strategy, Integration and Net Zero
Report has been considered by	Investment Panel – 22 May 2023

Recommendation(s) for action or decision:*

The Investment Board is recommended to:

- (1) Approve £3,250,000 from the Commonwealth Games Legacy Fund to commission business support schemes which help achieve the objectives of the West Midlands Plan for Growth.

1. Purpose*

- 1.1 There is currently a lack of intensive support in the West Midlands for high-growth companies and for companies who wish to transition into the high-growth clusters identified in the Plan for Growth. The proposal detailed in this report will fill these gaps with high-quality business support and achieve part of the objectives to rapidly grow the regional economy.

2. Background*

- 2.1 The Plan for Growth aims to grow the economy in the West Midlands at the fastest rate outside of London. To achieve this, support for businesses needs to focus on high-growth clusters where the West Midlands has comparative advantage.
- 2.2 Until now, most business support in the country was part-funded by the European Regional Development Fund (ERDF). Projects funded by ERDF are rapidly coming to an end following the UK's departure from the European Union.
- 2.3 Several of the business support programmes available regionally and nationally were aimed at high-growth companies (companies who have grown their revenue by 20% year-on-year, for three consecutive years) and at companies in specific supply chains such as the civil nuclear industry or offshore wind.
- 2.4 To achieve the aims of the Plan for Growth, these gaps need to be filled for local businesses. Rather than relying on national provision which doesn't entirely meet our aspirations, there is now an opportunity through the Commonwealth Games Legacy Fund to commission bespoke support that can provide exactly what is needed as outlined in the Plan for Growth.
- 2.5 WMCA Board in March 2023 approved a budget of £3.25 million for Mobilising Plan for Growth. It is proposed to split the budget over the following three strands:

Strand	Budget
High-growth Support Programme	£1.75 million
Supply Chain Transition Programme	£1 million
Mobilising Plan for Growth	£0.5 million
TOTAL	£3.25 million

- 2.6 The strands will assist 210 businesses registered or operating in the seven-met WMCA geography and grow their revenue by an additional £31.2 million. It will help them create an additional 210 full-time equivalent new jobs. In addition, 45 of these businesses will also be supported to work on new research and development projects.
- 2.7 Specifications for each strand are being prepared to procure providers to deliver the High-Growth Support Programme and the Supply Chain Transition Programme starting in September 2023 and lasting for 18 months, to end in March 2025.
- 2.8 Delivery of the High-Growth Programme will be through a combination of facilitated workshops, networking events, intensive one-to-one coaching and online alumni networks which will continue beyond the end of the formal programme.
- 2.9 The Supply Chain Transition Programme will consist of facilitated workshops designed in collaboration with prime customers in the eight priority clusters detailed in the Plan for Growth, Meet-the-Buyer events and a small element of one-to-one coaching.

3. Strategic Aims and Objectives

- 3.1 The proposals in this report will directly assist with achieving the first WMCA Strategic Aim to promote inclusive growth in every corner of the region. It will contribute to four of the six objectives by:

- focussing on priority clusters
- creating the optimum conditions for businesses to grow, by ensuring they have the support needed to scale up and succeed
- investing in training and skills programmes that help businesses grow
- ensuring public and private investment opportunities create good work opportunities for local people and more contracts for local businesses

3.2 The proposals directly align to the aim of West Midlands Plan for Growth to pinpoint economic clusters where the region can ignite above-forecast levels of growth by boosting private-sector investment. They will complement the West Midlands Co-Investment Fund by helping develop the pipeline of investable propositions for this Fund.

4. Financial Implications*

4.1 The budget of £3.25m was approved at WMCA Board on 17th March 2023.

4.2 This will be all revenue expenditure, including funding toward Monitoring and Evaluation performance monitoring and reporting activity, supporting the projects with the Economic Delivery, Skills and Community Directorate.

4.3 The procurement of services or issuing of grants will be subject to agreed financial due diligence, with all contracts or agreements including appropriate clauses to protect WMCA finances and mitigate risk, such as payment on performance, clawback, payment quarterly in arrears, etc.

4.4 Payments from the Department for Culture, Media and Sport for expenditure within the Commonwealth Games Legacy Fund will be made quarterly, in arrears.

5. Legal Implications*

5.1 Legal will provide ongoing advice in relation to the commissioning, procurement, and delivery of the project.

5.2 Legal will assess whether any conditions and obligations imposed on WMCA by virtue of the Commonwealth Games Legacy funding will need to be passed on to delivery providers and/or end users by way of contract terms or funding agreements.

5.3 Legal will assess the application of any subsidy control considerations in relation to the use of the funding to deliver the project.

6. Single Assurance Framework Implications

6.1 The funding requested is part of the £70 million allocated to the WMCA by the Department of Culture, Media and Sport through the Commonwealth Games Legacy Fund.

The project team have been fully engaged in the SAF process. Although the business case would benefit from further development, improvements were made to the BJC following the initial BCAT recommendations and this provides more confidence around successful delivery.

The appraisal recommends the BJC is approved, caveated as follows:

1. Project team should complete SAF training available via WMCA Learning Pool to help strengthen future business case submissions.
2. Project team to connect with those accountable for delivering the Carbon Literacy Programme within WMCA to explore resources available for the proposed net zero / carbon emission course syllabus.
3. Submit to a Project Health Check from Programme Assurance team. Date tbc.
4. Engage with WMCA's Inclusive Growth team to understand the toolkits available to support alignment to WMCA Inclusive Growth policies.
5. Work with Ian Matin / Aanisah Begg on the commercial activities.
6. Consult with Mike Webb from the LINC (Local Investment in Natural Capital) Programme.

7. Equalities Implications

- 7.1 The contractors will be tasked via the brief to ensure both programmes attract a diverse audience, through:
- Making sure marketing materials are inclusive, free of stereotypes, representing a variety of people and using inclusive language.
 - Considering partnering with local organisations that serve diverse communities to reach a wider audience and understand the needs of diverse learners.
 - Promoting the programmes in media outlets that reach diverse audiences, including online and traditional formats.
 - Ensuring the programme is accessible to people with disabilities by providing transcripts, captions, and other accommodations.
 - Creating a learning environment that is welcoming and inclusive, respectful of all learners, regardless of their background or identity.
 - Providing opportunities for learners to network with each other, help them build relationships and support each other. This can be done through online forums, in-person events, or social media.
 - Evaluating the efforts to recruit a diverse audience via surveys and other data so improvements can be made during the contract.
- 7.2 These measures are part of wider approach to attracting a more diverse audience to business support that will be developed through Business Growth West Midlands.

8. Inclusive Growth Implications

- 8.1 The activity included within Mobilising Plan for Growth will contribute to inclusive growth in the West Midlands in several ways. The High growth programme and the Supply Chain Transition Programme will:
- create new secure jobs with a more resilient customer base.
 - support the participants to invest in training for existing employees or create new employment opportunities so that they are for people from all backgrounds, including those who are underrepresented in the workforce.

- boost wages for the employees of the participants. This can directly and indirectly help to reduce poverty and inequality as those employees spend their wages on local services.
- improve quality of life by contributing through corporation tax, National Insurance contributions, income tax via their employees, taxes and duties on supplies and potentially higher business rates if they expand their premises. These taxes will indirectly fund public services. These services can benefit everyone in the region, regardless of their income level.
- attract new businesses to the West Midlands. Developing a supportive business environment will make the region more attractive to businesses that are looking to relocate or expand.
- encourage and support participants to innovate. High-growth businesses and businesses in growth sectors are more likely to innovate than slow-growing businesses or those in declining industries. This innovation will boost competitiveness and productivity.
- benchmark the carbon footprint of participants as they start and will include content to help them reduce carbon emissions and waste. After completion, participants should demonstrate improved efficiency in their energy and fuel use.

9. Geographical Area of Report's Implications

The programmes will be available to businesses with an operational base or registered in the seven local authorities of the WMCA.

10. Schedule of Background Papers

Mobilising Plan for Growth Business Justification Case
 Mobilising Plan for Growth Risk Register
 Mobilising Plan for Growth Project Plan
 Mobilising Plan for Growth Monitoring and Evaluation Plan