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Report title	West Midlands Growth Company Business Plan
Portfolio Lead	Portfolio Holder for Economy and Innovation
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Report has been considered by	WMGC Board Directors of Economic Development WMCA Executive Board

1. Purpose

- 1.1. This report proposes the draft West Midlands Growth Company's (WMGC) Business Plan – “Global West Midlands” – for discussion and approval by the Economic Growth Board.

2. Recommendations

Economic Growth Board is recommended to:

- Approve “Global West Midlands” - WMGC’s draft Business Plan for July 2023 to March 2025.
- Note that the Economic Growth Board will receive quarterly reports on progress against the delivery of the Business Plan.
- Note that delivery of the Plan is predicated on a Full Business Case for the remaining unsecured regional funding being approved by the Investment Board in October 2023.

3. Background

- 3.1 WMGC’s current business plan is focused on delivering the Business & Tourism Programme (BASP), which reaches practical completion in September 2023.
- 3.2 Over the past 12 months, WMGC has been in discussions with West Midlands Combined Authority (WMCA) and Local Authorities about how to realise the

benefits of BATH ahead of the longstop date of 2027, in order to convert as much of the pipeline as possible and to maximise the return on investment.

- 3.3 The draft Business Plan attached at Appendix 1 has been developed to deliver against the outcomes of the WMGC Review which were approved by the WMCA Board in March 2023, specifically that WMGC should:
- Continue to deliver inward investment, capital attraction and support for visitor economy (including business conferences and major sporting events), underpinned by marketing & communications, policy & partnerships, research & insights and back-office functions;
 - Undertake an additional function of Strategic Relationship Management of the region's top 500 strategic businesses, working closely with WMCA, the Local Authorities, Government and universities;
 - Focus future activity on the delivery of local and regional priorities; and
 - Develop a suite of leading and lagging indicators to enable effective management of performance and to demonstrate the added value that WMGC brings.
- 3.4 As part of the Review, the WMCA Board agreed that from 2023/24, the Economic Growth Board should be asked to approve WMGC's annual business plan including its objectives and key results. The WMGC Board will continue to be responsible for overseeing the delivery of the plan but performance against it will be reported on a quarterly basis to the Economic Growth Board, via the Directors of Economic Development.
- 3.5 To enable WMGC to maintain a budget similar to that achieved through the BATH, as endorsed through the Review, the WMCA agreed to provide £18m of funding to the Growth Company over 2023-25 of which £13.4m is from the Commonwealth Games Legacy Enhancement Fund (CWGLEF). In addition to commercial income, this will realise a budget of £21.8m over two years. The draft Business Plan is predicated on the effective use of this level of funding.
- 3.6 The Business Plan has also been designed to support key expectations of the CWGLEF, specifically to enable WMGC, in partnership with the WMCA, Local Authorities and other partners to:
- Maximise the conversion of the pipeline of investment and events leads generated from the Commonwealth Games Business and Tourism Programme, thereby fully exploiting the economic legacy of the Games; and
 - Run a full programme of international promotion in key markets identified in the West Midlands' forthcoming International Strategy to increase the region's profile and reputation, resulting in the further growth of the current pipeline.

4. Global West Midlands

4.1. The draft Business Plan sets out WMGC's purpose as:

"Through partnership working, we enable sustainable economic growth upon which the West Midlands residents and businesses can thrive"

and its mission as being:

"to develop and promote an ambitious and aspirational West Midlands brand that drives investment, events and visitors to enable a thriving, sustainable regional economy".

4.2. Four strategic objectives, which have been developed with partners, are proposed to deliver this mission and to enable WMGC to support the delivery of the Plan for Growth and other regional and local plans and strategies. These are to:

- **Enhance the profile & reputation of the region**
Improving perceptions of the region as a place to invest, visit and host events
- **Create & sustain good jobs for local people**
Growing and increasing the productivity of the regional economy by attracting inward investment to the West Midlands
- **Facilitate the regeneration of the built environment**
Securing transformational capital from global and domestic investors in brownfield real estate and regeneration projects
- **Create & sustain vibrant destinations**
Harness sustainable domestic tourism and growing demand for inbound international tourism to enhance the region's quality of life by growing and strengthening the visitor economy.

4.3. The draft Business Plan sets out how these objectives will be delivered by a series of:

- **campaigns** - a strategic series of steps and activities, with specific messages designed to promote the WM's offer to specific target audience groups
- **core services** - functions agreed as part of the WMGC Review and are defined as "ongoing" services that broadly benefit the whole region; and
- **projects & programmes** - initiatives that we plan to deliver outside of our "core services" – they may be place-specific and/or time-bound

4.4. These activities will enable the delivery of identified local and regional priorities.

4.5. The Plan proposes a series of outputs, leading and lagging indicators for each strategic objective that will form the basis of WMGC's reporting framework. These metrics will be augmented with qualitative information, such as case studies, where relevant. These will also help to demonstrate the contribution

the Global West Midlands programme makes to the delivery of the Plan for Growth and Inclusive Growth Framework.

- 4.6. This framework is designed to enable performance to be managed successfully in an uncertain environment, to demonstrate WMGC's added value and to provide accountability and transparency to stakeholders.
- 4.7. The full framework is set out in the Business Plan, with key indicators for each Strategic Objective shown below:

Measure	Minimum requirement	Stretch target
Enhance the profile and reputation of the region		
Outcome/leading indicators		
% of investment intermediaries with recall of marcomms collateral	11%	16%
Of these - % more aware of the region's offer	22%	32%
Of these - % positive about region's offer	25%	35%
Of these - % considering recommending the region to clients	20%	28%
Leisure travellers in key target markets with recall of marcomms collateral	11%	16%
Of these - % more aware of the region's offer	23%	33%
Of these - % positive about region's offer	23%	33%
Of these - % considering visiting the region	20%	28%
% of conference organisers with recall of marcomms collateral	11%	16%
Of these - % more aware of the region's offer	20%	28%
Of these - % positive about region's offer	12%	17%
Of these - % considering organising an event in the region	15%	22%
% of sporting federations with recall of marcomms collateral	11%	16%
Of these - % more aware of the region's offer	8%	12%
Of these - % positive about region's offer	5%	8%
Of these - % considering organising an event in the region	3%	4%
Create good jobs for local people		
Impact metrics/lagging indicators		
Opportunities won/projects landed	82	117
Jobs created or safeguarded	3,604	5,148
GVA generated	£46,462,976	£66,375,680
Facilitate the regeneration of the built environment		
Impact metrics/lagging indicators		
Opportunities won/projects landed	1	2
GVA generated	£6,353,911	£9,077,016
Create and sustain vibrant destinations		
Impact metrics/lagging indicators		



Measure	Minimum requirement	Stretch target
Sporting events landed	8	12
Business conferences landed	8	11
Additional visitors attracted	164,663	235,233
Additional economic impact generated by visitors attracted	16,420,236	23,457,480

4.8. The Plan also sets out how the Growth Company will spend its allocation of regional funding and its commercial income (including B ATP sponsorship), delivering a balanced budget in each year.

5. Ways of Working

- 5.1. As a partnership of the public, private and academic sectors established to deliver inclusive economic growth, the Growth Company will seek to leverage the collective talent, opportunities, and assets of these sectors to realise the greatest impact for communities and businesses across the West Midlands.
- 5.2. Local and regional priorities sit at the heart of the Global West Midlands Programme. WMGC will work closely with Local Authorities, the WMCA and universities to realise the ambition set out in this plan. Partners will benefit from all of the Company's work, but certain activity will support the delivery of specific, identified local priorities. Deliverables, key milestones and requirements will be agreed for these priorities to enable performance to be managed.
- 5.3. Alongside formal quarterly reporting at a political and officer level as agreed through the WMGC Review both with Local Authorities and the WMCA, the Growth Company will engage regularly with partners across these organisations to enable the effective delivery of, and maximum impact from, the campaigns, core services and projects & programmes. This will include aligning resources where appropriate and each partner delivering what is expected of them in a timely way.
- 5.4. The WMGC is committed to demonstrating how it adds value to the work already being undertaken by partners and to achieving good value for money. It will therefore continue to look for synergies with its stakeholders' activity that can be exploited and ensuring there is no duplication of work. It will also keep seeking efficiencies across the business.
- 5.5. Close working with Government will also be critical to supporting the realisation of the priorities set out in this Plan. The Deeper Devolution Deal, agreed by the WMCA in March 2023, saw Government commit to co-developing the West Midlands International Strategy and its subsequent delivery plan with the region and to strengthening connections between WMGC and the Department of

Business & Trade, in particular. The Devolution Deal offers further opportunities, including the potential for WMGC to become a Government-recognised pilot Destination Development Partnership. These agreements build on one of the key lessons of the BATP – that deeper, stronger and more strategic relationships between regional and national governments can help to significantly improve the visibility of regional economies in international markets, delivering a larger, faster return on investment.

- 5.6. Whilst a clear Plan is being presented to the Economic Growth Board, WMGC recognises the need to be flexible and adaptive to changing priorities and economic circumstances. This Plan therefore provides the baseline against which performance will be measured and reported to – and change managed with – partners, to ensure we deliver the best possible return on investment. Accountability for this will be achieved by increased engagement and reporting to Company members as set out above; all Local Authorities attending the WMGC Board; and formal reporting to the Economic Growth Board.
- 5.7. In addition, further review of the full Business Plan will be required to take account of the West Midlands International Strategy when it is published in the autumn 2023. The Plan will therefore remain a ‘live’ document; with any proposed substantive changes brought to the Economic Growth Board for agreement.
- 5.8. Looking ahead, there is a significant pipeline of opportunities for the region on the horizon – but many of them will not come to fruition during this programme. WMGC will work closely with stakeholders to support the development of projects and programmes that leverage such opportunities, with a view to activating during the next business planning period subject to sustainable funding being secured. The WMGC Board is establishing a Task and Finish Group to start to explore funding sources for the Growth Company from April 2025 onwards.

6. Financial Implications

- 6.1 The Business Plan is predicated on WMGC realising a total budget of £21.8m over two years. This includes total funding from regional sources including WMCA Core Budget, UK Shared Prosperity Funding and Commonwealth Games Legacy Enhancement Funding of £18m. This leverages £3.8m of commercial and other funding over the two-year period.
- 6.2 Of the regional contribution, the following has been secured:
 - £4m for 2023/24 through a Business Justification Case that was agreed by investment Board and the WMCA Board in December 2022; and

- £1.8m through a Strategic Outline Case which was agreed by Investment Board in June 2023. This funding is to develop the Full Business Case (FBC) and begin delivery of the local and regional priorities in the Programme ahead of FBC approval (i.e. to support activity to end September 2023).
- 6.3 In addition, the Investment Board in June also approved £0.7m to be allocated directly to the seven Metropolitan Local Authorities (£100k per organisation) to increase capacity to respond to and support Global West Midlands Activity.
- 6.4 The remaining unsecured regional funding will be considered for approval as part of the FBC which brought to the Investment Board in October 2023.

7. Legal Implications

- 7.1. WMGC is wholly owned by WMCA and its constituent authorities. As such, it benefits from the “Teckal exemption” and its services can be procured directly by its company members.
- 7.2. WMGC is required by law to submit statutory accounts and financial statements no later than 31 December every calendar year. As part of the preparation of statutory accounts and financial statements, WMCA secures the services of third-party auditors (currently Dains LLP) who consider whether the control and functional tests have been met.
- 7.3. There are no new legal implications for WMCA resulting from this report. WMCA has a general power of competence in relation to economic development and has the necessary legal powers to invest in WMGC.

8. Equalities Implications

- 8.1. There are no immediate equalities implications arising from this report.

9. Inclusive Growth Implications

- 9.1. The focus of WMGC’s future activity will support the delivery of the region’s inclusive growth ambitions. For example, WMGC’s inward investment activity will create new employment opportunities for local people across the region – both directly and indirectly through supply chains; capital investment activity will focus will be on new, brownfield development and the refurbishment and repurposing of existing assets in line with local priorities. Ultimately, this work will improve the living conditions of local residents, drive economic uplift through new investment and champion a more sustainable future landscape for the region; and activity to promote the West Midlands visitor economy domestically and globally, drive visitor footfall across local authority areas, sustaining local businesses, materially improving perceptions of these destinations, promoting

cultural and social wellbeing and fostering the civic pride of citizens. It will target major events, conferences and sporting federations which will deliver social and economic benefits to businesses and residents and support the region's sporting, cultural, events and hospitality supply chain.

10. Geographical Area of Report's Implications

10.1. WMGC has historically served the three-Local Enterprise Partnership (LEP) area, albeit with a focus on the seven Mets. Following the integration of specific LEP functions into the WMCA, and as agreed as part of the Review of WMGC, the future geographical focus of activity will be subject to further discussions with the WMCA and local authorities.

11. Other implications

11.1. None.