



West Midlands
Combined Authority

Economic Growth Board

Date	22 September 2023
Report Title	Business Growth West Midlands
Portfolio Lead	Economy & Innovation
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Report has been considered by	Directors of Economic Development

Recommendations for action or decision:

The Economic Growth Board is recommended to:

- (1) The updates be noted.
- (2) The proposed approach for delivering additional support to West Midlands businesses be agreed.

1. Purpose

1.1 This paper updates Economic Growth Board on:

- Business Growth West Midlands progress since July
- UKSPF grant
- Commissioning of regional programmes
- DBT 'Growth Hub' funding

1.2 The paper also recommends a proposed approach for delivering additional support to West Midlands businesses, following the securing of £380,000 of Department for Business and Trade (DBT) 'Growth Hub' funding. This approach has been discussed with the Business Support Regional Operations Group and endorsed by Directors of Economic Development. The background information to this recommendation can be found in Section 6 of this paper.

2. Business Growth West Midlands (BGWM) Service Update

2.1 The overall BGWM service is now beginning to become established with key highlights from monthly data to 31 July 2023 presented below.

2.2 Over 1,800 businesses and start-ups were assisted in the first four months of financial year 2023/24. Given the pressures of transitioning the service and pivoting and mobilising teams across all seven local authorities this is an excellent start. In many instances, activity is led by legacy capacity in Birmingham, Solihull and Coventry, which demonstrates that despite the transitioning of the service that existing capability and capacity is continuing to deliver.

2.3 'Numbers of enquiries' from businesses has shown a significant jump from the initial promotion of the service while 'businesses supported' has shown more organic growth. These are both positive trends given the relative lack of marketing and push through from the regional website (and portal) which has only begun in earnest from September 2023.

2.4 The number of diagnostics completed in July 2023 was 110, which has doubled the total figure from Q1 2023. This is particularly noteworthy as it represents in-depth engagement with target businesses and the formulation of growth plans for them. This figure includes engagement with regional programmes and other support as well as, in identified companies, ongoing account management.

2.5 The launch event on Tuesday 12 September at Coventry Arena was well received with more than 650 attendees on the day. A significant proportion of those in attendance were businesses who had not previously engaged with publicly funded business support services. Local authority business support 'spokes' were fully represented and are working to follow-up on the queries received.

2.6 A fuller breakdown of region-wide performance for BGWM can be found below:

Enquiries	Apr-23	May-23	Jun-23	Jul-23	Total
Enquiries per month	271	221	275	417	1184
Enquiry Type - Website	80	107	96	186	469
Enquiry Type - Email	32	47	35	110	224
Enquiry Type - Phone	29	26	42	31	128
Enquiries from outside the area	31	31	44	21	127
Total	172	211	217	348	948*

* Not all enquiry types have been formally recorded

Unique Business Supported by Size	Apr-23	May-23	Jun-23	Jul-23	Total
Pre-start (not trading)	15	21	31	40	107
Start-up (trading less than 12 months)	56	52	65	67	240
Micro (trading, 1-9 employees)	238	248	262	235	983
Small (10-50 employees)	81	102	83	115	381
Medium (50-249 employees)	14	21	19	37	91
Large (250+ employees)	5	3	8	2	18
Total	409	447	468	496	1820

Data Collection	Apr-23	May-23	Jun-23	Jul-23	Total
Diagnostics completed	41	27	28	110	206
Referrals from core advisory service (internal and external)	129	66	115	121	431
EDI forms completed	226	276	262	483	1247
Feedback forms completed	6	7	5	1	19

- 2.7 The data above is being collected to provide a snapshot of performance of the service. Currently, it is self-reported and therefore has not been subject to full verification, which means some sections may not sum due to partial data recording (eg. enquiries).
- 2.8 To work towards a consistent and high-quality regional service, a monthly regional front-line advisers forum has been established and met for the first time on 7 September. This forum, attended by more than 50 advisors and account managers from across the region, will facilitate collaboration and the sharing of expertise, information and ideas and provide valuable feedback from the frontline on what is happening with businesses and the service.
- 2.9 In tandem with this, we have created an Innovation and Business Support Forum where, on a bi-monthly basis, delivery partners come together to build and share information, seek to align programmes and respond to challenges in building a more integrated ecosystem for West Midlands businesses. This new forum met for the first time on 7 September and included programmes that are not in the direct financial or contractual control of the WMCA.

3. UK Shared Prosperity Fund

- 3.1 UK Shared Prosperity Fund Year 2 allocation was formally confirmed by DLUHC on 16 August with all funds received. This confirms funding of £15,438,762 for business support to March 2024.

3.2 Back-to-back funding agreements were issued to local authorities on 24 August and, subject to signature, this will enable release of a first tranche of funding of 60% of the total double devolved Year 2 allocation to each local authority.

4. Commissioning of Regional Programmes

4.1 Contracts for the Decarbonisation Net Zero and the Investor Readiness programmes are now completed and mobilisation is well underway with launch activities planned for later this month.

4.2 The tender specifications for the High Growth Accelerator and Supply Chain Support programmes have been completed and the tender process for these programmes will commence later this month.

5. Overview of mobilising £84m of specialist programmes:

5.1 The following table provides an overview of all business support programmes offered on a regional basis.

Programme Name	Funding	Funding Route	Programme Summary	Delivery Partner	Targets/ Outputs	Status	Geography
Decarbonisation Net Zero Programme	£4,600,000	UKSPF	The Decarbonisation Net Zero Programme aims to provide information and expert advice and support to businesses enabling them to make significant decarbonisation and money saving changes to their business.	Consortium led by Aston University	2372 businesses supported with at least 3 hours of Information & Advice through 1-2-1/1-2-many 1437 Energy Assessments	Contracted	WMCA Area
Investor Readiness Programme	£2,200,000	UKSPF	The WM Investor Readiness programme aims to address demand-side weaknesses in Small to Medium Enterprises (SME) access to external finance in the West Midlands.	2 x consortia. One led by Oxford Innovation in six LA areas & one by C&W Growth Hub in Coventry	At least 3 hours of Information & Advice through 1-2-1/1-2-many 24 hours of 1-2-1 mentoring support to get businesses ready to pitch to potential investors	Contracted	WMCA Area
FDI Internationalisation	£3,200,000	UKSPF	Funding to the West Midlands Growth Company to support inward investment to the region	The West Midlands Growth Company	Generation of new regional businesses and job creation	In delivery	WMCA Area
High Growth Accelerator	£1,700,000	CWGLF	Aim to help high growth businesses in the West Midlands manage their growth more sustainably and increase the pace of growth.	TBC	50 businesses supported on their high growth journey.	Tender under development	WMCA Area

Programme Name	Funding	Funding Route	Programme Summary	Delivery Partner	Targets/ Outputs	Status	Geography
Supply Chain Transition	£1,000,000	CWGLF	The Supply Chain Transition Programme aims to help small and medium-sized enterprises (SMEs) in the West Midlands (WM) to diversify their customer base by winning new orders in growing areas of the economy. It will do this through a combination of workshops, intensive one-to-one coaching, peer to peer support and events that host buyers from organisations seeking to diversify their supplier base in the West Midlands.	TBC	Aims to help 160 firms in the West Midlands	Tender under development	WMCA Area
Social Economy							
Social Economy: Business Growth Support Programmes	£1,743,000	CWGLF	A suite of 6 programmes that will support up to 160 Social Entrepreneurs improve their business skill and confidence in order to improve their sustainability, grow revenue, increase employment and volunteering and increase their social impact. Participants on 4 of the 6 programmes will receive an incentivized grant to encourage income growth. LAs will be able to support recruit participants once this begins in October.	TBC	160 Social Entrepreneurs supported 4 incentivized grants to encourage growth	Currently out to tender	WMCA Area
Local Place Based Cluster Investments	£400,000	CWGLF plus others	8 locations (typically ward sized) will receive seed funding (£50k each) to develop an action and investment plan to build a sustainable ecosystem that supports a healthy social & circular economy. Each 'cluster' will be led by a local	TBC	£50k seed funding for 8 locations	The locations will be selected by the 7 LAs with the 8 th selected by	WMCA Area

Programme Name	Funding	Funding Route	Programme Summary	Delivery Partner	Targets/ Outputs	Status	Geography
			organisation who will bring the community and key stakeholders together to build the plan from the bottom up.			Power to Change as joint funder	
Heritage and Culture							
Business Resilience and Freelancer support	£250,000	CWGLF	The overall objective is to create a stronger and more resilient heritage and culture sector	TBC	Diversity, capacity/skills of cultural workforce with a more resilient heritage and culture sector	Tender under development	WMCA Area
Nationally funded programmes delivered across ITL1 West Midlands							
Business Energy Assessment Service (BEAS)	£24,610,871	DESNZ/ DLUHC	The objectives of this project are to support WMCA and regional efforts to overcome market failures inhibiting energy-exposed West Midlands manufacturers and businesses (in the ITL 1 region) from mitigating the impacts of energy cost rises and the transition to net zero. The approach has been developed with the help of the West Midlands Industrial Energy Taskforce.	TBC	2000+ Energy Efficiency Audits and £15.5m in grants to support energy efficiency improvements. (LINKED TO Decarbonization Net Zero)	Full Business Case to WMCA Board in September	West Midlands ITL1
Made Smarter – West Midlands (MSWM)	£6,900,000	DBT	To support manufacturing SMEs in the West Midlands to use digital technologies to overcome challenges or access opportunities to: increasing productivity developing resilience	Lead: C&W Growth Hub	330 Digital roadmaps 330 Businesses Assisted 1000 Businesses registered 132 Grant funded Projects	In delivery	West Midlands ITL1

Programme Name	Funding	Funding Route	Programme Summary	Delivery Partner	Targets/ Outputs	Status	Geography
			increasing competitiveness		£2,640,000 in grants 60 Leadership Training		
Innovation Accelerator							
DIATOMIC	£6,042,616	IUK	DIATOMIC (Digital InnovAtion TransfOrMatIve Change), is a multidisciplinary cross-cutting programme that will build the innovation capability and capacity to drive growth and prosperity locally, and enhance the reputation of the West Midlands globally. This project is led by Connected Places Catapult, and partnered by local universities, Birmingham City Council and the Birmingham Chambers of Commerce and Industry. It builds on existing projects, such as 'CREME', 'Unlocking Social and Economic Innovation Together' and 'Digital Innovation in Public Sector'.	Lead: Connected Places Catapult	<ul style="list-style-type: none"> • a digital twin to drive the use of data in place-based decision making • innovation in procurement to drive city challenges to SMEs • enabling new solutions around Health Tech / Clean Tech and Med Tech with an inclusive innovation network to ensure that all people, organisations and communities can contribute and take part in the challenges • opportunities to build bilateral international innovation links for the region and build on the existing relationship between Birmingham and Ulsan. 	In delivery	Birmingham and Solihull

Programme Name	Funding	Funding Route	Programme Summary	Delivery Partner	Targets/ Outputs	Status	Geography
WMIP2.0	£2,888,317	IUK	The Project addresses the "Capability and Capacity" strand of the West Midlands Innovation Accelerator, supporting cross-sector, demand-led innovation and enhancing the connectedness and operation of the region's innovation ecosystem.	Lead: WMCA	<ul style="list-style-type: none"> • 15 new demand-led business support programmes developed and delivered • 250 new collaborations, many of them cross-sector • 650 businesses assisted • 80 new jobs • 100 innovation network events for 6000 attendees • £20m private and public sector resource levered 	In delivery	WMCA Area
Clean Futures	£8,034,908	IUK	<p>The aim of Clean Futures (CF) is to develop the West Midland's innovation ecosystem and drive economic growth, engage with industry and address the:</p> <ul style="list-style-type: none"> • Route to market challenges faced by SMEs in the transport sector • Support the transition of manufacturing capability and associated supply chains from fossil-fuelled transport products to clean-tech transport • Support the selected SMEs to transition, develop and demonstrate clean tech transport solutions to Tier 1 and OEMs. 	Lead: Connected Places Catapult	providing focused support for 40 SMEs in total.	In delivery	WMCA Area

Programme Name	Funding	Funding Route	Programme Summary	Delivery Partner	Targets/ Outputs	Status	Geography
WMHTIA (6D)	£14,513,471	IUK	<p>The West Midlands '6D' Innovation Accelerator (6D-IA) will unite key players across the region (universities, hospitals, industry and government-funded 'Catapults' for manufacturing innovation) creating coordinated series of activities that will help companies to navigate "pinch-points" in the process of medical translation.</p> <p>The 6D-IA will also provide a national focus for the development and deployment of new healthcare technologies, growing a vibrant and self-sustaining cluster of activity centred in the new Precision Healthcare Technology Accelerator, leveraging major recent private investment alongside significant regional assets to attract and support medical innovators.</p>	Lead: University of Birmingham	<p>Consortium-wide triage approach to diagnose Company needs and development of action plan</p> <p>Programme of targeted training & support for innovators</p> <p>Innovation support for product development & prototyping</p> <p>Testing & evaluation services with global market access support</p> <p>Leverage strengths in manufacturing innovation to upskill Companies within the sector, and support non-health tech companies and supply chains to expand into it.</p> <p>Ongoing evaluation and sustainability work to refine activities and create regional/national evidence base for 'what works' in Health Tech sectoral support.</p>	In delivery	WMCA Area

Programme Name	Funding	Funding Route	Programme Summary	Delivery Partner	Targets/ Outputs	Status	Geography
Biochar	£1,822,376	IUK	The Biochar Innovation Accelerator project will strengthen the supply chains and also expand participation in the cluster of companies investigating market opportunities for applications of the technology. These include productive use of waste and residues to replace the need for fossil fuel-based resources in applications such as renewable heat and power, planting materials for green roofs, green walls, urban trees and plant growth enhancers. New, lower Technology Readiness Level (TRL) products could include use as advanced building materials and protective coatings.	Lead: Aston University	Core supply chain developed in the West Midlands Cluster of users to pilot new applications Customers for the equipment and materials Opportunities for supply chain and cluster Collaboration with businesses to develop new products and services Ongoing business and research development	In delivery	WMCA Area

6. Department for Business and Trade Funding

- 6.1 In addition to the already allocated UKSPF funds for regional programmes and the local authority led SME advisory service, core business support funding has also been offered by the Department for Business and Trade (DBT). This is of a total value of £420,000. This includes a £40,000 allocation for cluster lead duties in the ITL1 West Midlands, which has been undertaken by Coventry and Warwickshire Growth Hub in recent years. As previously highlighted, this activity will continue to be delivered by Coventry and Warwickshire Growth Hub for financial year 23/24.
- 6.2 The remainder of the funding will be used to fund the WMCA 'Core Hub' staff team on BGWM. This will allow the UKSPF allocation for supporting Core Hub staff to be recycled back into other regional priorities, freeing up an additional £380,000 of UKSPF for regional priorities.
- 6.3 Following consultation with the Business Support Regional Operations Group, and Directors of Economic Development, while there was no clear consensus over best use of these funds, there was majority support for increasing the small grants pot in localities. Given the early stage of the BGWM service, the need to spend in year, clearly demonstrated demand for grants and uncertain demand for regional programmes at this point, it is proposed to allocate the funding to small grants in localities.
- 6.4 Following the principles of the business support review, it is likely that any future regional underspends will focus on increasing the scale and/or scope of regional programmes. This will be done in full consultation with the Business Support Regional Operations Group and Directors of Economic Development (and Economic Growth Board as appropriate).

7. Strengthening links with the private sector offer

- 7.1 To gather private sector feedback into the business support ecosystem being developed under the auspices of Business Growth West Midlands, it is proposed that a Strategic Advisory Group be established. This will gather Business Representative Organisations, banks, professional services firms and other key stakeholders to ensure the support available is meeting the needs of local businesses, is not "crowding out" private sector provision and works in collaboration with it. It is proposed that the first meeting of this Advisory Group will be in early November.

8. Financial Implications

- 8.1 There are no direct financial implications from this paper, however it demonstrates how Business Growth West Midlands is supported, in full, by grant funding through a mix of, primarily, UK Shared Prosperity Fund with some additional funding through the Commonwealth Games Legacy Fund and Department for Business and Trade "core" funding.
- 8.2 There are likely to be financial implications in the future as the Business Growth West Midlands programme is deployed and delivered.

9. Legal Implications

9.1 There are no new direct legal implications arising from this report.

10. Equalities Implications

10.1 There are no direct equalities implications. However, Business Growth West Midlands is closely monitoring equality, diversity and inclusion as it relates to businesses supported through the service and will look to put in place additional measures and support, as required, to meet the needs of the diversity of the business base in the West Midlands.

11. Inclusive Growth Implications

11.1 There are no direct inclusive growth implications. However, the overarching aim of Business Growth West Midlands is to ensure that all businesses, regardless of geography, benefit from expert support that enables growth across the region and in all communities. In addition, commissioning of regional programmes is based on ensuring that businesses and communities across the geography benefit from those programmes and that is a key outcome of the tendering process.

12. Geographical Area of Report's Implications

12.1 The report relates to the seven constituent authorities area.