

Economic Growth Board

Date	<i>25 January 2024</i>
Report title	<i>West Midlands Growth Company Q3 Performance Report against the 'Global West Midlands' Business Plan</i>
Portfolio Lead	<i>Councillor Stephen Simpkins</i>
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Report has been considered by	<i>WMCA Executive Board</i>

Recommendation(s) for action or decision:

Economic Growth Board is recommended to:

- (1) Comment on and endorse the attached performance report from the West Midlands Growth Company (WMGC).

1 Purpose of Report

- 1.1 Economic Growth Board is responsible for the oversight of the performance of the WMGC against its adopted 2023-25 Business Plan – *Global West Midlands*”.
- 1.2 The attached appendix provides a narrative and commentary on key issues, challenges, and opportunities for Q3 of the 2023/24 financial year.

2. Background

- 2.1 WMGC's Business Plan – *Global West Midlands* – was approved by the WMGC Board at its meeting in June 2023 and then formally agreed by the Economic Growth Board in July 2023.
- 2.2 EGB will continue to receive regular updates relating to the performance of the WMGC against the agreed business plan – alongside any context relevant to its performance.

3. Financial Implications

- 3.1 As noted at November Economic Growth Board, full approval for funding was approved to deliver WMGC's Business Plan 2023-25. This comprises:
 - £14.1m from the Commonwealth Games Legacy Enhancement Fund, of which £0.7m has been granted to Local Authorities from WMCA to support an increase in capacity to deliver against priorities in the programme, with the balance of £13.4m for WMGC
 - £3.2m from the UK Shared Prosperity Fund
 - £1.4m from the WMCA core budget
- 3.2 When combined with £3.8m generated by WMGC from commercial and other funding, this results in a budget of £22.5m over two years.
- 3.3 The attached report contains detailed figures for spend to 30 November 2023 and forecast to 31 March 2024. Due to delays in approval of the final funding and business plan, and therefore WMGC's ability to start activity in full, WMGC is now forecasting a reduction in overall spend and therefore income of £1.4m. In agreement with WMCA Finance Director both the core £700k funding from WMCA and £500k of deferred income that was budgeted to be spent in current year will now be transferred to next year (24/25) along with BATH Sponsorship revenue of £220k. Other key variances explained as follows:
 - The Business and Tourism Programme has a £80k transfer between 3rd party costs and payroll costs compared to Budget due to a change in the make-up of costs as the programme closed out.
- 3.4 The varied funding streams utilised by the WMGC to fund the 2023-25 business plan means that there are also different output reporting requirements.
- 3.5 During this business plan period, the WMCA will be working with WMGC colleagues to develop a sustainable long-term funding plan.

4. Legal Implications

- 4.1 WMGC benefits from the "Teckal exemption" and its services can be procured directly by its company members.

4.2 There are no 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.

5. Equalities Implications

5.1 There are no direct equalities implications.

6. Inclusive Growth Implications

6.1 The focus of WMGC's activity will support the delivery of the region's inclusive growth ambitions. Inward investment activity and visitor economy promotion should support local businesses, drive investment, increase civic pride, drive economic uplift through new investment, promote social and cultural wellbeing and champion a more sustainable future landscape for the region, whilst raising living standards for residents.

7. Geographical Area of Report's Implications

7.1 WMGC has historically served the three-Local Enterprise Partnership (LEP) geography, 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. International promotional activity to date has promoted the region's key assets across a wider geography to increase the global competitiveness of the West Midlands; whilst investment, landings and events have been proactively sought across the seven Metropolitan Local Authority areas.