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| Date | 2 December 2022 |
| Report Title | UK Shared Prosperity Fund – Business Support in the West Midlands |
| Portfolio lead | Councillor Ian Brookfield, Leader of City of Wolverhampton Council WMCA portfolio lead for Economy and Innovation |
| Accountable Chief Executive | Laura Shoaf - Chief Executive, WMCA Email: laura.shoaf@wmca.org.uk |
| Accountable Employee | Dr Julie Nugent, Executive Director - Economic Delivery, Skills and Communities Email: julie.nugent@wmca.org.uk |
| Report has been considered by | Directors of Economic Development |

Recommendations

Economic Growth Board is recommended to:

- Note progress of task and finish working group, since approval of UKSPF business support funding by WMCA Board on 28 October, in beginning the process of mobilising UKSPF funded business support activity from April 2023.
- Approve proposed headline approach of local authorities in delivering local approaches to business support and agree to the further development of WM-wide programmes, as highlighted in this report, with a view to commencing commissioning of these activities in Q4 2022 and Q1 2023.
- Note that commissioning responsibility was delegated by CA Board to Executive Director – Economic Delivery, Skills and Communities, in consultation with the WMCA Section 151 Monitoring Officer, and in discussion with the Portfolio Lead.

1 Purpose of Report

- 1.1 To seek the Economic Growth Board's (EGB) endorsement of proposed approaches to delivery of business support locally utilising UK Shared Prosperity Fund and WM-wide commissioned approaches.

2 Background

- 2.1 Following approval of WMCA Board of the UKSPF allocation, officers from the seven Local Authorities and WMCA have been working to develop a coherent West Midlands approach to business support with an initial focus on UKSPF and designing it in such a way that it enables engagement across a wide range of business support services in both the public and private sector including Innovation Accelerator, publicly funded national programmes and private sector offerings.



- 2.2 This work has been led by a task and finish working group comprising WMCA officers and officers from all seven Local Authorities.
- 2.4 The Director of the Greater Birmingham and Solihull Growth Hub, on secondment to the WMCA for two days a week, is working closely with all officers to offer his advice and expertise as to what works currently, best practice and how services can best be maintained through this change process.
- 2.5 Seven separate workstreams have been developed, each led by a Local Authority officer, focused on:
- Review and present options with recommendations for locally-embedded advisers and account managers within wider ecosystem
 - Review and carry out options appraisal for future CRM & digital systems
 - Review and carry out options appraisal and recommendations for central co-ordination team
 - Review and recommend delivery options for specialist programmes – decarbonisation
 - Review and recommend delivery options for specialist programmes – investor readiness
 - Review and recommend delivery options for specialist programmes – SME competitiveness and productivity grants
 - Gap analysis and preparedness for non-UKSPF activity
- 2.6 Each of these workstreams and the overall collective piece of work are aimed at developing a coherent business support ecosystem across the West Midlands, building on what already works well across the region, for delivery from 1 April 2023.

3 Principles of UKSPF – business support

- 3.1 The working group is following the principles, as recommended by the previously endorsed business support review of:
- A high-quality, consistent core offer across the region
 - Fully integrated business support ecosystem
 - Premium products targeted at regional priorities
 - Campaign to drive take-up
- 3.2 In addition, the working group have focused on the principles of:
- Building on what works but not being beholden to it
 - Focusing on the needs of West Midlands businesses and not driven by the needs of providers, which includes:
 - providing access to advice and specialist services
 - targeting firms with potential to improve growth and productivity
 - integrating support with recruitment and skills
 - Focusing on delivering real-world outcomes rather than meeting bureaucratically-imposed targets
 - Providing a consistency of service to West Midlands businesses no matter where they are based in the region



4. Double-devolved Business Support

- 4.1 WMCA Board approved that £20.2 million of UKSPF business support be allocated to Local Authorities directly to deliver priorities for locally-based businesses. Individual Local Authorities are working on those priorities with a focus on providing a combination of locally-based advisors and account managers; commissioned services and grants to businesses.
- 4.2 As part of that activity, the seven Local Authorities are committed to delivering that activity as part of a wider ecosystem, which includes a core hub service at a regional level, providing, by way of example, co-ordination services, data and management information, marketing and web services.

5. Commissioned Programmes

- 5.1 As part of this activity, at a regional level, there is a need to commission some activity that the Task and Finish Working Group recommend commencing in April 2023 (or sooner). In order for this to happen the commissioning needs to start mobilisation in December 2022 and January 2023 (i.e. before the next Economic Growth Board).
- 5.2 The funding agreement and funding is not yet received, therefore this commissioning is mobilisation only. With contractual sign-off after funding is confirmed and the correct WMCA approvals in place.
- 5.3 Specifically, and at a high level, the Task and Finish Working Group recommend that the following activities begin the commissioning process:

| Commissioned Activity | Description | Est. Value | Start Date | End date |
|---|---|---------------------|------------|----------|
| WM regional web site linked to CRM System | New regional website to be front door for business enquiries across WMCA area, offering self-service digital advice and guidance as well as channel through to advisers. Needs to link to a regional CRM system (already in existence). | £200,000 - £400,000 | 1/2/23 | 31/3/25 |
| Branding for regional WM hub service | Branding exercise for regional business support hub | £100,000 | 1/1/23 | 31/3/23 |



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| Investor Readiness Training programme(s) | Commissioned programme(s) focused on ensuring that regional small and medium-sized businesses are well placed to take advantage of growth episodes by attracting future investment | £2.2M | 1/4/23 | 31/3/25 |
| Decarbonisation programme – energy audits | Commissioned programme(s) focused on delivering energy audits into regional small and medium-sized businesses with recommended changes and linked into related small grants programme | £2.5M | 1/4/23 | 31/3/25 |
| Decarbonisation programme – specialist advice | Commissioned programme(s) focused on specialist decarbonisation advice for regional small and medium-sized businesses | £1.6M | 1/4/23 | 31/3/25 |
| Decarbonisation programme – knowledge transfer | Commissioned programme(s) focused on transferring knowledge from region's knowledge base (universities and Catapults) on actionable next generation approaches to decarbonisation for regional small and medium-sized businesses | £500,000 | 1/4/23 | 31/3/25 |
| Cluster growth programme support | Commissioned programmes focused on driving cluster growth across the West Midlands | £1.5M | 1/4/23 | 31/3/25 |
| Total | | £8.6m - £8.8m | | |



- 5.3 Economic Growth Board is asked to approve WMCA officers, working closely with individual workstream leads in Local Authorities to commence these commissioning activities to enable delivery from April 2023.
- 5.4 Economic Growth Board is reminded that whilst the year one allocation of UKSPF is confirmed, years 2 and 3 are 'indicative' allocations only, which subsequently introduces some risk into the business support programme. The risk is twofold in that moving funds from 24/25 into 23/24 to produce a 'smoothed' profile as previously agreed by Economic Growth Board may not be approved by government and the final allocation could be lower than previously indicated, as future year allocations will be subject to performance in year.
- 5.5 WMCA will continue to seek flexibilities through engagement with the new ministerial team. In the meantime, the task and finish working group will work to mitigate the risk, this includes assembling programmes that match (as closely as possible) the funding profile. This work has started with the task and finish working group and EGB will receive a full report on this on January as the implications for spend in 23/24 and 24/25 become clearer.

6 Financial Implications

- 6.1 The task and finish working group is recommending that up to £8.8m of procurement is mobilised in advance of the funding agreement from DLUHC.
- 6.2 WMCA will continue to seek flexibilities through engagement with the new ministerial team. In the meantime, programmes the task and finish working group will work to mitigate the risk, by ensuring any procurement is in principle only without entering contracts until the funding and approvals are in place.

7 Legal Implications

- 7.1 There are no immediate legal implications as a direct result of this report. Legal will continue to advise on the preparation of the wider UKSPF investment plan and any agreements entered into as a result of any funding being awarded.

8 Equalities Implications

- 8.1 There are no direct equalities implications.

9 Inclusive Growth Implications

- 9.1 We have sought to utilise UKSPF to ensure a minimum level of investment in business support services in all areas and maximising the use of other funds and ensuring these are targeted on areas of most need.

10 Geographical Area of Report's Implications

- 10.1 The report covers the 7 West Midlands Combined Authority metropolitan areas