

To: Business, Economy and Enterprise Scrutiny Board (3)

Date: 20th February 2019

Subject: Support To Small Businesses and Start-Ups

1 Purpose of the Note

- 1.1 The briefing note provides information on the support the Council gives to Small and medium-sized enterprises (SMEs), the role of the Coventry and Warwickshire Chamber of Commerce and Coventry & Warwickshire Local Enterprise Partnership (CWLEP).

2 Recommendations

- 2.1 The Business, Economy and Enterprise Scrutiny Board (3) are recommended to:
- 1) Note the contents of the briefing note and presentation.
 - 2) Identify any recommendations for the Cabinet Member for Jobs and Regeneration.

3 On-going Support

- 3.1 There are many opportunities in emerging markets such as Asia and the middle East, in addition to opportunities following Brexit. However, SMEs are restricted by the lack of capacity, time and resources to invest in exporting – we should therefore continue to work closely with organisations such as CWLEP, Chamber of Commerce and Department of International Trade (DIT) to secure sufficient resource to assist local SMEs.

4 Information/Background

- 4.1 The Economic Development Service (EDS) is the driving force in delivering Coventry City Council's ambitious 'Council Plan' which identifies the vision and priorities until 2024. In particular, Coventry is working towards becoming a 'Top Ten City' through promoting the growth of a sustainable economy and improving the quality of life for local people.
- 4.2 To help achieve these aims Coventry's SME business community plays an integral role in the local economy both in terms of wealth creation and for the number of people employed. There are nearly 10,000 SMEs in Coventry creating significant employment opportunities and contributing to local business rates. It is therefore vital that SMEs are given the best chance of succeeding through the support available through the Council and Partner organisations such as the CWLEP and the Chamber of Commerce.

The Council has a proactive approach to partnership working, constantly redeveloping existing networks and finding new connections. Currently EDS is supporting the emerging Local Industrial Strategy for West Midlands which will both set strategic objectives and bring major new aspirational projects for Coventry which will ultimately open up supply chain opportunities for SMEs.

- 4.3 Coventry's SMEs need advice, access to finance and infrastructure – EDS is proficient at supporting SMEs fulfil their growth potential in these areas of business support. This is facilitated by building effective relationships with key representative bodies such as the CWLEP Growth Hub and the Chamber of Commerce - the successful delivery of a suite of business support programmes is possible because of the excellent working relationships with these Partner organisations. The level of support offered depends on the need of respective businesses – it could involve advice on access to grants/loans, new start-up support, skills support or lobbying government to develop policy or access funding. The Growth Hub's initial diagnostic on a business helps to filter the appropriate business support to Partner organisations such as the Council, Universities, Chamber, Princes Trust etc.
- 4.4 EDS are currently managing three European Regional Development (ERDF) business Support Programmes valued at £11.9 million, including £4.75 million in grants available for business within Coventry and Warwickshire up until December 2021. The previous ERDF Support Programme which ended 31st December 2018 awarded £4.5m in grant funding, generating £16.8 million of private sector investment and supported 264 start-up enterprises. With 867 SMEs receiving non-financial support. In addition, the Green Business Programme has saved over 11,600 tonnes of greenhouse gases by supporting businesses. This combined support has generated 775 new jobs in the local economy.
- 4.5 New start-up support is provided by the Chamber of Commerce through a dedicated project which offers specialist support such as business planning, finance, marketing and 121 mentoring and coaching. There is continued strong demand for the start-up service in Coventry, as evidenced by the fact that 70% of Growth Hub engagements have been start-ups or micro businesses.
- 4.6 Through DIT the Chamber also offers dedicated support around exporting; this is an area which will be of increasing significance for SMEs as opportunities for international trade increase as new markets emerge as a result of Brexit
- 4.7 Through the EDS Skills 4 Growth programme a total of 22 SMEs have been supported to train over 60 employees. Our social value work around the planning process has been recognised nationally and this year 786 local people are now employed on sites with Skills and Employment plans thanks to conditions written into contracts.
- 4.8 The work by EDS has continuously facilitated investment in digital infrastructure – recently being awarded £5.7m through the Local Full Fibre Network Fund Wave 2 and delivering an innovative Gigabit Voucher Scheme for SMEs. This will help support innovation and growth in key sectors such as intelligent mobility/Connected & Autonomous Vehicles and provide foundations for the successful delivery of UK City of Culture 2021.
- 4.9 To ensure SMEs possess the necessary digital skills to benefit from opportunities generated by new technology, the Chamber offer specialist ICT advice such as developing a digital marketing plan, implementing Superfast/Ultrafast broadband and moving to the Cloud – such support will enable SMEs to grow and increase productivity.

4.11 Coventry City Council has a strong relationship with local businesses and works across all areas of the business base. The Cabinet Member for Jobs and Regeneration, Councillor Jim O'Boyle, has been very supportive of the work with small businesses and has visited local businesses that have been assisted through the work undertaken by Officers; and is the opening speaker at the official launch of the new ERDF business support programmes at the end of February 2019. Such initiatives will enable Coventry to continue to prioritise delivering our integrated and comprehensive business support programmes, enabling our SMEs to grow and prosper.

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