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

Date: 5th February 2020

Subject: Support for Small Businesses

1 Purpose of the Note

- 1.1 A briefing note to cover the support the Council gives to Small and Medium-Sized Enterprises (SMEs), the role of the Coventry and Warwickshire Chamber of Commerce and Coventry and Warwickshire Local Enterprise Partnership (CWLEP). In addition, there is an update on how the business support service has progressed since the previous year, including how under-represented groups access the various business support initiatives.
- 1.2 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. This note provides information on how the Council can support SME's to make the most of these opportunities.

2 Recommendations

- 2.1 The Business, Economy and Enterprise Scrutiny Board (3) is recommended to:
 - 1) Support the Economic Development Service to continue to work closely with organisations such as CWLEP, Chamber of Commerce, Federation of Small Businesses (FSB) and Department of International Trade (DIT) to secure sufficient resource to assist local SMEs.
 - 2) Identify any further recommendations for the Cabinet Member.

3 Information/Background

- 3.1 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.
- 3.2 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.
- 3.3 The Council has a proactive approach to partnership working, constantly redeveloping existing networks and finding new connections. Currently EDS is working alongside CWLEP in supporting the delivery of the Local Industrial Strategy for West Midlands (launched May 2019) which states the strategic focus for developing the West Midlands economy. This strategy has the potential to bring forward major new aspirational projects for Coventry, as well as major regional level innovation and skills support programmes, which will ultimately open new market and supply chain opportunities for Coventry based businesses.

- 3.4 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 Council has entered into a Service Level Agreement with the Growth Hub which will engage with 300 new business per year, complete 120 comprehensive business assists and help them to create almost 400 new jobs. Their initial diagnostic on a business helps to filter the appropriate business support to Partner organisations such as the Council, Universities, Chamber, Princes Trust etc.
- 3.5 EDS are currently managing three European Regional Development (ERDF) business Support Programmes valued at £11.9 million in ERDF funding – namely Coventry & Warwickshire **Business Support, Innovation and Green Business** Programmes. All three support programmes are targeted at addressing barriers to growth and innovation within local Small & Medium Sized Enterprises (SMEs). They all provide an offer of bespoke one-to-one support and seminars/networking opportunities to tackle challenges and opportunities, as well as a total of £4.75 million in business grants up until December 2021. Within the first year of these support programmes becoming available, 167 businesses have either received a diagnostic or in-depth support; Further, over £4m in grants have been awarded to an additional 157 businesses, generating total investment of £17.1m (ahead of targets envisaged for end of 2019)
- 3.6 The Business Support Programme includes in-depth *support for individuals looking to start a new business*. Much of this support is provided by the Coventry & Warwickshire Chamber of Commerce through a dedicated project which offers specialist support such as business planning, finance, marketing and 1:1 mentoring and coaching. There is continued 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. There is also a major focus on supporting groups that have traditionally experienced high barriers to enterprise:
- The Chamber has a particular focus on women owned businesses – running a 'Women in Business Network' to engage and support women who run their own businesses across Coventry and Warwickshire.
 - The Chamber has worked with the Highlife Centre and Foleshill Women's Training, as well as undertaking leaflet drops in geographical areas that have a higher percentage of Black, Asian and Minority Ethnic (BAME) communities. This proactive approach has resulted in Start-Up Advisors at the Chamber receiving referrals and supporting more clients from these communities to start-up or grow their business.
- 3.7 It should also be noted that the Prince's Trust provides dedicated start-up support to young people through the Business Support Programme, and CUE Business Solutions provides in-depth support to technology-based start-ups (which has a strong focus on graduates and university students), which complement the Chamber's start-up support activities.
- 3.8 Through the Department for International Trade 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. The three EDS-managed business support programmes have all been active in referring businesses with export potential to this service.
- 3.9 The **Duplex Investment Fund** is a new financial support product, which helps finance capital investments and provides a combination of loan and grant funding. The fund has been operational since the start of October 2019. It is delivered by FCA (Financial Conduct

Authority) accredited lending specialists CWRT (Coventry and Warwickshire Reinvestment Trust) who have been raising awareness of the scheme amongst local SMEs.

- 3.10 Through the EDS-managed Coventry & Warwickshire Skills 4 Growth programme a total of 59 SMEs have been supported to train over 249 employees in 2019. Additionally, our Social Value work around the planning process is now being recognised by contractors and developers who are active in the city. Our 'One Coventry' approach ensures that developments underway in Coventry employ local people and apprentices, engage with local communities and schools, utilise the local supply chain, upskill the local workforce and care for the environment. As a result, we are now actively working with approximately ten contractors who are engaging with our Partners across the city.
- 3.11 EDS continues to be active in ensuring Coventry has the necessary infrastructure to support the city's businesses to grow and prosper. It has been particularly active, in partnership with the ICT department, facilitating continued investment in the digital infrastructure. This has included working with local broadband providers to roll out the fibre broadband network, stimulating demand for DCMS 'Gigabit Voucher Scheme and supporting WM5G's work in developing a region-wide 5G infrastructure. This will all 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. Along the investment in infrastructure, to ensure local businesses possess the necessary digital skills to benefit from opportunities generated by new digital technologies, the Chamber offers 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.

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