
A separate report is submitted in the private part of the agenda in respect of this item, as it contains details of financial information required to be kept private in accordance with Schedule 12A of the Local Government Act 1972. The grounds for privacy are that it contains information relating to the identity, financial and business affairs of any particular person (including the authority holding that information). The public interest in maintaining the exemption under Schedule 12A outweighs the public interest in disclosing the information.

Scrutiny Co-ordination Committee
Coventry Shareholder Committee

20th November 2024
21st November 2024

Director approving submission of the report:

Director of Finance and Resources

Ward(s) affected:

None

Title:

Coventry and Warwickshire Growth Hub Half-Year Report (Financial Year 2024/25)

Is this a key decision?

No - although the proposals affect more than two electoral wards, the impact is not expected to be significant.

Executive summary:

The Coventry and Warwickshire Growth Hub (CWGH) has been established since 2014 and is firmly integrated as part of a successful Coventry and Warwickshire economic area – providing a ‘one stop’ centre for local businesses, with advice and guidance on the most appropriate support for their needs.

The CWGH Business Plan was approved by the Shareholder Committee on 23rd April 2024. The CWGH half-year report outlines the performance based on the Business Plan during the Financial Year 2024/25, detailing income and operating costs for the ‘core’ Growth Hub. There are limited risks with the company balance sheet and CWGH has sufficient resources

to meet liabilities as they fall due. The Council is not responsible for meeting liabilities in its role as shareholder, as CWGH is a private limited company.

Primary objectives and priorities for the period of the Business Plan remain unchanged with the CWGH focussing on accessing and supporting sub-regional small and medium-sized enterprises (SMEs), plugging them in to relevant and available support partners and their programmes - such as those funded through the UK Shared Prosperity Fund.

Recommendations:

Subject to the consideration of the additional confidential information contained in the corresponding private report the Scrutiny Co-ordination Committee is requested to consider the Coventry and Warwickshire Growth Hub half-year performance report, attached as an appendix to the corresponding private report and forward any comments or recommendations to the Coventry Shareholder Committee.

The Coventry Shareholder Committee is recommended, subject to the consideration of the additional confidential information contained in the corresponding private report, to:

- (1) Consider any comments or recommendations from the Scrutiny Co-ordination Committee.
- (2) Approve the Coventry and Warwickshire Growth Hub half-year performance report, attached to Appendix 1 of the corresponding private report.

List of Appendices included:

None

Background papers:

None

Other useful documents

None

Has it or will it be considered by Scrutiny?

Yes – Scrutiny Co-ordination Committee – 20th November 2024

Has it or will it be considered by any other Council Committee, Advisory Panel, or other body?

Yes

Will this report go to Council?

No

Report Title: Coventry and Warwickshire Growth Hub Half-Year Report (Financial Year 2024/25)

1. Context (or background)

- 1.1. Coventry and Warwickshire Growth Hub (CWGH) was established in 2014 using City Deal funding provided by Government. It was one of the first Growth Hubs to be established in England, before every Local Enterprise Partnership (LEP) area was subsequently given funding to establish a Growth Hub as a central coordination point for business support to try and simplify businesses' understanding of which business support products were appropriate to their individual needs. CWGH has been nationally recognised as a leading Growth Hub in the UK.
- 1.2. During the closure process of CWLEP in the financial year (FY) 2022/23, the LEP Board, including the Local Authorities across the sub-region, determined that the Growth Hub and CW Champions should continue as a legacy of the LEP. The Place geography spans Coventry and Warwickshire Council's areas and welds the two together into one economic area.
- 1.3. As a result, the Shareholders of the Growth Hub are Coventry City Council (CCC) and Warwickshire County Council (WCC). It should be noted that as well as Growth Hub Limited which delivers the core Growth Hub service, the Growth Hub 'Group' includes subsidiaries CW Champions, and Growth Hub Business Solutions (including the Projects team) which both operate unfunded and commercially.
- 1.4. On 23rd April 2024 the CWGH Business Plan covering three years (FY 2023/24 to 2025/26) was approved by the Shareholder Committee.
- 1.5. Based on the content of the CWGH Business Plan, the half-year performance report has identified that the CWGH is ahead of the overall Key Performance Indicators target set within the Grant Agreement, and this trend is expected to continue for the remainder of the FY.

2. Options considered and recommended proposal

- 2.1. **Option 1 – Do nothing.** The Council's governance and reporting requirements for companies in its ownership requires the agreement of a business plan each year, and to provide a 6-month performance report against this business plan. Failure to present this report will mean that the Council is not provided with visibility over the business planning for CWGH. This report has therefore been prepared to meet this requirement.
 - 2.1.1. This is not the recommended option.

- 2.2. Option 2 – Accept the Coventry and Warwickshire Growth Hub Half-Year Report (Financial Year 2024/25)** The appended CWGH Half-Year Report covers the Financial Year 2024/25.
- 2.2.1. The key points of the CWGH Half-Year Report are summarised in the following sections:
- 2.2.2. Primary objectives and priorities for FY 2024/25 remain unchanged with the Growth Hub focussing on supporting sub-regional SMEs, referring them into relevant and available support partners and their programmes, including UK Shared Prosperity Fund (UKSPF) programmes.
- 2.2.3. The Coventry & Warwickshire Growth Hub continues to perform well against Service Level Agreement targets for FY 2024/25 that have been agreed with Coventry City Council (and also separately with Warwickshire County Council and District and Borough Authorities).
- 2.2.4. Overall, 236 referrals out of a target of 325 have been made (72%), so CWGH is well placed to meet the target well before the end of the financial year. All programmes bar two (Business Sustain, Decarb & Net Zero) are at least 50% of target, with two (Employer Hub and Invest in C&W) already over target.
- 2.2.5. The Growth Hub conducts regular quarterly meetings with Finance staff from Coventry City Council and Warwickshire County Council to keep them apprised of the current and projected financial position of the Growth Hub and its subsidiaries. The last meeting took place on 29th October to consider the position at the mid-year point of the current 2024/25 financial year and the latest budget estimates for 2025/26.
- 2.2.6. CWGH has been working closely with the Economic Development Team at CCC on activities including events such as the Decarbonisation Net Zero Conference; proactive marketing campaigns etc, to ensure flow of client engagements. This will continue throughout the second half of the financial year; priority will be given to those programmes still requiring referrals to achieve target.
- 2.2.7. The preferred option is the approval of the Coventry and Warwickshire Growth Hub Half-Year Report (FY 2024/25) appended to the private report.

3. Results of consultation undertaken

- 3.1. No consultation has been undertaken.

4. Timetable for implementing this decision

- 4.1. Upon acceptance of CWGH's Half-Year Report the CW Growth Hub Board will be notified immediately.
- 4.2. The activity of CWGH will be monitored regularly by the Local Authorities to make sure that the organisation is adhering to the Grant Aid Agreement.

4.3. In addition, representatives from Coventry City Council and Warwickshire County Council's Finance teams will meet with the Growth Hub's Company Secretary and Senior Management team to review the on-going financial performance.

5. Comments from the Director of Finance and Resources and the Director of Law and Governance

5.1 Financial Implications

5.1.1 The Council is making a revenue contribution of £0.130m to CWGH this financial year. This payment is funded by grants from Central Government so there are no additional resourcing requirements for the Council.

5.2 Legal Implications

The Growth Hub has acted in accordance with the Shareholders Agreement and Articles of Association by submitting the Annual Business Plan 2024/25 and in accordance with the Councils constitution. Governance is followed as Coventry City Council's Director of Regeneration and Economy attends the CWGH Board meetings.

6 Other implications

6.1 How will this contribute to the One Coventry Plan?

<https://www.coventry.gov.uk/strategies-plans-policies/one-coventry-plan>

The continuation of Coventry & Warwickshire Growth Hub will play a vital role in delivering the One Coventry Plan's objective of "Increasing the Economic Prosperity of the City and Region". The development of this Plan has been subject to extensive consultation of both Council staff and external stakeholders, with some 485 people completing surveys and 433 individuals attending 23 workshops up to September 2022. This consultation process determined that a key objective needs to be the support of local businesses to innovate, grow and scale up, and create new jobs. The activity of CWGH will enable these objectives to be met by signposting businesses to the most suitable business support initiatives.

6.2 How is risk being managed?

6.2.1 Regular operational and finance meetings with CWGH make sure that the risk to the Council is managed appropriately. In addition, closure costs are monitored closely, and sufficient reserves are always maintained to meet potential closure costs – this procedure removes a key risk.

6.2.2 A Health and Safety Policy is maintained as part of the Staff Handbook. In addition, Professional Indemnity insurance, as well as Public and Employers Liability Insurance, are in place to cover all staff activities.

6.3 What is the impact on the organisation?

To help manage Coventry City Council's (CCC) ownership of Growth Hub, the content of the Business Plan will be reviewed regularly; it is necessary for staff in the Economic Development Service and the Finance team to work together ensuring that the organisation's financial position and terms of the Grant Aid Agreement are reviewed and adhered to. There is also an ongoing time commitment from CCC's Director of Regeneration and Economy to attend the Growth Hub Board meetings which take place quarterly.

6.4 Equalities / EIA?

No equalities impact assessment has been undertaken.

6.5 Implications for (or impact on) climate change and the environment?

The CWGH will be proactively promoting the Decarbonization Net Zero programme to local businesses, this initiative will help reduce the carbon footprint generated by businesses, which will ultimately have a positive impact on climate change and the environment.

6.6 Implications for partner organisations?

The CWGH is an integral part of the Coventry and Warwickshire business support ecosystem. Working closely with Business Support teams within CCC and WCC; the Growth Hub provides a number of referrals to Partners such as the CW Chamber of Commerce, CW Reinvestment Trust, Federation of Small Businesses, Business Growth West Midlands and local Universities.

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