

Scrutiny Co-ordination Committee
Coventry Shareholder Committee

12 March 2026
17 March 2026

Name of Cabinet Member:

Cabinet Member for Jobs and Regeneration – Councillor J O’Boyle

Director approving submission of the report:

Director of Finance and Resources

Ward(s) affected: None

Title:

Coventry and Warwickshire Growth Hub – Transition

Is this a key decision?

No.

Executive summary:

The Coventry and Warwickshire Growth Hub (CWGH) was established in 2014 and are 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.

During the closure process of Coventry & Warwickshire Local Enterprise Partnership in the in 2023, the LEP Board, including the Local Authorities across the sub-region, determined that CWGH should continue as a legacy of CWLEP. As a result, the joint (50/50) shareholders of the CWGH are Coventry City Council (CCC) and Warwickshire County Council (WCC).

It is now necessary to change the way that CWGH operates in order to align with the regional approach to economic development in the West Midlands, and the availability of funding.

A new West Midlands Growth Hub (WGMH) will be established, and given the strength of CWGH, it is proposed that the organisation is best positioned to be the platform for the new service.

The new WMGH, which would still be based in Coventry, will be set up as a new division within West Midlands Growth Company (WMGC). It is important to emphasise that Coventry businesses will still receive the support they require, and that knowledge and best practice developed at CWGH will be applied across the West Midlands.

Similarly, Warwickshire businesses will still benefit from a Growth Hub service, and by continuing close working relationships between the teams at Coventry City Council and Warwickshire County Council (WCC), the important Coventry and Warwickshire business geography will still be served in a coherent way.

This report sets out details of the proposed changes required to CWGH in order to establish the new West Midlands Growth Hub and seeks delegated authority to complete the necessary due diligence and make these changes.

Recommendations:

The Scrutiny Co-ordination Committee is requested to:

- (1) Consider the Coventry and Warwickshire Growth Hub transition proposal and forward any comments or recommendations to the Coventry Shareholder Committee.

The Coventry Shareholder Committee is recommended to:

- (1) Consider any comments or recommendations from the Scrutiny Co-ordination Committee.
- (2) Approve the transfer of CCC shares in CW Business Solutions to the West Midlands Growth Company Limited.
- (3) Approve the transfer of CW Growth Hub Limited assets to West Midlands Growth Company Limited.
- (4) Thereafter, approve the winding up of companies remaining in the CW Growth Hub Group which will no longer be required under the new proposed arrangements.
- (5) Grant delegated authority to the Director for Regeneration and Economy, following consultation with the Cabinet Member for Jobs, Regeneration and Climate Change, Director of Finance and Resource and the Director for Law and Governance to:
 - a. Finalise the Heads of Terms to facilitate the proposals set out in this report
 - b. Agree the financial consideration to be paid for the transfer of CW Growth Hub Limited Assets and CCC shares in C&W Business Solutions
 - c. Approve the transfer of residual reserves from CW Growth Hub Ltd to be split equally between Coventry City Council and Warwickshire County Council after all winding up costs have been recovered

- d. Approve how best to proceed in terms of future operations of CW Champions
- e. To complete all necessary due diligence related to the above matters, including making any necessary and incidental variation to the proposals set out in this report and to enter into all necessary legal agreements.

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 – 12 March 2025

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.

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Report title: Coventry and Warwickshire Growth Hub Report – Future Direction

1. Context (or background)

- 1.1. The Coventry and Warwickshire Growth Hub (CWGH) was established in 2014. 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.
- 1.2. During the closure process of Coventry and Warwickshire LEP in 2023, 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.
- 1.3. As a result, the joint (50/50) shareholders of CWGH are Coventry City Council (CCC) and Warwickshire County Council (WCC).
- 1.4. It is now necessary to change the way that CWGH operates in order to align with the regional approach to economic development in the West Midlands.
- 1.5. An Economic Development Functions Review (EDFR) for the West Midlands was undertaken, following agreement at the November 2024 West Midlands Combined Authority (WMCA) Board. This was driven by concerns about the West Midlands business support landscape being fragmented, which made it confusing and ineffective for businesses. It was proposed that a new model would rationalise public funded support and connect it to the rest of the business support ecosystem.
- 1.6. At the WMCA Board meeting on 14th November 2025, key recommendations of the EDFR were agreed i.e. the formation of a new Economic Delivery Vehicle (EDV) providing a new consolidated, networked approach to economic development, designed to avoid duplication, overlap and fragmentation.
- 1.7. A key part of these proposals is the establishment of a new West Midlands Growth Hub (WMGH) to lead delivery of a new service for up to 1,500 businesses in the region with high growth potential. Given the strength of C&W Growth Hub, it is proposed that the organisation is best positioned to be the platform for WMGH, which will continue to be based in Coventry.
- 1.8. It is important to emphasise that Coventry businesses will still receive the support they require, and that knowledge and best practice developed at CWGH will be applied across the West Midlands.
- 1.9. Similarly, Warwickshire businesses will still benefit from a Growth Hub service in Warwickshire, and by continuing close working relationships between the teams at Coventry City Council and Warwickshire County Council (WCC), the important Coventry and Warwickshire business geography will still be served in a coherent way.

- 1.10. WCC plan to use grant from Department of Business and Trade (DBT) to provide a Growth Hub role in-house, with a route to respond to business enquiries for Warwickshire businesses.
- 1.11. This report sets out details of the proposed changes required to CWGH in order to establish the new West Midlands Growth Hub and seeks delegated authority to complete the necessary due diligence and make these changes.

2. Options considered and recommended proposal

- 2.1. **Option 1 – Do nothing.** As DBT funding for Growth Hubs is no longer available in Coventry, there would be insufficient funds to for CWGH to operate from April 2026, and the organisation would have to rely on its reserves.

2.1.1. This is economically unsustainable and not the recommended option.

- 2.2. **Option 2 – Repurpose CWGH to become the new West Midlands Growth Hub from April 2026**

2.2.1. The following companies make up the CWGH group:

- **CW Growth Hub Limited.** Provides core Growth Hub services.
- **CW Business Solutions.** Delivers regional and commercial contracts, using grant and commercial income.
- **CW Champions Limited.** Responsible for Coventry and Warwickshire Champions, a member-funded business network.

- 2.3. CWGH's board is made up of both public and private sector representatives, with CCC having a representative on the board.
- 2.4. The key points of the proposal for transitioning from CWGH and forming WMGH are summarised in the following sections.
- 2.5. The current CWGH management team (CEO, Deputy CEO, Finance Director and Office Manager) will join the West Midlands Growth Company Ltd (WMGC) to establish WMGH as its subsidiary.
- 2.6. The current CWGH assets will be transferred to WMGC, inclusive of fixed assets, Intellectual Property and knowhow, relevant contracts, and the office lease to allow them to be used in the new WMGH.
- 2.7. CW Business Solutions Ltd currently delivers regional programmes such as Made Smarter and the WM Investment Zone Supply Chain Transition, and this work will continue. CW Business Solutions will become a subsidiary of WMGH. The CW Business Solutions team of twelve individuals will remain unchanged and will also transfer to WMGH via TUPE.
- 2.8. Consultation is underway with all CWGH staff, including seven who are potentially at risk of redundancy. There may be opportunities for these staff to find roles elsewhere in WMGC as the new regional economic development functions are set up. In the

event of redundancies, costs will be covered from CWGH's reserves which have been maintained at a level adequate to cover all closure costs of the business.

- 2.9. Coventry and Warwickshire Champions will continue under the new arrangements. Due diligence will be completed to determine the best way to continue to provide this important member funded business network for Coventry and Warwickshire.
- 2.10. Once all the above transactions are completed CWGH Ltd will no longer be required and will be wound up.
- 2.11. The closure costs will be financed using the company reserves and will not require additional financial resource from Coventry City Council or Warwickshire County Council. Once closure costs have been covered, residual reserves will be split equally between the two local authorities and ringfenced for business support activities.
- 2.12. As joint shareholders, CCC and WCC will work together with their respective Legal teams to complete the necessary work.
- 2.2.4 Based on the above considerations, Option 2 is the preferred option.

3. Results of consultation undertaken

- 3.1. CWGH is in the process of undertaking HR consultations with its staff on the proposed changes.

4. Timetable for implementing this decision

- 4.1. The new ownership structure for WMGH will be established from 1st April 2026. Due diligence will continue to ensure costs and risks to shareholders are acceptable following which the proposed delegated authorities would be exercised
- 4.2. In addition, representatives from Coventry City Council and Warwickshire County Council's Finance teams will meet with the Growth Hub's Company Secretary to review the financial position both before and after CWGH's transition.

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

5.1. Financial Implications

- 5.1.1 The Council is making a revenue contribution of £70k to CWGH this financial year. This payment is funded by grants from Central Government which will not be available after this financial year.
- 5.1.2 The cost of the proposal is at least cost neutral to the City Council. It is expected that existing CWGH reserves are sufficient to fund any exit strategy, such that the company will meet all costs associated with the proposed transactions, with any remaining surplus monies being redistributed back in equal amounts to the two shareholders.

5.2. Legal Implications

- 5.2.1 The proposed restructuring of Coventry & Warwickshire Growth Hub Ltd (CWGH Ltd), including the transfer of its subsidiary and assets to the West Midlands Growth Company (WMGC), has several legal implications for Coventry City Council (CCC) as shareholder.
- 5.2.2 TUPE – The transfer of CWGH's management team to WMGC will take place under the Transfer of Undertakings (Protection of Employment) Regulations 2006. CWGH Ltd must comply with all TUPE duties, including providing employee liability information and settling all pre-transfer employment liabilities. Any non-compliance could result in claims that reduce distributable reserves.
- 5.2.3 Transfer of Assets and Subsidiary – The transfer of CWGH Ltd's assets and its subsidiary (C&W Business Solutions Ltd) will require appropriate legal documentation, warranties, indemnities, and the assignment/novation of relevant contracts. CCC must ensure decisions comply with best value duties and do not expose the Council to unnecessary financial or legal risk.
- 5.2.4 Winding Up of CWGH Ltd – Following the transfers, CWGH Ltd is expected to enter a solvent Members' Voluntary Liquidation. All liabilities—including leases, service contracts, tax, and final accounts—must be settled before liquidation. Insolvency practitioner fees and termination costs will be met from CWGH Ltd reserves. Unresolved liabilities risk delaying final distributions.
- 5.2.5 Reserves – Remaining reserves (approx. £700k) will be distributed equally between CCC and Warwickshire County Council, minus associated closure costs.
- 5.2.6 Overall, CCC's exposure relates to ensuring compliance with TUPE requirements, securing a lawful and orderly transfer of assets and the subsidiary, and ensuring CWGH Ltd can be safely wound up with no residual liabilities that could affect final distributions to shareholders.

6. Other implications

6.1. How will this contribute to the One Coventry Plan?

- 6.1.1. The formation of the West Midlands 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". Key objectives of the WMGH will be to support high growth businesses in Coventry to innovate, grow and scale up, and create new jobs.

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 are 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?

6.3.1. To help manage the transition of CW Growth Hub to WM Growth Hub, it is necessary for CCC's staff within the Economic Development Service, Legal and Finance teams to work together, ensuring that that the organisation's financial, legal and operational position is 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.

6.4. Equalities / EIA?

6.4.1. CWGH will need to consider the equalities impact on staff of the proposed changes.

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

6.5.1. The WMGH will be proactively promoting the Energy Advice Service 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?

6.6.1. The WMGH will be an integral part of Coventry's business support ecosystem. Working closely with the Business Support team within CCC and generating cross referrals; they will also continue to engage with Partners such as the CW Chamber of Commerce, CWRT, Federation of Small Businesses, Business Growth West Midlands and local Universities.

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