



Mr C Elliot
Chief Executive – Warwick District Council

9 February 2016

Dear Chris

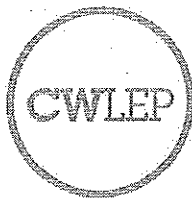
Funding Coventry & Warwickshire Growth Hub – LA's in Coventry and Warwickshire

You will recall that at the last EPB we discussed in detail the item that was due to be presented to the CW LEP Board meeting on 25 January 2016 about the Growth Hub and its plans to complete the 5-year City Deal commitments that had been made in 2014. The Board subsequently and unanimously endorsed the delivery model that was proposed and also the role of the Growth Hub as the primary vehicle for coordinating and managing business support across the CW LEP area. It also noted the progress made on reducing overheads and uncertainty of funding lines including the significant reduction in premises costs that have now been confirmed. Finally, the Board authorised the management of CW LEP and the Growth Hub to engage with each of the local authorities to secure the viability and successful delivery of the Growth Hub between 2016-19.

The unfunded budget implications to support the Growth Hub during this period, which were accepted by the Board, amount to **£415,000 in 2016/17, £436,000 in 2017/18** and, in the final year of the 5-year City Deal commitment, **£643,000 in 2018/19**. Within these numbers a contribution, announced in the CSR, of £200k has been assumed for 2016/17 and 2017/18 from central government. No commitment has been made beyond that date.

Whilst we realise that these are significant sums that are being asked for from the eight local authority partners (including Hinckley and Bosworth) in the City Deal area in times of financial constraint, this is a considerable decrease from the support that was previously committed to. The total figure that is being asked for is £1.494m which, when the pump priming that you provided (£1.123m) is taken into account, is £5.8m less than was originally pledged; ... *'to provide £8.5m of funding over a five-year period to fund the operation of the Business Support Clearing House'*. We believe that Growth Hub offers considerable value for money for the work that it undertakes with businesses in Coventry & Warwickshire and in growing the economy.

If you recollect and in order to help your discussions, when City Deal was being developed the eight local authorities agreed a formula for splitting the initial contribution amongst themselves.



Coventry & Warwickshire
Local Enterprise Partnership

The result of that agreement is below together with the result if that same formula is applied over the next 3 years:

	City Deal	Formula	Applying same formula			
	2014	%	2016/17	2017/18	2018/19	3-Years
Warwickshire County Council	£528,371	47.04	£195,222	£205,101	£ 302,477	£ 702,799
Coventry City Council	£482,521	42.96	£178,281	£187,303	£ 276,229	£ 641,813
Nuneaton & Bedworth Borough Council	£24,201	2.15	£ 8,942	£ 9,394	£ 13,854	£ 32,190
Warwick District Council	£23,453	2.09	£ 8,665	£ 9,104	£ 13,426	£ 31,195
Rugby Borough Council	£17,519	1.56	£ 6,473	£ 6,800	£ 10,029	£ 23,302
Hinckley and Bosworth Borough Council	£16,290	1.45	£ 6,019	£ 6,323	£ 9,326	£ 21,668
North Warwickshire Borough Council	£12,821	1.14	£ 4,737	£ 4,977	£ 7,340	£ 17,054
Stratford	£18,027	1.60	£ 6,661	£ 6,998	£ 10,320	£ 23,978
	£1,123,203	100.00	£415,000	£436,000	£ 643,000	£1,494,000

Should you wish to discuss this request further please do not hesitate to contact me. I have copied your Leader for information.

Yours sincerely

Martin Yardley
Chief Executive CWLEP

Craig Humphrey
Managing Director C&W Growth Hub

Copy to: Councillor Andrew Mobbs