

 <b>Executive 9<sup>th</sup> March 2016</b>		<b>Agenda Item No.</b>  <b>7</b>
<b>Title</b>	Funding for Coventry and Warwickshire Growth Hub	
<b>For further information about this report please contact</b>	Chris Elliott, Chief Executive <a href="mailto:chris.elliott@warwickdc.gov.uk">chris.elliott@warwickdc.gov.uk</a> 01926 456003	
<b>Wards of the District directly affected</b>	All wards	
<b>Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?</b>	No	
<b>Date and meeting when issue was last considered and relevant minute number</b>	08/01/14 – Minute Number 118	
<b>Background Papers</b>	Coventry and Warwickshire City Deal	

<b>Contrary to the policy framework:</b>	No
<b>Contrary to the budgetary framework:</b>	No
<b>Key Decision?</b>	No
<b>Included within the Forward Plan? (If yes include reference number)</b>	No
<b>Equality Impact Assessment Undertaken</b>	No

<b>Officer/Councillor Approval</b>		
<b>Officer Approval</b>	<b>Date</b>	<b>Name</b>
Chief Executive/Deputy Chief Executive	22.02.16	Chris Elliot;
Head of Service	22.02.16	Tracy Darke
CMT	22.02.16	Andy Jones; Bill Hunt
Section 151 Officer	22.02.16	Mike Snow
Monitoring Officer	22.02.16	Andy Jones
Finance	22.02.16	Mike Snow
Portfolio Holder(s)	22.02.16	Cllr Andrew Mobbs
<b>Consultation &amp; Community Engagement</b>		
Views have been sought for the Coventry and Warwickshire Chamber of Commerce and from the local branch of the Federation of Small Businesses		
<b>Final Decision?</b>		Yes
<b>Suggested next steps (if not final decision please set out below)</b>		

## 1. **Summary**

- 1.1 In 2014 this Council was a signatory to the Coventry and Warwickshire City Deal which last for 5 years. Amongst other things this secured government support for a clearing house to help local companies find a way through a veritable maze of agencies and offerings to the right kind of support. This is a key part of an overall effort to help improve the local economy.
- 1.2 The clearing house – now known as the Growth Hub has in Warwick District engaged or assisted 428 businesses from April 2014 to December 2016. It has helped companies create 194 jobs in this District and a combined investment of £5.5 million. The Growth Hub's work has the support of the Chamber of Commerce and the Federation of Small Businesses (FSB).
- 1.3 This Council as part of the City Deal gave a commitment to provide support for the period of the City Deal period. One year funding from the Council was agreed for 2014/2015 but none was needed for 2015/16 and but funding is again requested for the remainder of the City Deal period (3 years) albeit at a lower level than originally forecast. It had been hoped that other funding streams would mean that no more Council funding was required but regrettably this has not proved to be the case and a request has now been received for financial support.
- 1.4 It is considered that the results for the local business community and the local economy justify the Council providing such financial support but given that other Councils also need to agree to provide support it is proposed that the eventual decision should be delegated to the Chief Executive in consultation with the Leader of the Council.

## 2. **Recommendations**

- 2.1 That Executive agrees to the request for total funding of £31,195 for the Growth Hub over the next 3 years as set out in the letter at Appendix 1, to be funded from the 2016/17 contingency budget subject to the Chief Executive in consultation with the Leader of the Council being satisfied that the other Councils are paying their share and of the continuing good performance of the Growth Hub in the Warwick District area, subject to annual review.

## 3. **Reasons for the Recommendation**

- 3.1 In 2014 the Council was a signatory to the 5 year Coventry and Warwickshire City Deal which amongst many other things created a clearing house (now known as the Growth Hub) to aid companies to find a way through the maze of support and offerings to obtain the right kind of support. The City Deal involved an undertaking from this Council to support the Growth Hub. A wide package of funding was brought together to enable this business support activity to be brought to fruition including in 2014/15 some support from this Council - £23,453.
- 3.2 It was subsequently thought that other funding streams would be able to cover all of the costs of running the Growth Hub so that there would be no further call on Councils to contribute financially. Whilst this proved to be true for 2015/16 it has not proved possible for the remainder of the 5 year City Deal period (i.e. to 2019). However, this has caused some confusion amongst some agencies who believed that they had to make only one upfront payment.

3.3 In consequence, all the participating Councils have now received a letter (see Appendix 1) asking for contributions based on the same formula that was used in 2014 albeit for a lower level sum than was originally envisaged in the City Deal. This seems a reasonable basis for such contributions to be made.

3.4 Outcomes of the work of the Growth Hub in the Warwick District Council area are summarised at Appendix 2. If similar levels of performance are achieved then the Council's proposed contribution of £31,195 over 3 years represents good value for money.

3.5 Officers have enquired of agencies representing business most likely to benefit for the work of the Growth Hub, i.e. the Chamber of Commerce and the Federation of Small Business, and they are supportive of its continued work. The FSB commented:

"From our member's perspective the Growth Hub after 2 years is now starting to become embedded in the business support landscape. Awareness of what they can offer has increased and the ability for the FSB to signpost to just one organisation who fully understands the funding streams that are available is priceless. The other element of support provided by the Growth Hub is the independent planning advice – our members tell us this is invaluable. It would therefore be a shame to lose this service from Coventry and Warwickshire, a service that offers FREE, impartial and consistent advice for all businesses in our region."

3.6 It is suggested therefore that the Council should provide the financial support requested which can be funded for the Council's contingency fund, subject to 2 caveats, namely that:

- i. Other Councils pay their share
- ii. That the Growth Hub continues its good performance in the WDC area.

3.7 It is therefore further suggested that delegated authority be given to the Chief Executive in consultation with the Leader of the Council for the release of this funding each year subject to them being satisfied that the 2 caveats listed in paragraph 3.6 are met.

#### 4. **Policy Framework**

4.1 The proposal contributes directly to the Sustainable Community Strategy vision of making Warwick District a great place to live, work and visit as it supports the theme of Prosperity by giving support to local businesses and the local economy.

4.2 The proposal addresses two of the 3 themes in the Council's Fit for the Future programme:

- Services – Improving and maintaining services – this proposal would enable the business support service to our local businesses to continue.
- Money – By taking a portion of this year's contingency budget for the 3 year period to provide the money sought then no additional ongoing strain will be placed on the Council's finances.

## **5. Budgetary Framework**

- 5.1 The contingency budget stands at £240,000 (TBC) which can be used to fund the £31,195 sought over 3 years. This means there is no further ongoing financial strain on the Council.
- 5.2 The Council also contributes a flat rate contribution to the upkeep of the Coventry and Warwickshire Local Enterprise Partnership (CWLEP) of £20,000 per annum (the same as other District Councils) and which is budgeted for, but this is not for the Growth Hub, rather it is to help fund the wider partnership the wider benefits of participation of which for Warwick District are shown at Appendix 3.
- 5.3 Support for business development is in the longer term financial interest of the Council if it helps to grow the local business rate base as part of that growth will be held locally whilst in the longer term all of business rates generated is to be held by Local Government.

## **6. Risks**

- 6.1 There are two risks:
  - i. That other Councils do not pay their share; and
  - ii. That the Growth Hub is not able to continue its good performance in the WDC area.
- 6.2 The mitigation to these risks is that each year before the money is released that the Chief Executive in consultation with the Leader of the Council are satisfied that the other Councils do pay their share and that the Growth Hub continues to deliver good performance for local businesses in the District.

## **7. Alternative Option(s) considered**

- 7.1 The Executive could decide to reject the request in which case the Growth Hub may have an uncertain future and businesses may not be able to receive the support they are currently able to obtain. This option has been rejected given that the Council has identified Prosperity as a priority for the area.