

Briefing Note

Title: Future of Business Support in Wolverhampton Date: 21 June 2023

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Job Title: Head of Enterprise

Intended Audience: Internal Partner organisation Public Confidential

1. Purpose

- 1.1 To share with members the approach that is underway to shape the emerging business support model for the city.
- 1.2 Members are asked to note the work that has been underway with the West Midlands Combined Authority and local businesses, and to seek views on the direction of travel as we build the new business support programme.

2.0 Background

- 2.1 In autumn 2021, Metro Dynamics (a business strategy consultancy) were appointed by the Council to review how the council uses its economic, administrative and regulatory powers to shape the city's business environment. In December 2021, it submitted its final report to the Council with 4 recommendations;
 1. Go further and faster on relationships, touch points and evidence
 2. Integrate place and investment marketing with opportunities for local businesses
 3. Put in place a small number of new, targeted, local programmes
 4. Work with regional / sub-regional partners to design at-scale interventions on big issues that work for local businesses
- 2.2 These recommendations produced by Metro Dynamics form the basis of the future direction for business support in the city.
- 2.3 The Council has established an internal programme group to oversee this work which reports into the Councils Strategic Executive Board. A report is scheduled later this month, following a presentation on 31 January 2023.
- 2.4 There are a number of considerations that continue to influence the approach to business support for Wolverhampton. These include significant policy changes at a national and regional level and the vital role of ensuring we

meet the needs of local business and the strategic objectives of the council and the City of Wolverhampton.

2.5 National Position

- 2.6 In April 2022, the government announced a £2.6 bn fund to replace the European Union funding that had for some time been the source of business support programmes. The new fund, called the UK Shared Prosperity Fund (UKSPF) is for 3 years, up to March 2025.
- 2.7 Noting in 2020 the EU allocated £4.5bn to the UK government to manage, alongside direct funding to organisations of £2.5bn, which gave the UK an annual total of £7 bn.
- 2.8 Earlier this year the government announced in the budget statement that Local Enterprise Partnerships across the UK would close, and functions would transfer over to Local Authorities by 2024. On 31 March 2023, all LEP's and Business Growth Hubs in England closed. In its place is the new regional business hub, Business Growth West Midlands, that is being led by the WMCA working with the 7 Local Authority partners, details shared in paragraph 2.16 of this report.

2.9 Regional Position

- 2.10 At a regional level business support, led by the WMCA Economic Growth Board (EGB) chaired by the Leader of Wolverhampton Council, submitted the Trailblazer Devolution Deal. This presented to government the role of WMCA to address business needs and remove barriers.

<https://www.gov.uk/government/publications/west-midlands-combined-authority-trailblazer-deeper-devolution-deal/west-midlands-combined-authority-trailblazer-deeper-devolution-deal#business-productivity>

- 2.10 West Midlands Trailblazer identifies :-
'At the firm-level, the uptake of business support is one of the key determinants of productivity, and businesses that seek external advice are more likely to experience high growth. The proportion of businesses in the UK accessing support and particularly for growth, however, is low compared to other countries, which evidence suggests is partly due to the complexity and fragmentation of the business support landscape. External finance, and particularly growth finance, can also help companies to achieve their entrepreneurial potential'

'The government welcomes and will support WMCA's desire to bring greater coherence to the business support and finance landscape. This will be a key part of our joint efforts to boost local growth, and to raising living standards across the city region'

The government recognises the WMCA as the lead institution for integrating business productivity interventions at the city region level. The WMCA will develop a service, working in conjunction with private sector providers, to make it much easier

for enterprises to access programmes to boost productivity. The WMCA will, through this deeper devolution deal, have a new, empowered role in integrating, promoting and overseeing access to business support and advisory services, small and medium-sized enterprise finance and the broader commitments agreed as part of the deal. This will strip inefficiencies out of the system and increase small and medium-sized enterprise access to support.

- 2.12 Work is ongoing with government to ratify the regional Devolution Deal and Levelling-Up, an outcome is anticipated later in the year.
- 2.13 Leaders across the West Midlands agreed that current business support, due in part to the funding regimes of EU programmes, felt fragmented and inconsistent. In response to this, and to achieve the strategic objectives set out in the Devolution Deal the WMCA EGB approved (28 October 2022) an allocation of £42m, from £88m of the regionals' 3-year UKSPF, to deliver specialist regional business programmes (ref para 2.16). These will complement existing local and regional business support services as well as helping to deliver key aspects of the region's focus on "Supporting Local Business" as set out in the West Midlands Plan for Growth (<https://www.wmca.org.uk/what-we-do/economy-and-innovation/plan-for-growth/>). The remaining £46m to be passed direct to the 7 local authorities.
- 2.14 Leaders agreed that a review of current business support working would be undertaken with a range of stakeholders and those delivering business support. This would inform and shape a new regional approach to business support working with the 7 local authority constituent members.
- 2.15 Wolverhampton officers have and continue to be heavily involved in the shaping of this model to ensure the emerging business support approach and programmes meet local business needs and the strategic objectives of Wolverhampton.
- 2.16 On 1 April 2023, following the closure of the LEPs and Growth Hubs, a new regional business support portal went live. [Business Growth West Midlands](#). (ref para 2.8) At present the site signpost businesses to the relevant local authority area but it will shortly include regional business support programmes supported from a number of funding sources include UKSPF. These include, SME Grants aligned to business plans of growth, Investor Readiness and Decarbonisation programmes. The WMCA, at the time of this paper, is awaiting receipt of this financial year allocation of UKSPF from government that will enable the delivery of regional programmes and funds for Wolverhampton's local allocation

2.17 Wolverhampton's Position

- 2.18 In July 2022, the council in partnership with the University of Wolverhampton and the Black Country Chamber of Commerce launched IGNITE (Innovate, Grow, Navigate, Ideas, Technology, Entrepreneurship). The purpose, to provide the opportunity to engage with businesses and build a client base for the facility. It is a physical space to offer joined up and comprehensive business support delivering a combination of new and existing activity. The facility includes presence from project partners the Black Country Chamber

of Commerce, City of Wolverhampton Council and University of Wolverhampton.

- 2.19 In November 2022, Cabinet approved Wolverhampton's local UKSPF allocation which included a £650,000 package of business support that would focus on start-up, supporting those hard to reach and affected by unemployment or not working, and to invest in Ignite with new programmes and potential expansion.
- 2.19 On 3 April 2023, Wolverhampton launched [Wolverhampton Employer Support](#). Providing a direct link for businesses and a connection to the regional Business Growth West Midlands portal. Businesses are encouraged to contact the council either by phone, online or by visiting the IGNITE offices, where an officer will discuss their needs and help connect to relevant business support programmes and services in the council.

3.0 Current Position

- 3.1 A key priority for the council is to ensure Wolverhampton Employer Support is informed by strategic intelligence and the local needs of the businesses in the city, capturing the city's growing and emerging sectors and our diverse business population.
- 3.2 The intelligence coming from the regional Plan for Growth (ref 2.11) and the emerging work with the Wolverhampton Strategic Economic Plan is helping the city understand current and future challenges and opportunities. This is helping inform our approach in areas around decarbonisation, innovation, future skills, and investor readiness that will shape appropriate business support programmes and delivery partner(s).
- 3.3 We also need to consider the success of current activity such as AIM for GOLD, a SME targeted programme supported by EU funding. In the presentation to Scrutiny Panel on 30 November 2022 <https://wolverhamptonintranet.moderngov.co.uk/ieListDocuments.aspx?CId=505&MIId=18045&Ver=4>) Members welcomed how the programme had helped businesses and the city to achieve a number of outcomes and outputs. In total, 286 new jobs, salaries above £27,000, private sector investment of £2.5m and a contribution of £9.5 m to Wolverhampton's GVA (on average 7.5% growth from each business on the programme). As well as helping businesses to access new markets, business owners shared that they felt more confident as business leaders and the future of their business.
- 3.4 Intelligence from a recent business survey (many of the respondent were SMEs and a high proportion from retail and hospitality) highlighted local businesses are looking for support with access to finance, recruitment and upskilling, networking and digital and IT.
- 3.5 Alongside this is the work from partners such as NatWest with Aston University Centre for Research Ethnic Minority Entrepreneurship (CRÈME) who identified

challenges for ethnic business in the region, including raising finances and the importance of finding routes outside of their own communities to help business survival and growth.

- 3.6 Officers are working across the council to ensure the work and intelligence with the future of business support connects with the emerging Strategic Economic Plan (SEP) the Education Skills and Employment Plan (ESEP), the Investment Strategy which sit under Our City Our Plan.
- 3.7 It is important to emphasise that this is a city led approach. The model is being developed through a co-design, co-create and co-produced approach to ensure that the city engages and maximises support from key stakeholders including the private sector, to give businesses in the city appropriate, excellent quality services which will deliver the city's objectives.
- 3.8 Whilst this work is underway day to day activities continue. Officers regularly engage and responding to business enquiries and connecting businesses to appropriate support either service areas in the council or programmes such as Wolves@Work and Invest. Officers also help businesses to connect to current business support programmes available from local regional and national partners, relevant to their business needs.
- 3.9 The team have been involved in a number of local business support events including the Kings Award for Enterprise supporting the Deputy Lieutenant and with the African Chamber of Commerce who hosted an African Celebration Day at the Art Gallery on 27 May 2023.

4.0 Next Steps

- 4.1 The officer's group is shaping the next steps, building on the strategic and local intelligence and learning from current programmes, and will be engaging with stakeholders to shape the business support approach
- 4.2 The outcome will be brought back to Scrutiny Panel later in the year, for members views and comments.