

# ECONOMY OVERVIEW AND SCRUTINY PANEL

## 27 MARCH 2023

### BUSINESS START-UP

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#### Summary

1. The Economy Overview and Scrutiny Panel has requested an overview of how Worcestershire County Council (the Council) supports and promotes Business Start-up in Worcestershire.
2. The Cabinet Member with Responsibility for Economy, Infrastructure and Skills, and the Assistant Director for Economy have been invited to the meeting to respond to any queries the Panel may have.

#### Background

3. This report provides an update on the county of Worcestershire, the Council's Enterprising Worcestershire (EW) Start-Up programme and how the Council supports and promotes enterprise in the County.
4. Following the Covid-19 pandemic the number of business births in Worcestershire is higher than neighbouring authorities. In 2021 there were 5,275 business births an increase of 81% on 2020 and is also 19% higher than pre-pandemic business births.

**Table 1: Source ONS – Business Births**

<b>Business Births</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>Bromsgrove*</b>	725	625	745
<b>Malvern Hills</b>	320	325	405
<b>Redditch</b>	860	340	355
<b>Worcester</b>	440	480	800
<b>Wychavon</b>	1,120	550	1,660
<b>Wyre Forest*</b>	970	600	1,310
<b>Worcestershire*</b>	4,435	2,920	5,275
<b>Herefordshire</b>	770	780	920
<b>Shropshire</b>	1,165	1,115	1,270
<b>Staffordshire</b>	3,240	3,050	4,145
<b>Warwickshire</b>	3,185	3,030	3,535
<b>West Midlands</b>	34,440	28,145	34,155
<b>England</b>	325,355	299,115	324,485
<b>United Kingdom</b>	363,825	333,020	363,995

\*Data has been adjusted to exclude business births at postcodes with more than 500 businesses

- Business deaths have increased in Worcestershire in recent years as in most other areas. However, in 2021 business births exceeded business deaths and this was also the case in most districts.

**Table 2: Source ONS – Business Deaths**

<b>Business Deaths</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>Bromsgrove*</b>	490	520	895
<b>Malvern Hills</b>	325	335	330
<b>Redditch</b>	380	425	375
<b>Worcester</b>	365	325	350
<b>Wychavon</b>	595	555	1,155
<b>Wyre Forest</b>	350	1,115	1,100
<b>Worcestershire*</b>	2,505	3,275	4,205
<b>Herefordshire</b>	660	630	1,010
<b>Shropshire</b>	1,105	1,070	825
<b>Staffordshire</b>	3,085	3,155	3,310
<b>Warwickshire</b>	2,925	3,230	3,650
<b>West Midlands</b>	25,130	28,440	31,255
<b>England</b>	270,015	266,695	290,335
<b>United Kingdom</b>	303,495	299,190	327,385

\*Data has been adjusted to exclude business births at postcodes with more than 500 businesses

### **The Enterprising Worcestershire (EW) Start-Up Programme**

- The EW Start-Up Programme aims to stimulate enterprise, develop new market opportunities, encourage investment, create new jobs and facilitate start-up and high growth start-up businesses in the county.
- The objective of the EW programme is to create a local environment in which Worcestershire entrepreneurs can access the knowledge, skills, resources, advice, support and local professional networks that they need to transform a business idea into reality.
- The EW programme provides a comprehensive range of pre-start and business support, access to information, resources and revenue and capital grants for entrepreneurs to start, develop and sustain start-up and early-stage businesses. The programme is part-funded by the European Regional Development Fund (ERDF) and supported with match funding from the Council and the six district councils.
- The current EW programme has been running since July 2020 and will complete at the end of June 2023, with a total programme value of £4.2m (including ERDF and match funding). The previous programme ran from September 2017 to June 2020, with a total programme value of £1.98m. These two programmes have generated a total of £5m of European funding for pre-start and business start-up support in the County over the last six years.

10. The support provided through the EW programme includes:
- **Worcestershire Start-Up Club:** pre-start workshops and one to one advice for Worcestershire residents looking to start a new business, which is delivered across the county.
  - **Enrich:** developed specifically for young entrepreneurs (16-24 year olds) and delivered by the University of Worcester, Enrich is a two-day course providing young entrepreneurs in Worcestershire with an introduction to the key skills and knowledge needed to start up a business.
  - **Early-stage Business Coaching:** provides business owners with the opportunity to identify a clear road map and have a critical friend to help them through the process.
  - **High Growth Support:** recognising the need for those businesses in their early stages that have identified that they have the opportunity to create high growth/high value businesses require bespoke, targeted support. Participants are offered a wide range of business support interventions including workshops, 1:1 advice and peer sessions, focussing on the areas which make a difference to high growth businesses and where necessary, working with specialist advisors to support specific areas such as HR, marketing, and finance.
  - **Grant Funding:** start-up businesses up to three years' old can apply for grants up to £15,000, to fund a variety of investments and one-off costs such as new IT equipment, machinery, marketing collateral, website design and consultancy advice.
  - **Start-Up Quick Pitch:** an annual event, delivered in partnership with the University of Worcester, for small businesses up to 2 years old to enter and be selected to pitch their business/business idea to a small judging panel of local business experts and in front of a supportive entrepreneurial community to hone their selling skills with an opportunity to gain exposure for their business idea or concept. Sponsorship for the winner's prize has been provided by Wynne-Jones (Intellectual Property Attorneys) and Worcestershire Local Enterprise Partnership.
  - **EW Awards:** the first EW awards took place in September 2019 and the second awards event will take place in April 2023 to recognise outstanding businesses and people that have received support through the programme. The award categories are Best Start-Up Business, Best Growth Business, Most Innovative Start-Up Business, Most Sustainable Start-Up Business, Young Entrepreneurs Award, in conjunction with the University and The Entrepreneurs Champion.
11. The Council and the district councils have also allocated additional core funding to provide support to business to consumer businesses (not eligible for ERDF funding) which includes business coaching and one to one support, to ensure all people wanting to start a business have access to support.
12. The table below summarises the EW programme delivery from September 2017 to December 2022 and the performance that will be delivered by the end of the programme in June 2023.

Programme Delivery	Sept 2017- Dec 2022	Cumulative forecast by June 2023
Individuals receiving pre-start support	1,017	1,076
Early-Stage business support (less than 5 years old)	166	335
Start-up grants (businesses up to 3 years old)	242	305
Business Start-ups supported <12 months old	259	283
Jobs created	170	230

13. The table below summarises the EW programme delivery by district from September 2017 to December 2022.

District	Individuals receiving pre-start support	Early-Stage businesses supported	Start-up grants	Businesses supported less than 12 months old	Jobs created
Bromsgrove	62	19	32	23	12
Malvern Hills	216	31	47	47	30
Redditch	71	2	14	17	9
Worcester City	366	53	58	89	59
Wychavon	195	43	58	55	42
Wyre Forest	107	18	33	28	17

14. Programme delivery is monitored through the Tractivity Customer Relationship Management (CRM) system which is a shared partnership system managed by the Council which enables the partners including the district councils to review and report on activity in their individual areas as well as more detailed reporting on programme activity including by sector and employee size. For example, of the 116 businesses currently supported through Business Coaching, over a third of clients (34.5%) are in the Professional, Scientific and Technical activities sector, followed by 22.4% of clients in Administration and Support Services. Over half of the businesses receiving coaching support have one employee and 17% have 2 or more employees.
15. The current EW programme has also provided funding to support aspiring entrepreneurs via the Council's Library Services in partnership with the libraries Business and Intellectual Property Centre (BIPC) Worcestershire to connect start-up engagement in these locations and widen client access routes to the programme. Capital investment has been utilised to support the set-up of 6 dedicated 'business centre' spaces in the county's largest libraries (The Hive, Malvern, Evesham, Redditch, Bromsgrove and Kidderminster), providing a location for hosting various support sessions for start-ups in each of the districts and equipment to allow users to access resources as well as digital displays to promote the range of support available. The programme has also funded advisers to enable the delivery of support sessions and an enquiry and information service to provide referrals into the EW programme for further business support; there have been 182 referrals to date from the libraries. Additional funding has contributed to the comprehensive selection of business databases available in libraries providing customer insights, business data, industry reports and market research, allowing individuals to access this valuable

information for free for market research and business planning in the start-up phase. EW staff have attended a number of the libraries to work alongside library advisers to provide support and drop-ins for businesses to obtain support and access grant information.

16. The Worcestershire Growth Hub continues to be a key partner in signposting and referring start-up and small businesses to EW support.

### Other Council Activity

17. Other Council funded programmes have also supported start-up businesses including:
  - a. **Worcestershire Innovation Launchpads** providing tailored support in key business areas such as technology, commercialisations sales and marketing and intellectual property to help to determine and shape the potential commercial routes to market of new innovative ideas.
  - b. **Betaden** provides a tailored team of mentors, funding and technology networks to accelerate innovation for new and emerging technology businesses.
  - c. **Low Carbon Opportunities Programme** innovation support has helped start-up businesses to investigate, advance, protect and commercialise low carbon business ideas.
  - d. **Community Renewal Fund (CRF) - Made in Worcester:** Between November 2021 and December 2022, the Council ran the CRF Programme, a £2.7m programme funded by UK Government. This funded 6 projects including the £650,000 Made in Worcester Creative Collective project to accelerate the film industry in Worcestershire. This project supported 36 young people to gain experience in the industry resulting in 16 new businesses being created.
18. During the Covid-19 pandemic, it was recognised that a number of business support organisations were offering an increased number of online workshops, seminars and networking events to provide small businesses with ongoing support during the pandemic. Rather than duplicate this provision, some of the core funding from the Council and the district councils was pivoted to provide businesses with funding for the costs of their first-year membership of business support organisations which included the Chamber of Commerce and the Federation of Small Businesses as well as industry specific organisations and trade associations. This support provided access not only to the events programme, but also wider benefits provided through these memberships. A total of 105 businesses were supported with membership grants from February 2020 to March 2022.
19. The EW programme has also developed a partnership with Enterprise Nation to provide access for start-ups and small businesses in Worcestershire to a national platform and online community providing expert advisers and support, free e-learning and resources and local and national events. The platform is

supported by a number of large international companies including Dell, Sage, Vodafone and TSB.

20. There has been significant investment in marketing and promotion of the EW programme and brand to ensure communities across Worcestershire are aware of the support available. This has included headline promotion campaigns including 'New Year, New Start, New Opportunities' and 'Refresh, Rethink' and utilising a range of media and advertising including Worcester News, Youthcomm radio, bus advertising, social media campaigns on LinkedIn, Twitter, Facebook and Snapchat (targeting young people) and capitalising on national campaigns and promotion during Global Entrepreneurship Week every November.
21. Moving forward, European funding for start-up support will cease at the end of June 2023 and will be replaced by the UK Shared Prosperity Fund (UKSPF) which will be managed and allocated by the six District Councils based on their local Investment Plans covering three themes - Communities & Place, Business and People & Skills. The Council's Growth, Investment & Sustainability Team has submitted proposals to all of the District Councils for continued delivery of business support including business start-up and is awaiting final confirmation of funding from the District Councils.
22. In addition, the Council has allocated funding through Open for Business Board and Cabinet for delivery of a business support and grant programme which will include Business Start-Up as one of the key priorities with a target of 100 start-ups supported. The delivery plan is being developed to ensure that this support addresses gaps in provision and enhances the start-up support where UKSPF is allocated.

### **Purpose of the Meeting**

23. The Panel is asked to consider the latest information provided on business start-up support in Worcestershire, and:
  - consider whether any further information or scrutiny is required at this time
  - determine any comments or recommendations to the Cabinet Member with Responsibility for Economy, Infrastructure and Skills

### **Contact Points**

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### **Background Papers**

In the opinion of the proper officer (in this case the Assistant Director for Legal and Governance) the following are the background papers relating to the subject matter of this report:

Agenda and Minutes of:

- Economy Overview and Scrutiny Panel on 29 July 2022

All agendas and minutes are available on the Council's website here.

