

North Tyneside Council

Report to Cabinet

Date: 10 April 2017

ITEM 5(c)

**Title: Business Support
Sub Group Report**

Portfolio(s): Inward Investment – Job
Creation, Business Support

Cabinet Member(s): Cllr B Pickard

Report from: Overview, Scrutiny and Policy Development Committee

Wards affected: All

PART 1

1.1 Executive Summary:

The purpose of this report is to present the recommendations of the Economic Prosperity Sub-Committee's study, on behalf of the Overview, Scrutiny and Policy Development Committee, into the support for young businesses in North Tyneside.

The recommendations are set out in paragraph 1.5.2 below.

In accordance with section 9F of Part 1A of the Local Government Act 2000, Cabinet is required to provide a response to the recommendations of the Overview, Scrutiny and Policy Development Committee within two months. In providing this response Cabinet is asked to state whether or not it accepts each recommendation and the reasons for this decision. Cabinet must also indicate what action, if any, it proposes to take.

1.2 Recommendation:

It is recommended that Cabinet consider and formulate a response to the recommendations presented to them as a result of the Overview, Scrutiny and Policy Development Committee's study into business support.

1.3 Forward plan:

The report was included in the Forward Plan under the heading 'matters arising from Overview, Scrutiny and Policy Development Committee and its sub committees'.

1.4 Council plan and policy framework:

The report seeks to contribute to the Council's Our North Tyneside Plan which states that "our economy will grow by building on our strengths, including our existing world-class companies and small and growing businesses."

1.5 Information:

1.5.1 In September 2016 the Economic Prosperity Sub-Committee approved the appointment of the Business Support Sub Group to:

- a) examine the range of support available to start up businesses;
- b) examine the sustainability of new businesses in their 3rd and 4th years;
- c) consider whether providing extended and enhanced support for businesses in their 3rd and 4th years would reduce the likelihood of businesses failing and consequently have a positive impact on the local economy; and
- d) formulate recommendations as to how existing support might be enhanced or how additional services might be developed to improve the success rate of start up businesses. Any recommendations to be supported with an assessment of the financial implications.

1.5.2 Having completed its investigation, the sub group prepared a report and a series of recommendations. These were considered by the Economic Prosperity Sub-Committee at its meeting on 15 March 2017 when it agreed to refer the report and the following recommendations to the Overview, Scrutiny and Policy Development Committee for consideration:-

- a) Cabinet request the Council's Business and Enterprise Team to signpost SME's to the Growth Hub, record and analyse substantive interactions between the Council and SME's and review the LEP's list of scale up businesses to identify any unknown businesses requiring support.
- b) Cabinet should seek to maintain the Council's investment in the provision of business support for start up businesses through programmes such as the work currently delivered through the Business Factory.
- c) Cabinet, through its risk management processes, continue to monitor the likely impact of Brexit on European funding for business support and take appropriate action to mitigate against the risk of funding for business support programmes delivered in North Tyneside being withdrawn and not replaced by alternative funding from the UK Government.
- d) The Elected Mayor and Cabinet Members, in conjunction with local Members of Parliament, the North East Local Enterprise Partnership and the local business community, take every opportunity to lobby the Government for continuing investment to replace the European funded business support programmes following the withdrawal of the UK from the European Union.
- e) Cabinet give consideration to ways in which the Council can enhance access to finance by micro and small businesses in North Tyneside, including the possible use of revolving funds and the promotion of crowd funding schemes.
- f) Cabinet ask officers to undertake an evaluation of the levels and nature of demand among SMEs for commercial property in North Tyneside to determine whether there is evidence of a significant shortfall in small and medium sized industrial units or office space.
- g) If the evaluation shows substantial unmet demand, Cabinet give consideration to investing in the refurbishment of surplus property to provide more small incubator units and the provision of small and medium industrial units aimed at start up and growing businesses.

- h) Cabinet ask the Heads of Finance and Business and Economic Development to consider the possibility of incorporating promotional material relating to the Business Factory and other business support services with business rate bills.
- i) In reviewing the Council's procurement strategy, the Cabinet give further consideration to how trade with local small businesses might continue to be encouraged by measures such as:
 - (i) simplifying the processes through which companies are required to quote or tender for the supply of goods and services to the Council;
 - (ii) providing further training and support for local businesses on how to quote or tender for the supply of goods and services to the Council; and
 - (iii) reviewing and refining how social value is evaluated within procurement exercises so that the process derives economic benefits for the people and communities of North Tyneside.
- j) Cabinet to ask the Head of Business and Economic Development to work with the Senior Leadership Team to ensure those officers who work to support business have a good understanding of what support is available.
- k) Cabinet work with the North Tyneside Business Forum to develop and strengthen business to business networks and peer support in North Tyneside.

1.5.3 The full report which outlines the key findings, conclusions and recommendations of the review is attached at Appendix 1.

1.5.4 The Overview, Scrutiny and Policy Development Committee received the report on 3 April 2017 and approved the recommendations for submission to Cabinet.

1.5.5 Cabinet has a statutory duty to respond to the Overview, Scrutiny and Policy Development Committee's recommendations within 2 months of receiving them. In providing its response Cabinet is asked to provide reasons for any recommendations which are not approved.

1.6 Decision options:

The following decision options are available for consideration by Cabinet:

Option 1

Cabinet accepts the recommendation set out in paragraph 1.2 above.

Option 2

Cabinet does not accept the recommendation set out in paragraph 1.2 above and provides a response to the Overview, Scrutiny and Policy Development Committee at the meeting.

Option 1 is the recommended option.

1.7 Reasons for recommended option:

Cabinet has a statutory duty to respond to the Overview, Scrutiny and Policy Development Committee's recommendations within 2 months of receiving them. Option 1 is recommended as this option allows Cabinet time to consider and formulate a response to the recommendations.

1.8 Appendices:

Appendix 1 – Overview, Scrutiny and Policy Development Committee Report: Business Support

1.9 Contact officers:

Michael Robson, Democratic Services Officer Tel: (0191) 643 5359
Sean Collier, Senior Manager: Business and Enterprise (0191) 643 6409

1.10 Background information:

- [North Tyneside Council Constitution](#)

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

The sub group's report contains financial information in relation to a number of recommendations. The financial implications associated with each recommendation will also be included in Cabinet's response to the scrutiny report.

2.2 Legal

In accordance with section 9F of Part 1A of the Local Government Act 2000, Cabinet is required to provide a response to the recommendations of the Overview, Scrutiny and Policy Development Committee within two months. In providing this response Cabinet is asked to state whether or not it accepts each recommendation and the reasons for this decision. Cabinet must also indicate what action, if any, it proposes to take.

2.3 Consultation/community engagement

The Sub Group which undertook this work on behalf of the Overview, Scrutiny and Policy Development Committee met with relevant council officers, representative of the local business community and providers and commissioners of business support services. Full details are listed in the Sub Group's report attached at appendix 1.

2.4 Human rights

There are no direct issues relating to human rights arising from this report.

2.5 Equalities and diversity

There are no direct issues relating to equalities and diversity arising from this report.

2.6 Risk management

There are no direct issues relating to risk arising from this report.

2.7 Crime and disorder

There are no direct issues relating to crime and disorder arising from this report.

2.8 Environment and sustainability

There are no direct issues relating to environment and sustainability arising from this report.

PART 3

The following officers and Members have been sent a copy of the report for their information:

- Chief Executive
- Mayor/Cabinet Member
- Chief Finance Officer
- Monitoring Officer
- Head of Corporate Strategy
- Head of Human Resources and Organisational Development