

North Tyneside Council

Report to Cabinet

Date: 12 June 2017

ITEM 7(f)

Title: Cabinet Response
to Scrutiny Report on
Business Support

Portfolio(s):	Inward Investment – Job Creation, Business Support	Cabinet Member(s):	Councillor B Pickard
Report from Service Area:	Business and Economic Development		
Responsible Officer:	Paul Buie, Head of Business and Economic Development	(Tel: (0191) 6436402)	
Wards affected:	All		

PART 1

1.1 Executive Summary:

The purpose of this report is to seek Cabinet's approval to the proposed response to 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.

In accordance with Section 21B of the Local Government Act 2000, Cabinet is required to provide a response to the recommendations of the Business Support Sub-Group within two months. In providing this response Cabinet is asked to state whether or not it accepts each recommendation. Cabinet must also indicate what action, if any, it proposes to take.

1.2 Recommendation(s):

It is recommended that Cabinet agree the proposed responses to the recommendations from the Business Support Sub Group, as shown in Appendix 1 of this report.

1.3 Forward Plan:

Twenty eight days notice of this report has been given and it first appeared on the Forward Plan that was published on 12 May 2017.

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 the final report.
- 1.5.3 The Overview, Scrutiny and Policy Development Committee received the report on 3 April 2017 and approved the recommendations for submission to Cabinet.
- 1.5.3 Cabinet received the report and recommendations on 10 April 2017.

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 an alternative response to the Overview, Scrutiny and Policy Development Committee at the meeting.

Option 1 is the recommended option.

1.7 Reasons for recommended option:

Option 1 is recommended to improve and develop the support to business in North Tyneside.

1.8 Appendices:

'Appendix 1: Cabinet Response to Overview, Scrutiny and Policy Development Committee Report: Business Support

1.9 Contact officers:

Sean Collier, Senior Manager Business and Enterprise, (0191) 643 6409
Alison Mitchell, Internal Assurance and Risk Management, (0191) 643 5720
Kevin McDonald, Group Assurance Manager, (0191) 643 5738
Marc Oldham, Senior Auditor, (0191) 643 5711
Victoria Soulsby, Senior Risk Adviser, (0191) 643 5871
Andrew Scott, Senior Client Manager, Revenues, Benefits and Customer Services, (0191) 643 7150
Alison Campbell, Senior Business Partner, Finance (0191) 643 7038

1.10 Background information:

The following background papers/information have been used in the compilation of this report and are available at the office of the author:

Overview, Scrutiny and Policy Development Committee Report: Business Support

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

It is anticipated that the majority of the actions proposed in this report can be completed within existing budgets.

Recommendation 3 proposes that the authority 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. An overarching corporate risk is being monitored in respect of the impact from Brexit for North Tyneside. The risk was raised as part of the Council's risk management process continues to be updated and reported to Cabinet with the last update endorsed by Cabinet on 8 May 2017.

Recommendation 5 proposes that 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. The North East Jeremie Fund is scheduled to launch in early summer 2017 with £120m of additional loan and equity funds for businesses. A review of any gaps in this service will take place once the details of this fund have been confirmed.

Recommendation 7 proposes that, if the proposed evaluation of the levels and nature of demand among SMEs for commercial property in North Tyneside determines there is evidence of a significant shortfall in small and medium sized industrial units or office space 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.

If there is any requirement for additional funding to implement any of the recommendations then a further report will be brought back to Cabinet with detailed financial implications before any funds are committed.

2.2 Legal

In accordance with section 21B 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 Overview, Scrutiny and Policy Development Committee Report: Business Support.

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 - SIGN OFF

- Deputy Chief Executive X
- Head(s) of Service X
- Mayor/Cabinet Member(s) X
- Chief Finance Officer X
- Monitoring Officer X
- Head of Corporate Strategy X