



## Resources and Public Realm Scrutiny Committee

**Wednesday 8 March 2017 at 7.00 pm**

Boardrooms 7&8 - Brent Civic Centre, Engineers Way,  
Wembley HA9 0FJ

### Membership:

#### Members

Councillors:

Kelcher (Chair)  
Davidson (Vice-Chair)  
Aden  
S Choudhary  
Duffy  
Ezeajughi  
Stopp  
Vacancy

#### Substitute Members

Councillors:

Chan, Harrison, McLeish and Naheerathan

Councillors:

Colwill and Kansagra

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**The press and public are welcome to attend this meeting**

# Agenda

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This paper provides an overview of examples of best practice from other local authorities for growing and developing the small and medium sized enterprise (SME) sector and recommends that the Committee establish a scrutiny task group to examine how Brent may grow and develop the SME sector in the borough.

 <b>Brent</b>	<b>Resources and Public Realm Scrutiny Committee</b>  8 March 2017  <b>Report from the Director of Policy, Performance and Partnerships</b>
For Information	Wards Affected: All
<b>Scoping Paper for Scrutiny Task Group: Growing the SME Sector in Brent</b>	

## 1. Introduction

- 1.1 This paper provides an overview of examples of best practice from other local authorities for growing and developing the small and medium sized enterprise (SME) sector.

## 2. Recommendations

- 2.1 That the committee note the contents of the report.
- 2.2 That the committee establish a scrutiny task group to examine how Brent may grow and develop the SME sector in the borough.

## 3. Examples of best practice

### *Procurement opportunities*

- 3.1 **Traditional micro-style brewery:** In Southampton, the council has leased a medieval building to a local pub company to turn it into a traditional style microbrewery, providing upkeep to a disused building, providing new paid jobs, and allowing a city based firm to remain in the city.
- 3.2 **Boosting business through planning changes:** In Exeter a new approach to planning was taken. Planning applications were looked at in a different way, focusing on the real needs of the applicant. Where unrealistic or unsuitable planning applications were submitted to provide space for growing businesses or community services, instead of just rejecting the application, a team of officers, called the City Development Team, worked together to create a solution. This included rejecting an unsuitable planning application from a Martial Arts Centre before it went through the formal process, and encouraging them to re-locate into a disused local listed building. This stopped time being wasted with a planning application that would have been

refused, allowed a local business providing services to residents to expand, and bringing a disused building into use.

- 3.3 **Brent's January budget report:** Brent is ideally placed to act as a central coordinator bringing together all public sector bodies who procure services in the borough and get them to synchronise their pre-qualification policies. This would give a strong message that Brent is open for business and encourage businesses to base themselves here so that they can access many different procurement opportunities and in the long-term pay more business rates back to Brent.

#### *Getting staff with the right skills*

- 3.4 **Ensuring young people are fit for work:** Waltham Forest found that small businesses were concerned that school leavers were not prepared for work. The council worked with schools, and the Federation of Small Businesses, to link local businesses to schools by becoming school governors. The aim is for Governors to meet every six months to compare experiences; and to foster a common approach among schools to promote skills for work.
- 3.5 **Business advocates:** In Knowsley, there are many small businesses. Knowsley recognised the need to make these small businesses resilient and provide support from the council for them. They started by meeting with owner-managers and analysing the businesses, ascertaining what support is needed. The council have a Business Liaison Team who support small businesses, providing advice or acting as an *advocate*.
- 3.6 **Improving skills:** In Dudley, four local authorities collaborated and put in a formal bid to take over the functions of the DWP at sub-regional level to tackle the skills, training and lifelong learning issues in the area. They wanted to work more closely with organisations such as the Prince's Trust, enterprise agencies and colleges, and led by example, creating apprenticeships across all directorates.

#### *Access to Finance*

- 3.7 **Business grants for small businesses:** Hartlepool have set aside a pot of money for business grants for start-ups, and to assist small firms with growth. This increases full-time jobs and encourages entrepreneurship. This pot of money included a Women's Development Fund, an Access to Markets scheme; and an Enterprise Development Fund
- 3.8 **Crowd Funding:** In Camden, a dedicated local crowd funding partnership has been set up to support local business growth. Camden committed to invest money through Funding Circle, an online crowd funding marketplace. Acting in the same way as other Funding Circle investors, Camden invests a small amount per business at the average rate of return and the rest of each loan is met by other investors on the marketplace.

#### *Space to Network*

- 3.9 **Incubation space for start-up businesses:** In Southampton, Oxford Innovations have begun leasing a building in the Cultural Quarter as an incubation space for start-up businesses and creative industries. This is in an area which is receiving funding for Arts Complex Development from the Arts Council and support from the local Council.

- 3.10 **Digital media centre:** In York, in the Guildhall, the council are working towards to creation of a digital media centre for small start- up businesses. They also have a Business Incubation Centre where the White Knight Fund helps support business start-ups.
- 3.11 **Stevenage:** Stevenage has established a business incubator to with north Herts College's skill training facility and promoted this model. The council owns and funds a Business Technology Centre which accommodates and supports new businesses with money from the East of England Development Agency. The hub is now host to 25 businesses on site and is developing a web support facility to provide remote support. It has since supported over 80 businesses with a total of around 300 businesses connected to their business support and has received a £7m investment to provide offices, practical business support, tailored training events and skills workshops to SMEs. The BTC provides a start-up incubator for pre-start and start-up businesses to develop their business ideas with on-site support and hot desking facilities.
- 3.12 **Labour's Policy Review on the Small Business Taskforce:** This review has found that businesses thrive when they are part of an organised, small network and have a single, unified voice for expressing their desires and needs.

#### *General high street issues*

- 3.13 **Modernise and improve existing facilities:** Chesterfield, with external funding from ERDF and Heritage Lottery funds, re-designed and modernised the indoor market hall. It relocated the few traders it had left (traders had been leaving for a while), for the 12 months of the regeneration project. All the original traders returned, and the market hall now returns an annual rent of £450,000 and has been recognised as the UK's best small indoor market by the National Association of British Market Authorities.
- 3.14 **Parking:** Ipswich town centre was feeling the effect of online shopping, and out of town shopping centres. To increase visitors to the town, the council introduced a "Quids in" promotion, where, from 3pm on weekdays, visitors could park in any town centre car park; use the two park and rides; or get a bus into town, all for only £1. Through the promotion, nationally, high street sales fell by 2.2%, but in Ipswich they increased by 2.0%. The promotion was due to end in mid-November, but the council and Ipswich buses decided to continue into the new year. York provides free city centre parking and free bus travel to the centre to help boost footfall in the central shopping area.
- 3.15 **Electricity for markets:** In York a sum of money from the Delivery and Innovation Fund is funding a new electricity supply to enable markets to be held to make the area a more popular shopping destination for local residents.
- 3.16 **Loyalty card:** In York, a generic loyalty card is being developed which should provide better incentives for people to spend money with small local businesses. *Uxbridge have one of these.*

#### *Wider local authority strategies*

- 3.17 **Merton** has one of the lowest high street vacancy rates in the country which it has achieved by putting in place an economic growth strategy and has issued a robust call for sites which has meant that the council has received suggestions for growth for over 85 specific sites for potential new uses creating jobs and economic activity.

The council has also set up an enterprise club for economically inactive residents which is addressing unemployment in the borough by giving people the option to start their own business with pop-up shops in the borough.

The council also boosted local trade in the run up to Christmas by providing free weekend parking at all council-owned care parks in December including Christmas eve. Daily street and farmers markets in Mitcham and weekly farmers market in Merton.

With support from the Council, Merton Chamber of Commerce has put in place a heritage trail called aimed at ensuring that people attending Wimbledon pass through a 'heritage trail' which takes them past as many shops as possible.

The council is also establishing a Small Business Loan Fund to address access to credit problems currently faced by small businesses especially those in the retail sector on Merton's high streets.

- 3.18 **Durham** has recently established 'Business Durham' is the first point of contact for businesses operating in County Durham, offering advice and guidance to support the growth and development of SMEs.

Durham has awarded Hitachi £4.5bn contract to construct, maintain and service the next generation of Intercity trains. Nearly 600 new carriages will be made in a production facility at a research and development base to be built locally.

Durham is leading a partnership approach to ensure effective coordination of local resources and the delivery of a tailored package of support for this inward investment that will not only allow the Hitachi plant but allow local small businesses to establish or grow into a considerable supply chain.

Durham is also coordinating an apprenticeship and skills development strategy with Hitachi and their supply chain partners using programmes such as the Advanced Manufacturing Supply Chain Initiative.

The council are negotiating and promoting training and employment outcomes with developers and suppliers in support of physical regeneration and corporate social responsibility.

- 3.19 **Reading** has taken a partnership approach to economic development which was formalised with the introduction of Reading UK CIC – a not for profit Community Interest Company. This boosts small business growth by bringing together all stakeholders both public and private to boost investment in the town.

Youth unemployment is a problem in Reading. Through the CIC, businesses have told the council that one of the problems they have is a mis-match of skills to jobs. Young people also informed the CIC that advice regarding training and jobs is confused and complicated.

The council with its partners has been working to address this problem and develop clear pathways for young people as well as ensuring that businesses are involved at all levels to ensure they get the skills they need. This has included securing pledges from businesses and partners for apprenticeships and work placements.

As part of this work an opportunity came to bid for the 02 Future fund. Reading secured the top prize and secured the funding by developing a 'one stop shop' smart phone app and related social media tools, providing information on job opportunities, work

placements, apprenticeships, practical help with CV writing. This is being developed with direct output from young people as well as local business partners. 02 expect to use Reading's scheme as an example of best practice elsewhere.

3.20 **Plymouth** suffers from high youth unemployment and a dearth of private sector activity in Plymouth, the council came up with plan for jobs which has five key points:

1. Create jobs for local people by unlocking or speeding up major development projects, including housing
2. Help the city's unemployed gain skills and experience to help them get work as well as retain talented graduates
3. Proactively sell the city, its businesses, products and people
4. Unlock access to finance and provide support to enable job growth
5. Use the council's assets, influence and buying power to increase jobs by using local supply chains and local goods where possible.

One of their flagship and most successful projects within the plan for jobs has been the 1000 club, aimed at attracting 1000 businesses to the city. The aims of the club are to recruit 1,000 locally based companies to encourage them to support a young person into work. This provides a single point of reference for businesses interested in supporting young people into work.

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## **Appendix A – Terms of Reference**

The terms of reference to the task group will be to:

- a. Understand how the council currently seeks to attract and grow the SME sector in Brent;
- b. Evaluate the effectiveness of current measures aimed at doing this;
- c. Highlight issues of concern and areas of good practice;
- d. Review co-ordination, planning and cooperation between relevant organisations;
- e. Consider and evaluate proposals for a future strategy; and
- f. Reflect on any barriers/issues to SME growth in the borough that currently exist.

### **Task Group Membership**

- Cllr Sam Stopp (Chair)
- Cllr Janice Long
- Cllr Rita Conneely
- Cllr John Duffy
- Cllr Liz Dixon

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