
Cabinet Member (Business, Enterprise and Employment)

10th February, 2014

Name of Cabinet Member:

Cabinet Member (Business, Enterprise and Employment) – Councillor Kelly

Name of Scrutiny Chair:

Councillor Skipper – Chair of Business, Economy and Enterprise Scrutiny Board (3)

Director Approving Submission of the report:

Executive Director - Resources

Ward(s) affected:

N/A

Title:

Supporting Business Investment in Coventry: Recommendations from Business, Economy and Enterprise Scrutiny Board (3) 13th November 2013

Is this a key decision?

No

Executive Summary:

The Business, Economy and Enterprise Scrutiny Board (3) meeting dedicated the whole of its on 13th November meeting to consider how business investment is supported in Coventry. The purpose of the meeting was to review:

- what is being done to encourage new business start ups
- what is being done to encourage the growth of existing businesses and
- what are the constraints/barriers to carrying out this work?

The Board made four recommendations for the Cabinet Member(Business, Enterprise and Employment) which are set out below.

Recommendations:

Business, Economy and Enterprise Scrutiny Board (3) recommends that the Cabinet Member (Business, Enterprise and Employment):

- i. Investigates opportunities to promote local Small and Medium Sized Enterprises (SME) access to procurement opportunities across public sector employers such as the police, fire service and NHS, building on the good practice developed by the City Council and other neighbouring authorities
- ii. Explores ways the Council can support SMES to reduce their direct costs.

- iii. Explores opportunities to share the risks in relation to SMEs taking on apprentices, including reviewing the model whereby colleges operate as employers, such as North Warwickshire College, Apprentice Training Agency.
- iv. Encourages partners to identify ways of supporting SMEs to work with the universities to innovate and invest in research and development

List of Appendices included:

None

Other useful background papers:

Papers considered by Business, Economy and Enterprise Scrutiny Board (3) at its meeting of 13th November 2013:

Briefing paper Supporting Business Investment in Coventry

<http://democraticservices.coventry.gov.uk/documents/s13724/Supporting%20Business%20Investment%20in%20Coventry%20-%20Briefing%20Note.pdf>

Has it been or will it be considered by Scrutiny?

Yes - Business, Economy and Enterprise Scrutiny Board (3) - Wednesday 13th November 2013:

Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?

No

Will this report go to Council?

No

Report title:

Supporting Business Investment in Coventry: Recommendations from Business, Economy and Enterprise Scrutiny Board (3) 13th November 2013

1. Context (or background)

- 1.1 The Business, Economy and Enterprise Scrutiny Board (3) meeting dedicated the whole of its on 13th November meeting to consider issues relating to business support in Coventry. The purpose of the meeting was to review:
- what is being done to encourage new business start ups
 - what is being done to encourage the growth of existing businesses and
 - what are the constraints/barriers to carrying out this work?
- 1.2 The Board made recommendations to the Cabinet Member (Business, Enterprise and Employment) supporting the work already being carried out to and to progress with partners ways of building on the good work developed by the City Council in terms of procurement, exploring ways direct costs can be reduced to SMEs, encouraging the recruitment of apprentices and the identification of ways of supporting SMEs to link in more with the universities.

2. Options considered and recommended proposal

- 2.1 The Board received a briefing note of the City Council's Economy and Jobs Manager, together with presentations from the Federation of Small Businesses and the Chamber of Commerce, outlining the current local business support arrangements.
- 2.2 In addition to contributions from council officers also heard from:
- | | |
|------------------|--------------------------------|
| Lindsey Luke: | Federation of Small Businesses |
| Louise Bennett: | Chamber of Commerce |
| Howard Andersen: | Chamber of Commerce |
- 2.3 The Board heard from partners about support being given locally and some of the challenges faced by investing businesses.
- 2.4 The Board questioned officers and the partner representatives on a number of issues, including:-
- Support for procurement including tender advice and ability to break down contracts into smaller lots for SMEs
 - Looking at ways the Council could become "enablers of growth" through planning systems/ICT infrastructure/access to finance
 - The possibility of introducing business rate relief/ rate holidays
 - The challenges facing start-up businesses and ways of reducing amount of churn
 - The need for upskilling of the current workforce. Is there a mismatch between training courses that are on offer now and the likely skill needs in the future?
 - The number of apprenticeships offered and the risks associated with SMEs taking on apprentices
 - How productivity can be increased by linking innovation and investment in research and development activities
- 2.5 The Board identified four areas where it wished to make recommendations to the Cabinet Member (Business, Enterprise and Employment) which are the subject of this report.

- 2.6 Recommendation 1 acknowledges the positive work being undertaken within the authority for example with regard to procurement and SMEs in terms of improving access to tenders, breaking large contracts into smaller lots and not setting prohibitively high liability levels. The new e-tendering system operating across Coventry, Solihull and Warwickshire encompasses these new ways of working and the Board wished to recommend seeing if this good practice could be rolled out to other public sector employers.
- 2.7 Recommendation 2 recognises the importance of financial support for SMEs. The discussion revolved around the possibility of introducing rent or business rate holidays with the proviso that there has to be an equitable balance between incentives for start-ups and support for existing businesses. While recognising that the council itself is facing significant financial pressures, the Board wished to recommend that the Cabinet Member seek to explore ways the Council can support SMEs to reduce their direct costs.
- 2.8 Recommendation 3 acknowledges the need to encourage SMEs to take on apprentices. The concerns of SMEs that they will spend time and money training up apprentices only for them to go to a large employer once they have finished their apprenticeship needs addressing. The example of North Warwickshire College acting as an employer was given and it was suggested that this is an area that the Council could investigate further.
- 2.9 Recommendation 4 focusses on the need for SMEs to build capacity in terms of innovation and research capability. This should be a priority and the universities are ideally placed to facilitate this work. SMEs tend to be slow to adapt and they need support now in building capacity and innovation. This work should be added to the agenda of the collaboration meetings held between the Council, employer and the universities

3. Results of consultation undertaken

- 3.1 Not applicable

4. Timetable for implementing this decision

- 4.1 Not applicable

5. Comments from Executive Director, Resources

5.1 Financial implications

The financial impact of implementing the recommendations in this report need to be assessed once the detail on quantity and timescales are confirmed. Any decisions to increase costs incurred or to reduce income will need to be balanced with the potential greater long term benefits of business growth in the City. A decision can then be made on the level of investment required and the method of funding identified.

5.2 Legal implications

There are no specific legal implications in relation to this report, as it forms part of the Council's constitutional process whereby the Council's Scrutiny Boards can make recommendations to Cabinet (including a Cabinet Member exercising decision making functions under section 3.2.6. of the Constitution), Where such recommendations do not constitute a change in policy the Cabinet Member may take such action on the recommendations as the Member deems appropriate(section 4.5.16.2 of the Constitution) .

6. Other implications

None

6.1 How will this contribute to achievement of the Council's key objectives / corporate priorities (corporate plan/scorecard) / organisational blueprint / Local Area Agreement (or Coventry Sustainable Community Strategy)?

The Council's work on business support, supports the Council's vision and objectives for jobs and growth

6.2 How is risk being managed?

Not applicable

6.3 What is the impact on the organisation?

Not applicable

6.4 Equalities / EIA

No Equality and Consultation Analysis has been carried out as the recommendations do not constitute a change in service or policy.

6.5 Implications for (or impact on) the environment

None

6.6 Implications for partner organisations?

Partner organisations who offer business support made significant contribution to the reports, presentations and discussion at the Scrutiny 3 Board meeting.

Report author(s):

Name and job title:

Kristi Larsen, Scrutiny Coordinator

Directorate:

Resources

Tel and email contact:

024 7683 1172

Kristi.larsen@coventry.gov.uk

Enquiries should be directed to the above person.

Contributor/approver name	Title	Directorate or organisation	Date doc sent out	Date response received or approved
Contributors:				
Adrian West	Head of Scrutiny	Resources	20/1/14	20/1/14
Rebecca Young	Economy and Jobs Manager	Place	20/1/14	29/1/14
Suzanne Bennett	Governance Services Officer	Resources	20/1/14	22/1/14
Names of approvers for submission: (officers and members)				
Finance: Neil Chamberlain	Finance Manager	Resources	20/1/14	20/1/14
Legal Helen Lynch		Resources	20/1/14	30/1/14
Members: Cllr Skipper	Chair, Scrutiny Board (3)		20/1/14	29/1/14

This report is published on the council's website:

www.coventry.gov.uk/councilmeetings