



# Enterprise and Business Scrutiny Panel

30 September 2014

<b>Report title</b>	Approach to Business Support and Investment	
<b>Cabinet member with lead responsibility</b>	Councillor Peter Bilson Economic Regeneration and Prosperity	
<b>Wards affected</b>	All	
<b>Accountable director</b>	Tim Johnson, Education and Enterprise	
<b>Originating service</b>	Enterprise and Skills	
<b>Accountable employee(s)</b>	Jim Cunningham	Interim Head of Enterprise and Skills
	Tel	01902 550166
	Email	James.cunningham@wolverhampton.gov.uk
<b>Report to be/has been considered by</b>		

---

## Recommendation(s) for action or decision:

The Panel is recommended to note and comment on the Council's approach to business support and investment which aims to promote new business start-ups; existing business growth; and the attraction of new companies to Wolverhampton.

## **1.0 Purpose**

- 1.1 The purpose of this report is to outline the Council's approach to business support and investment in the context of the wider business support environment.

## **2.0 Background**

- 2.1 Encouraging enterprise and business is a key aim of Wolverhampton City Council's Corporate Plan. This report outlines the Council's approach to business support in respect of the priorities attracting new businesses, supporting development and growth and supporting our priority sectors.
- 2.2 At a sub-regional level, Black Country Growth Hub is funded by £3.1 million from Regional Growth Fund (RGF) as part of City Deal. The Growth Hub offers a one stop shop approach to business assistance across the Black Country with packages of support available to local businesses. It aims to equip the Black Country's manufacturing small to medium enterprises with the tools and support they need to compete, innovate and take advantage of supply chain opportunities on offer to them. The city Council is the accountable body for the Growth Hub and the Council's business support team is now based in the Business Solutions centre which hosts the Black Country Growth Hub
- 2.3 Attracting new business and supporting enterprise is a key priority of Wolverhampton City Council. Attracting and supporting businesses with high growth potential will bring new job opportunities, supply chain opportunities and raise the national and international profile of Wolverhampton. When locating a business, inward investors seek a number of factors that are key to ensuring the City retains its own indigenous growth companies:
- A stable macro-economic climate
  - A stable political and regulatory environment
  - Market access and open competition
  - A welcoming environment
  - Available sites and/or premises
  - Appropriate, available and reliable utilities and transportation
  - Available skilled workforce
  - Available local suppliers and resources
  - Appropriate education, training and research facilities
  - A good quality of life, especially when bringing ex-patriots
  - Manageable regulation and taxation systems
  - Incentive schemes

### **3.0 Council's approach to business support**

- 3.1 The Enterprise and Skills Service delivers against business support programmes structured to meet the needs of different business sectors, taking into account their size and their level of maturity. These are summarised below and detailed in **Appendix 1**.
- 3.2 **Support for business start-up:** GOV.UK provides an online information portal on how to start a business. In Wolverhampton business failure rates in the first five years are much higher than the national average, and for many people the advice portal is not enough. The Council and its partners have worked together to provide a one stop shop at the Business Solutions Centre for business start-up advice and support. The Council also support other providers to meet particular needs in Wolverhampton, including community economic development.
- 3.3 **Support for micro-enterprise and small business:** Small businesses are defined as those that have fewer than 50 employees, and micro-businesses are less than 10 employees. In Wolverhampton they represent 95% of all business in the city and provide a considerable proportion of the local employment opportunities.
- 3.4 **Support to small and medium enterprise with significant potential to grow:** the 2010 City Economic Assessment identified a number of business sectors that have the potential to grow. The Council and its partners are developing a targeted approach to companies within priority sectors which aim to build so-called "gazelles," or fast-growth companies with the potential to create a large numbers of new jobs and high annual growth rates.
- 3.5 **Work with strategic companies:** top business executives, in particular, have a critical role to play in engaging other companies, government bodies, international agencies, and civil society organizations to explore complementary, and possibly collaborative, action.
- 3.6 **Supporting companies seeking to locate, or re-locate, in the city:** the Council's approach to business investment is outlined below.
- 3.7 **City Board Annual Business Summit:** Business exhibitions, conferences and events attract people from outside the area and delegates spend significant sums of money during their stay. To stimulate growth in this area it is proposed to run an annual business summit as part of the City Board Conference programme each autumn. Once established, it is envisaged that the Business Summit would be mainly self-financing, as well as attract business sponsorship. An annual Business Summit will reinforce that Wolverhampton is a good place to do business, invest and locate.

### **4.0 Council's approach to business investment**

- 4.1 Inward investment and the promotion of international trade activity is a core element of the Council's Enterprise and Skills business facing team. The focus for inward and outward investment activities fall into three key areas, regional, national and international,

linked with Wolverhampton's key business clusters, with a focus on Advanced Engineering and specifically aerospace. Internationally, USA, India and Europe have been identified with activity to date mainly linked to the Aerospace and advanced engineering cluster.

- 4.2 Wolverhampton City Council is a partner in **Invest Black Country**, the inward investment organisation for the Dudley, Sandwell, Walsall and Wolverhampton areas. It works with businesses that are looking to expand or relocate and demonstrate why being in the Black Country makes business sense. Through Invest Black Country, businesses can access a bespoke range of services from market intelligence, property support and supply chain development to access to finance and innovation opportunities that will help them as they land, grow and thrive in the Black Country.
- 4.3 The **Black Country Enterprise Zone** offers inward investors full Business Rates relief for 5 years. 154 and business areas around junction 2 of the M54, are Wolverhampton's Enterprise Zone areas. Business Support and Regeneration market the sites and opportunities, assembling further financial incentives, as well as after care for the new inward investor, by introducing them to the local business community. Once an inward investor is secured, the team also work on maximising opportunities for local business through supply chain development.
- 4.4 Cabinet Panel on 25 June 2014 approved the creation of a **City Investment Fund** of up to £350,000 that offers discretionary grants to help secure exceptional inward investment opportunities or provide incentives to retain existing major employers considering relocation. The fund will be used in order to be able to compete both locally and nationally with other locations to attract occupiers or to retain strategic businesses within the city, in areas such as reduced rates, feasibility studies, master planning or other areas of support.
- 4.5 The Council act as first point of contact for individual companies looking to relocate to the city or indigenous business seeking space to grow in respect of land and workspace. This includes assessing the initial needs of a company and the company's strategic and economic importance to the City. In the future, an account manager will appointed to hand hold the company through the "landing" process.
- 4.6 Enquiries for new business investment, either inward investment or from the expansion of Wolverhampton's current local businesses, currently enter the Council through a number of different departments and teams. A process is being developed that introduces a central point of co-ordination for responding to and recording business investment enquiries is currently being reviewed in order to achieve the following:
- Central co-ordination of all business investment enquiries
  - Ensuring a consistent and excellent quality of responses for all business investment enquiries.
  - Ensuring all teams/departments within the Council understand the importance of recording and responding to business investment enquiries

4.7 Successful co-ordination of all business investment enquiries will allow a more comprehensive investment enquiries report to inform future planning processes and ensure an effective and professional response to investment enquiries.

4.8 The Council have recently successfully worked with four investors moving into Wolverhampton, including the relocation of a firm within the Black Country resulting in the creation of 25 full-time and 20 part-time jobs. In the last quarter, there have been 33 new registrations on WCC's property search site, three enquiries for premises from new businesses, eight new inward investment leads with 38 others leads ongoing.

## **5.0 Financial implications**

5.1 There are no financial implications from this report. The Business Development and Investment team are mainstream funded. The cost of externally funded project staff are included in the bids. Investment activities are funded with the Economic Partnerships budget.

[ES/18092014/F]

## **6.0 Legal implications**

6.1 Advice will probably be taken from legal colleagues but accountability for appreciating and detailing the legal implications remains with the accountable officer(s). There are no immediate legal issues arising from this report.

[Legal Code: TS/16092014/Z]

## **7.0 Equalities implications**

7.1 An equalities analysis on activities was completed for the production of the Economic Growth Plan and did not foresee any negative impact. Economic inclusion is a cross cutting objective and the team support several networks including the Women's Business Forum, Black Business Network which have a positive impact on equality.

## **7.0 Environmental implications**

7.1 There are no environmental implications to the report. Sustainability must be taken into account in externally funded business support projects and the Growth Hub has a specific product around resource efficiency.

## **8.0 Human resources implications**

8.1 There are no human resources for this report.

## **9.0 Corporate landlord implications**

9.1 There are no corporate landlord implications to this report. The Business Development and Investment team have co-located at the Black Country Business Growth Hub at

Wolverhampton Science Park as part of a coherent offer to business support across the Black Country.

## **10.0 Schedule of background papers**

10.1 None

## Appendix 1: Council Approach to Business Support

### Education and Enterprise - Support to Business

#### Briefing on Wolverhampton City Council business support activities

The **Business Support Arm** delivers against Business Support programmes are structured to meet the needs of different business sectors, taking into account their size and their level of maturity:

1. Business start up
2. Small and micro-business
3. Small and Medium Enterprise with significant growth potential
4. Strategic Companies
5. Companies seeking to locate, or re-locate, in the City

There are **five** Council mainline staff within the team, plus additional staff who are externally funded to deliver specific projects. This team is now co located within the Business solutions Centre plus a Head of Service, who over the next year will be partly externally funded through City Deal and RGF funding to develop the Black Country Growth Hub.

### 1. SUPPORT FOR BUSINESS START UP

GOV.UK provides an online information portal on how to start a business. In Wolverhampton business failure rates in the first five years are much higher than the national average, and for many people the advice portal is not enough. The Council and its partners have worked together to provide a one stop shop at the Business Solutions Centre for business start-up advice and support.

**Signposting would-be entrepreneurs to the right business support provider** - the Council is often the point of contact for many local people wishing to set up a business.

**A delivery partner as part of the Wolverhampton Business Solutions Centre.** This includes undertaking a **diagnostic** to assess the viability of a business ideas. It also includes supporting clients through the pre-start up phase.

**Commissioning business start-up support services.** The Council has a service level agreement

#### Key partners:

- Wolverhampton Business Solutions Centre
- Access to Business
- University of Wolverhampton
- Black Country Chamber of Commerce
- Prince's Trust

with Access to Business to provide intensive assistance which is managed by the Team.

**Development of special projects:** The Team works with partners to attract additional funds to encourage enterprise e.g. 5 Businesses have been recently supported through the Idea2Reality competition.

## 2. SUPPORT FOR MICRO-ENTERPRISE AND SMALL BUSINESS

Small businesses are defined as those that have fewer than 50 employees, and micro-businesses are less than 10 employees. In Wolverhampton they represent 95% of all business in the city and provide a considerable proportion of the local employment opportunities.

**Public sector and local private sector contracts:** through the development of the Find it in Wolverhampton Portal, which, together with the UK Contract Finder, is how all Council contracts over £10K should be advertised. The portal provides on-line information to local businesses about new opportunities and encourages local trading.

**A delivery partner as part of the Wolverhampton Business Solutions Centre.** Includes undertaking diagnostic work to identify the needs of more established micro-enterprise and small business.

**Business networks:** Networks enable micro-business and small and medium enterprise to share best practice, open up new markets and support each other with business issues and commercial opportunities. The Council team play a facilitative role, and meet with the chairs at a quarterly Business Groups Meeting to discuss and address small business issues.

**Social and Micro-Enterprise Support** – a externally funded project to support the development of social enterprise in four deprived areas of the City. Opportunity to expand this work will be available through the Black Country City Deal (from 2014) and Black Country EU Structural Investment Funds (from 2015).

### Key partners:

- Wolverhampton Business Solutions Centre
- Wolverhampton SME Forum
- Access to Business
- University of Wolverhampton
- Wolverhampton Voluntary Sector Council
- Social Enterprise West Midlands
- Prince's Trust



<p><b>Development and delivery of special projects:</b> e.g. management of detailed negotiations with existing small businesses in the Southside area. This includes successfully distributing Southside Grants – of £375,319 of grants to help local business refurbish properties.</p>	
--	--

**3. SUPPORT TO SMALL AND MEDIUM ENTERPRISE WITH SIGNIFICANT POTENTIAL TO GROW**

The 2010 City Economic Assessment identified a number of business sectors that have the potential to grow. The Council and its partners are developing a targeted approach to companies within priority sectors which aim to build so-called “gazelles,” or fast-growth companies with the potential to create a large numbers of new jobs and high annual growth rates.

<p><b>The role of the Council’s Business Support Team:</b></p> <p><b>Black Country Growth Hub:</b> Accountable body for a £3.1m City Deal scheme to set up a Growth Hub to support manufacturing SMEs to accelerate sustainable growth, continue to innovate and develop their local supply chains. The Council’s Team also undertake a diagnostic to identify the opportunities and barriers for key companies, which then draws on specialist support by MAS, UKTI, Growth Accelerator and other local providers. The activities of the Business Solutions Centre will increasingly be subsumed into the Black Country Growth Hub</p> <p><b>Black Country Gold:</b> Accountable body for priority sector businesses grants of up to £16,000 to support expansion projects that will enable growth by up to 20%. Includes 121 support to develop a Growth Plan.</p> <p><b>Supply chain development and trade –</b> Supporting key partners to develop opportunities for local import, export, licencing, inward investment and trade missions with our partners at UKTI and Chamber of Commerce.</p> <p><b>Access to finance:</b> Providing 121 support high growth potential businesses to secure investment and finance e.g. Regional Growth Fund, Black Country Growth Fund, Black Country Property Investment Programme and Black Country Green Shoots</p>	<p><b>Key partners:</b></p> <ul style="list-style-type: none"> <li>• Wolverhampton Business Solutions Centre</li> <li>• UKTI</li> <li>• MAS</li> <li>• Growth Accelerator</li> <li>• Technology Strategy Board</li> <li>• Black Country Consortium</li> <li>• University of Warwick Business School</li> <li>• Lancaster University Management School</li> <li>• Cabinet Office’s Cities Policy Unit</li> </ul>
---	---

#### 4. WORK WITH STRATEGIC COMPANIES

Top business executives, in particular, have a critical role to play in engaging other companies, government bodies, international agencies, and civil society organizations to explore complementary, and possibly collaborative, action.

##### The role of the Council's Business Support Team:

**Business Champions:** The Strategic Director and Deputy Leader are members of the Business Champions Group, which meets quarterly. The Council's Business Support Team provide the secretariat and technical assistance to this group.

**Wolverhampton Business Champions Innovation Series.** Providing support to the Business Champions to deliver a services of seminars that allow SMEs to learn from the success of strategic companies in the City.

**Jaguar Land Rover and i54 Supply Chain development:** Promote the supply chain opportunities for the construction and fitting out of the new factory, working with Interserve and Beck and Politizer. Evaluation of this stage of the project will shortly be conducted, in order to strengthen our approach to supply chain development.

##### Key partners:

- Wolverhampton Business Champions
- University of Wolverhampton
- UKTI
- New inward investors e.g. Jaguar Land Rover.

#### 5. SUPPORTING COMPANIES SEEKING TO LOCATE, OR RE-LOCATE, IN THE CITY

When locating a business, inward investors also seeks:

- A stable macro-economic climate
- A stable political and regulatory environment
- Market access and open competition
- A welcoming environment
- Available sites and/or premises
- Appropriate, available and reliable utilities and transportation
- Available skilled workforce
- Available local suppliers and resources
- Appropriate education, training and research facilities
- A good quality of life, especially when bringing ex-patriots
- Manageable regulation and taxation systems
- Incentive schemes

These factors are also key to ensuring that the City retains its own indigenous growth companies.

**The role of the Council's Business Support Team:**

**Invest Black Country:** Working with Marketing Birmingham, Black Country Consortium and neighbouring Boroughs to promote the city and the wider region for inward investment. The Business Team co-ordinates the city's offer in response to any leads generated.

**Black Country Enterprise Zone:** Offering inward investors full Business Rates relief for 5 years. Business Support and Regeneration staff market the sites and opportunities, assembling further financial incentives, as well as after care for the new inward investor, by introducing them to the local business community. Once an inward investor is secured, the team also work on maximising opportunities for local business through supply chain development.

**Land & Workspace** – First point of contact for individual companies looking at relocate to the city, or indigenous business seeking space to grow. The team are responsible for assessing the initial needs of a company, and the company's strategic and economic importance to the City. In the future, an account manager will be appointed to hand hold the company through the "landing" process.

**Key partners:**

- UKTI
- Invest Black Country
- Business Champions
- Black Country Chamber of Commerce
- Property Agents e.g. Bulleys