

Cabinet – 20 June 2012

Creating and Sustaining Business in Walsall

Report of the Regeneration Scrutiny and Performance Panel

Portfolio: Councillor A Andrew– Regeneration

Directorate: Regeneration

Report

The Regeneration Scrutiny and Performance Panel (the Panel) identified the opportunity to investigate the needs of new and existing businesses in the borough at its first meeting of the year during 2011/12.

To complete this task two small working groups were established at the Panels meeting on 13 June 2011.

Draft terms of reference were discussed and agreed by the two working groups on 6 July 2011. These were subsequently agreed by the Panel at its meeting on 28 July 2011. Here the work was split into two distinct streams. One stream was to look at business start up issues and the other at business sustainability.

Both working groups have been very busy meeting a wide range of witnesses. The findings of each working groups meeting with the witnesses have already featured in a series of interim reports to the Panel so they have not been reiterated within this report.

The vision and priorities set out in the report were approved by the Panel at its meeting on 23 April 2012 and are set out below in the recommendations. Further detail on the background to the vision and priorities is included in the working groups final report with can be found at Appendix 1.

Recommendations of the Panel

The following is the vision and suggested priorities for the Council and its partners to work towards to help create and sustain local businesses along with recommendations for how these priorities could be achieved.

Vision:

‘That the Council and its Partners help create and sustain jobs and improve the local economy, by supporting local businesses.

The borough should aspire to increasing business density to the regional and national averages’.

- 1. Priority 1: ‘A ‘Walsall Economic Offer’ needs to be developed and marketed regionally, nationally and internationally’.**

- a. A clear stand alone strategy should be developed explaining Walsall's economic offer and direction of travel in employment and industry terms. Long terms plans should be set out along with their project impact.
 - b. The strategy should include plans to grow GVA (gross value added) across all high and low skilled job sectors.
 - c. The strategy should look to the future and be flexible to maximise future opportunities and emerging technologies.
 - d. The borough should promote itself around the world.
2. **Priority 2: 'The local offer of business locations and premises should be improved'**.
 - a. Improved and additional business premises are required across the borough with add on facilities such as car parks.
 - b. In the future fewer businesses should be based in residential areas.
 - c. The Darlaston Enterprise Zone should not be the only offer for investors for employment land and premises.
 - d. Incubation space for new businesses should be developed.
3. **Priority 3: 'New forms of business lending must be supported and developed'**.
 - a. Alternative lending facilities for businesses should be supported and investigated. Including:
 - i. Considering including funding for the Black County Reinvestment Society;
 - ii. Investigating if the Council can become a lender to small businesses.
4. **Priority 4: 'Walsall should become a place for innovation'**.
 - a. 'Innovation Centre' for research and development in partnership with West Midlands Universities should be developed.
 - b. The availability of knowledge transfer partnerships for businesses should be improved.
5. **Priority 5: 'Education and skills should be focussed on the work place'**.
 - a. The link between education and the workforce needs improving.
 - b. The 'education gap' in what businesses expect from young people and what they are taught should be investigated.
 - c. It is important that 'future proof' skills are taught in schools, colleges and universities.
 - d. Potential employment opportunities should be promoted to young people to inspire them for the types of careers that are available.
6. **Priority 6: 'The Council and its partners need to be prepared to apply for external funding'**.
 - a. Strategies and key research should be in place to support applications for funding.
7. **Priority 7: 'Communication with businesses needs to be efficient and available on demand'**.
 - a. Consideration should be given to developing a single point of contact for businesses, for example, through a business solutions/contact centre.
 - b. Multiple outcomes should be achieved each time a business makes contacts.
 - c. The number of business advice sites should be reduced.

- d. New methods of communication with businesses should be developed, including:
 - i. Apps for tablets and smart phones providing a critical advice path for business needs including contacts and possible funding streams.
- e. Statutory agencies need to pro-actively seek out businesses if they think they can assist them.
- f. The Council should advertise its business support services.
- g. Information events should be stopped due to poor attendance and more effective ways of delivering information should be developed.

8. Priority 8: 'Reducing crime is important to businesses'.

- a. The Council and its partners should do whatever it can be reduce and prevent business crime.

9. Priority 9: 'Networking and relationships are critical for business success building'.

- a. The Council and its partners should encourage and support business networking events.

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Creating and Sustaining Business in Walsall

A report by the Business Start Up and Business Sustainability Working Groups



As approved by the Regeneration Scrutiny and Performance Panel on 23 April 2012



Walsall Council

Foreword

Back in June of last year Members of the Panel received a report on Walsall's performance on new business start-up and survival rates. It did not make good reading and showed Walsall not only below the national average but below the regional average on start-ups and of those which did get started the performance and survival rates was also worse than the national and regional average. Given that Government policy on economic recovery is based around the creation of private sector jobs the Panel decided action needed to be taken to get Walsall performing in the top quartile on business start-ups and survival rates.

It was decided to set up two Working Groups. One to find out what it was like setting up a business in Walsall, the other to discover the challenges faced by businesses in Walsall.

The first thing that came to light was that there was a fair amount of help and support available for new businesses. The issue was that it was not obvious where to find it. People in business are usually so focussed on trying to make a success of their venture they miss out on valuable help and assistance because it isn't obvious where to look. This issue came up time and time again and Members felt that a "One-Stop Shop" was needed so that no matter what information was required, it could be accessed from one central point quickly and easily.

The economic performance of the borough is critical to improving the whole of Walsall and tackling our areas stark inequalities. If local people are in employment their personal health and wellbeing improves dramatically. This emphasises the importance of continuing to work and develop this critical area in the years to come and not finish here with the publication of this report.

Finally, I'd like to thank all of the businesses and witnesses that the Working Groups have met with during the last year, along with Member colleagues for the way in which they approached this important piece of scrutiny and finally I'd like to thank all the support officers for their help and assistance in completing this project.



Councillor Ian Shires
Chair, Regeneration Scrutiny and Performance Panel

Business Start Up Working Group



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Fitzpatrick



Councillor Imran
Azam



Councillor Doug
James



Councillor
Mohammed Munir

Business Sustainability Working Group



Councillor Lee
Jeavons



Councillor Dennis
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Councillor Brian
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Introduction

The Regeneration Scrutiny and Performance Panel (the Panel) identified the opportunity to investigate the needs of new and existing businesses in the borough at its first meeting of the year during 2011/12.

To complete this task two small working groups were established at the Panels meeting on 13 June 2011.

Terms of Reference

Draft terms of reference were discussed and agreed by the two working groups on 6 July 2011. These were subsequently agreed by the Panel at its meeting on 28 July 2011. Here the work was split into two distinct streams. One stream was to look at business start up issues and the other at business sustainability.

The full version of the Working Groups terms of reference can be found at Appendix 1 to this report.

The Working Group was supported predominantly by four Officers and one consultant:

Craig Goodall	Scrutiny Officer
Zoe Slattery	Think Walsall Team Leader
Andrew Rumble	Partnership of Walsall Economic Regeneration Manager
Jane Kaur-Gill	Economic Regeneration Team Leader

Membership

The two working groups consisted of the membership of the Panel.

The breakdown was as follows:

Business Start Up

Shaun Fitzpatrick (Lead Member)	Imran Azam	Doug James	Mohammad Munir
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Business Sustainability

Lee Jeavons (Lead Member)	Dennis Anson	Ron Carpenter	Brian Douglas-Maul
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The Chair of the Panel, Councillor Ian Shires, attended meetings of both working groups.

Methodology

The working groups each investigated their own distinct area completing self contained tasks. After the completion of each task an interim report was submitted to the Panel to feedback findings and learning to other Members.

Witnesses

The working groups met and discussed issues relating to creating and sustaining business with the following witnesses:

Dr Norman Price OBE	Chairman, European Regional Development Fund
Paul Kalinauckas	Chief Executive, Black Country Reinvestment Society
Adam Grant	Business Development Manager, Black Country Reinvestment Society
Ian Jones	Business Manager, Yorkshire Bank
Barbara Watt	Programme Manager, Princess Trust
Nick Bunting	Chief Executive, Princes Initiative for Mature Enterprises
Stuart Taylor	SP Taylor Gas Engineering and Plumbing
Peter Scarff	Framecraft Miniatures
Mark Jones	Truck Engineering
David Parker	Metafin Holdings

Report Format

The findings of each working groups meeting with the witnesses listed above have already featured in a series of interim reports to the Panel so they have not been reiterated within this report.

This report sets out the conclusions formulated by a joint meeting of both working groups following their evidence gathering sessions. Priorities for Council policy are set out in this report along with suggested activities which could be undertaken to achieve the recommended priorities.

Context

Evidence collected as part of Walsall's local economic assessment, reported to the Regeneration Scrutiny and Performance Panel, shows that Walsall was home to over 7,500 active enterprises in 2009.

The borough has a new business registration rate of 35.6 businesses per 10,000 people aged 16 and above. This is lower than comparable data for the West Midlands region (41.7) and England (49.6) and shows that Walsall is lagging behind in terms of new business creation. In 2009 there were 720 new enterprise 'births' but 1,005 enterprise 'deaths', in Walsall, giving a net loss of 285 businesses. This was the first year that there had also been a net business loss nationally, demonstrating the widespread impacts of the recession.

Business density, (expressed as the number of businesses per 1,000 of the working age population), allows the business base to be compared between areas. In Walsall (2009) there were around 50 businesses for every 1,000 of the working population, in line with the Black Country's business density average. Walsall, however, lags behind the regional and national levels (at 58 and 64 businesses per 1,000 of the working age population respectively).

This gap is partly linked to a lack of growth in the Walsall business base between 2004 and 2009 as the number of businesses – and therefore business densities – remained relatively static. Over the same period, business levels in the West Midlands and England grew by 6% and 8% respectively. Walsall now requires over 1,200 additional businesses to reach regional levels of business density and requires over 2,000 additional businesses to reach the national level.

There have been some improvements in new businesses' survival rates in the borough over the past five years. However, survival may have been affected by the recession from 2008 onwards and generally remains slightly below the national average. Over nine in ten enterprises survive their first year, but this falls to less than two-thirds surviving for three years and only around half survive for four years.

These figures demonstrate that Walsall is behind the national rate in terms of new business start-ups and business density, and will continue to lag behind if both the new start up and business survival rates do not improve.

Worklessness in the borough is high, with over 27% of the working age population classed as being 'economically inactive'. This issue is further exacerbated by the ongoing decline in public sector employment. This is a significant problem as public sector employment in Walsall grew by 4,800 jobs from 1998 to 2008 compared with a loss of 15,000 manufacturing sector jobs over the same period.

The importance of a strong economy and full employment cannot be underestimated as Walsall faces a major challenge to reduce worklessness and increase the employment rate of local residents. There are a number of reasons why worklessness is high, including both demand issues – too few jobs available for local people to access, and supply side – too many people with insufficient skills to secure employment. Additionally, low income or worklessness in Walsall is also strongly correlated with poor health, child poverty, crime and lower levels of educational achievement which creates a vicious cycle that needs to be tackled. In some parts of the Borough the worklessness rate is twice the national average.

In this context, the working group felt it was essential that local people are provided with support to:-

- Improve skill levels
- Improve employability
- Consider self employment and set up their own business
- Sustain existing businesses

Vision

Following consideration of many areas and discussion with a significant number of witnesses the working group believes that the vision for this important area should be:

‘That the Council and its Partners help create and sustain jobs and improve the local economy, by supporting local businesses.

The borough should aspire to increasing business density to the regional and national averages.’

The case for this vision is set out in the following pages together with the Working Groups suggested priorities and actions.

Findings and Priorities

Priority 1: 'Walsall's Offer' needs to be developed and marketed regionally, nationally and internationally.'

The working group recommend that, in line with the priorities identified in this report, a strategic plan is produced detailing what Walsall wants to achieve in terms of growth in both employment and industry.

Walsall can only grow if the borough knows its aims and objectives. Plans and policies need to be in place to retain and attract businesses. These plans should be ambitious, but achievable, with a degree of flexibility in order to allow Walsall to maximise on potential businesses opportunities that cannot be planned for.

The working group recognise that Walsall is a part of the wider Black Country Local Enterprise Partnership but feel that it is still important for Walsall to develop and retain it's own identity and direction. The working group wish to see plans and procedures in place that aim to increase GVA (gross value added) across both high and low skilled job sectors.

Once these plans have been developed they should be actively promoted nationally, regionally and internationally so that Walsall gains the reputation as a place to come and do business. This promotion is vital as it can be used to correct common misconceptions that the borough and the region has. For example, local and regional manufacturing is not failing. Reducing numbers of jobs have been caused by innovation and investment in new technology that require fewer but more highly skilled staff. Members welcome the two Enterprise Zones that will be created in the Black Country. The working group hope to see the Walsall Enterprise Zone make the most of opportunities to work in partnership with Jaguar Land Rover which will be based on i54 Enterprise Zone site and create further cutting edge manufacturing roles.

Members felt that the West Midlands as a whole was losing out on opportunities to more organised communities, for example the BBC relocation of services to Manchester and Bristol, and that it was time to prevent the drain and attract investment.

What's already happening?

The working group learnt that previously Walsall Council and the Walsall Regeneration Company (WRC) worked in partnership to deliver the regeneration programme for Walsall. Since the closure of the WRC there has been a fundamental review of the way the regeneration programme is being delivered within Walsall. This has seen the development and implementation of an 'Inward Investment' offer to support business, both existing and new, through the following interventions and initiatives:-

- Clear brand and message to 'Investors'

- Provision of labour skills intelligence and recruitment support
- Up to date land and property database and on line search facility
- Business friendly planning service
- Competitor analysis – and indicators of how people perceive us
- Supply chain intermediaries
- Public sector collaboration
- Strategic business champion / ambassador programme
- Comprehensive partners network
- Live support network for business
- Efficient use of customer relationship monitoring systems
- First class communications strategy
- Soft landing service
- Suite of tools for proposition development
- Active awareness of lifestyle offer
- Deliver a rapid solutions service

Members noted that a comprehensive Walsall offer was in the process of being developed and implemented by the regeneration directorate which includes a bespoke Inward Investment marketing strategy for both Walsall and the Black Country

Priority 2: Improving the local offer of business locations and premises.

Business locations and premises are an important consideration to companies.

Feedback from businesses identified the lack of availability of suitable sites in the right locations and of the right quality for businesses in the borough as a blockage to support business growth.

Members recognised that the issues around the location of many businesses within Walsall, being located close to residential areas and interlinked within our town and district centres was partly due to how Walsall and the rest of the Black Country successfully developed during the industrial revolution.

Variety

Members recognised the urgent need for Walsall to improve the offer of employment sites and premises available across the borough in order to retain and attract businesses and in particular accommodate the growth aspirations of successful businesses. These sites need to come with good access and infrastructure such as adequate car parking facilities and links to public transport.

Incubation space for new businesses was also recognised as good practice by the working group. Incubation space provides a cheap location for a business to grow but also provides a support network of other new businesses experiencing the same issues and problems.

The working group welcome the introduction of the Enterprise Zone in Darlaston, but feel strongly that this should not be the only employment land offered and promoted to potential investors.

What's happening already?

Members learnt that a comprehensive offer for Walsall was in the process of being developed through the "sites and business analysis group". This group have analysed all of the available employment land in the Borough which has led to a greater understanding of Walsall's land offer. This has identified that there are too few sites of the right quality in the right location to meet the economic aspirations of the Borough

This information has informed the development of the proposed 'Site Allocation Document' and 'Town Centre Area Action Plan' which will provide Members with the opportunity to consider the Borough's future land availability through a policy framework.

Priority 3: Developing new forms of business lending

One of the most important issues affecting businesses, in particular start-ups and small and medium-sized enterprises (SMEs), is access to finance.

Feedback from businesses and lenders was that it was more difficult than ever for anyone other than well established companies with good financial history to borrow money. For example, during 2010/11 the Yorkshire Bank loaned £4billion to UK businesses but only £250m was lent to SMEs.

The lack of lending from banks was seeing the development of new financial institutions. Community Development Finance Initiatives (CDFI) were being set up to lend to businesses that were unable to raise credit from traditional lenders. It was the working group's view that the local CDFI, the Black Country Reinvestment Society, was doing an excellent job filling the gap that banks and building societies had vacated.

SMEs are also suffering from a lack of financial support from the Government. Currently schemes are weighted in favour of larger businesses. From the working groups experience the majority of larger business can self finance modest investment and are usually able to raise finance for larger scale projects from banks without too much difficulty as they are established and have assets. Those Government schemes that were available to SMEs, in the main loan guarantee schemes, have lengthy and bureaucratic application processes that would prevent most SMEs from applying in the first place.

This leads the working group to conclude that more needs to be done to support new forms of lending to businesses. Due to the credit crunch we are unlikely to see a substantial improvement in business lending from banks in the short to medium term. Therefore it is important that new forms of lending such as CDFIs, in particular the Black Country Reinvestment Society, are supported with funding so they in turn can support local SMEs. The idea of linking Council finances with European funding to offset the risk of lending through CDFIs should also be considered. The working group also believe that thought should be given to whether or not the Council itself can become a lender to SMEs?

What's happening already?

The working group were advised that there are a number of Government and other funding initiatives either available or being developed to support inward investment that are being actively pursued by the Council. These include:-

- Enterprise Zone
- Advance Manufacturing Supply Chain Initiative
- Growing Places Fund
- Regional Growth Fund 3
- UK Trade & Investment
- Enterprise Zone Skills Fund

The Council is also actively pursuing the development of a range of innovative funding packages including:-

- Black Country Business Property Investment Programme
- New Homes Bonus
- Walsall Works

Priority 4: Walsall should become a place for innovation.

The working group strongly believe that Walsall needs to become a place of innovation. The Council should work together with West Midlands universities to develop an 'Innovation Centre' where research and development activities can take place. The Centre should create a supportive, creative and professional environment where ambitious individuals and organisations can thrive.

In addition to this the availability of knowledge transfer partnerships (KTPs) should be improved. KTPs are opportunities for business to gain from the expertise of graduates and the research facilities of universities. Each party gains from the opportunity to share learning from one another. The working group firmly believe that this is an additional tool that can assist in making Walsall a place for innovation.

What's happening already?

Members were informed that there are several innovation centres being established across the Midlands, most of them linked to universities (notably in Coventry, Wolverhampton and Telford).

Whilst Walsall Council is working closely with the local colleges and Black Country providers to improve support for Walsall businesses a greater emphasis can be put on providing business with innovation through better links with both the colleges and universities.

Priority 5: Education and skills should be focussed on the work place.

Following a number of meetings with employers there was a common concern that education and skills were not sufficiently focussed with teaching the core skills necessary to succeed in the workplace. This is further endorsed through the work of the Black Country Local Enterprise Partnership (education skills and employability group).

Lack of skills

Feedback received reported that young people lacked technical, social and communications skills. Poor attitudes, an unwillingness to get their hands dirty and a general lack of key skills were the most common complaints from witnesses. One employer noted that he deliberately employed people over the age of 21 due to common and unnecessary problems he had experienced with younger recruits.

The problems with skills can be viewed on a regional level. Recently British Telecom has struggled to fill vacancies at their new hub location in Sandwell despite receiving thousands of applications, due to a complex selection process.

Improve the link between education and the work place

This feedback has led the working group to conclude that the links between education and the workplace need improving. It is important that young people learn the skills, practical and theoretical, to enable them to obtain sustainable employment in the long term. It is also important that any skills taught are 'future proof' so that youngsters have the skills to adapt to the jobs of tomorrow. It is important that there is dialogue between the local business community, local schools and colleges to ensure that each others expectations can be matched.

In terms of 'future proofing' skills it was felt that emphasise was required in the following areas:

- The ability to communicate
- The ability to remain reliable
- The ability to give customer service
- A willingness to learn

It must be noted that these comments are based on a small cross section of businesses but were a consistent theme.

What's happening already?

In support of these findings the recent 'Sector Skills Analysis' undertaken by Ekosgen highlights the need to improve the match between demand from

local employers and the skills and aptitudes of local residents could help to increase the employment rate in the Borough.

The Council is working closely with its partners (including the colleges), and the businesses to ensure that the right qualifications and right training courses are being delivered to support the growth of the Walsall businesses

Members were informed that the Council is working closely with local schools, colleges and training providers to address these issues, with the aim of developing an “end to end” skills agenda to ensure that young people are *work ready* when they leave full time education.

It is important to note this is a problem across the whole of the UK.

Priority 6: The Council and its partners need to be prepared to apply for external funding.

There are numerous Government funding streams available to support businesses and economic development nationally.

Many of these applications involve lengthy application processes and substantial amounts of evidence to support them. However, these applications are often required at very short notice considering the weight of evidence required to support them.

Therefore the working group recommend that the Council and its partners are better prepared by ensuring that adequate research and resource is available to support applications for any new funding that becomes available.

What's happening already?

The Council is actively encouraging and indeed supporting local businesses to apply for funding initiatives such as Regional Growth Fund 3, Advance Manufacturing and the New Homes Bonus which will help them to develop and grow their businesses. There are dedicated officers to support these businesses whilst applying for these initiatives.

Priority 7: Communication with businesses needs to be efficient and available on demand.

Members quickly learnt that businesses are busy and cannot afford to waste time being passed from pillar to post when they are seeking help and support on important issues.

More Efficient Contacts

Members felt that it was bad practice that businesses had multiple contacts with the Council as this could result in potential missed opportunities. Therefore the idea of a single point of contact for businesses or an account manager role was supported by the working group.

The Wolverhampton Business Solutions Centre was acknowledged as an example of good practice.

Pro-active Contacts

The majority of the businesses that the working group spoke with stated that they did not view the Council as a potential source of business advice and support. This view, led to the working group to conclude that it was important for the Council to market itself and make pro-active contact with local businesses to discuss the support that is available and how it could be of benefit to them.

Too Many Websites

Members felt that there were many sites available that offered support and guidance and that this would be confusing to prospective and existing businesses. Particularly if the websites did not cross reference each other. Therefore it would be more effective for the Council and its Partners to work together to deliver an integrated solution that made it easier for businesses to interact and engage with.

App

It was felt that it would be worth developing an App for smart phones and tablet computers for business advice. The App should cover critical advice pathways for business needs and contain information on key contacts, support and possible funding streams. The App should remain live and be updated as regularly as required.

Information Events

In the past the Economic Regeneration Team have arranged a number of events as requested by businesses to address specific issues which have been identified as a barriers to their business. Despite extensive market research on these topics, inviting key speakers, arranging venues and targeting the businesses to attend, they are still poorly attended.

It is the working group's view that these sessions should no longer continue and more effective ways of engagement and support for the topics identified are developed like the App as suggested previously.

What's happening already?

Under the restructuring of the Regeneration Directorate plans are being implemented so that all enquiries from businesses will be dealt with by a named contact. This is currently being implemented through work with the top 100 strategic companies in the borough. The named contact will be responsible for coordinating a comprehensive response to any enquiry, by utilising the resources available from within the Council and through its partners.

The working group were pleased to be told that the restructure was aiming to deliver an effective and coherent inward investment approach for the borough.

The working group learnt that the Directorate also acknowledged that further work was required around sector specific support particularly for niche market sectors such as creative industries and micro breweries.

The working group were informed that all the marketing tools (including websites) within the Regeneration Directorate were under review as part of the development of an effective marketing approach within Walsall and the Black Country. This would be achieved through working closely with 'Marketing Birmingham' at a regional level.

The Regeneration Directorate are exploring and utilising a variety of other innovative ways of disseminating this information that would have previously been delivered through training events. These methods include utilising social media, such as Twitter, LinkedIn and Facebook, and also utilising the Tractivity Customer Relation Management (CRM) system by sending out information through e-bulletins

Priority 8: Reducing business crime

Business crime is still an issue for business within Walsall, and some areas of the Borough are more prone to crime than others. Many businesses do not claim against their insurance policies as this has the knock on effect on increasing their insurance premiums. Businesses often stated that they would rather replace the stolen items over a fixed period (for example 3 years) as this usually worked out cheaper than increased insurance premiums.

What's happening already?

The working group learnt that until recently there had been a security grant on offer through the Working Neighbourhoods Fund delivered in partnership with Think Walsall business support team and the local crime reduction officer at West Midlands Police service (Walsall). The grant had supported 25 small and micro businesses, to make improvements to their security systems.

By the businesses installing/improving security systems it has reduced the businesses insurance premiums.

This grant has now finished.

Priority 9: Building relationships and networking are critical for a successful business.

One of the key findings from speaking to local businesses was that relationships and networking are critical to success. Customer relationships are crucial to developing and sustaining a business.

Business to business relationships and networking were also regarded as highly important. Be it as a potential customer or even as a source of advice and guidance from a colleague.

The emphasis placed on this area by witnesses has led the working group to conclude that anything that can be done to encourage networking and business-to-business interaction should be supported and encouraged.

What's happening already?

The working group were informed that the 'Think Walsall Business Support Team' attended many networking groups across the Borough to enable them to support as many businesses as possible.

'Meet the Buyer' events have been particularly useful to businesses as this has allowed businesses to develop and grow their own specific supply chains by utilising local suppliers. It was felt that these events should continue as they added value to the local business community.

It was also acknowledged that there needed to be further integration between Council Directorates to ensure that there was a clear understanding of the services and support being offered to Walsall businesses and all interventions with businesses recorded on the Tractivity system that enables all contacts with businesses to be recorded centrally.

Conclusion

There is a lot of good work taking place in the borough to assist business start ups and help sustain existing businesses and attract inward investment.

The working group are impressed by the hard work and engagement from the Council and its partners but also recognise and support the move towards a more coherent and effective inward investment and economic growth strategy.

The working group want to see an increase in the number of successful business start ups and offer support to help existing businesses develop and grow. This could be achieved by working towards the following priorities:

- 1. Developing a 'Walsall Economic Offer' that is marketed regionally, nationally and internationally.*
- 2. Improving the local offer of business locations and premises.*
- 3. Supporting and developing new forms of lending to businesses.*
- 4. Making Walsall a place for innovation.*
- 5. Focusing education and skills on the work place.*
- 6. Ensuring the Council and its Partners are ready to apply for external funding.*
- 7. Ensuring communication with businesses is efficient and available on demand.*
- 8. Ensuring that businesses are protected from crime.*
- 9. Supporting networking and business relationship building.*

The working group feel that by working towards these priorities it will be a step in the right direction towards improving the economic prospects of the borough and its businesses. It will provide a platform within which they will be fully supported in their efforts to grow and create jobs which will in turn see a turn around in the boroughs economy.

Recommendations

The following is the vision and suggested priorities for the Council and its partners to work towards to help create and sustain local businesses along with recommendations for how these priorities could be achieved.

That:

Vision:

‘That the Council and its Partners help create and sustain jobs and improve the local economy, by supporting local businesses.

The borough should aspire to increasing business density to the regional and national averages’.

- 1. Priority 1: ‘A ‘Walsall Economic Offer’ needs to be developed and marketed regionally, nationally and internationally’.**
 - a. A clear stand alone strategy should be developed explaining Walsall’s economic offer and direction of travel in employment and industry terms. Long terms plans should be set out along with their project impact.
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 - a. Improved and additional business premises are required across the borough with add on facilities such as car parks.
 - b. In the future fewer businesses should be based in residential areas.
 - c. The Darlaston Enterprise Zone should not be the only offer for investors for employment land and premises.
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 - i. Considering including funding for the Black County Reinvestment Society;
 - ii. Investigating if the Council can become a lender to small businesses.

4. **Priority 4: 'Walsall should become a place for innovation'.**
 - a. 'Innovation Centre' for research and development in partnership with West Midlands Universities should be developed.
 - b. The availability of knowledge transfer partnerships for businesses should be improved.

5. **Priority 5: 'Education and skills should be focussed on the work place'.**
 - a. The link between education and the workforce needs improving.
 - b. The 'education gap' in what businesses expect from young people and what they are taught should be investigated.
 - c. It is important that 'future proof' skills are taught in schools, colleges and universities.
 - d. Potential employment opportunities should be promoted to young people to inspire them for the types of careers that are available.

6. **Priority 6: 'The Council and its partners need to be prepared to apply for external funding'.**
 - a. Strategies and key research should be in place to support applications for funding.

7. **Priority 7: 'Communication with businesses needs to be efficient and available on demand'.**
 - a. Consideration should be given to developing a single point of contact for businesses, for example, through a business solutions/contact centre.
 - b. Multiple outcomes should be achieved each time a business makes contacts.
 - c. The number of business advice sites should be reduced.
 - d. New methods of communication with businesses should be developed, including:
 - i. Apps for tablets and smart phones providing a critical advice path for business needs including contacts and possible funding streams.
 - e. Statutory agencies need to pro-actively seek out businesses if they think they can assist them.
 - f. The Council should advertise its business support services.
 - g. Information events should be stopped due to poor attendance and more effective ways of delivering information should be developed.

8. **Priority 8: 'Reducing crime is important to businesses'.**
 - a. The Council and its partners should do whatever it can be reduce and prevent business crime.

9. **Priority 9: 'Networking and relationships are critical for business success building'.**
 - a. The Council and its partners should encourage and support business networking events.

Working Group Terms of Reference - Appendix 1

In support of a successful Walsall economy;

- 1. How do you successfully start a business?**
- 2. How do you successfully sustain a business?**

Principles

- **Important to have a clear focus**
 - Concentrate on one area at a time.

Work streams

- Create the conditions for successful and sustainable business
 - Need to understand business failures and successes
 - Is there a lack of business management skills?
 - Is paperwork/regulation a barrier?
 - Is the right business support available?
 - Are the right skills available in the workforce?
- Need to create the right conditions for new business to grow and succeed:
 - Is the right support available?
 - Would managed work space be useful?
 - How do businesses access information?

For both areas there is a need to identify current good and successful practices and to explore how to continue them moving forward in a time of change and cuts in traditional business support funding and activities?

It was also considered important to look at how we could begin to create the conditions to revive a flagging economy, with a suggestion of focussing on potential growth areas, with the first area of focus being:

- The opportunities provided through the; Green Build and Low Carbon economy, looking at potential sector and its growth opportunities, and the potential for a green build Expo in Walsall.
- It was also noted that; the role and future potential for Social Enterprise and the Voluntary & Community Sectors in the development of our economy should be considered throughout this work.

How

- Focus on particular sectors of employment/industry. Apply the analysis and learn general lessons.
 - Start up
 - Sustainability
 - Opportunities
 - Threats
 - Workforce
 - Experiences
 - One business sector, e.g.: manufacturing/retail/low carbon
- Consider key facts from business survey
 - Use start up and failure data
 - What is the experience of business support services?
- Compare experiences of successful and failed businesses- case studies
- Map / follow the customer journey's

Summary of ongoing activity against working group priorities

Priority	Actions
Walsall's Offer' needs to be developed and marketed regionally, nationally and internationally	The Walsall offer was in the process of being developed and implemented by the regeneration directorate which includes a bespoke Inward Investment marketing strategy for both Walsall and the Black Country
Improving the local offer of business locations and premises	<p>A comprehensive offer for Walsall was in the process of being developed through the "sites and business analysis group" who have analysed all of the available employment land in the Borough which has led to a greater understanding of Walsall's land offer. This has identified that there are too few site of the right quality in the right location to meet the economic aspirations of the Borough</p> <p>This information has informed the development of the proposed Site Allocation Document and Town Centre Area Action Plan which will provide Members with the opportunity to consider the Boroughs future land availability through a policy framework.</p>
Developing new forms of business lending	<p>There are a number of Government and other funding initiatives either available or being developed to support inward investment that are being actively pursued by the Directorate. These include:-</p> <ul style="list-style-type: none"> Enterprise Zone Advance Manufacturing Supply Chain Initiative Growing Places Fund Regional Growth Fund 3 UK Trade & Investment Enterprise Zone Skills Fund

	<p>Walsall Council are also actively pursuing the development of a range of innovative funding packages including :-</p> <p>Black Country Business Property Investment Programme New Homes Bonus Walsall Works</p>
<p>Walsall should become a place for innovation</p>	<p>There are several innovation centres being established across the Midlands, most of them linked to universities (notably in Coventry, Wolverhampton and Telford).</p> <p>Whilst Walsall Council is working closely with the local colleges and Black Country providers to improve support for Walsall businesses a greater emphasis can be put on providing business with innovation through better links with both the colleges and universities</p>
<p>Education and skills should be focussed on the work place.</p>	<p>The recent Sector Skills Analysis undertaken by Ekosgen highlights the need to improve the match between demand from local employers and the skills and aptitudes of local residents could help to increase the employment rate in the Borough, raising incomes and aspirations</p> <p>The Council are working closely with the local schools, colleges and training providers to address these issues, with the aim of developing an “end to end” skills agenda to ensure that young people are “<i>work ready</i>” when they leave full time education.</p> <p>.The Directorate are working closely with its partners (inc the colleges), and the businesses to ensure that the right qualifications and right training courses are being delivered to support the growth of the Walsall</p>

	businesses
The Council and its partners need to be prepared to apply for external funding.	The regeneration directorate are actively encouraging and supporting local businesses to apply for funding initiatives (RGF3, Advance Manufacturing, New homes Bonus etc),which will help them to develop and grow their businesses. There are dedicated officers to support these businesses whilst applying for these initiatives.
Communication with businesses needs to be efficient and available on demand.	<p>Under the restructuring of Strategic Regeneration and Development and Delivery through the implementation of an effective and coherent Inward Investment approach that all enquiries will be dealt with, by a named contact.</p> <p>The regeneration directorate are exploring and utilising a variety of other innovative ways of disseminating this information for example utilising social media (Twitter, Linkdin, Face book etc..) and also utilising the Tractivity Customer Relation Management (CRM) system by sending out information through e-bulletins</p> <p>All of the marketing tools (including the websites) within the Regeneration directorate were under review as part of the development of an effective marketing approach both within Walsall and within the Black Country through to working closely with Marketing Birmingham at a regional level.</p>
Reducing business crime	Until recently there had been a security grant on offer through Working Neighbourhoods Fund delivered in partnership with the Think Walsall business support team and, the local crime reduction officer at West Midlands Police service (Walsall). The grant supported 25

	<p>small and micro businesses, to make improvements to their security systems.</p> <p>By the businesses installing/improving security systems it has reduced the businesses insurance premiums. We also have evidence to show that the businesses have also increased their actual turnover by £300k per annum</p>
<p>Building relationships and networking are critical for a successful business</p>	<p>The members were informed that the Think Walsall Business support team attended many networking groups across the Borough to enable them to support as many businesses as possible.</p> <p>Finding that Meet the Buyer events have been particularly useful to businesses as this has allowed them to develop their own specific supply chains locally and it was felt that this approach should continue.</p>