



23rd February 2016

Agenda Item: 6

REPORT OF THE CORPORATE DIRECTOR, PLACE

BUSINESS ENGAGEMENT ACTIVITIES

Purpose of the Report

1. To update Members on the Economic Development Team's business engagement activities and specifically to consider proposals regarding the Council's future business engagement approach, based on lessons learned to date and a review of the team's key account management approach.

Business Engagement

2. One of the Council's strategic priorities is to support economic growth and employment across the county. Businesses, both large and small, play a critical role in creating employment opportunities, stimulating investment and generating economic competitiveness within the local economy. The Economic Development Team supports local businesses to grow and thrive through a collaborative and inclusive approach with the business community.
3. The Council's role is to develop a business environment conducive to sustainable economic growth. This is effected by a mix of direct provision across a range of teams and services (i.e. not just via the Economic Development Team); by financial support to facilitate other organisations in delivery, or by influence and partnership working. The broad objectives and the associated action planning process across the wider Council is the subject of the Council's Economic Development Strategy, reviewed annually by this Committee.
4. As outlined below, the Economic Development team engages with businesses in the following ways:
 - By listening – collectively and individually – to the needs of local businesses, understanding the challenges they face and by identifying gaps in the business support offer, so to gather economic intelligence to help shape a more dynamic and relevant service;
 - Providing advocacy, to enable effective lobbying and influence on matters affecting the economic prosperity of Nottinghamshire and its businesses;
 - Raising awareness within the business community about the Council's wider services and seeking to ensure businesses are aware of and respond to major issues, for example budget consultation; procurement awareness; regulatory and wider business support issues such as available via Trading Standards and Property;

- Offering a (pilot) key account management service that provides a named officer within the team, acting as the link within the council to offer information, support or to lead approaches to partners and providers;
- Ensuring that business needs and challenges are recognised in the context of developing the council's and partners' strategic plans and shaping delivery;
- Ensuring that businesses are aware of business support services and networks in the area and that best practice is shared;
- In tandem with other council services, supporting the development of infrastructure projects and programmes, proposals for sites and premises and associated infrastructure for employment growth;
- Promote the area as an attractive investment location for businesses and showcasing local successful businesses;
- Directly providing access to finance, supporting apprenticeships and supporting business growth via the i-Centre network;
- Developing a coherent approach to improving skills and support providers within the Further Education / Higher Education sectors to respond to business needs.

Current Business Engagement Activities and Review

4. Business engagement is embedded within the team's activities in addition to many of the wider Council's services. Appendix A notes the main areas where the team engages with businesses through direct delivery and through commissioned activity. These projects / programmes are generally the subject of separate reports to this Committee but in this context, Appendix A offers an overview of the extensive reach of the service and its influence.
5. To further inform the economic development team's future business engagement activities, this report has collated the key lessons learned to date from these projects and programmes and specifically, reference is made to a review of the key account management (KAM) approach undertaken by the team over the past two years. Appendix B summarises the main proposals arising from this review, offering a proposed way forward on the team's business engagement activities.
6. The proposals suggest changes in emphasis rather than the overall direction, offering ways of strengthening the team's business engagement activity. However, two areas merit particular reference:
 - The strengthening of the facilitation of the Nottinghamshire Business Engagement Group's activities and their abilities to influence the changing business support provision for micro and small businesses across the County;
 - The better alignment of the KAM work with the Council's partnership with the D2N2 Growth Hub, where the principle of supporting Nottinghamshire businesses with good quality comprehensive advice dependent on their specific needs has been adopted. The Growth Hub is the subject of a separate report to this Committee meeting.

Other Options Considered

7. While the Committee may choose not to adopt the proposals offered in this report, business engagement activity ensures that the work of the team is guided and influenced by business needs across the county.

Reason/s for Recommendation/s

8. To ensure that Members are aware of the proposed changes to the service's business engagement activities as detailed within the body of this report.

Statutory and Policy Implications

9. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the public sector equality duty, safeguarding of children and adults at risk, service users, sustainability and the environment and ways of working and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

RECOMMENDATION/S

12. It is recommended that this Committee notes the content of this report and agrees to the proposals as outlined in Appendix B of the report and in particular, the proposals which:
 - a) seek to strengthen the role and purpose of the Nottinghamshire Business Engagement Group in supporting micro and small business growth, and;
 - b) align the existing key account management process with the further development of the Council's work with the D2N2 Growth Hub.

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Corporate Director, Place

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Constitutional Comments [CEH 12.02.16]

The recommendation falls within the remit of the Economic Development Committee.

Financial Comments [SES 12/02/16]

There are no specific financial implications arising directly from this report.

Background Papers and Published Documents

None.

Electoral Division(s) and Member(s) Affected

All

Appendix A - Economic Development - Business Engagement Activities

The Nottinghamshire Business Engagement Group (NBEG) has been representing the voice of micro, small and medium sized enterprise (SMEs) since 2010. NBEG comprises the chairs or leads from a range of business groups active across the county, which regularly meet to share information and champion the cause of SMEs, influencing the LEP and other business support activity. NBEG attendees include East Midlands Chamber, FSB, Institute of Directors, CBI, alongside local business groups including Mansfield 2020, Newark Business Club and Southwell Business Club, as well a range of business support providers.

Over recent months, with the support of the Economic Development Team, NBEG has reviewed its purpose and Terms of Reference. This has seen its desired position of a closer collaborative relationship with the D2N2 LEP on the way to being achieved and sought to establish a closer influential position with the D2N2 Growth Hub, with a view to influencing provision for the burgeoning micro and small business sector. The Team is exploring further support to strengthen its cross-communication approaches and the development of its Action Plan.

The Key Account Management (KAM) pilot project directly engaged with over 90 businesses across 14 sectors and enabled the council's Economic Development Service to proactively build business partnerships, showcase the council's service offer consequently stimulating demand for its services, understand business drivers and sector needs and gather economic intelligence.

The Nottinghamshire Economic Development Capital Fund (NEDCF) was established to support small and medium sized companies in Nottinghamshire to expand through a capital grant – largely related to equipment purchase, extension of premises or the acquisition of new premises to enable expansion. Businesses were actively engaged with through two funding rounds with over £2million of funding provided towards 17 projects, creating 183.5 jobs. A further £4million is available to continue the scheme until March 2020.

The Better Broadband for Nottinghamshire (BBfN) programme directly engages with businesses through a Stakeholder Engagement Strategy that identifies how the programme informs, consults and collaborates with key business groups and individual businesses about the benefits and opportunities being created by the fibre-broadband rollout and associated implementation and adoption of digital technologies.

The BBfN Programme appointed a Broadband Engagement Officer as a single point of contact to co-ordinate on-the-ground activity and manage engagement levels across the county. Consequently, fibre-broadband take-up levels have exceeded all expectations and ahead of projections. The Nottinghamshire Digital Champions Network, which was launched in June 2015 to create and support a team of Digital Champions across the county who can help both residents and businesses get online is on track to recruiting 60 (volunteer) Digital Champions by March 2016.

LEADER is a European funded programme of activity with the aim of supporting job creation and economic growth in eligible rural areas. There are two LEADER programmes in Nottinghamshire and each is led by a Local Action Group (LAG) comprising public / private / civil society partners with the County Council acting as the Accountable Body for both.

Key business engagement activities include:

- Pre bid submission funding enabled extensive public / business consultation and helped inform the types of activities each LAG wanted to see in their areas. This is the embodiment of LEADER – local leadership and local solutions to local needs.
- Programme staff liaising with businesses through local launch events for business intermediaries, master classes for business applicants, recruiting businesses to the LAGs, working collaboratively with the D2N2 LEP e.g. EAFRD events (showcasing LEADER and EAFRD open call activity) and the D2N2 Rural Conference (presentations and workshops to business audience);
- Implementing the communications strategy, particularly focusing on how to engage businesses further using Social Media, events to engage certain demographics (e.g. Women farmers, young farmers, young people in business etc.) and working with partners to drive people to the LEADER websites.

Invest in Nottingham is a Nottingham City Council / Nottinghamshire County Council partnership delivering inward investment activity for the whole of Nottinghamshire. The main focus of the work delivered is to attract and manage inward investment into Nottinghamshire (both foreign direct and UK based investment), as well as supporting large scale expansion of businesses already within the county.

Relationship Management (primarily with the private sector) is the key activity delivered by officers within the Invest in Nottingham (IIN) team and this engagement takes place through a number of routes, including:

- Direct Enquiry Management – delivering a bespoke, client-led service to manage enquiries from businesses interested in locating to or expanding within the City and County;
- Attendance at Events/Shows – promoting the area at events throughout the calendar year. These events are aimed at the private sector, mainly property developers and/or end-user occupiers encouraging them to explore the potential of the area;
- Pro-active Lead Generation – interrogating various information sources to identify potential target companies for the area.

IIN is primarily judged on the number of jobs created through the successful projects supported in Nottinghamshire – which can be seen as a direct reflection of the level of service received by the clients. To date in 2015/16, the team has delivered 25 successful projects, resulting in 1,205 jobs, with some significant successful projects being completed (NOW:Pensions & Cerealto UK – both delivering 250 jobs each). A new place marketing organisation has now been established which will see IIN and Experience Notts form a single entity to deliver a combined inward investment, visitor economy and place marketing operation.

The Engage2Employ project aims to move young people (16-24) who have LLDD (Learning Difficulties and/or disabilities) and/or NEET (Not in Employment, Education or Training), into employment through work placements and supported internships. The project facilitates this by providing job coaching, to support young people to learn on the job and move towards independence.

The project coordinator (employed through Skills for Employment) engages with businesses through recommendations and speculative approaches and will then visit to discuss the

process and their support needs. The project has successfully engaged a number of businesses to be involved, and some have been able to offer paid employment when vacancies occur. The businesses have been impressed with the loyalty and commitment shown by the young people.

Say Yes to an Apprentice aims to increase the number of SMEs taking on an apprentice by providing a grant of up to £1,500 for an SME who haven't taken on an apprentice before. The project is being delivered by Futures on the Council's behalf.

Businesses have been engaged through a range of media and PR, as well as through telephone canvassing, and many referrals come through training providers or other word of mouth. An evaluation is being commissioned to look at forward planning and will need to ensure new national funding arrangements are promoted to employers.

Nottinghamshire Innovation Centres provide flexible and high-quality business accommodation and drive economic growth in their respective local areas. The aims of the integrated innovation contract bringing the three centres of Mansfield i-Centre, Newark Beacon and Worksop Turbine together are to:

- Provide the on-site and cross centre management of high specification commercial facilities;
- Generate and capture the maximum economic benefit from the activities of the 3 centres – individually and combined – including business collaboration, networking and supply chain development; and
- Provide appropriate tailored business advice and support targeted towards growing tenant businesses.

Currently, there are three centres included in the contract at Worksop Turbine owned by NCC, Newark Beacon owned by Newark & Sherwood District Council and Mansfield i-Centre owned by Mansfield District Council. The centres are managed on behalf of partners by Oxford Innovation – a renowned specialist in innovation support who supply all of the business engagement / services / interface. This is through direct business support activities, advice and support to tenants on a day to day basis, business coaching, networking and the websites.

The Creative Greenhouse (www.creativegreenhouse.org.uk) is a free membership network for creative businesses, which provides a wealth of insightful sector updates, opportunities and invitations to relevant events.

When Economic Development took over responsibility for the network in August 2015 a survey of members was undertaken to gather their views on the services they would like provided. Business support was highlighted as a key area, so a series of events are planned for the coming months covering topics including:

- Effective use of social media,
- Researching your business market & customer needs,
- Pricing products,
- How to apply for start-up finance
- Intellectual property issues.
- 1 to 1 business support sessions

A monthly newsletter is emailed to members, it contains the latest news and opportunities for the creative sector and is used as part of the communication strategy of keeping members informed. The coordinator also manages a twitter account which has 1,600 followers.

Appendix B – Summary of the main proposals arising from the review

It is proposed that the Economic Development team:

1. Continues to develop a structured and general business engagement programme, to ensure the Council offers a business friendly, 'no wrong door' approach. In addition, this programme should continue to build the wider product that promotes broader business support services and networks and not just those offered by the County Council. This builds on the team's work via the D2N2 Growth Hub¹ and its awareness and promotion of different types of support, such as the different business finance options and the services to be enhanced by the forthcoming European Structural and Investment Funds (ESIF²) programme.
2. Aligns its activities to a wider business engagement provider network, which would provide a shared, transparent customer relationship management (CRM) system and consistent business engagement provision across the county for businesses. Exploring the use of such a CRM system across the County Council and between the County Council and its partners. This builds on the approach being developed with the D2N2 Growth Hub where all enquiries are recorded and shared via a CRM with suitable protocols in place.
3. Given the size of the team, the pressures in maintaining key account relationships with businesses and often the specialist nature of business queries, consideration should be given to employing or commissioning a dedicated full-time business engagement resource but supported by the wider team. This proposal has been picked up within the development of the Council's support towards the development of the D2N2 Growth Hub and the need for quality advice and support across Nottinghamshire.
4. Future development will focus on growing and promoting indigenous locally-owned businesses i.e. via organic growth rather than acquisitions of other companies and building upon existing relationships. This aspect is recognised from a number of services - not least the inward investment activities, innovation centre provision and the Capital Fund applicants. Trends in the composition of the County's businesses also suggests that while inward investments will continue to be important, growth will come from existing micro and small and medium sized businesses and this will be high on the Nottinghamshire Business Engagement Group's (NBEG) agenda for example going forward.
5. Improve communications with small and medium sized (SMEs) businesses by developing a market segmentation strategy and a communications & marketing strategy. This way, the limited resources will be appropriately targeted to ensure that maximum benefits can be delivered for businesses and for the council. This supports the D2N2 Growth Hub's strategy for alignment with NBEG, which is keen on securing a greater understanding of the growth needs of local businesses.
6. Provide platforms (events, meetings and web / social media based) whereby Nottinghamshire's small and micro businesses can network with each other and

¹ <http://www.d2n2growthhub.co.uk/>

² <https://www.gov.uk/european-structural-investment-funds>

potentially collaborate on relevant projects and opportunities. Given the number of Nottinghamshire businesses, collaboration across representative business groups and with the business support providers will be crucial. The Growth Hub (and the Council's support to it) and NBEG will play an important role in addressing this.

7. Provides a means whereby small business issues and concerns are communicated to strategic, support and development organisations to influence outcomes (strategies, programmes, funding bids etc.). Appendix A references NBEG's review in this context.
8. Additional value to the business engagement activities can be secured in addition to the team's work by utilising the capacity, knowledge and skills of the Council's:
 - Senior managers - have regular, structured meetings with key businesses offering influence and network access;
 - Councillors – both to foster good relationships with businesses in their Divisions, as well as drawing upon their own commercial experiences and individual and collective business networks.