

NORTH LINCOLNSHIRE COUNCIL

CABINET

REVIEW OF SUPPORT FOR SMALL BUSINESSES IN NORTH LINCOLNSHIRE

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1 To consider the recommendations of the Economic Development and Corporate Issues Scrutiny Panel in relation to a review of support for small businesses in North Lincolnshire.

2. BACKGROUND INFORMATION

- 2.1 At its meeting held on 19 March 2008, council considered a report of the Economic Development and Corporate Issues Scrutiny Panel in relation to a review of support for small businesses in North Lincolnshire.
- 2.2 The report was approved by council and referred to cabinet for consideration of the recommendations with a view to the preparation of an action plan.

3. OPTIONS FOR CONSIDERATION

- 3.1 The panel completed this review in January 2008. It was carried out -
- To examine and identify support that is available from North Lincolnshire Council Small Businesses.
 - Interview key officers of North Lincolnshire Council.
 - To consider the views and evidence of other service providers, supporting partner organisations and the small businesses.
 - To carry out a consultation exercise across North Lincolnshire targeting small businesses.
 - To examine performance, facilities and assistance available and methods used by other partners.
 - To make conclusions and recommendations.

3.2 The panel made five detailed recommendations. A copy of these are attached as an appendix to the report along with its conclusions.

3.3 There are no options associated with this report.

4. **RESOURCE IMPLICATIONS (FINANCIAL, STAFFING, PROPERTY, IT)**

4.1 There may be some resource implications associated with the recommendations when they are implemented.

5. **OTHER IMPLICATIONS (STATUTORY, ENVIRONMENTAL, DIVERSITY, SECTION 17 - CRIME AND DISORDER, RISK AND OTHER)**

5.1 There may be other implications associated with the implementation of the recommendations which will be highlighted in any action plan.

6. **OUTCOMES OF CONSULTATION**

6.1 The panel consulted other scrutiny members and officers and small businesses in North Lincolnshire in relation to the preparation of the original report.

7. **RECOMMENDATIONS**

7.1 That the report and recommendations be approved and adopted.

7.2 That the appropriate officers and cabinet member prepare an action plan for submission to a future meeting of cabinet.

SERVICE DIRECTOR LEGAL AND DEMOCRATIC

Pittwood House
Ashby Road
SCUNTHORPE
North Lincolnshire
DN16 1AB
Author: Mel Holmes
Date: 1 May 2008

Background Papers used in the preparation of this report – Nil

THE PANEL'S RECOMMENDATIONS

Based upon the evidence presented and evaluated during the review, as detailed in the panel's findings/considerations, the recommendations of the Economic Development and Corporate Issues Scrutiny Panel are as follows: -

- (i) that everyone involved throughout this review be thanked for their contributions.
- (ii) that a newsletter be issued to every business on the council's procurement database, detailing support information that is available to small businesses.
- (iii) that a reminder be sent to all Procurement Managers that they have a duty under European Law to offer losing firms in tendering exercise a de-brief on why a contract was not won.
- (iv) that the creation of a new post or the creation of a focal point within the council's Regeneration Team be investigated, to specifically offer general advice, guidance and signposting for all local small businesses.
- (v) that the council advertise and promote the Small Business Rate Relief Scheme and application process more widely across businesses in North Lincolnshire.

THE PANEL'S CONCLUSIONS

Arising from the evidence presented during the panel's findings/considerations, its conclusions are as follows: -

The panel was of the opinion that overall there was support available for all companies large or small. However, there was evidence throughout the review that there was a need for a small business adviser who could provide dedicated help to smaller companies, and who would be available to offer assistance in the council, signposting, giving general advice and guidance on opportunities available. Out of the 13 questionnaires received by the panel 10 said 'yes/possibly' would benefit from a specific adviser.

One of the other main concerns of the panel during the review was the use of the LABGI grant money. From the findings and evidence gathered the panel was satisfied that the council was entitled to consolidate the funds from the LABGI grants into the base corporate budget. Members concluded that there was no requirement that the grant be used to support the local small businesses financially from this scheme. Members also felt that work being carried out within the council's Regeneration Team and the Procurement Team were already making improvements for support for small businesses locally, and due to the poor response from local businesses wanting to attend and put their views to the panel, it was the panel's opinion that businesses must be fairly happy with the support and assistance they currently receive.

The Small Business Rate Relief Scheme was a good initiative recently introduced. However, take - up in some areas had been lower than expected. Many businesses still remain unaware of the scheme and that they need to apply to receive it. Additionally, it was the panel's opinion that many also do not know that under Section 49 of the Local Government Finance Act 1988, that councils have the power to reduce or remit all or part of a business rates bill on the grounds that the ratepayer is in extreme financial hardship. The panel felt that the council should promote the savings small businesses could receive to their rate bills.

Overall the panel was pleased with the work that is ongoing within the North Lincolnshire Council to support local businesses. They felt that minor improvement/suggestions could make further improvements and these are suggested within the panel's recommendations.

In particular, work the council could be doing to improve business performance. The panel was disappointed that additional consultation did not take place with more local businesses and partner organisation, but felt every effort had been made to try and obtain their views.