

## **Economy Scrutiny Committee**

### **Minutes of the meeting held on 14 November 2012**

#### **Present:**

Councillor Green – in the Chair  
Councillors Barrett, Chamberlain, Chappell, Davies, Hackett, Ollerhead, Pritchard, Richards, Shone, Simcock and Stogia

Councillor S Murphy, Deputy Leader

Paul Mooney, Blue Orchid  
Drew Thomas, Manchester Solutions  
Richard Jeffrey, Manchester Solution

#### **Apologies:**

Councillor Karney, Keegan, Smitheman, Taylor and Walters

### **ESC/12/26            Minutes**

The minutes of the meeting held on the 17 October were submitted for consideration.

A member said that the Committee had agreed that both Councillor Chappell and Councillor Simcock would work with New Economy to continue the investigation into the impact of small infrastructure projects. The Committee agreed to amend the minutes to include Councillor Chappell.

#### **Decision**

To approve the minutes of the meeting on 17 October 2012 as a correct record of the meeting, subject to the amendment above.

### **ESC/12/27            Update on the Recommendations of the Business Start Up Task and Finish Group**

The Committee established a task and finish group in 2011 to investigate the challenges people face when starting a business and the support available. The Business Start Up Task and Finish Group met four times between December 2011 and February 2012 and made a number of recommendations. A report of the Head of Regeneration was submitted to the Committee which provided an update on how these recommendations had been taken forward since they were endorsed by the Economy Scrutiny Committee in May 2012.

A member noted that the target outputs for Business Start Up Support (BSUS) programme were two and half times that of the previous Intensive Start Up Support (ISUS) programme, and asked for clarification on why that was. Paul Mooney of Blue Orchid confirmed that the number of businesses that would be started was based on

the amount of funding, and BSUS has more funding than ISUS. He added that the Council's contribution was approximately the same for BSUS as for ISUS, but BSUS had received funding from other sources such as Department for Work and Pensions and through their delivery partners. The Regeneration Coordinator said that BSUS included post start up support which ISUS did not, which also accounted for some of the increase.

A member asked what the role of Blue Orchid was in providing start up support. Mr Mooney explained that Blue Orchid worked with clients to ensure they have a solid business plan. This involved providing initial advice, including discouraging people from pursuing a business that was unlikely to be successful, followed by a year of training and support. The business advisers were qualified and experienced in starting businesses.

A member asked for more detail about the funding the Council was providing for white males in particular wards who did not qualify for funding from other sources because of the criteria attached to that funding. The Regeneration Coordinator explained that the Council provided £25 000 funding for white males and £75 000 for other groups, and this funding had targets attached to it.

Members were interested in the Greater Manchester Business Start Up Support Steering Group and asked whether a representative of the Committee could join the group or attend meetings. The Regeneration Coordinator told the Committee that she represented Manchester on the steering group, which had only recently been established, and would look into whether a Committee member could join or attend meetings.

The Committee expressed some disappointment with the report, particularly with the lack of detail in progress and little sense of impact or change that had taken place as a result of the recommendations. Some members wondered if the update report had been submitted too soon to show measurable progress. A member told the Committee that she was aware of a programme run by Bubble Enterprises on Enterprise Engagement, which was oversubscribed and fully funded by the Council. She felt that the report should have included more information on this programme and others like it across the city. The Regeneration Coordinator said that this was part of a marketing and engagement plan, which she offered to share with members.

The Committee concluded that the recommendations needed to be more specific, so agreed to ask Councillor Richards to meet with the Deputy Leader and the Assistant Chief Executive (Regeneration) to translate each of them into a SMART (specific, measurable, attainable, relevant, timely) target, where possible. The Committee agreed to request a report back on this, along with progress against the recommendations.

The Committee asked for the follow up report to include:

- Two year survival rates of the businesses set up through BSUS and a comparison with ISUS;
- Equality and diversity figures of the people who receive support, with a breakdown by ward;
- Examples of the provision that people receive;

- Case studies of businesses set up through BSUS;
- A better picture of the provision that is available across the city;
- Greater emphasis on the role of networking;
- The marketing and engagement plan;
- A glossary of terms used.

The Committee also agreed to invite people who had received support in starting their businesses to provide their views on the process and the provision.

### **Decision**

1. To request that the Regeneration Coordinator enquire whether a member of the Committee could join or attend the meetings of the Greater Manchester Business Start Up Support Steering Group.
2. For Councillor Richards to meet with the Deputy Leader and the Assistant Chief Executive (Regeneration) to translate each of the recommendations into a SMART (specific, measurable, attainable, relevant, timely) target, where possible.
3. To request a further report providing an update on how the recommendations have been translated into SMART targets, and an update of progress against those targets. For the report to also include the information requested in the meeting and to invite people who received support to start a business to the meeting.

### **ESC/12/28 Update on the Business Growth Hub**

The Committee considered a report of the Interim Head of Regeneration which provided an update on the Business Growth Hub since its launch in November 2011. The Committee welcomed Richard Jeffrey and Drew Thomas from Manchester Solutions to the meeting, who provided a presentation on the Business Growth Hub. Mr Jeffrey told the Committee about the background to the establishment of the Business Growth Hub, the purpose of the hub and who the hub worked with and supported. He talked about some of the key activities the hub carried out and the progress that had been made by the hub.

Members were keen to have more detail on the impact of the Business Growth Hub in Manchester, particularly how much growth had taken place as a result and how many jobs had been created. Mr Jeffrey explained that growth in the current market was difficult, although some businesses were performing extremely well. He said that this information was being captured through the evaluation framework, which he offered to share with the Committee.

The Committee discussed local business hiring local residents and recruiting apprentices. Mr Jeffrey agreed that it was a challenge to convince businesses of the need and benefit of hiring local people and apprentices. He said that many businesses lacked awareness of the range of opportunities and retained a perception that apprentices are only suitable for certain types of jobs or sectors. He said the

Business Growth Hub raised awareness of opportunities when they were available. The Deputy Leader said that the Skills and Employment Partnership was carrying out a piece of work to collect information on employment of local people and the skills needed in the local work force. She suggested that the Committee receive the detailed action plan when it had been developed.

A member asked why the number of referrals to Enworks for assistance with resource efficiency was low, given the need for businesses to reduce their carbon emissions. Mr Thomas said the current Enworks programme was coming to an end after ten years, so there were fewer referrals last year than usual. He said the aim was to secure more funding for 2013 to continue the programme. He offered to provide the Committee with the figures for referrals for the whole programme.

The Committee thanked Mr Jeffrey and Mr Thomas for attending the meeting and provide their perspective on the role of the Business Growth Hub.

**Decision:**

1. To request that Manchester Solutions provide the evaluation framework for the Business Growth Hub for Committee members.
2. To request that the Skills and Employment Partnership action plan is submitted to the Committee at an appropriate time.
3. To request that Manchester Solutions provide members with figures for the Enworks resource efficiency programme.

**ESC/12/29      Update on the Manchester Business Survey Group**

The Committee considered a report of the Interim head of Regeneration which provided an update on the Manchester Business Survey. The report gave an overview of the responses to the findings of the 2011 Manchester Business Survey and summarised the key findings of the 2012 survey.

A member noted there were a significant number of businesses which were not interested in recruiting apprentices. She asked if they had been asked why. The Regeneration Coordinator confirmed that, if the business provided contact details, they did follow up with them, as well as providing more information on the benefits of apprentices and inviting them to events promoting apprentices.

A member reminded the Committee of the work that the Centre for Local Economic Strategies (CLES) carried out into the Council's procurement practices. CLES investigated how much of the funds went through the suppliers back into the local economy. CLES found that the Council could have a huge impact on the local economy and the Council amended its procurement practices as a result to maximise the impact on the local economy. The member was keen that these lessons should be adopted by businesses across the city, as they would also benefit if more funds could be kept within the local economy. The Regeneration Coordinator agreed and said the Council was continuing to work with CLES and the Council's suppliers to encourage use of local suppliers. She cautioned that, although the Council was

promoting this, the suppliers could not be forced to adopt the practice.

A member said that he found that local businesses often found that Council services had shortcomings. He asked whether the Business Survey captured this and influenced how services were delivered. The Regeneration Coordinator said that the 2011 survey did include some information on this including how their views on the locality and awareness of local issues. She said that it was being monitored through other methods so it was no longer necessary to ask through the business survey.

A member said to the Committee that there was a disconnect between what the Council wanted employers to do and what employers felt was worthwhile. The report highlighted the example of the prevalence of hiring people through word of mouth, rather than through Jobcentre Plus or recruitment firms and websites. He said in his experience most people were employed through informal unrelated networks. He also said it was important for business to understand the value of being good employers, through paying reasonable wages and training and development of staff. The Regeneration Coordinator agreed and said there was a great deal of work taking place on the Greater Manchester level to encourage employers in this way.

The Committee agreed to add an item on to the work programme to look at corporate social responsibility (CSR) in more detail, to include:

- How businesses deliver CSR;
- Barriers to achieving effective CSR;
- Best practice;
- Focus on: apprenticeships, employing local people and paying a living wage.

The Committee agreed to request a further report on the detail of the 2012 Manchester Business Survey when the full breakdown of the results were available. The Committee asked for this to include:

- Detail on what kind of jobs are being created, whether they are full or part time, whether they pay the Manchester minimum wage;
- Information about the businesses, including how many people they employ;
- The action plan to address issues raised in the 2012 Manchester Business Survey.

The Committee asked for an explanation of the organisations working at a Greater Manchester level, and their role. Members felt that there were a very large number of organisations and it was difficult to understand their role in the structure and how they linked to each other and the Council.

**Decision:**

1. To request a further more detailed report on the results of the 2012 Manchester Business Survey when they are available.
2. To add an item on to the work programme on Corporate Social Responsibility, to address the concerns raised in the meeting.
3. To request that members be provided with an explanation of main organisations working at a Greater Manchester level, the structure and their

role in as simple as possible diagrammatic form.

## **ESC/12/25            Overview Report**

The Committee considered a report of the Governance and Scrutiny Support Unit which provided a summary of the key decisions due to be taken that are relevant to the Committee's remit, an update on actions taken as a result of the Committee's recommendations and the Committee's current work programme.

The Committee welcomed the Real Time Economy Dashboard that had been provided for information in the Overview Report. Members asked for a briefing on the dashboard to be provided for them, so they were able to fully comprehend the information contained in it.

A member noted that the membership of the Business Leadership Council had been provided, but expressed concerns that it did not appear to be very representative of the local community. The Committee agreed to write to the body responsible for appointing the membership of the Business Leadership Council to ask them to address this.

The Committee agreed to request that the report to be scheduled on the Manchester Adult Education Service is brought to a meeting as soon as is reasonable.

The Committee also asked to request that the report on the Christmas Economy is submitted to a meeting early in 2013, once the information required from Christmas 2012 is available.

### **Decision:**

1. To agree the work programme, subject to the amendments detailed above.
2. To request a briefing on the Real Time Economy Dashboard.
3. To write to the body responsible for appointing the membership of the Business Leadership Council to ask that they make efforts ensure the membership is representative of the local community.