

Report to:	EXECUTIVE CABINET
Date:	24 March 2016
Executive Member/ Reporting Officers:	Councillor Gerald P. Cooney – Executive Member (Healthy and Working) Damien Bourke, Assistant Executive Director – Development, Growth and Investment
Subject:	TAMESIDE BUSINESS SURVEY 2015
Report Summary:	This report presents the findings of the Tameside Business Survey 2015 and supporting proposed actions.
Recommendations:	Members are asked to note: <ul style="list-style-type: none"> (i) Note the findings from the review set out in this report and detailed in Appendix A – Full Survey Report and Appendix B – Survey Findings Action Plan Overview; (ii) Agree their support of the proposed areas for action; (iii) Add anything else they feel pertinent in the context of this; (iv) Note this will be reviewed annually.
Links to Community Strategy:	The review would contribute to the Community Strategy Prosperous Tameside aim.
Policy Implications:	The findings of this survey provide a useful snapshot of business views on the current trading environment and challenges faced by businesses in supporting growth. This survey provides a recent and useful evidence base for the wider Development, Growth and Investment Service Area agenda and will help to inform local strategies and actions, to ensure Tameside businesses are supported. This will assist with cross cutting economic development efforts, to inform policy on strategic infrastructure, planning, and investment, to help align skills provision with economic demand and to provide a firm footing for Tameside to best position itself in conversations and decision making, to set Greater Manchester wide priorities.
Financial Implications: (Authorised by Section 151 Officer)	<p>The report identifies a number ways in which the Council, in particular the Development Growth and Investment Service can work with and support Tameside businesses. Any costs arising as a result of this must be funded from within the funding envelope for Development, Growth and Investment.</p> <p>Consideration should be given to how the Development, Growth and Investment Service can work with the Corporate Procurement Team to provide further support to local businesses who wish to tender for work at the Council and across other AGMA authorities.</p> <p>It is important for the Council to retain and grow businesses within the borough as this assists with the generation of income from Business Rates.</p>
Legal Implications: (Authorised by Borough Solicitor)	We need to use the survey to inform the action that the Council and/or its partners need to take to improve productivity and success of local businesses and these to be clearly articulated

with times scales and performance managed.

Risk Management :

The last Tameside Business Survey was under taken in 2012. Failure to have a good understanding of the Borough's business community in terms of performance, skills requirements, growth ambitions and challenges could mean we do not focus limited/reducing Council resources and efforts in the right areas.

Access to Information :

The background papers relating to this report can be inspected by contacting Emma Hussain, Project Manager, Employment and Skills or Matthew Kershaw, Economic Development Officer, Strategic Infrastructure.



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1.0 SCOPE AND METHODOLOGY

- 1.1 The purpose of this business survey was to obtain a current evidence base and understanding of key challenges and issues facing businesses in the borough in order to inform key Council thinking and activity within the Development, Growth and Investment Directorate Service.
- 1.2 This report provides the findings from a business telephone survey undertaken by MEL Research on behalf of Tameside Council. The Council provided a database of businesses to be surveyed which included 3,168 contact telephone numbers.
- 1.3 A questionnaire was developed and scripted to support a Computer Aided Telephone Interview (CATI) survey. Telephone interviews were undertaken with the business owner, Director or other senior manager, with no more than one interview undertaken per business. A total of 503 interviews were conducted between 21 October and 15 November 2015.
- 1.4 The survey had a good response rate of 16% from the whole business community.

2.0 KEY FINDINGS AND ACTIONS ARISING FROM THE SURVEY

- 2.1 This survey asked businesses to share their views on several key themes for which the Council will develop actions to support findings. The key themes can be grouped in the following way:
 - 2.2 Tameside as a place to do business – section 3.0
 - 2.3 Business growth support – section 4.0
 - 2.4 Skills and recruitment – section 5.0
 - 2.5 Corporate social responsibility – section 6.0
- 2.6 It is important to note that in some cases, action is already underway. The following sets out what businesses told the Council about these key areas, and what the Council can try to do to address them.
- 2.7 For the further details please see **Appendix A** – Full Survey Report and **Appendix B** – Survey Action Plan.

3.0 TAMESIDE AS A PLACE TO DO BUSINESS

Findings from the survey

- 3.1 The majority of our businesses are located in Tameside because the owners are Tameside residents or because they have been historically based in the borough. Although a notable proportion of businesses indicated that they were located in the borough because of the good transport network. Larger companies also mentioned proximity to customers as a reason for being located here. However, it is not clear whether this is in the context of Greater Manchester or Tameside specifically, this is open to interpretation.
- 3.2 A third of businesses who indicated that they are considering relocating in the next 12 to 18 months are also considering moving outside of Tameside. The primary reason given for considering relocation is that the current premises are no longer large enough to support business operations.

- 3.3 Broadly speaking there was a fairly positive response in terms of satisfaction when asked about local infrastructure in supporting businesses. The highest satisfaction rates were for the motorway network followed by broadband speed/connection. This confirms our own officer knowledge and understanding of Tameside's geographical position. The metrolink and the roads within the Borough received the lowest satisfaction rating. This, again, confirms officer knowledge and qualitative evidence.

Actions arising from the survey

- 3.4 The Council is keen to ensure that businesses want to remain in Tameside. The Council wants to ensure those businesses who are struggling to locate suitable premises receive support in their search. The Council will increase promotion of the Development, Growth and Investment service as a source of local knowledge regarding available options, whether a company wishes to purchase, lease or develop their own premises, this includes access to a property search database. Those businesses who wish to leave the borough, and who are identifiable through the survey, will be contacted to ensure that anything that can be done to retain them is done, be that identification of suitable property, access to applicable rates reliefs or other support activity.

4.0 BUSINESS GROWTH SUPPORT

Findings from the survey

- 4.1 Over the last 12 to 18 months, the business trading environment appears to have been mostly positive. The majority of businesses indicated they had a perception of an 'increase' or 'remained the same' sales turnover, profitability and workforce/staffing levels. Broadly speaking, this is similar to the Greater Manchester Business Survey 2014. Where a decrease has been noted, this tends to be for more micro sized businesses. Incidentally, food and accommodation businesses were twice as likely to report a decline in sales turnover and profitability.
- 4.2 In terms of growth and investment plans, a low level, less than half of businesses, stated they have plans to grow their business (formal or informal). As expected, more larger businesses tended to have formal written plans. Interestingly though, the majority indicated an intention to invest in capital equipment, and/or their premises, and/or research and development and/or to relocate to support growth, this is higher than expected.
- 4.3 There was a diverse range of barriers to growth identified by businesses, some of which are not directly within the Council's control or influence, for example competition within the domestic markets or a weak UK economy. Other matters, such as access to finance and skills issues, and even Council services such as planning are within the realms of our consideration, support and advice.
- 4.4 Encouragingly nearly half of businesses indicated that they were interested in one or more potential advice or support services, particularly our SME and younger businesses. The type of service or support identified as a need appears to depend largely on the size and age of the business. The detailed survey results provide us with useful insight into this, supporting targeted work to meet this need.
- 4.5 The survey has identified a lower level awareness of many of the main business support services in Greater Manchester, with the UK Trade and Investment, The Business Growth Hub and the Growth Accelerator faring poorly in terms of awareness. This is confirmed by the fact that a quarter of businesses told us that they had experienced difficulties in seeking support and advice in the last 12-18 months. This is an issue that arises more so for businesses that have been trading for 3 years or less. Encouragingly, over half of businesses reported that they had heard of Tameside Council's two youth employment and employer apprentice grant support schemes.

- 4.6 Whilst a number of businesses see growth for their business in the overseas market, only a relatively small number said they intend to export if not doing so already. The benefits of exporting to businesses are now well understood, however the support available to businesses seems to not be as well appreciated. The survey, however, provides us with a targeted approach for those that are interested in exporting, whilst showing we need to work harder to convince those that are not.

Actions arising from the survey

- 4.7 It is clear that there is an opportunity to enhance communication with the business community. There are two key strands of action here; direct contact with those businesses engaged via the survey who want further information; and more generally a review of where / how the Council is promoting support, and it needs to be considered whether these are the in right places and via the right means. It is important that we fully utilise the Council's communications mechanisms as well as Tameside Live Work Invest website (which is currently undergoing some development work). Further, the Council will continue to work with partners to promote business support services.
- 4.8 Whilst several of the barriers to growth identified by respondents are beyond the control of the Council, the Council will make every effort to ensure that those companies who are struggling with an issue, can be addressed by one of our services, or one of those provided by a business support partner. This can be facilitated by the Employment and Skills and Enterprise teams.
- 4.9 In terms of growing exports, there are several programs available through United Kingdom Trade & Industry (UKTI), and Greater Manchester Chamber of Commerce, aimed at helping businesses who wish to explore exporting for the first time, and for those who are already exporting but would like help in expanding into new markets. As part of the Council's ongoing work to promote take up of support by Tameside businesses, we will continue to work with UKTI and the Chamber to spread awareness of these services and encourage take up of grants.
- 4.10 The Employment and Skills team will continue to increase promotion and awareness of these the Job Pledge initiatives to further increase awareness and reach.

5.0 SKILLS AND RECRUITMENT

Findings from the survey

- 5.1 As expected, the survey has identified a perceived lack of skills as an issue for the borough's businesses. However, there are still a large proportion of businesses who do not believe any type of skills deficit exists; this is contrary to our local officer knowledge and quantitative evidence. This mismatch between businesses' understanding and the identification of a 'skills deficit' as a skills related issue only emerged when they were asked about specific workforce and / or recruitment challenges.
- 5.2 Although a wide spread skills deficit was identified, a lack of IT skills represents the largest skills gap for businesses in addition to lack of management skills. Likewise skills were identified as one of the top barriers to growth. Findings suggest it is our SMEs that are disproportionately experiencing skills gaps and their impact.
- 5.3 In particular businesses planning further recruitment felt that they anticipated a skills deficit and job specific skills and technical skills ranked top of their concerns.

Actions arising from the survey

- 5.4 Consideration of more tangible terminology will be considered when communicating with the business community about the skills agenda.

- 5.5 There is an opportunity to undertake some targeted engagement with SMEs, particularly those that have identified skills as a barrier to growth, and also more generally around understanding the value of skills reviews and how to recognise skills gaps. The Council also need to equip businesses with the knowledge to know where to go for support to address these deficits. There is also an opportunity for the Employment and Skills Team to work with learning and training providers to ensure alignment of provision to local needs.
- 5.6 A persistent issue with hard to fill managerial and technical vacancies perhaps provides an opportunity to work with businesses to train and upskill existing their existing workforce, as well as ensuring young people's training is aligned to meeting future business needs.
- 5.7 Through Prosperous Board's newly established sector collaboration networks we will work with the business community to address some of these skills and workforce challenges and utilise GM and ESF programmes which support skills in business.

6.0 CORPORATE SOCIAL RESPONSIBILITY (CSR)

Findings from the survey

- 6.1 As well as a broader understanding of our business base, this survey has also given the Council a better understanding of where those businesses are giving something back to the borough, through a variety of corporate social responsibility activities. It is encouraging to see that the vast majority of businesses surveyed are indeed currently engaged in such activity. As the Council increases engagement with businesses in the borough, it could potentially harness this knowledge of what businesses are interested in, or already doing, to help it work with them to address the broader issues in the borough. For example, business indicated broad support for the living wage and charity support.
- 6.2 What is encouraging is that many small businesses claimed they either currently offered or would consider offering formal apprenticeships; although fewer businesses did indicate they currently offer managerial and technical apprenticeships.

Actions arising from the survey

- 6.3 The Council will work with businesses to encourage them to further engage in CSR through employment initiatives and collaboration initiatives such as '*Match Made in Tameside*', as well as providing Careers Education Information Advice Guidance opportunities locally.
- 6.4 Tameside's Apprenticeship Strategy, led by Tameside's Apprenticeship Stakeholder Group, will provide an opportunity to further drive engagement with interested businesses, to increase Apprenticeship take up as well as encouraging businesses to consider managerial and technical apprenticeships, as a long term means of addressing these skills gaps.

7.0 NEXT STEPS

- 7.1 Partners and stakeholders will be engaged as necessary to support the Development Growth and Investment Service in addressing issues arising from the survey findings.
- 7.2 A focused and concise action plan will be developed, to include, but not limited to those actions and activities outlined above.

8.0 RECOMMENDATIONS

- 8.1 As set out on the front of the report.