

Councils supporting Local Businesses

Purpose of report

For discussion.

Summary

This paper accompanies a presentation by Paul Woodcock, Director of Planning and Regeneration at Rotherham MBC and Peter Harman, Chief Executive of UK Business Incubation (UKBI). It provides background on the work of UKBI.

The presentation will outline to members the steps that Rotherham MBC have undertaken with partners to support the development of new businesses in their area.

Recommendation(s)

- That members note the report and accompanying presentation, and discuss the issues raised.

Action

- Subject to members' comments, officers to take forward any suggested actions.

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Councils supporting local businesses

Background

1. Paul Woodcock, Director of Planning and Regeneration at Rotherham MBC and Peter Harman, Chief Executive of UK Business Incubation (UKBI). It provides background on the work of UKBI.
2. The presentation will outline to members the steps that Rotherham MBC have undertaken with partners to support the development of new businesses in their area.

UK Business Incubation

3. UKBI is a not for profit business that was formed with the active support of the Treasury and the Department for Business Innovation and Skills. It encourages the use and development of business incubation processes and has worked on behalf of the UK Government, the EU and the World Bank.
4. Business Incubation is concerned with encouraging start-ups and the acceleration of small knowledge-based (often technology focused) companies. Approaches to business incubation include helping companies access finance, supporting mentoring and peer group learning and interaction, and offering access to shared administration and workspace.
5. In the last 12 years UKBI has, through its membership and with support from regional and national government, developed an accreditation process to support high quality business incubation programmes.

The role of local authorities

6. There are currently around 300 business incubation programmes in the UK, assisting around 12,000 clients at any one time. These programmes, or 'environments' generally operate as not for profit enterprises and many retain established small and medium sized businesses as 'anchor tenants'. 81% of business incubation environments were set up using public funding; this was limited to capital funding in over half the cases.
7. Many of the UK's business incubation success stories stem from local authority engagement, or have local authorities as a key partner. Through their asset

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management strategy, councils can opt to make assets and buildings available to business, for example as managed workspace. By supporting businesses to grow in this manner, greater value is added to council assets and the local economy can benefit from new jobs and training opportunities.

8. UKBI want to raise awareness amongst councils and their partners of the role of business incubation in growing local economies. This is especially important in those areas where the public sector provides the majority of jobs, and where the need to increase private sector employment to counteract public spending cuts is acute.
9. The development of local enterprise partnerships, which will be discussed at Item 2, is also of importance, given the previous role of regional and central government in funding business incubation.

Financial Implications

10. None for the LGA arising from this report. The move from RDAs to Local Enterprise Partnerships will impact on council support for local businesses.