

## **Minutes CWLEP SME Supergroup meeting 18<sup>th</sup> January 2017**

### **Attendees**

Sean Farnell	SF	CWLEP, FSB, Chamber, Burgis & Bullock
Hannah Alexander	HA	Lloyds Bank
Linsey Luke	LL	Federation of Small Businesses
David Kelham	DK	Excelerate Resources
Andy Williams	AW	CWLEP
Sarah Windrum	SW	CWLEP, Emerald Group
Phil Peak	PP	Coventry & Warwickshire Growth Hub
Janette Pallas	JP	University of Warwick Science Park
Richard Marchington	RM	Apex Recruitment
Graham Simpson	AS	CWRT
Louise Bennett	LB	Coventry & Warwickshire Chamber of Commerce
Roger Douthwaite	RD	CWLEP
David Hope	DH	Coventry City Council
Amanda Bourne	AB	Find A Biz/ Secretary of Nuneaton Town alliance

### **Apologies**

Roger Scott	Lloyds Banking
Stephanie Kerr	BID Leamington

<b><u>INTRODUCTION</u></b>	
SF welcomed the members to the second SME Supergroup meeting. Apologies were sent by Stephanie Kerr and Roger Scott.	
<b><u>TOWN CENTRE PROGRAMMES</u></b>	
<p>It was presented that the pilot scheme with retail champions has been kicked off to assist retail businesses in creating their own footfall. Training dates and programmes have been scheduled for 9 towns, among which are Nuneaton and Shipston. 5 out of 9 towns went up → Figures to be distributed.</p> <p>Business Support organisations/Members of the SME working group have thus far not been actively involved in this. Warwickshire County Council held conversations in summer with Growth Hub however has conducted this programme individually. This was not an ERDF funded programme. The group discussed that the information of future projects will need to involve partners, so this can be disseminated and retailers can be targeted. Project Manager should be informed and asked for outcomes so this can be reported back to the group. Cooperation with the organisers and other supporters could maximise the potential benefit and also would give opportunity to signpost people to the right support. Success stories to help retailers that they can have more impact and justify potentially investing money themselves. Worth for towns to show other towns what works and what doesn't work</p> <p>Also involvement of the BIDs would offer a more joined up approach and could help businesses.</p> <p>However the main part of the group agreed that this does not provide the single solution to the problem.</p> <p>Feasibility study completed by Nuneaton BiD and conclusions ready to be confirmed in February. CWLEP committed a third to Town Centre feasibility studies, thanks offered to LEP.</p> <p>It was noted that this issue should be taken to the CWLEP board → Turn eye to town centres → Districts would welcome that thought is given to town centres</p>	<p><b>AP1:</b> PP to liaise with WCC Town Centre Programme/updates. Involvement of the BIDs</p> <p><b>AP2:</b> PP share figures on town centre programme</p> <p><b>AP3:</b> AB to share feasibility study with the group</p> <p><b>AP4:</b> Consider representation of retailer concerns at LEP board.</p> <p><b>AP5:</b> Continued feedback from retailers, update on pilot case study from Stephanie Kerr at next meeting</p>
<b><u>BUSINESS COMMUNITY FEEDBACK</u></b>	
<p>Feedback has shown that land, premises and space is still an obstacle to growth as also confirmed by FSB. Further, Brexit is an ongoing concern → Need to start giving thought on how locality and economy are affected, and also the impact on specific sectors → Potential presentation to board.</p> <p>Information will need to be kept as compact as possible. Ambition is to show the impact of work with government working towards making businesses as competitive as possible</p>	<p><b>AP6:</b> Business feedback from Brexit to feed into LEP Board concerns.</p> <p><b>AP7:</b> LL to speak to Chris White, potentially contact</p>

<p>This should feed in to Planning and Housing Business Group (PHBG)          → Land availability made for the likes of JLR → Problem bigger for SMEs who don't have the same political access.</p> <p>One concern was that residential housing is the issue that is getting headlines and there is a failure to see anything other than building homes is apparent. However the land availability issue is that with the creation of new jobs there will need to be places to live. Still a lack on housing division. It is easy to put small business units in the new housing developments but examples such as a new work live space in Southam has trouble to get housing sold.</p> <p>It was mentioned that Green belt forms workspace for rural SMEs, however might not be suitable for a large percentage of SMEs. Politically more needs to be done to fulfil diverse needs. One example is the Innovation centre – spaces are full because they cannot find anywhere else.</p> <p>Large SMEs that could invest need incentives. The jump from innovation centre to office is massive to small businesses. Needs support/advice/legal/ finance (alongside Growth Hub) and requires often a long term commitment (often about 5 years) which causes a barrier to SMEs. E.g. Sutton Coldfield: precedence for development of SMEs. Further whereas more industrial space is needed, people will not necessarily want it next to their homes.</p> <p>Relating to HS2, the team at County Council are working on residence. Looking at physicality of HS2 it has an enormous effect on the region (think 20 tollbars). The great disruption/impact on the region along the way needs to be managed. Started working with HS2 to pin down what the implications are for the region. Also as mentioned, the supply chain will be lagging behind.</p> <p>Work of LEP with businesses → How manage to let them know what will happen? Goes beyond current PR work</p> <p>Further it was proposed that disruption as a chance to put residential buildings near construction sites and also foster other positive projects to emphasise a long-term gain.</p> <p>It was ensured to the group that public infrastructures are being looked at and examples across the sub-region to be considered and to find a positive way to get the message out and manage the disruption          → C&amp;W will be one of the areas most affected by HS2 construction.</p> <p>Different perspective for Birmingham and Black Country as their areas will only partly be affected whereas the rail line will run straight through C&amp;W          → Conversations of the LEP with HS2 and senior people is needed to discuss impact.</p> <p>→ Issues will be raised in this context (Jonathan Browning and Paul Kehoe) to pick up the SME angle to ensure they have a voice          → Opportunity with HS2 needs to be recognised whereas knock on effects on businesses need to be managed          → Collectively, SMEs can be powerful, need to collect proof that building works disrupt SMEs</p>	<p>other MPs to discuss options/input to tackling disruption, collect senior voices to back up SMEs that are affected by HS2 construction</p> <p><b>AP8:</b> SF to coordinate exchange with PHBG re land supply for SMEs and understand how lease commitments can be adapted.</p> <p><b>AP9:</b> PP to coordinate feedback from businesses regarding HS2 and impact/disruption to business community</p> <p><b>AP10:</b> AW to request time slot at next CWLEP meeting on 20<sup>th</sup> March</p>
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<p>→ PP,LL, LB, AW to put heads together to form statement</p> <p>Group agreed that there is a need to be proactive now before spades go to the ground and make businesses aware of the impact and understand the effect on wider business communities – building of barriers to businesses and infrastructures</p> <p>The County has contacted every house and business some years ago but the problem is they do not know when the land will be needed. Could be 2019 or 2020, disruption is said to be tackled by direct compensation</p> <p>→ It is key to involve local politicians to get the message out about impact and how we can take it as opportunity to put a positive spin on it. LL will speak with Chris White (MP for Warwick &amp; Leamington) about this → AW will request for LEP board in March for time to discuss future opportunities and build a framework, take it to the WMCA</p>	
<p><b><u>SUPPLY CHAIN CHALLENGE</u></b></p>	
<p>FSB is doing work to access funding for supply chain. Problem with LEP investment of millions in projects: Most time providers are based in other cities/region and get money spent with them. Only when project completed impact is shown on area. Formal talks and involvement of SMEs, receptive to that to get an idea of locality If principle is approved then PP, AW, LB and LL can present it to Board</p> <p>Same principle of HS2 → We can help get the right supply chain in place Take it to LEP board, show how they can use local suppliers to fulfil this. Evaluate projects against, measure impact on business → Impact needs to be shown before work begins, not just after</p> <p>Proposals → Use of databases to show what SMEs can contribute and get information out. → funding contracts need to show that the contractors need to use a certain number of SMEs and a number of Social enterprises and procurement needs to be overseen</p> <p>C&amp;W is not necessarily Tier 1, more Tier 2 and 3. Where could they fit in the supply chain? Should be big part of HS2. Without the engagement of the smaller tiers the project cannot be delivered. Skills and capacity needed through working with SMEs. Who takes the opportunities to them? SMEs need support to get their business ready for this.</p> <p>→ Measure needs to be put in place through supporting businesses with cash flow issues and through B2B. →HS2 environment is procurement only. Support is not provided through them but Growth Hub will provide support. Procurement mechanisms are</p>	<p><b>AP11:</b> SW and LL to speak to Warwick District to evaluate how they use SME Feedback re HS2 → to feed into AP7 and AP9</p>

<p>set but how to get there needs to be defined</p> <p>Easy gain for CWLEP's framework. Visual representation of best practice would be good. Best practice exchange to get narrative straight. Raising profile is key. LEP contract shows best practice/measures to SMEs It was proposed to speak to Warwick to evaluate how they use SME feedback. The ambition is to achieve maximum local benefit.</p>	
<p><b><u>UPDATE ON FINANCE/ACCOUNTING SUPPORT</u></b></p>	
<p>CWRT lend money to businesses if banks cannot lend. Scale of start-up lending is higher from last year. Positive sign that local smaller SME levels have activities. Still money to lend for businesses looking for financial support for financial activities Pre starts and Start ups get specialist advice. CWRT are doing this as part of their loan services. Can be better promoted that CWRT can give advice in this respect. Loan can be given but financial tracking needs to be provided.</p> <p>John Webster (volunteering for CWRT), applications and financial projections: cash flow management is a struggle. Can CWRT support businesses in this area? → Currently business and financial planning is not up to scratch, Micros cannot afford financial support. Also a lot are not inclined to understand that it is a core part to business gains → No substitute to someone understanding the physical flow of money</p> <p>Current support is reactive service. Majority is prestart/start-up businesses. Growth Hub is developing proactive support with Coventry &amp; Warwickshire start-up data received from banks targeting specifically those start ups with growth potential. Engage and push out to fulfil potential (proactive service). Ones with potential are slipping through the net because of limitations of manager. Chamber supports in terms of finances.</p> <p>Private sector partners offer clinics with small number of companies taking this up</p> <p>Digital and Creative area: CWRT able to provide support mechanism Business Ready technology specialism, C&amp;W business support programmes looking to pull together half day programmes, pulling together resources. Support to help people understand cash flow/business plan. Need to take those skills with them. Idea is to give people the knowledge of what they need to do to follow up the session</p> <p>Wealth of ERDF funded Business support programmes. Needs to be a good link, follow through to get ready for businesses to fund themselves</p>	<p><b>AP12:</b> GS to look at Clinics with Private partners to support SMEs/start-ups with financial planning</p>

<p>or use private sector. Link needs to be built.</p> <p>Lloyds have increased demand and are assigning £30 mio. In to C&amp;W businesses. Banks were previously not able to support clients but now obliged to offer client opportunity to talk to external partners, if fund falls through.</p> <p>Number of Referrals from Bank is not high, needs to happen that referrals are linked to business support in Growth Hub where they can be referred to CWRT but also further support programmes.</p> <p>It is not always about money but will need support in various areas. Important to link to Growth Hub to show support mechanisms to help them understand what money needs to be involved.</p> <p>By giving access to support, banks may be able to support client in future after support. Huge investment for Lloyds that they want to get deeper into client support</p> <p>Government statistics revealed that 1.9% of start up businesses get to a 3 mio. turnover within a year. We look to increase that.</p> <p>Once we start talking to businesses it is shown that they are initially “embarrassed” to ask for help/ support seen as a sign that the business is not doing well.</p> <p>Grants have shown greater value, with tracking of impact conditional on awards. Follow up can show what business introduced as result and longer term impact on business. Also it shows impact on the economy. Grants applications should really consider impact on region, grant applications that demonstrate use of local suppliers where possible should be supported</p> <p>→Support is not yet conditional to regional impact, should be a priority</p>	
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**APPRENTICESHIP SCHEMES**

Majority of businesses are still looking to invest and expand. Small businesses has a positive outlook of small businesses on surveys. Survey to be resent following apprenticeship levy announcements.

C&W shows similar outlook indicators as West Midlands. Announcements were clearly made, need to show businesses to get on with business as usual. E.g. Warwickshire College is doing some employer engagement events.

→ UCAS applications (September intake) show the lowest amount of applications for university. Unconditional offers from university, admission, opportunity for degree-level apprenticeships. No effects on Chamber Training, 800 apprenticeships this year. 200 vacancies so trying to get young people to come

Could change with UCAS applications going down. Teachers are not aware of business world

Good schools in the area offer apprenticeships now.

**MIDLANDS ENGINE INVESTMENT FUND**

CWLEP put £3 million funding allocation in the pot. Have appointed Relationship Manager for the West Midlands. Simon Cunnington will be doing an information session with each LEP, key intermediaries to establish how BBB can work together with them to build a pipeline with the partners

Simon joined BBB from N'Hamshire County Council and is working on joining up business support and access to finance together with the local stakeholders.

→ SOB meets monthly to provide advice and guidance to the bank /Setting up regional advisors board. Regional LEP has been asked to nominate a rep

→ Follows open procurement process

→ Mini competition between Lots, to present to SOB. (deciding targets) (see presentation for details on Lots.)

→ Brings at least the amount of ERDF funding into the area

→ Pipeline is important, trying to get £3 mio invested into our businesses, so at least the amount invested by the CWLEP.

→ **Predicted launch is 7<sup>th</sup> April.**

→ Setting meetings initially with LEP and Growth Hubs. Separate meetings to discuss how pipeline can work. Focus is on coordinating investment and advice.

Metrics to be businesses supported and jobs created. Business Assist = Loans offered. Some businesses will not get loans but up to 12 hrs support. ERDF funding only tends to look at outputs. MEIF scope to increase turnover and jobs.

→ Programme needs to fit it together with businesses' needs.

How will be delivered?

→ Opportunities and links need to be established through local support. Coordination is key.

Working with LEPs to identify what is missing. Left to managers and commercial decision

→ Understanding technicalities of assists. Separate discussions. May be able to leave creation of jobs to those businesses wanting to create. Enough jobs to create ERDF outputs. Not every SME is under pressure.

→ joint smallest allocation. SOB will decide how much funding is allocated on each Lot

→ Region needs to liaise with Fund Managers. Joined up assist time needed

→ Support landscape in C&W is advanced and should facilitate this allocation and fit this opportunity into what other support is available

→ BBB is allowed to draw overheads and profit

→ Lots are bidding in order to get their reward, hope that investment generates more money over the course of time and jobs in the long term

→ MEIF to be further discussed in the next SME group meeting

## **ACTION POINTS**

- AP1:** PP to liaise with WCC Town Centre Programme/updates. Involvement of the BIDs
- AP2:** PP share figures on town centre programme
- AP3:** AB to share feasibility study with the group
- AP4:** Consider representation of retailer concerns at LEP board.
- AP5:** Continued feedback from retailers, update on pilot case study from Stephanie Kerr at next meeting
- AP6:** Business feedback from Brexit to feed into LEP Board concerns.
- AP7:** LL to speak to Chris White, potentially contact other MPs to discuss options/input to tackling disruption, collect senior voices to back up SMEs that are affected by HS2 construction
- AP8:** SF to coordinate exchange with PHBG re land supply for SMEs and understand how lease commitments can be adapted.
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- AP10:** AW to request time slot at next CWLEP meeting on 20<sup>th</sup> March AW to coordinate feedback from businesses regarding HS2 and impact/disruption to business community w/ LB, LL and PP, request time slot at next CWLEP meeting on 20<sup>th</sup> March
- AP11:** SW and LL to speak to Warwick District to evaluate how they use SME Feedback re HS2 → to feed into AP7 and AP9
- AP12:** GS to look at Clinics with private partners to support SMEs/start ups with financial planning
- AP13:** DH to discuss Midlands Engine Fund at next SME group meeting.

## **NEXT MEETINGS**

Wednesday, 1st March 2017

Wednesday, 26th April 2017

Wednesday, 28th June 2017

Wednesday, 20th September 2017

Wednesday, 15th November 2017