

Subject:	Greater Brighton Business Survey – Stage 1 Report		
Date of Meeting:	26 March 2019		
Report of:	Chair, Greater Brighton Officer Programme Board		
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Ward(s) affected:	All		

FOR GENERAL RELEASE**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 On 17 April 2018, the Greater Brighton Economic Board “the Board” approved the Operational Arrangements for 2018/19. Within the budget the Board committed £50,000 to supporting an inward investment and trade offer to business, and officers on the Greater Brighton Officer Programme Board (GBOPB) were tasked with developing a project or projects where this can add value to the inward investment and trade proposition.
- 2 The activity that was considered to have most value in supporting the proposition was to conduct a city region business survey. Greater Brighton has not yet approached businesses directly to determine their business needs opportunities and challenges. This report updates the Board on the progress of the survey and outlines the next steps

2. RECOMMENDATIONS:

- 2.1 That the Board notes the contents of the report
- 2.2 That the Board agrees to proceed to stage 2 of the project which is the main business survey.
- 2.3 That the Board promotes business engagement in the survey.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 On the 25 April 2017 the Board approved the recommended work plan for 2017/18. A key work stream for 2017/18 was the development of a Greater Brighton Inward Investment & Export Strategy
- 3.2 Regeneris were appointed as the consultancy that would develop the strategy, and on 17 April 2018 the Inward Investment & Export Strategy was presented to the Board for approval.
- 3.3 Regeneris made two key recommendations for the Board’s consideration;

- i. Creation of a new Trade and Investment Team, subject to funding being identified, focusing on attracting new investment to Greater Brighton, and on supporting City Region Businesses to grow and trade internationally
 - ii. Delivery of a physical and high-profile hub for Greater Brighton trade and inward investment activities, with potential 'satellite' hubs across the City Region.
- 3.3 Based on case studies of other city region Investment & Trade Teams (Invest Manchester, Thames Valley UK, Invest Bristol & Bath), and adjusted for population size, Regeneris suggested that a team of 6 FTE was required to deliver a similar level of service and set of outcomes for Greater Brighton. Clearly there is a significant resourcing and cost requirement to establish a team of 6 staff – indicative costs would be circa £2m over five years which would include staffing costs and out-of-pocket costs for marketing, running events, hosting delegations and visitors etc.
- 3.4 At the April 2018 meeting, the Board approved the suggested next step, which was for officers to commence work on preparing a detailed working proposal around how to take forward the two key recommendations above. Part of that was to look at funding the Inward Investment & Trade Team, and at that time there were several possible funding opportunities worth exploring. One of these was to the Coastal Communities Fund (CCF) and a bid was submitted in the spring of 2018. The CCF call was oversubscribed, receiving 285 bids worth £246 million against an available budget of £40 million. The Inward Investment & Trade team proposal was not successful so options around funding the team are still being explored.
- 3.5 There was acknowledgement from the Board that for investment and trade activity to have maximum benefit there needed to be a thorough understanding of the business base. However, at that time there was very limited availability of primary research data to draw upon. The Board had been operating for around four years, and business representatives on the Board play an important role in reflecting the needs and concerns of business to inform the Board's priorities. But the Board had not gone directly to the wider business community to gather primary feedback on the issues, challenges and opportunities facing businesses across the City Region. It's this kind of intelligence that would really help shape the offer of invest and trade activity and ensure that any resource established to perform this work delivers the most relevant support to current and future businesses operating in the City Region.
- 3.6 The timing of conducting a business survey seemed sensible as the local and national context is going through a period of rapid change; In November 2017 Government published its Industrial Strategy White paper; "Building a Britain fit for the future" which followed the Green Paper earlier in the year. The White Paper sets out the Government's plan to "create an economy that boosts productivity and earning power throughout the UK." There is an understanding from Government that there needs to be a place-based approach to deliver the Industrial Strategy successfully. Work will commence imminently on developing a Local Industrial Strategy for the Coast-to-Capital region, and this work will

reflect Gatwick 360o, Coast-to-Capital's new Strategic Economic Plan (SEP) for 2018-30, that was published in July 2018.

3.7 In addition, the ongoing uncertainty around the UK's upcoming departure from the European Union will be a challenge for some businesses trading with the EU, whether that is exporting goods or services or importing raw materials and other inputs. The Business Survey will look to draw out what challenges and opportunities business are encountering with regards Brexit, and what support they may need to maximise opportunities and respond to challenges.

3.8 The key objective of a Business Survey will be to gather primary data that can be used in the following ways;

- To identify and work with those already trading overseas and support them in trading more widely
- To identify businesses who may be interested in export but have no experience
- To provide a potential pipeline of businesses for the business support programmes e.g. access to the business grant scheme, leadership & management, monetisation of innovation
- It will inform development of projects associated with the Board's Five Year Strategic Priorities (e.g. what common issues emerge from the research that the board could seek to address?)
- To identify businesses who are potentially at risk and may need help
- To identify businesses who are doing well and should be celebrated
- To identify levels of business engagement with support services.

3.9 The main benefits resulting from conducting the Business Survey Include;

- A greater understanding of the current challenges and opportunities facing our businesses.
- An understanding of how our businesses are likely to be affected by Brexit, and what mitigations can be put in place
- Improved understanding of our key export markets
- The information will allow us to develop the most effective support and interventions to assist our businesses
- It will provide invaluable primary data when preparing bids or making a case to government for investment e.g. in framing some of the asks around a Local Industrial Strategy
- It will ensure that any dedicated resource allocated to inward investment and trade, will be able to get up and operating more quickly and effectively.

3.10 In October 2018, a sub-group from the GBOPB was established to act as the steering group for the Business Survey project, and initial tasks included agreeing the scope of the project, signing off of the project mandate and preparing the invitation to tender (ITT) documents. The ITT documents were published in early November and following a shortlisting and interview process, BMG Research in partnership with the Institute of Employment Studies (IES) were awarded the contract. The project effectively went live following an inception meeting on 10 December 2018.

3.11 The project has been split into two stages:

Stage 1 – Desk Research

IES will undertake a desk top exercise to review available data and information held by GBEB Board members.

As part of this stage there would also be a number of direct interviews with GBEB partners and key City Region stakeholders to understand the current business support offering, gather their reflections on some of the challenges and opportunities facing businesses

The information gathered will form a report which will be presented to the Board and will also be used to help inform the questionnaire design.

Stage 2 – Business Survey

BMG Research will carry out a business survey that will gain responses from at least 1,500 City Region businesses. The sample will be a representative sampling of the total Greater Brighton business population, in terms of business size, sector and geography.

Stage 1 of the project started soon after project inception and the report at the appendix draws together the main themes and findings from this phase. Stage 2, the main Business Survey, will start shortly and is due to complete towards the end of May. The final report will be presented to the Board at the meeting on 16 July.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

The first option for taking forward the Inward Investment and Trade Team recommendations are to seek a suitable resource with which to fund it. Currently there are no live funding calls that can be applied to, however as this a key priority within the GBEB 5 year plan a proposal will come forward to the July Board meeting seeking funds for a new dedicated post and part-time support officer to help kick start the work.

5. COMMUNITY ENGAGEMENT & CONSULTATION

5.1 A number of GBEB Partners and wider City Region stakeholders have been able to provide input into Stage 1 of the project. IES conducted 19 stakeholder interviews, some face-to-face and some via telephone, and the list of organisations that have contributed can be seen on page 52 of the appended report.

This business survey represents the first business consultation exercise undertaken by the Greater Brighton Economic Board. The sampling size will ensure that there is representative sampling by business size and location. BMG research has a strong track record in conducting surveys of this type on behalf of central and local government. They have been tasked with ensuring that the sampling models agreed are put into effect by the research team.

6. CONCLUSION

- 6.1 The Board is asked to note the contents of the Stage 1 report and the next steps for the business survey.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 Funding of up to £50,000 has been set aside from the 2018-19 Greater Brighton Economic Board operating budget to support the inward investment support to business and in particular the Greater Brighton Inward Investment and Trade Strategy. The funding has supported the delivery of the stage 1 desk research task which has been completed and the stage 2 business survey which will start shortly. Any unused funding will be carried forward into 2019/20 to support the completion of the survey which is due to be finalised in May 2019.

Finance Officer Consulted: Rob Allen, Principal Accountant

Date: 11/03/19

Legal Implications:

- 7.2 This project was commissioned in line with Brighton & Hove City Council (BHCC) procurement procedures and will be delivered under contract using BHCC Standing Orders.

Lawyer Consulted: Joanne Dougnaglo

Date: 11/03/19

Equalities Implications:

- 7.3 None.

Sustainability Implications

- 7.4 The survey will be conducted over the telephone using trained staff who will record information online thereby negating the need for paper questionnaires and subsequent waste.

SUPPORTING DOCUMENTATION

Appendices:

1. Greater Brighton Business Survey Stage 1 Report

