

Subject:	Greater Brighton Business Survey – Stage 2 Report		
Date of Meeting:	15 October 2019		
Report of:	Chair, Greater Brighton Officer Programme Board		
Contact Officer:	Name:	Nick Hibberd	Tel: 01273 293020
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Ward(s) affected:	All		

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

- 1.1 Within the Operational Arrangements and budget for 2018/19 the Greater Brighton Economic Board “the Board” committed £50,000 to supporting an inward investment and trade offer to business. 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.
- 1.2 The activity that was considered to have most value in supporting the proposition was to conduct a city region business survey. Greater Brighton had not previously engaged directly with businesses across the city region to determine their business needs opportunities and challenges.
- 1.3 On 26 March 2019 a report was brought to the Board to provide an update on the progress of the Greater Brighton Business Survey, specifically to mark the end of stage 1 of the project which was the desk research and stakeholder engagement.
- 1.4 In April 2019 the main Business Survey commenced and the survey team were tasked with surveying 1,500 businesses from across the city region. In addition, the sample would need to be representative of the business base in terms of business location, business size and sector.
- 1.5 The survey was completed at the end of June and the attached report outlines the key findings.

2. RECOMMENDATIONS:

- 2.1 That the Board notes the implications at the end of each section of the report.
- 2.2 That the Board agrees that the findings and implications should help shape future support to business, including the activity of the Inward Investment Desk, which was agreed at the July meeting, and any other business support initiatives.
- 2.3 That the Board agrees that where the implications link back to project ideas identified within the Five Year Strategic Priorities, these projects should be worked-up in more detail and proposals prepared around how to take them forward.

3. CONTEXT/ BACKGROUND INFORMATION

3.1 Following approval of the Greater Brighton Inward Investment & Export Strategy in April 2018, there was acknowledgement from the Board that for any investment and trade activity to have maximum benefit there needed to be a thorough understanding of the business base. At that time there was very limited availability of primary research data to draw upon, as 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.

3.2 The timing of conducting a business survey seemed sensible as politically and economically the UK has been experiencing a period of turbulence and change. 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 has looked 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.

3.3 The key objective of the Business Survey was 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 potentially at risk and that may need help
- To identify businesses well and that should be celebrated
- To identify levels of business engagement with support services.

3.4 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.

3.5 In October 2018, a sub-group from the GBOPB was established to act as the steering group for the Business Survey project. BMG Research in partnership with the Institute of Employment Studies (IES) were awarded the contract following a formal ITT process, and the project effectively went live following an inception meeting on 10 December 2018.

3.6 The project was split into two stages:

Stage 1 – Desk Research

From December 2018 - March 2019 IES undertook a desk top exercise to review available data and information held by GBEB Board members.

As part of this stage there was 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 formed a report which was presented to the Board at the March meeting and was also used to help inform the questionnaire design.

Stage 2 – Business Survey

From April – June BMG Research carried out a business survey with a target set of gaining responses from 1,500 City Region businesses. In addition, the sample of 1,500 businesses needed to be a balanced representation of the total Greater Brighton business population, in terms of business size, sector and geography.

The report attached contains the summary analysis and findings from the survey. Additional outputs from the project will include a high-level summary with recommendations, an extensive and detailed data report and a set of infographic presentation slides.

3.7 Among the most important findings set out in this summary report, the survey finds that:

- Jobs growth is strongest in larger firms and among innovators – emphasising the importance of prioritising creativity and innovation
- Firms are optimistic for the future – with 35% expecting growth and 11% decline
- Firms in a number of priority sectors and those aiming for growth are more likely to trade with the EU or employ EU nationals – and so appear to be most exposed on EU exit
- Relatively few exporters have sought support to do so - with awareness highest for DIT and Chambers, but one in five unaware of any sources of help
- Innovation activity appears to be relatively high – driven in particular by collaboration with others rather than formal 'R&D'
- Economic uncertainty appears to be acting as a significant brake on innovation
- Local transport is a significant concern – particularly congestion and parking

- Virtually all respondents felt that being in Greater Brighton had benefits – in particular as an attractive area with good market access, transport links and broadband
- Most firms do not want to move, and those that do invariably want to stay in the region

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 The key findings and implications identified in the report outline some of the opportunities and challenges faced by businesses across the City Region. The findings emphasise the need for a carefully calibrated approach to business support that speaks to the needs of employers with different sizes, sectors and locations. Future business support activity is more likely to deliver benefits if the findings and implications in the report help shape the support, including the activity of the Inward Investment Desk. Within the Greater Brighton Five Year Priorities a number of other project ideas were identified, and again the findings of the report should inform development of these work-streams so as to maximise value.

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 During Stage 1 of the project a number of GBEB Partners and wider City Region stakeholders were able to provide input. IES conducted 19 stakeholder interviews, some face-to-face and some via telephone

This business survey represents the first business consultation exercise undertaken by the Greater Brighton Economic Board. The sampling size (1,502 businesses) and methodology employed by BMG have ensured that there is representative sampling by business size and location.

6. CONCLUSION

- 6.1 To be updated once key recommendations known.

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. The balance remaining from the initial work is being used to do 'deep dives' into the data to better understand the sector information and the characteristics of exporting businesses to inform a more targeted business support offer; and to support the work of the Inward Investment desk.

*Finance Officer Consulted: Rob Allen, Principal Accountant
Date: 19/09/19*

Legal Implications:

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

Lawyer Consulted: Joanne Dougnaglo

Date: 19/09/19

Equalities Implications:

- 7.3 None.

Sustainability Implications

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

SUPPORTING DOCUMENTATION

Appendices:

1. Greater Brighton Business Survey Final Report

Background Documents:

1. Greater Brighton Business Survey Stage 1 Report
2. Greater Brighton Inward Investment & Export Strategy

