

**Meeting:** Economic Prosperity Sub Committee

**Date:** 24<sup>th</sup> January 2023

**Title:** North Tyneside Council Business Engagement

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**Service:** Regeneration and Economic Development

**Wards affected:** All

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## 1. Purpose of Report

The purpose of this report is to address the objective as set by the Chair and Deputy Chair of the Economic Prosperity Sub Committee, and provide background information to aid discussion.

‘To examine the ways in which the Authority engages with the local business community, particularly through the North Tyneside Business Forum, and how this has, or might, evolve given the increasingly challenging economic conditions.’

## 2. Introduction

North Tyneside has a total of 5,360 businesses in the Borough, employing 86,390 people. The majority of which fall into the definition of micro businesses employing 0-9 employees, with the smallest amount falling into the definition of large businesses providing the larger number of job opportunities at 250+.

Business Size	Number of employees	North Tyneside (number)	North Tyneside (%)	North East (%)	England (%)
Micro	0-9	4,710	87.9%	87.7%	89.6%
Small	10-49	530	9.9%	10.1%	8.5%
Medium	50-249	85	1.6%	1.7%	1.5%
Large	250+	30	0.6%	0.5%	0.4%

Business density and employment are spilt as follows across the following sectors:

Industry	No of Businesses	No of Employees
1 : Agriculture, forestry & fishing (A)	45	40
2 : Mining, quarrying & utilities (B,D and E)	20	600
3 : Manufacturing (C)	345	6,000
4 : Construction (F)	730	4,000
5 : Motor trades (Part G)	180	2,000
6 : Wholesale (Part G)	180	1,750
7 : Retail (Part G)	470	8,000
8 : Transport & storage (inc postal) (H)	240	2,000
9 : Accommodation & food services (I)	500	8,000
10 : Information & communication (J)	340	5,000
11 : Financial & insurance (K)	85	2,500
12 : Property (L)	170	2,000
13 : Professional, scientific & technical (M)	860	6,000
14 : Business administration & support services (N)	435	13,000
15 : Public administration & defence (O)	5	3,500
16 : Education (P)	100	7,000
17 : Health (Q)	230	12,000
18 : Arts, entertainment, recreation & other services (R,S,T and U)	420	3,000
<b>Total</b>	<b>5,360</b>	<b>86,390</b>

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The strongest sectors in the Borough include:

- Business administration and support services with 435 businesses being present in the Borough and 13,000 employees.
- Health with 230 businesses and 12,000 employees.
- Retail with 470 businesses and 8,000 employees.
- Accommodations and food services with 500 businesses and 8,000 employees.

Following on from that, the following also count for a significant number of employees and businesses in the Borough:

- Professional, scientific, and technical with 860 businesses and 6000 employees.
- Manufacturing with 345 businesses and 6,000 employees.

Therefore, it's important that business engagement and support is aligned to these industries to build on success and help retain and increase business density and job creation. Without forgetting emerging sectors and strategically important sectors such as fishing, construction, information and communication and arts, entertainment and recreation.

As businesses are a hugely important demographic and customer of Local Authority services, North Tyneside Council has many routes to engage with businesses. This spans across Directorates and with numerous points of interaction. Some key areas include:

- Inclusive Economic Growth – working to support businesses with the objective of unlocking barriers to start up and growth.
- Planning – working with businesses alongside planning policy
- Participation, Advocacy and Engagement – working with businesses in consultation on key Council priorities and initiatives.
- Procurement – working with suppliers of services and products for the Council.
- ICT and Digital – working with providers and users across the Borough.
- Carbon Net Zero – working with businesses to reinforce and promote sustainable measures of energy use and the mission to Carbon Net Zero.
- Skills and Employment – working with key employers to match job opportunities to residents.

Regeneration and Economic Development will be authoring a Business Engagement Strategy in Quarter 1 2023 setting out how the Council will actively engage with the business community and for what purpose to support effective and meaningful communication.

### **3. Details**

Regeneration and Economic Development, specifically the Inclusive Economic Growth team, are responsible for leading on business support and engagement with the following objectives:

- To handle and answer enquires from businesses contacting the Council via dedicated email and phone routes.
- Encouraging start-up businesses.
- Attracting new businesses through proactive and reactive inward investment activity.
- Supporting existing businesses to grow and flourish by unlocking routes to growth through access to finance, property requirements, access to skills, supply chain and routes to market.
- To manage and mitigate threats in the existing business base to retain the business base already here and the jobs they provide to residents.
- To work closely with partners in the development of initiatives that address the key barriers to growth alongside local, regional and national colleagues.
- To record and analyse business intelligence to understand future trends, threats and opportunities.
- To work alongside Council colleagues and departments to maximise the opportunities for the Council to provide meaningful business support.

Topics and themes for conversation, activity and intervention are very much business led and taken from the nature of enquiries the team are receiving as well as the national and international landscape. The team have worked closely alongside businesses on these key topics, tailoring engagement to meet needs as appropriate. This includes:

- Concerns with Exiting the EU and the single market.
- Covid grants and lockdown guidance.
- Rising fuel costs and impact on business operations.

## **Programmes of Activity**

The Inclusive Economic Growth Team deliver a range of programmes to achieve the objectives and activity designed according to business size, sector and demand. There are six key programmes the team support, enable and deliver.

### Enquiry Hub

Working with Council colleagues as a referral point for business enquiry. This can involve the team handling the enquiry from beginning to end but also providing a referral and brokerage service to other partners, stakeholders and Council departments based on nature of enquiry.

### Strategic Account Management Programme / Key Account Management Programme

This is a structured programme of engagement with the top employers in the Borough. This focuses on medium to large businesses and there are 90 on the list across geography. The team actively meet with these business to understand growth potential and also any threats to the business to support the retention and growth of the strategic companies in the Borough. This also includes working closely with the Department for International Trade on overseas businesses and the potential from Foreign Direct Investment (FDI.)

### Inward Investment Support and Promotion (Invest North Tyneside <https://investnorthtyneside.co.uk/>)

This is a proactive and reactive programme designed to attract new business to the Borough. Working alongside key partners like Invest North East England (INEE,) North of Tyne Combined Authority and the Department for international Trade (DIT,) as well as key stakeholders like landowners and supply chain companies the team deliver a range of activity to promote the area on a national and international stage to secure investment. They also provide specific support packages, tours and a single point of contact to help investors realise the benefits of a North Tyneside location. The team focus on key sectors, in line with our sector strengths and market opportunities for growth:

- Digital
- Energy
- Advanced Manufacturing
- Financial, Professional and Business Services
- Healthcare and Life Sciences

### North Tyneside Business Factory <https://businessfactorynt.co.uk>

A programme focussed on supporting people to start up new businesses, but activity also offers support to SME's looking to grow. The programme offers workshops on several key topics and areas of opportunity as well as targeted 1:1 advice and guidance via advisors and consultants. This programme is delivered by TEDCO through outreach work across the Borough and from their offices in Wallsend Town Hall. The programme is supported with European funding (ERDF) so will end in June 2023, but the team are currently collating evidence and working with colleagues at the North of Tyne Combined Authority to draft a proposal for future support and secure additional funding through UKSPF to continue activity past the ERDF timeframe.

Outputs delivered by the programme to date are as follows:

- 320 - businesses supported for 12hrs or more
- 321 - residents supported with entrepreneurial advice
- 81 - jobs created (this figure was lowered due to Covid)
- 441 - new businesses supported / started

North Tyneside Business Forum <https://www.northtynesidebusinessforum.org.uk>

The NT Business Forum is an established free membership organisation that delivers peer to peer support through an active network of local businesses. It is led by a Chair, currently Karen Goldfinch, and a management team of 12 local business owners and facilitated by the Council. It provides a place to go for local knowledge and support, has an active Facebook page and has grown from strength to strength since its inception with now 1,817 members across the Borough. As its own entity, formed as a Community Interest Company, it has been running for almost ten years and has been able to retain a business led approach. Importantly, it has been able to operate with independence from the Council which has been key to its credibility within the business community. In parallel, it has also been able to hold support from the Council through both funding and staff support.

Shop North Tyneside <https://shopnorthtyneside.co.uk>

Shop NT is an app that promotes the 'shop local' message and provides a platform for local businesses to promote their businesses and their products and services to residents and visitors. 789 people have downloaded the app and 219 businesses have signed up to date and these figures have been steadily increasing. It is hoped that the e-commerce element of the app will continue to grow and the potential for a delivery arm is being explored. The Council currently support this programme, but the end goal is that it becomes a platform managed by the private sector moving forward, specifically Bubltown who is the supplier of Shop NT. The app also provides an events page to also help drive footfall in the retail centres.

The table below shows how programmes are targeted in terms of size of business:

Business Size	Programme of Activity			
	Business Factory	North Tyneside Business Forum	Strategic Account Management Programme	Shop North Tyneside
Start Up	x	x		
Micro	x	x		x
Small	x	x		x
Medium	x	x	x	x
Large		x	x	

## Spotlight on North Tyneside Business Forum

The North Tyneside Business Forum is a key route to business engagement for the Council. Working alongside other business agencies like the Chambers and support providers it delivers support and guidance to local businesses. It is owned and managed by the business community under the construct of a CIC (Community Interest Company,) and it is governed by a Chair (Karen Goldfinch) and a management team made up of business owners, who are responsible for running the CIC and make up the decision-making body. This means that the Council can advise the Forum on where activity could be targeted and share intelligence to help inform activity, but the decision is that of the Forums.

The Council support the Forum by providing a small pot of funding for activity as well as staff resource. A Business Liaison Officer works alongside the management team to deliver activity as agreed by the Forum. This includes servicing the management team, delivering marketing and promotion activity, handling enquiries, working with new members, organising events and helping deliver objectives as outlined in the Forums strategy. The wider team also provide support through handling enquires where appropriate, and also linking activity to funding opportunities and linking members to the regional business support programmes that are on offer.

There are 1,817 members of the Forum that are primarily micro businesses. Members are made up of the following approximately (please note differences in total figures are down to gaps in information provided by members):

- Micro – 150
- Small – 2
- Medium – 4
- Large – 3

The majority of members fall into the micro category in terms of business size and the most popular sectors include, services, food and drink, leisure and tourism and retail. However, there are gaps in the information that the team are looking to address.

A key event delivered by the Forum, supported by the Council, is the North Tyneside Business Awards. This is an annual event that showcases the businesses in the Borough across a number of themes, such as Innovation, Resilience, Sustainability and New. The Forum also deliver a number of networking and support events. The activity schedule for the year is still in development but it includes the potential for a business clinic event designed to introduce businesses to support offers across the region. As well as member networking events and promotional events to market the Forum and increase membership levels.

In line with the start of the new financial year the management team, with support from the Economic Growth team, have agreed key actions and priorities:

- Definition of roles and benefits – Collating, reviewing, and agreeing key roles of the Chair/Management Team/Council.
- Preparing for the new Chairs term – Continued chair or successor?
- Recruitment Campaign to look for new management team members to add to the group to increase diversity and capacity.
- Finalise overarching strategy – Agree with the Chair the Forums key objectives.
- Activity programme - Plan out key activity over the next 6-12 months.
- Develop plan to engage and recruit medium/large businesses - Currently there's not many large businesses on the membership. It's important to increase presence from large businesses to broaden the expertise within the Forum and elevate learning and mentoring opportunities.

- Define/Refresh member benefits.
- Explore feasibility of a mentoring programme for Forum members.

#### **4. Background Information**

The following documents have been used in the compilation of this report and may be inspected at the offices of the author.

- Data extracts on business density in eth Borough, programme outputs and membership information in line with data protection law.
- North Tyneside Business Forum minutes and presentation from management team meeting 1/12/22.

More information on programmes can be found at the following websites:

- Inward Investment <https://investnorthtyneside.co.uk>
- Business Factory <https://businessfactorynt.co.uk>
- North Tyneside Business Forum <https://www.northtynesidebusinessforum.org.uk>
- Shop North Tyneside <https://shopnorthtyneside.co.uk>

#### **5. Appendices**

None