

SUBJECT:	MONMOUTHSHIRE BUSINESS AND ENTERPRISE – PERFORMANCE REPORT Q4 2015/16
MEETING:	Economy Select Committee
DATE:	9th June March 2016
DIVISION/WARDS AFFECTED:	All

NON-PUBLICATION: (Insert appropriate non publication paragraph if necessary)

1. PURPOSE:

- 1.1 To provide a final performance update on the 2015/16 activities of Monmouthshire Business and Enterprise (MBE).

2. RECOMMENDATIONS:

- 2.1 To receive the report in evidence of activities detailed in the Monmouthshire Business Growth and Enterprise Strategy Action Plan, as reflected in the Chief Officer's Annual report for Enterprise.

3. KEY ISSUES:

- 3.1 In line with one of the Council's four priorities of 'Supporting Enterprise, Entrepreneurship and Job Creation', the [Monmouthshire Business Growth and Enterprise Strategy](#) hinges on three pillars namely '*Supporting Business Growth*', '*Enabling Inward Investment*' and '*Growing Entrepreneurs*' and addresses customer needs through the provision of a programme of business support, networking and facilitation to help unlock the potential for growth in the County. In 2015/16 activities were targeted towards achieving these key priorities and maximising funding opportunities to reduce the financial burden on the Council.
- 3.2 Further to this the [Vale of Usk Local Development Strategy](#) approved by Cabinet in June 2015, is a key tool in drawing down £2.79M from the new 2014-2020 Rural Development Programme (RDP), expanded to include the rural wards of Newport. In addition MBE also delivers the external strand of the Council's [iCounty Strategy](#) which includes the coordination of broadband infrastructure and ICT exploitation activities.

4. REASONS:

- 4.1 A summary of MBE's activities during 2015/16 are detailed below, in accordance with targets set for year end, 31st March 2016.
- 4.2 '**Supporting Business Growth**' and '**Encouraging Inward Investment**' objectives
MBE have continued to offer a bespoke package of business development services tailored to individual needs:
- **Business enquiry numbers are on par with our target at 90** received against an annual target of 90;
 - **New business start up numbers are 58 against an annual target of 75.** The final target is one less than reported on 3rd March 2016 due to an issue with data collection. Analysis found that one of the start ups counted by Centre for Business related to 2014/15 and therefore could no longer be included in the total for 2015/16. In addition the cessation of the contract for Centre for Business and the resulting transition to a new contract provider has meant that the

new provider has not yet been in a position to supply the data required since the change of contract in January 2016. As soon as the situation changes a full update will be provided.

- **Jobs created are currently 140 against an annual target of 200.** The deficit is due to delays in pipeline projects coming to fruition which include the south bound roadside service area at Raglan; a 61 bed hotel, restaurant and a drive in restaurant in Llanfoist and a further 60 bed hotel and restaurant in Monmouth. As the number of 'jobs created' figures are out of MBE's control and are often subject to planning and construction delays, they will not be set as an annual target for MBE in the future but reported on for information purposes only;
- **Jobs safeguarded figures have exceeded the target of 60 and are finalised at 121** due to MBE support provided to a large Monmouth employer and a Chepstow manufacturer.
- **Five inward investment enquiries have been received and two investment projects secured against a target of five,** with a further three enquiries in train.

4.3 Unique website visitors to the dedicated on line business support web portal www.monmouthshire.biz continue to grow increasing from 1239 in Q3 to 1705 at the end of Q4. The 'Linked In' presence also continues to increase from 251 connections to 445 and a bespoke media campaign via Business New Wales, will be launched in June 2016 to further increase activity.

4.4 Following a ballot taken by businesses in Abergavenny in July 2015 not to support the development of a Business Improvement District (BID), our Business Insights Manager, has been working with interested parties to consider how they might address some of the needs identified in the BID business plan going forward, however funding continues to be a stumbling block.

4.5 Following approval of the [Broadband in Monmouthshire report](#) the following outcomes have been achieved:

- A [Digital Monmouthshire](#) web portal has been developed which is hosted as part of the www.monmouthshire.biz offer and also includes a database of tech and digital businesses in the county;
- An analysis of Monmouthshire's rate paying businesses has been undertaken to determine their digital maturity using the Welsh Government's scale across six points from *Non- Starter* to *Digital Innovators*. The majority of Monmouthshire's SME's are located on the 2nd and 3rd points between *Novice Entrants* and *Value Orientated Players* with some on the 4th and 5th points as *Growth Focused Players* and *Digital Experts*. Other key observations include:
 - Many independent retailers have invested in quality websites that promote the value of their offer and include online shops for national and international sales. These websites stand out dramatically from the national chain businesses located in all of Monmouthshire's High Streets when only opening times and location details are given online about their presence in the County;
 - In many instances, particularly for micro SMEs including Pubs, Hairdressers, Barbers, Cafes and independent restaurants throughout the County, businesses only utilise Facebook as the method of engaging with their customers and promoting their offer. The MBE team will therefore develop its own Facebook presence to promote its services to this large audience;
 - Solicitor firms, Building firms, cafes and small shops have virtually no online identity at all;
 - Increasing numbers of takeaway food outlets are utilising *Just Eat* and other online platforms that enables customers to order their food for home delivery or collection;
 - Many Monmouthshire restaurants, hotels and pubs feature on *Trip Advisor* and many with Trip Advisor Excellence awards promote their achievements on the front page of their websites. However, there are significant numbers of Monmouthshire businesses who are not responding to both positive and negative comments shared by their customers on the Trip Advisor platform which is ultimately detrimental to the public's perception of them;

- It is apparent that recent intervention measures in Abergavenny concerning the development of an e-Commerce platform have brought positive impacts for the High Street and hospitality businesses in the town. The digital mapping exercise has identified a significant volume of new websites for businesses, often with online retailer functionality and a wide adoption of Facebook and Twitter social media tools and strategies. Abergavenny is therefore well placed for Digital High Street initiatives and the potential for a Wi-Fi town development;
- This exercise has also identified key companies located in the County that the Local Authority can promote more widely as part of the City Deal initiative in order to seek to attract more companies of similar growth potential and to counter any perception of the County as a purely rural economy. These include:

Microsemi - based in Caldicot who are participating in the Compound Semi Conductor Cluster and have a strong track record in securing EU Research funding; **enModus** - based in Chepstow with a specialism in Smart Building Solutions; **TXO Systems** - with their HQ for Europe, the Middle East and Africa based in Chepstow and are the Global leading supplier of used Telecoms equipment; **Qlite** - with their UK and European HQ based in Chepstow, specialise in smart lighting solutions for the office, retail, hospitality and residential sectors; **Somnium Technologies** - based in Chepstow who specialise in key software product development; **Patchwork Technologies** - based in Usk who develop cutting edge GPS products for the farming and agriculture sector with a UK wide market place; **Siltbuster** - based in Monmouth who specialise in waste treatment technology solutions for the construction industry; **Select Security Services** - have their HQ based in Abergavenny and provide next generation security systems for the agricultural, commercial, public and residential sectors across the UK;
- Collaboration continues with the *Superfast Business Wales* team to support their ICT Exploitation programme offered across Wales. The findings of the digital maturity exercise will be shared with this team and a request made to tailor forthcoming workshops to respond to key findings relating to digital skills and the effective use of online tools;
- MCC has now successfully completed a collaboration with the UK Government and AB Internet to enable next generation superfast wireless broadband services to 94% of the County's former broadband not spots (1600 properties). The Commercial Test pilot involved an £850,000 investment from the UK Government and the new connectivity can now be used for digital rural innovation initiatives. A key outcome of this new service is the incidental coverage which means the majority of Monmouthshire businesses now have access to Superfast broadband, even in very rural locations, as key selling point for County within the Cardiff Capital Region.
- At least **36,400 premises are now able to access Superfast Broadband** connections and there is an increased uptake with Monmouthshire's figures now standing at 19.8%;
- The UK Government's Super-Connected Cities Voucher scheme was closed in October 2015. 60 Expressions of Interest were supported from local businesses and 27 vouchers were awarded. In January 2016 the Welsh Government extended its [Ultrafast Broadband Connection scheme](#) for businesses into Monmouthshire and this grant opportunity is now being promoted to local businesses.

4.6 Following the approval of the [Vale of Usk Rural Development Programme](#) significant progress has been made. **Eight funding applications have been approved with a further twenty in development.** Included in the approved applications is a three party cooperation project centring on a queen bee breeding programme. Other activities include continued work on the Abergavenny Agri-Urban project, a planned re-run of the supply chain event held in February at the Big Pit and the final application submission of a cooperation project across S E Wales to map, coordinate and shorten supply chains across the region.

Theme Five of the RDP is the *Exploitation of Digital Technology* in rural contexts. One of the current plans for the RDP team is to increase broadband connectivity in village halls in order to pilot rural start-up co-working spaces, coding clubs and local places where residents can enhance their digital skills, these intervention measures will also seek to address low digital skills in local SMEs.

4.7 Since his appointment our **Strategic Investment and Funding Manager** has received 42 requests for funding and/or project advice. Current projects include:

- Formal approval of the **EU funded AGRI-URBAN project** consisting of ten European member state partners sharing information and best practice in the field of Agri food production and digital innovation; A coordination group has been setup representing all groups within the agri-food sector
- Refocusing the Team Abergavenny's Town Centre Partnership funding to provide **free Wi-Fi to the town** with presence analytics functionality in association with the Whole Place team;
- Providing advice and support for the Alternative Delivery Model business plan;
- The establishment of a **Grant Coordination group** to pool resources, share experience and expertise, and take a strategic approach to funding opportunities;
- Pipeline projects include three applications to the Rural Community Development Fund. Two are at expression of interest stage and one at full application stage to Wi-Fi enable community halls in the Abergavenny area;
- **Support for three large scale European Social Fund projects** covering the four S E Wales competitiveness authorities of Monmouthshire, Newport, Cardiff and Vale of Glamorgan. Inspire2Work and Inspire2Achieve aim to improve the educational attainment and employment prospects for young people (Applications submitted and approval pending). Discussions have commenced with RSL's to explore the feasibility of an ESF funded employability project for those over 25 with complex barriers to employment.
- **Support for two applications to the BIG Lottery** funded *Create your Space* programme, both have been submitted and are awaiting a decision.
- New funding section added to www.monmouthshire.biz providing details of funding opportunities available to businesses and communities.

4.8 Growing Entrepreneurs

Activities in the [Investing in Young Enterprise](#) programme lead by our Business and Enterprise Manager include;

- Development of a **Work Experience Programme** with MCC and Caldicot School which will commence on 4th July – 8th July, ten pupils will complete an enterprise activity within their selected areas;
- Pupils who have selected sport as a career pathway will develop an Olympics based **Primary Sports Festival** with a cluster of primary schools;
- Advice and guidance has been given to King Henry VIII School in the creation of a **Creative Garden** investigating the potential to apply for RDP funding to create a garden to sell fruit and veg to local cafes/restaurants and supply free surplus food to lower income families based on the '*Incredible Edible*' theme. This will also give the opportunity for disengaged learners to complete vocational qualifications in BTEC Land based level 1, essential skills in numeracy and literacy, will be embedded into this programme whilst offering the potential to gain a work skills qualification in Enterprise.
- **Student Ambassadors** are again being selected to attend the 2016 Monmouthshire Business Awards.
- A sponsored '**Monmouthshire 2040**' **Investing in Young Enterprise Challenge** took place on the 15th March 2016 in the Council Chamber providing students with an opportunity to pitch their future business ideas to parents, teachers and local businesses. Participating students are being given the opportunity to go to the Millennium Centre and Lloyds Bank in Cardiff for a behind the scenes experience;
- **Apprenticeships** - Local businesses are being offered the opportunity to take on apprentices and two queries have been received from two local employers;
- An International **ERASMUS** funding application has been submitted, the objective of which is to explore best practice in three countries (Wales, Sweden, and Germany) and create an Online Career Professional Development programme for all teachers, irrespective of subject and level

that combines the best elements from each of the Countries. Feedback on this application is expected on 31st July **2016**;

- **An informal 'Monmouthshire Mentors'** programme has been established. Mentors have supported students to complete various enterprise tasks, given presentations and funded student's presentations i.e.: by buying branded t-shirts. Also mentors have supported students who are looking to set up their own business in a specific field and given advice and guidance to take the product to the market. Mentors will have the opportunity to engage in mentoring training in the next academic year.

5. RESOURCE IMPLICATIONS:

There are no additional resource implications associated with this report.

6. SUSTAINABLE DEVELOPMENT AND EQUALITY IMPLICATIONS:

As this is a performance report there are no significant equality impacts identified for members' consideration.

7. SAFEGUARDING AND CORPORATE PARENTING IMPLICATIONS

There are no safeguarding or corporate parenting implications associated with this report.

8. CONSULTEES: Senior Leadership Team

9. BACKGROUND PAPERS: N/A

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