

Business and Enterprise Update

1. Introduction

1.1 The Tees Valley Joint Strategy Unit (TVJSU) requires a Business and Enterprise Strategy for the Tees Valley City Region. GVA Grimley has been commissioned to undertake this work. The main objectives are to:

- Provide a business and enterprise steer based on a set of priorities around the existing regional and sub-regional business support landscape, key stakeholder and business priorities and external factors;
- Identify specific activities and investment areas to make the greatest possible impact on the business community, and leverage regional and national organisations and opportunities; and
- Develop an implementation plan that details ongoing work, roles and responsibilities, key milestones, risks, funding options and anticipated outcomes.

1.2 This short document summarises the proposed approach, which is based around the creation of a sound baseline of the business support landscape, an understanding of existing priorities and external factors, and a knowledge of what has worked well elsewhere.

2. Proposed methodology

2.1 An approach for this commission has been developed drawing on some of the successful techniques employed successfully elsewhere but also reflecting the specific objectives described in the project brief. The six main stages are now outlined.

2.2 **Phase A (Project Inception)** is the preparation stage for the project including a project inception meeting (to be held on 4 December 2009), initial collation of analysis of contextual documents and data, and the planning of the consultation exercises. This will be supported by attendance at the TVU Business Case Development Day on 9 December 2009.

2.3 **Phase B (Desk-based mapping)** covers the assessment of existing literature and contextual materials, and an analysis of all available data on a sector basis. This phase includes:

- **Literature and best practice review** - A literature and best practice review to set a strategic context to the commission and ensure that the project team is familiar with all of the key actors, initiatives and strategic documents. We will investigate the role, scope and responsibilities of Tees Valley Unlimited, assessing the range of potential options open to it so that we are well informed prior to engaging in consultation with its stakeholders and launching more detailed implementation planning at later stages in the commission. We will also use the stage to identify a number of examples of projects showing transferable practice in fostering entrepreneurship, raising aspirations, increasing business survival rates and reducing barriers to growth.
- **Analysis of available data by sector** - We will interrogate available intelligence on both current and emerging trends, in order to establish the Tees Valley's particular business strengths. Experian's economic forecasting, which will support more qualitative sources when it comes to analysing the prospects, and comparative advantages, of small businesses in the sub-region, will be used.
- **Sector SWOT profiling** - We will develop a Strengths, Weaknesses, Opportunities and Threats (SWOT) profile of each sector to illustrate constraints and advantages which are affecting the sub-region. These are likely to include concerns over regulation and taxation, which frequently appear in surveys amongst the top concerns of small businesses in most sectors.

2.4 **Phase C (Consultation programme)** involves consulting with a range of stakeholders and practitioners to understand barriers on both the supply and demand of enterprise support, and identify how the two sides match up. This phase includes:

- Speaking one-to-one with all agreed stakeholders, either face to face or by telephone according to stakeholders' availability and requirements. We will ask policy stakeholders to share their knowledge of local best practice, but also their strategic insight with regard to ongoing and future enterprise policy and initiatives – this will assist the development of recommendations. We will agree a list of strategic stakeholders, based around the list of 30-40 provided to date.
- Staging 5-6 workshops with SMEs in existing incubator / start-up sites to understand the needs and aspirations of small businesses, and barriers to growth.

2.5 **Phase D (Gap Analysis)** is a gap analysis that compares intelligence on the demand for and supply of business and enterprise support services, with particular emphasis on identifying accommodation needs. This phase includes:

- **Identifying existing best practice** - Having mapped existing business sector issues and undertaken a consultation exercise with key stakeholders, we will be in position to apply best practice to existing activities across the City Region, identifying opportunities for improvement and contrasting support between sectors and geographies.
- **Incubation centre research** - A key issue to address is whether the provision of business accommodation encourages businesses to locate, develop and grow, or whether this is only true where there is a genuine latent demand unsatisfied. We will identify a number of case studies to test the concept. For each, we will consult with backers, developers and operators to test: motivation for development; restrictions imposed; take up activity, move on / growth facilities; and nature of development.
- **Accommodation needs study** - In parallel with the development of a judgement as to whether the provision of business accommodation can stimulate business location, development and growth, we will undertake an assessment of forecast economic growth. This exercise will be based on autumn 2009 Experian forecasts at a 29-sector breakdown, and the subsequent translation into land and property demand.
- **Analysis confirmation workshop** - We will bring all outputs together into a summary presentation that defines the business issues with the City Region and compares the existing supply of business support with demand. This would then be presented to a mixed audience at a workshop to: (1) agree what the enterprise support strategy should aim to achieve; (2) discuss evidence and conclusions; (3) discuss identified gaps in the provision of enterprise support; (4) brainstorm the options for addressing gaps in provision; and (5) prioritise options for support / ownership / funding.

2.6 **Phases E (Proposal Development) and F (Reporting and Dissemination)** involve testing our findings in two workshops and developing and agreeing a final enterprise strategy and implementation plan. These final phases include:

- **Recommendations drafting** - Following the analysis confirmation workshop, we will formalise our analysis and the feedback received into a series of recommendations. These will be strategic level objectives for improving the shape and size of enterprise support across the City Region.
- **Implementation planning** - In line with the recommendations, a long list of potential interventions and enterprise programmes will be assessed according to criteria (including sustainability, cost, deliverability and impact) to enable us to develop a shortlist of specific

options. From this shortlist we will develop of a series of options to address the enterprise support issues in the City Region and to meet our agreed objectives.

- **Proposals confirmation workshop** - Following the submission of this draft report, we would re-convene members of the interim workshop to agree interpretation and findings.
- **Report writing** - This brings together the outputs of all research and consultation from previous stages into one final document. A major element of this last stage will be the development of an implementation plan.
- **Presentation to Tees Valley Unlimited Executive Board** - Following the submission of the final strategy and implementation plan, a final presentation will be made.

3. Timetable

3.1 We have based this programme upon our methodology as set out in Section 2

