INWARD INVESTMENT TASK GROUP – 17 DECEMBER 2012

A meeting of the Inward Investment Task Group will be held at 5.30pm on Monday 17 December 2012 in Committee Room 1 at the Town Hall, Rugby.

Councillor Ms Robbins
Chairman

A G E N D A

PART 1 – PUBLIC BUSINESS

1. Minutes – to approve the minutes of the meeting held on 12 November 2012.
2. Apologies - to receive apologies for absence from the meeting.
3. Declarations of Interest.

To receive declarations of –

(a) non-pecuniary interests as defined by the Council’s Code of Conduct for Councillors;

(b) pecuniary interests as defined by the Council’s Code of Conduct for Councillors; and

(c) notice under Section 106 Local Government Finance Act 1992 – non-payment of Community Charge or Council Tax.

Note: Members are reminded that they should declare the existence and nature of their non-pecuniary interests at the commencement of the meeting (or as soon as the interest becomes apparent). If that interest is a pecuniary interest, the Member must withdraw from the room unless one of the exceptions applies.

Membership of Warwickshire County Council or any Parish Council is classed as a non-pecuniary interest under the Code of Conduct. A Member does not need to declare this interest unless the Member chooses to speak on a matter relating to their membership. If the Member does not wish to speak on the matter, the Member may still vote on the matter without making a declaration.
4. Pooling of business rates - to receive a verbal update from the Head of Resources.

5. Additional evidence (see briefing paper attached) – to receive updates from officers on:
   - Gap analysis of provision of business land (Economic Development Officer)
   - Warwickshire Investment Partnership (Economic Development Officer)
   - Feedback from larger employers (Economic Development Officer)
   - Data from Jobcentre Plus and Warwickshire College (Scrutiny Officer).


7. Next steps and date of next meeting – please bring your diaries to the meeting.

Membership of the Task Group: -

Councillors Ms Robbins (Chairman), Ms Edwards, G Francis, Hazelton, Mrs O’Rourke and Roberts

If you have any general queries with regard to this agenda please contact Linn Ashmore, Democratic and Scrutiny Services Officer (01788 533523 or e-mail linn.ashmore@rugby.gov.uk). Any specific queries concerning reports should be directed to the listed contact officer.

If you wish to attend the meeting and have any special requirements for access please contact the Democratic and Scrutiny Services Officer named above.
Review of Inward Investment

Task Group Meeting – 17 December 2012

Briefing Paper

1. Introduction

The main purpose of this meeting is to review the evidence received in the review and to develop the review recommendations.

The evidence received during the review is brought together in an initial draft of the review report which is attached at appendix 1 for consideration by the task group. Some of the main themes highlighted to date are summarised in note form in the conclusions section, and it is anticipated that this will form the starting point of discussion by the task group at this meeting.

The one page strategy for the review is included within the draft review report for reference. Members are also reminded of the key questions that were identified by the task group at the first meeting. These were:

- What further steps could the Council take, with partners, to encourage inward investment in the borough? What is the appropriate level of resource for the Council to commit to supporting economic growth in the borough, in view of the incentive we now have to grow our business rate base by more than inflation?

- What should the Council's position be with regard to balancing the financial value of businesses to the Council and the wider economic vision for the borough? (i.e. Do we encourage any form of business growth to maximise income, or do we continue to seek to achieve a balanced profile of businesses, in line with our agreed economic strategy and planning policy, to optimise our income?)

- Are our business rate collection practices successful? Can we do anything more to increase our rate collection levels and ensure business properties are correctly valued?

- What is our current policy regarding discretionary rate relief? Given that we will have much greater freedom and discretion to award relief, does this need to change at all to support business growth or increase business rate income?

- If it is the Government's intention that business rates paid in respect of new renewable energy projects will be retained entirely by the Council, do we wish to use any funding to specifically encourage further business growth in this sector?

The task group may wish to revisit these questions in light of the review findings to date.
2. Additional evidence requirements

There are a number of additional pieces of evidence and information that the group requested for this meeting. These are listed below, with details of how they are being addressed:

- Gap analysis of provision of business land: The Head of Planning and Culture agreed to work with the Federation of Small Businesses to undertake some gap analysis to demonstrate the level of unmet demand. An update on this will be given at the meeting.

- Details of the Council’s working relationship with Warwickshire Investment Partnership and the fee paid to them. This will be reported verbally at the meeting.

- The Head of Planning and Culture to explore whether there are any lessons to be learnt from Daventry District Council’s approach to economic development and to ascertain whether the location of a logistics employment hub at DIRFT was a condition of the planning consent. It has not been possible to arrange a meeting before this meeting, but a date has been set for the new year.

- Data from Jobcentre Plus about which vacancies fill quickest (to provide an indication of where demand for skills is being met, and where some of the gaps might lie). This has been requested but no response has been received.

- Data from Warwickshire College on what they know about employer skills needs and information on the numbers of students on courses in Rugby and the subjects studied. This has been requested and the information on student numbers and courses is to follow. Employer needs are identified on an individual basis and the college tailors services to reflect what individual businesses require. This data is not collated more widely.

3. Inward investment survey and feedback from businesses

As agreed by the task group, an online survey of business which was held on the council website for the whole of November. It was promoted by the Federation of Small Business, and a link was placed on Twitter, and it was also circulated in hard copy to those attending a ‘meet the buyer’ event organised by the council and partners.

Disappointingly, only one response was received. A copy of this response is attached at appendix 2 for reference.

In addition to this, the Economic Development Officer agreed to gather some anecdotal feedback from large businesses regarding skills gaps. The feedback received to date is as follows:
**Precision Laser**
Based at Butlers Leap. Employ around 40 in precision laser cutting; have contracts with JLR and are also a second tier supplier to the aerospace sector.

Comments:
- Have had some difficulties recruiting for the higher skilled positions.
- Are willing to recruit and upskill and have had varying success. They generally use Jobcentre Plus (JCP) but have had mixed results; some turn up for the sake of it, but others do want to work. Have made use of the JCP trial period where they have a worker for a few weeks unpaid before they make a decision to take them on.
- Recently have employed a further three people - two from JCP
- Have not worked properly with the college as they don't believe they produce the relevant skills for them.

**Cemex plant**

Comments:
- Struggle to find highly skilled workers. Believe that is due to the local economy not having a heavy engineering presence.
- Pay a good wage but believe that is due to an active union rather than a small local labour pool.
- Work with the college and currently have four apprentices.
- Tend to do most recruitment through the internal friends and family policy - friends and family of employees can apply for all internal jobs.
- Recession has made it easier for them to recruit to the lower skilled positions but have never had a real problem.

**Nationwide Windows**
Somers Road - employ 160+

- No longer use JCP as they have given them low quality employees.
- Employ temporary agency staff with a view to making them permanent.
- Struggling at present to find good administrative staff.
- Struggle to find highly skilled workers - Rugby is a small place with only one large window and door firm - they therefore tend to recruit higher skilled workers from Birmingham and Coventry.
- Don't work with the college after a bad experience 3 years ago where they didn't feel they had any help or support.
- Don't use apprentices but use Derby College to upskill the workforce (NVQs).

**DK Packing**
Lawford Heath Industrial estate - employ approx 200.

- No difficulty employing staff.
- Use a recruitment agency.
- Jobs tend to be lower skilled.
4. **Business Rate Relief**

It was suggested that at the last meeting of the task group that there needed to be an options appraisal around discretionary business rate relief for new and existing businesses to ascertain whether this could be used to influence the nature of business facilities built in new developments.

Officers have advised that the Localism Act amends section 47 of the Local Government Finance Act 1988 to allow local authorities to reduce the business rates of any local ratepayer (not just those who can currently be granted discretionary relief). Central Government will, however, continue to part fund discretionary reliefs in the same circumstances and to the same degree as in previous years. Local authorities will be responsible for fully funding any other discounts granted.

5. **Sir Frank Whittle Business Centre Visit**

Task group members visited the Sir Frank Whittle Business Centre on 28 November. A note of the visit, which includes some additional data provided by the centre after the visit, is attached at appendix 3 for reference. The main findings have been included in the review report.

6. **Pooling Scheme update**

The Head of Resources will update the task group on the latest position regarding the business rates pooling proposal from all of the Coventry and Warwickshire local authorities.

7. **Next steps**

It is anticipated that the task group will hold a final meeting in January to agree the review report and action plan. The relevant Portfolio Holder would normally be invited to this meeting.

The review will then be reported to Customer and Partnerships Committee on 7 February 2013 and to Cabinet on 11 March 2013.

Debbie Dawson, Scrutiny Officer
December 2012
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Chairman’s Foreword

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2 Objectives

3 Methodology

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5 Conclusions

Review Action Plan
TASK GROUP MEMBERSHIP

The task group consisted of the following members:

Councillor Ms Carolyn Robbins (Chairman)
Councillor Ms Claire Edwards
Councillor Graham Francis
Councillor Robin Hazelton
Councillor Mrs Maggie O’Rourke
Councillor Howard Roberts

FOR FURTHER INFORMATION

Please contact:

Debbie Dawson
Scrutiny Officer
tel: 01788 533592
e-mail: debbie.dawson@rugby.gov.uk

Linn Ashmore
Democratic and Scrutiny Services Officer (Team Leader)
tel. 01788 533523
e-mail: linn.ashmore@rugby.gov.uk

ACKNOWLEDGEMENTS

The Group would like to thank everyone who contributed to the review, in particular:

Dave Hill, Strategic Economic Development Team Manager, Warwickshire County Council
Torin Spence, Warwickshire County Council Work Based Learning and Apprenticeships Manager
Krishna Patel, Business Relationship Manager, Warwickshire College
Linsey Luke, Federation of Small Businesses
Aftab Gaffer, Rugby First
Alistair George, Director, George and Company Chartered Surveyors
Margaret Burnham, Centre Manager, Sir Frank Whittle Business Centre
Julie Crawshaw, Warwickshire County Council

The Group would also like to thank all the officers involved for their invaluable support and contributions. Particular thanks are due to Adam Norburn, Anna Rose, John Dale, Sarah Fisher and Chryssa Burdett.
CHAIRMAN’S FOREWORD

To be added

Councillor Carolyn Robbins
Chairman
1. RECOMMENDATIONS

The Task Group proposes the following recommendations to Cabinet:

IMPROVEMENTS THAT COULD BE MADE QUICKLY AND AT LOW COST

1. 

MODIFICATIONS OF EXISTING POLICIES AND PROCEDURES

2. 
3. 
4. 

SIGNIFICANT PROPOSALS WHICH WILL REQUIRE COMMITMENT OF TIME OR FINANCIAL RESOURCES

5. 
6. 
7. 
8. 

The following further recommendations are made to …

9. 
10. 

1.1 Alignment with the Corporate Strategy

The review relates to the following corporate priority:

Establish an environment that will attract new businesses into the borough and enable existing businesses to flourish.
2. OBJECTIVES

2.1 Background

On 19 March, the Overview and Scrutiny Management Board placed a review of inward investment in the overview and scrutiny work programme, on the recommendation of the work programme workshop held in February 2012. The review topic had been suggested both by Leadership and Operations Team and by Customer and Partnerships Committee.

The level of investment in any country is largely determined by national economic policy. Nevertheless, there are many ways in which local councils can influence the level of inward investment into their own particular areas. The review looked at what can be done to promote economic growth and attract businesses into the borough, particularly in the context of a new scheme being introduced from April 2013 enabling local authorities to retain a proportion of any growth in their business rate base.

A draft one page strategy for the review was agreed by Customer and Partnerships Committee on 21 June 2012, and several amendments were made by the task group at their first meeting on 3 September 2012.

2.2 The One-Page Strategy

The one-page strategy is the name given to the scoping document for the review. It defines the task and the improvements being aimed for and how these are going to be achieved. The review’s one-page strategy is as follows:

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<th>What is the specific topic area?</th>
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<td>The review will focus on the council’s policy in relation to the retention of business rates by local authorities, which is being proposed in the first phase of the Local Government Resource Review. It will consider:</td>
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<td>• how the council might retain current business and encourage economic growth in the borough</td>
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<td>• the council’s policy for providing relief to businesses in support of inward investment and spending any income earned from growth in local business rates;</td>
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<td>• what other income sources there might be to support economic growth.</td>
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Inward investment is about encouraging businesses to relocate and invest in the area. Local authorities can support local economic growth through the planning system, investment in local infrastructure, ensuring access to education and training, building strong relationships with businesses and through the way they exercise their regulatory powers in relation to local businesses. These are all areas the review may wish to consider in the context of encouraging economic growth in the borough to maximise income.

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<th>What is the ambition of the review?</th>
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<td>Rugby will have a clear policy in relation to the retention of business rates and be</td>
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successful in supporting economic growth to maximise the new income opportunities. Rugby will be effectively marketed as an attractive location for businesses and the Council will work well with partners to attract more businesses to the borough.

**How well do we perform at the moment?**
The task group will begin by considering:

- number of companies in the borough
- an analysis of the borough’s rateable value tax base, and recent trends
- comparative performance data against other Warwickshire authorities on inward investment
- details of recent planning decisions relating to new businesses
- evidence and comparative data on inward investment in other local authority areas.

Supporting documents for the task group to consider include:

Rugby Borough Council Core Strategy (chapter 8) – specifically land allocations for commercial uses
Economic Development Action Plan
Coventry and Warwickshire Local Enterprise Partnership 5-year Strategy
Warwickshire Investment Partnership Annual Report 2010/11
The Portas Review: An independent review into the future of our high streets

**Who shall we consult about the current service and about how we can improve it?**
Coventry and Warwickshire Local Enterprise Partnership (Inward Investment task group lead)
Warwickshire Investment Partnership (arm of Warwickshire County Council)
Chamber of Commerce
Federation of Small Businesses
Coventry and Warwickshire Institute of Directors
Local commercial agents
Rugby BID / Town Centre Company
Warwickshire County Council work-based learning and apprenticeship team
Warwickshire College
Economy, Development and Culture Portfolio Holder

**What other help do we need?**
Support from the Head of Resources, Economic Development Officer, Revenues Manager and the Forward Planning team.

The task group will need to understand the Government’s proposals for business rate retention in the Local Government Resource Review.

The review may also make use of any relevant evidence gathered as part of Warwickshire County Council’s recent scrutiny review (August 2011) on supporting the local economy, and take into account the findings of Rugby Borough Council’s review of the town centre economy (2010).

**How long should it take?**
The review will commence in September 2012 and conclude by the end of January 2013.

**What will be the outcome?**
Recommendations to Cabinet on measures to support local businesses and encourage local economic growth.
3. METHODOLOGY

The task group built a strong evidence base to support its conclusions, drawing on a variety of sources. This included:

- Briefings and presentations from the Head of Resources, the Revenues Manager, the Economic Development Officer and the Development Strategy Manager on:
  - Local retention of business rates
  - Business rate administration in Rugby
  - The council’s Economic Strategy
  - Planning policy and practice relating to commercial developments
- Oral evidence from the Strategic Economic Development Team Manager at Warwickshire County Council on future plans for economic growth at the county and sub-regional (CWLEP) level.
- Comparative data from the Audit Commission and official labour market statistics ('nomis') on economic development
- Benchmarking data for Warwickshire authorities from Warwickshire Investment Partnership on key economic indicators
- Information and examples of good practice from the LGA local growth campaign
- Updates from the Head of Resources on the proposals to pool business rates with other local authorities in Coventry and Warwickshire.

The task group held a select committee meeting on 24 October 2012 at the Town Hall, the purpose of which was to bring together those with expertise and insight on inward investment. The following attended the meeting:

- Torin Spence, Warwickshire County Council Work Based Learning and Apprenticeships Manager
- Krishna Patel, Business Relationship Manager, Warwickshire College
- Linsey Luke, Federation of Small Businesses
- Aftab Gaffer, Rugby First
- Alistair George, Director, George and Company Chartered Surveyors
- Cllr Professor Mark Williams, WMG, University of Warwick

Some of those attending the meeting also provided written submissions to the task group in advance of the meeting.

Task group members also visited the Sir Frank Whittle Business Centre and met with the centre manager and the Warwickshire County Council officer with responsibility for all of the business centres. They also spoke with some of the business owners who are based at the centre.

The task group commissioned a snapshot survey of business which was placed on the council website and was promoted to the membership of local business organisations. It was also circulated in hard copy to those attending a ‘meet the buyer’ event organised by the council and partners. Disappointingly, only one response was received.
4. FINDINGS

1. BUSINESS RATES

1.1 Local retention of business rates

The Local Government Finance Act 2012 introduces a local business rates retention scheme from April 2013. The detail of the proposals and the council’s approach in response to the new policy evolved during the course of the review, and the task group received regular updates from the Head of Resources.

The thrust of the policy is to return to greater local influence over funding and spending, the aim being to:
- incentivise councils to encourage economic growth
- provide greater certainty about future funding; and
- offer councils greater autonomy and flexibility.

Once underway the scheme will allow councils to keep a proportion of 50% of the additional funds they generate. However, there is a complex framework underpinning this. Government will assess a baseline funding level for each council and only a proportion of growth in business rate income above that level will be retained. Any amount of business rates collected by councils that rise over the set baseline will be paid into a central tariff. This central pot will be used to pay out top-ups to those authorities whose business rates fall below their own set baseline figure. Government will also set a figure for the percentage level of increase in revenue local authorities may keep, with any growth above this collected by Government as a levy. This levy has now been set at a maximum of 50%, so all councils will be able to keep at least 50% of 50%, i.e. 25% of the growth that they generate. This money will be passed back to local authorities who have lost income, such as through big businesses moving out of their area.

It was reported to the task group that, for Rugby, each 0.5% increase in the borough’s business rate base equates to a potential funding increase of around £80,000 per annum. However, it is also the case that in order to retain the current level of income received by the council, the council’s business rate growth will need to increase at least in line with inflation.

Included within the Government’s policy regarding the local retention of business rates is the stated intention that business rates paid in respect of new renewable energy projects will be retained entirely by local authorities.

1.2 Pooling business rates

Councils have the option to pool business rates with other councils in order to mitigate the risk of loss of income due to the closure of a major business in their area, or to retain income within the area which might otherwise be taken away by the Government in the form of a levy.
Prior to the start of the review Cabinet had taken a decision that Rugby should express an interest in being included in a wider business rate pooling arrangement being considered for Warwickshire (and subsequently extended to include Coventry). Officers had been given delegated authority to pull out of any pooling arrangement, once actual funding allocations from the Government were known in early December 2012, should this show that the council would be in some way disadvantaged by pooling with other councils. The initial expression of interest for a Coventry and Warwickshire Business Rates Pool was submitted to the Department for Communities and Local Government on 27 July 2012.

It was reported to the task group in October that Cabinet had approved a report outlining the arrangements and financial benefits for all local authorities in Coventry and Warwickshire to join a pool. The proposal was expected to be submitted to the DCLG by 9 November 2012 and was subject to the approval of the department. A decision was expected in December 2012.

If approved, the pool will become effective for one year from 1 April 2013, and there will be an opportunity to review the arrangements half way through the year to ensure they are working and that the anticipated benefits are forthcoming.

The pool will determine how any income gained will be redistributed within the Coventry and Warwickshire area. A memorandum of understanding will be needed to establish the governance arrangements and determine how any income will be redistributed, with the expectation that a proportion of any growth would be reinvested to support economic growth in the area.

The financial benefits of the pooling arrangement were estimated to be around £150-£200,000 per annum. Since this initial evaluation the Government has set a maximum for the levy that can be taken from any authority at 50%. Previously it had been calculated that the Council was likely to incur a levy on its growth in excess of 86%. The Council will therefore be able to retain a larger proportion of its growth and the financial benefits of being in a pool will be correspondingly reduced. However, it is still advantageous for the Council to remain in the Coventry and Warwickshire Pool but the financial benefits are now estimated to be around £100,000 per annum.

1.3 Business rates – current position

The task group were informed about the current business rates arrangements and the administration around their collection.

National Non-Domestic Rates in their current form were introduced in 1990. Prior to this the rates from businesses were collected and retained locally.

All properties that are non-domestic have a ‘rateable value’ attributed to them by the Valuation Office Agency (VOA). The Council has a duty to report all new builds, extensions or demolitions to the VOA. Some properties such as churches and parks are exempt from rating. Business rates are charged in zones, with properties in the town centre charged a higher rate. These rates are set nationally and are the same for all town centres.
The total rateable value in Rugby (September 2012) is £102,509,171 and there are 2,983 assessments. These include wider business activities, such as trafficmaster sites, advertising rights and car valeting in car parks. The rateable value broadly represents the yearly rent a property could be let for on the open market and the rateable values are reassessed every 5 years.

The Government calculates a rating multiplier and this is used to calculate how much each ratepayer will have to pay. This is currently 45.8p in the pound. Throughout the 5 year period, the multiplier goes up by the rate of inflation.

1.4 Business rate relief

There are several reductions that can be allowed and the most common are listed below:

- Empty properties – there is no charge for the first three months that a property is empty and this extends to six months for industrial properties. After that rates are due in full, except where properties have a rateable value of less than £2,600. There are further exemptions such as listed buildings and properties owned by a charity or part of a business administration.

- Small Business Rate Relief – Nationally, businesses currently receive 100% relief, if their rateable value is under £6,000 and it is their only business. It was announced in the Autumn Statement in December 2012 that the doubling of rate relief (from 50% to 100%) for small businesses would be extended to April 2014. The percentage reduces for all those properties with between £6,000 and £12,000 RV by 2% per £120 RV.

- Charities, Community Amateur Sports Clubs (CASCs) and rural – There is a mandatory 80% relief for all registered charities and CASCs. Certain businesses in rural areas are entitled to 50% relief.

- Discretionary Rate Relief – the council can give discretionary relief to charities and non profit making organisations. Part of this relief has to be funded by the local authority.

Rugby Borough Council has a policy, in some cases, of topping up the mandatory relief to registered charities and Community Amateur Sports Clubs to 100%, but not all authorities do this. The council funds 75% of this top-up and Government funds the remainder. These cases are all assessed individually. Generally, national charities do not get the additional discretionary rate relief but local charities are treated more favourably.

Rate bills can be served on newly built premises provided they are reasonably complete. Business rates do not apply once buildings have been demolished, and developers sometimes demolish or allow charities to use the premises in order to avoid paying rates.

1.5 Business rate collection in Rugby

Business rates are normally collected over 10 monthly payments. During 2011/12 Rugby collected in £36,661,412. This was paid directly to the Government in full
and the council received back a grant of £4,045,475. Warwickshire County Council also received a grant, which amounted £102,500,000 (reflecting the income from the five Warwickshire district and borough councils).

Over the past five years, the following amounts have been collected:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
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<tbody>
<tr>
<td>2010/11</td>
<td>£36,708,563</td>
</tr>
<tr>
<td>2009/10</td>
<td>£36,079,998</td>
</tr>
<tr>
<td>2008/09</td>
<td>£35,106,721</td>
</tr>
<tr>
<td>2007/08</td>
<td>£34,512,516</td>
</tr>
<tr>
<td>2006/07</td>
<td>£35,095,338</td>
</tr>
</tbody>
</table>

Rugby Borough Council collected 98.9% of the charge in 2011/12 and continues to collect the remainder in subsequent years. This figure had fallen from the usual rate of around 99.4% the impact of the current economic climate. It is anticipated this figure will rise again when the financial situation improves. This authority has a practice of vigorously collecting business rates but not all authorities do so with the same level of commitment. In Rugby empty properties are currently visited every three months to check for any occupancy but it is planned to increase the frequency of visits.

The Council’s effectiveness in collecting rates was endorsed by external parties. Rugby First commented in their written submission:

“It appears to take an inordinate amount of time for the rates office in Birmingham to catch up with the reality on the ground… We would commend the RBC’s Non Domestic Rates dept for their dedication and ability to chase things down. We employ them to collect our BID levy and they have performed admirably”.

The Federation of Small Businesses added: “the council have actively promoted SBRR to the local businesses and have a good take up. We see this as a positive step to support small businesses”.

2. ECONOMIC STRATEGY AND PLANNING PROVISION

2.1 Context

The task group considered a range of statistical indicators relating to economic development, comparing Rugby with nearest statistical neighbours, other local authorities within Warwickshire and national averages. This included business starts and closures in the borough, average weekly earnings, employment rate, percentage of Jobseekers Allowance claimants and qualifications of local residents.

Overall the data demonstrates that Rugby is an average local authority area – performing very much in the middle both within the county and when compared with statistical neighbours on all of these indicators. Data provided by Warwickshire Investment Partnership on the level of inward investment placed Rugby consistently
3rd or 4th amongst the five Warwickshire districts and boroughs over the past 4 years for the net number of new businesses.

The task group were informed that inward investment is influenced by three key factors:
- labour supply (including appropriate skill levels)
- location (both of customers and competition)
- availability of land or property (at an agreeable rate).

In terms of location, Rugby is clearly very well situated for transport links. Labour supply and availability of land and property, as well as the council’s proactive role in economic development, are explored in more detail below.

2.2 Land and Property

The area that Rugby Borough Council can most influence is the availability of land, property and appropriate development sites through the planning system. The Council has a duty not only to allocate business land, but also to deliver jobs. The allocation of land for commercial use is a key priority of the council’s development planning document, the Core Strategy. Not all local authorities have produced such a document.

The Council’s economic strategy is articulated within the Core Strategy. This is informed by a strong evidence base.

2.2.2 Core Strategy

The council’s vision is to “develop the prosperity of the Borough of Rugby and raise its importance as an economic engine within the sub-region”. The vision acknowledges that future development in Rugby should encourage the existing business base to grow organically, whilst also shaping and promoting diversity amongst the sectors represented and types of employment they support.

Key points from the strategy include:

- Rugby has a healthy economy with low unemployment and steady growth in new employment development. Presently approximately 43,000 people are employed within the Borough.
- The period 2006 to 2020 will see the Borough’s economy grow by a predicted rate of 12%. For the West Midlands this figure is 13%.
- Existing employment land should be protected, and any redevelopment of existing sites should incorporate at least 20% as employment land.
- Further diversity of Rugby’s economic base will be encouraged.
- There is a need to provide employment land for more small to medium-sized enterprises.
- The Borough needs to provide more B1 (offices, research and development, light industry) floor space. (The provision of such floor space will help in diversifying the economic base of the Borough).
- There is potential for over-reliance on storage and distribution if more B1 floor space is not achieved.
• Rugby should maintain and improve a job density of 48 jobs per ha.
• By 2027 distribution, transport and communications is predicted to be the most prominent employment section, providing approximately 14,500 jobs.
• The next largest sector will be non-marketed services (ie. public administration, health, social care etc.), highlighting that there will generally be an increase in demand for office floor space to support these sectors.
• Predicted sector growth will also see a continued demand for the supply of B2 land to serve the Borough’s significant manufacturing and construction industries up to 2027.

Overall, the strategy recognises that Rugby has a healthy economy in terms of an existing business base, unemployment and also gradual commercial growth. It concludes that the steady increase in employment within the logistic sector in the area indicates a need to ensure that any future development recognises the importance of that sector, yet also ensures diversity amongst the borough’s employment offer.

2.2.3 Business Growth Forecasts – Core Strategy allocations

Outlined below is the economic growth forecast through the allocation of land in the Core Strategy:

• The Core Strategy allocates 108 ha of employment land, to be delivered between 2006 and 2020.
• This allocation assumes a job density of 48 jobs per ha. This figure does not include the Ryton (former Peugeot site) or Ansty RIS.
• There will be a ‘rolling reservoir’ of delivery of 36 ha every 5 years.
• 67 ha of this allocation will be delivered through the two urban extensions – the Mast Site and the Gateway site. This land forms the medium to long term commercial growth.

The production of the Core Strategy already appears to be paying dividends. During the course of the review, a news item on BBC Midlands Today highlighted major developments in Rugby, which were bucking national trends. Though development of employment land is phased for completion behind housing development on the Gateway site, there is evidence of a good level of interest from developers in the employment land since it began to be marketed.

Due to market conditions, development in recent years has been largely limited to speculative built commercial properties. There was no development / completion of employment floorspace in 2010/11 and 2009/10. In 2008/09 15568 sqm of office space (B1) was developed. The task group were provided with a list of major sites that are either in the process of development or have planning permission and are expected to be built by the end of 2013. These amounted to a total of 337,685 sqm net of predicted completions.

2.2.4 Availability of appropriate land and property

It was suggested in some of the evidence presented to the task group that one of the main barriers to inward investment in the borough is the lack of the right type of
property, causing companies to locate elsewhere. There is a particular need for good quality and adaptable industrial units that can be split or expanded to suit changing business needs.

There is a perceived shortage of smaller industrial units (between 800 and 2,000 sq ft) and modern offices in Rugby. Once small businesses have been established they need space and facilities to grow and expand. Compartmentalisation of old industrial units is too expensive to be a viable option for such businesses. There is also an issue over the size of units available in the town – many are too large for the types of retailers who would be looking to locate in the town.

By comparison, it was suggested that Daventry offers more suitable accommodation to medium-sized businesses. However, a large proportion of smaller industrial units are owned by Daventry District Council, meaning they are able to control rents and discretionary rate relief. Rugby Borough Council is not similarly ‘capital rich’.

That said, evidence from the Sir Frank Whittle Business Centre stated that they had found “no evidence of the Rugby area not providing the space required”, reporting that most of their vacating businesses had relocated in the Rugby area. It was suggested that a gap analysis of the premises available and the demand for commercial property was needed to provide more robust evidence on this point.

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**Case Study – Sir Frank Whittle Business Centre**

The Sir Frank Whittle Business Centre (SFWBC) opened in May 1994 and has accommodated 127 companies in that time. The centre is made up of 42 light industrial units ranging from 148sq ft to 718 sq ft, with the rent level starting at £50 per week for the smallest unit. The variety of unit sizes enables companies to up or downsize as required. The units can be extended by installing a mezzanine floor (at the companies own expense).

There are shared kitchen and toilet facilities and a small offloading area. Companies rent a basic shell and install their own equipment, utilities and broadband etc. The centre offers 24-hour access for 364 days per year, and provides a reception service for the companies based there during normal office hours. The centre holds seminars around three times per year offering basic business advice on topics such as human resources.

The centre often attracts home-based businesses that have outgrown the space they have available. There is no minimum or maximum occupancy period. Companies are issued with a 28 day licence which enables them to move out quickly if they wish or need to. For the businesses moving to the centre, this is important in mitigating the risks attached to taking on a business premises. Business owners value the kudos of having a businesses address and the support of centre staff and other businesses around them.

There is a turnover of approximately four companies a year. In December 2012, there were just two vacant units, one of which will be occupied from mid January. The current occupancy by floor space is 91%, against a national benchmark of 85%.

There is a wide mix of business types and size based at the centre. Some employ staff, and others are staffed by the owner or joint owners. The failure rate of businesses within the centre is extremely low.

It was clear from the conversations with business owners at the centre that in many cases the facilities and support it offered had enabled their businesses to grow, and the centre was able to accommodate this growth by offering larger units and facilities.
In 2012 the centre received 28 enquiries, four of which now have units at the centre. Of these enquiries:
- four had activities which were unsuitable (e.g. indoor skate area, car upholstery, paint spraying)
- four have found alternative premises
- two went to other WCC business centres in Nuneaton and Bidford on Avon
- one wanted larger accommodation (1500 square feet)
- the remaining are on the waiting list for suitable units to become available.

2.2.5 Planning Service

Whilst the Core Strategy is important in setting out a clear intention by the council to encourage new business developments, the council can also have an important influence through the way it responds to queries from potential developers. Officers provided specific examples of where a ‘VIP service’ to potential investors and developers could make a real difference in attracting new businesses.

This was endorsed in the written evidence received from the Federation of Small Businesses, which included the following comments:

“Inward investment can be greatly impacted by the service a business receives from all departments with a local authority, particularly the planning department. We are please to say that anecdotally our members inform us that RBC has a ‘can do’ attitude to planning and have always held the business community in high regard and recognising them as key to the prosperity of the area. This is very often not the case in many areas, where businesses are seen as the enemy and not encouraged to expand or build.”

The planning service at the council has been through an end to end review and radically changed its service structure as a result, with a clear focus on the customer. As a result planning officers have a flexible, common sense approach which encourages growth. This is further strengthened by the principle of sustainable development introduced by the National Planning Policy Framework introduced in March 2012, which encourages planning officers to give strong consideration to economic benefit when determining planning applications.

2.3 Labour market supply and demand

2.3.1 Employment rate and qualifications data

The official labour market statistics show that Rugby has a comparatively low unemployment rate and higher than average weekly earnings when compared with the West Midlands and national averages. Though this can be a sign of a healthy local economy, it also means that new businesses cannot be guaranteed a pool of labour. This was borne out by evidence submitted to the Committee. Rugby First stated that “there isn’t enough choice… (with) insufficient people looking for work”, while the Federation of Small Businesses stated: “Our members in Rugby tell us that they struggle to recruit because there isn’t a pool of skilled/qualified people looking for work (as unemployment is low). Low unemployment is obviously a benefit to the area but strangely can be an issue for businesses looking to recruit.”
Low unemployment in itself can inflate wages, an issue that is further compounded by a reliance on employment in one business sector (logistics), which also drives wages up.

The statistics on qualifications levels show that Rugby has a higher proportion of the working age population with no qualifications than the national (Great Britain) average, though a lower proportion than the West Midlands average. More generally, Rugby performs at an average or above average level in the proportion of its working age population with level 2, 3 and 4 qualifications.

### 2.3.2 Employer skills needs

A key issue raised with the task group was the lack of market intelligence about what employers need. Agencies such as the West Midlands Observatory and the Learning Skills Council no longer exist, making it difficult to gather such information. There is no longer any data being collected by the public sector and there is just limited data on demand for apprenticeships or Jobcentre Plus vacancies, with Jobcentre Plus only holding 48% of job vacancies. It was clear that more information is needed on the skills employers need so courses can be tailored to meet these.

Warwickshire College reported that they are introducing local consultation boards at each of their centres to work closely with the local business community to better understand their education and training needs.

The evidence from the CWLEP suggests that the skills base that is needed in the sub-region is technical and science or engineering based, and there is an issue about retaining skilled school-leavers and graduates to work in the area.

There are a number of warehouses in the area which may require a less skilled workforce, though this is not always the case. A new logistics employment hub, led by the Sector Skills Council for logistics, had been established in Daventry, and part of its role is to demonstrate the breadth of jobs in this sector. Skills for other industry areas such as care and hospitality are also needed.

### 2.3.3 Education and skills – meeting skills needs

Schools, colleges and universities all have a key role to play in meeting employer skills needs and providing a strong local labour market. Rugby benefits from having good local grammar schools and secondary schools and this is seen as a key strength.

The task group heard from business representatives that there is a notable difference between school and employer definitions of ‘work-ready’. Employers report that softer skills such as timekeeping, telephone answering and a general readiness and willingness to work are often lacking. It is increasingly difficult for employers to compare qualifications due to the range available and this is likely to become an increasing problem as further changes are planned to qualifications.

Apprenticeships are an important element of providing skilled employees to meet local employer demand. Warwickshire has seen a 10% growth in apprenticeships.
compared to the national figure of 2%. Even so, it was reported that there are not enough apprentices coming through with the relevant skills for local employers. Though apprenticeships are perceived as being aimed at young people not going to university, students still need 5 GCSE grades A-C to qualify. Many young people who are ‘not in education training or employment’ (NEETS) do not have this level of qualification and work is ongoing to try to support these individuals to reach the required level.

The task group learned that the burden of taking on an apprentice should be no more than that of employing any other employee. The college or training provider takes on the administration to help and support the recruitment process. However, it was clear from the feedback from businesses that many do not have a real understanding of the apprenticeship scheme, and smaller businesses have particular concerns about potential burdens and additional costs.

The development of the Power Academy at Warwickshire College was directly aimed at reflecting local business interests. The college is also working towards becoming an entrepreneurial college, as part of the Gazelle initiative, which involves embedding entrepreneurial skills into all of their courses. They are also developing strong links with higher education providers, to demonstrate progression pathways, and now offer their own degree courses.

There are significant changes underway in education for 14-19 year-olds. For example, a University Technical College, supported by the University of Warwick, will be opening in 2013 and will take students from age 14. This will have an engineering focus.

2.4 Economic development activity

Inward investment operations can be both proactive and reactive. Examples of proactive inward investment include advertising and marketing, research into the future of the commercial landscape and visiting internal/external businesses. Reactive inward investment operations include the availability of data for enquiries, council services being geared up to deal effectively with enquiries and the ability to engage quickly with third parties.

Historically Rugby Borough Council has operated in both of these areas, and has employed a dedicated resource for this purpose. The Council prepares a commercial property guide which is used to help promote the borough. Meetings with interested business representatives are also held. A key role for the Council is to invest in the town centre as a beacon to promote wider growth in the borough, and an example of how the Council does this is the provision of moving-in grants for vacant shop premises. The Council’s own economic development activity is extended by support from Warwickshire Investment Partnership (Warwickshire County Council).

The evidence from external bodies suggested that Rugby is recognised locally for its forward thinking and proactive approach in working with businesses. In particular it was noted that, at a time when many other authorities had reduced or removed their economic development function, Rugby had committed to retaining
this role and this had meant that Rugby had strengthened its position in this area. Rugby works well with partners and outside agencies.

With this in mind, it was suggested that the council could do more to promote itself in this respect. Other councils appear to be better at selling themselves, and the council needs to build its reputation and promote the borough more visibly within the business community. More emphasis should be placed on building Rugby’s external profile.

Initial expressions of interest in locating businesses in Rugby come from external companies who may then contact the Council, or be referred by agents. It is important at that stage to get the message across about how easy the Council is to work with, and to ensure that a strong package of support is available to these potential investors.

It was suggested that the use of social media could be considered as a way of promoting the town/borough. Many potential investors will undertake research online, so the availability of good information, tailored to the particular audiences, in this form is crucial. The Council should work more closely with developers, who share the same aim of attracting businesses and individuals to the borough.

3. COUNTY AND SUB-REGIONAL CONTEXT

It was clear from the evidence presented to the task group that inward investment has to be considered in a county and sub-regional context.

3.1 Warwickshire County Council

Within Warwickshire, the County Council’s Warwickshire Investment Partnership team offers a single point of contact for businesses considering locating in the county and works to promote the county as a location for businesses and to support existing businesses. There is an inward investment officer within this team who has a particular focus on Rugby.

A comment was made at the select committee meeting that the relationship between Warwickshire County Council (WCC), Rugby Borough Council and external commercial agents is too fragmented. It was also suggested that the county council may concentrate more on promoting their priority areas and that Rugby is lost within the county-wide offer. Similarly there are inherent tensions as there will be competition between the Warwickshire boroughs and districts to attract new businesses.

As part of its ‘Going for Growth’ agenda, Warwickshire County Council’s Cabinet has very recently recommended funding for new schemes, including a small business loan scheme and a scheme to revitalise Warwickshire’s town centres and market towns, focusing on increasing footfall. The proposed scheme is due to be considered by full council (WCC) shortly.

Warwickshire County Council owns ten small business incubation units across the county. The centres are now income-generating.
3.2 Coventry and Warwickshire Local Enterprise Partnership (CWLEP)

The key strategic body influencing inward investment and supporting business growth in the sub-region is the Coventry and Warwickshire Local Enterprise Partnership (CWLEP).

CWLEP recently commissioned commercial research which has resulted in a decision to focus attention on four niche sectors within Coventry and Warwickshire:

- **Low carbon mobility**
  The right level of research and development for prototype testing exists and other assets include test-beds and support from both Coventry University and the University of Warwick in delivering students with the right skills. This is a growing market of which Coventry and Warwickshire is at the forefront.

- **Motorsport**
  This is not a huge market but is at the pinnacle of advanced engineering. Successes include design and development for Formula 1 teams.

- **Serious games and software**
  This technology has become a valuable business tool. Internet based software can be used to sell goods or train staff through a virtual world. Coventry and Warwickshire is a global leader in this sector and a number of companies are exploiting this.

- **Intelligent Transport Systems**
  This includes intelligent software and digital technology for cars and transport to develop automatic traffic flow control systems. Interest in this technology would come mainly from the transport and logistics sector, one of the area’s key industries.

The level of employment in these sectors is only around 8% and therefore they are not a direct source of growth, but the model the LEP is adopting is to highlight these sectoral strengths as a means of attracting a wider range of businesses to the area from around the globe. The LEP’s emerging strategic approach to inward investment is one of focusing on these strengths as a top priority, but also building on the sub-region’s broader strengths and assets (ie. advanced engineering and manufacturing, transport and logistics, digital media, head office functions, development opportunities) and continuing the routine approach of reactive services based on interest and demand.

The proposed inward investment offer from the LEP involves the following key components:

- **Property offer** – right properties in the right places are available for investors
- **Key strengths** – promoting and selling the sub-region’s unique strengths, providing confidence to businesses that they can be successful here
- **VIP service** – providing a high quality, integrated, consistent and welcoming service to potential investors, utilising full range of assets and partners.
Though the LEP is business-led, it needs public sector input and local authorities have a key contribution to make on skills, infrastructure and support for businesses.
5. CONCLUSIONS

The task group has drawn the following conclusions from the evidence it received:

Planning

Having a Core Strategy, and therefore plan-led growth, is a clear strength and inspires confidence in investors.

The Council’s Planning Service has been reviewed and restructured so that it is now able and willing to have a wider role in inward investment. It is very much linked with economic development and is known to be business friendly.

Availability of commercial land and property

Availability of commercial land is generally good, but the shortage of appropriately-sized business units is a key issue.

The council is limited in its ability to control the provision of appropriately sized business properties. It is not possible to control the build on pre-let units which are built to match particular requirements.

The Council could give further consideration to the use of discretionary rate relief in view of the wider discretion it now has within the Localism Act. Any increased discretionary relief given would come at a direct cost to the Council.

A review of small to medium business requirements should identify whether there is a need for additional facilities in Rugby. Equally, if such a need can be evidenced, consideration might be given to supporting a developer to apply for grant funding for such a scheme.

Communication and profile

There is a need for better communication to promote Rugby to potential investors. This includes:
- hearts and minds (shaping individuals’ perceptions of Rugby)
- producing a good business case – clear information about finance, land and infrastructure.

A strong emphasis should be placed on developing effective electronic information about Rugby as a place to do business.

Consideration could be given to the possibility of seeking joint financing for such work with developers who have an interest in attracting new businesses to the area.

Rugby needs to build its reputation. Rugby is more than capable of winning more business awards, which would raise its profile.

Rugby World Cup 2013/2015 would provide an opportunity to promote Rugby. Could there also be value in promoting Rugby as a film location?
Skills

Rugby might benefit from better links with Coventry University to enable businesses to tap into a pool of skilled graduates. The University has a global reputation for its design and research programmes, and students are actively recruited by companies outside of the area.

More could be done to promote apprenticeships to local employers and debunk some of the myths about the administrative burdens.

There is a need for better data about employer skills needs.

Labour market supply

Rugby has relatively low unemployment levels, and there is some evidence that this creates difficulties in recruitment. *(Is there anything that can be done, realistically, to address this?)*

Business rates

Rugby BC performs well on the collection of business rates.

Coventry and Warwickshire local authorities have done well to develop a pooling proposal in the limited time available, and this should place all seven of the councils involved in a financially favourable position when the local retention of business rates scheme is introduced.

Economic development activity

Having a dedicated (but still limited) resource to support economic development is seen as a strength. The local retention of business rates gives the council an incentive to invest in activity to attract new business and retaining existing businesses in the borough.

Sub-regional context

The wider county and sub-regional context is crucial to inward investment, particularly following the formation of a Coventry and Warwickshire pool for business rates.
## Draft Action Plan

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Inward Investment Questionnaire

Rugby Borough Council is in the process of scrutinising its inward investment strategy, with the aim of refining our service to business. Please take a moment to consider the below questions.

1. Why do you think businesses choose to locate in Rugby borough?
   
   Big businesses, close to M1

2. What deters business from locating in Rugby borough?
   
   Rugby is very small. There are one-man companies and very large companies.

3. How effective is the council's current activity to support economic development and inward investment?
   
   Probably do a lot to attract large business?

4. What more could the council and its partners do to encourage inward investment and support existing businesses based in the borough?
   
   Perhaps if Rugby's speciality is large business, then you should continue to focus and drive that forward.

5. How much of a priority should this be for the council in the context of reduced public spending?
   
   Being such a small town, I doubt it has much of an impact overall to the UK's debt?

6. Should the council encourage any form of inward investment or seek to encourage a balanced profile of businesses?
   
   Currently the profile is very unbalanced so any investment would be beneficial.

7. Does our local workforce match the skills needs of local businesses and potential new businesses? If not, what could be done to address this?
   
   I don't think anywhere in the UK has the right workforce. It is very difficult finding good staff.

8. What is your view of the council's current discretionary business rate relief policy?
   
   I don't know about it but the town centre is full of charity shops and empty shops which is not a good picture.

9. Do you have any comments about our business rate collection arrangements or our effectiveness in ensuring business properties are correctly valued?
   
   Empty shops in the town centre indicates no.
NOTES OF VISIT TO SIR FRANK WHITTLE BUSINESS CENTRE BY MEMBERS OF THE INWARD INVESTMENT TASK GROUP

28 NOVEMBER 2012

Members of the Group: Councillors Ms Robbins (Chairman), Ms Edwards, G Francis, Hazelton

Officers: Debbie Dawson, Scrutiny Officer; Linn Ashmore, Democratic and Scrutiny Services Officer.

Hosted by: Margaret Burnham Business Centre Manager, Warwickshire County Council Sir Frank Whittle Business Centre and Julie Crawshaw, Warwickshire County Council.

Background information and discussion with Centre managers

The Sir Frank Whittle Business Centre (SFWBC) opened in May 1994 and has had 127 companies taking units.

The centre is made up of light industrial units ranging from 148 sq ft to 718 sq ft. The rent for the smallest unit is £50 per week. There are shared kitchen and toilet facilities and a small offloading area. Companies rent a basic shell and install their own equipment, utilities and broadband etc. The centre offers 24 hour access for 364 days per year.

There are various sizes of units available. This makes it easy for companies to up or downsize as required. The units can be extended by installing a mezzanine floor (at the companies own expense).

There is no average length of stay but there is a turnover of approximately 4 companies a year. There is no minimum or maximum occupancy period. Companies are issued with a 28 day licence which enables them to move out quickly if they wish or need to.

Most vacating companies have all relocated within the Rugby area with the exception of a couple who have moved to other parts of the country. Two companies have relocated to Northamptonshire for personal reasons (for example they have moved house). The centre has no evidence of the Rugby area not providing the space required.

There are 42 units and of these, 2 are currently vacant, 1 will be occupied from mid January. The current occupancy by floor space is 91% - the national benchmark for occupancy is 85%. There are currently about 150 employees working within the centre.

Since January 2012 the centre has received 28 enquiries, 4 of which now have units at the centre. Of these enquiries:
4 had activities which were unsuitable (eg. indoor skate area, car upholstery, paint spraying)
4 have found alternative premises
2 went to other WCC business centres in Nuneaton and Bidford on Avon
1 wanted larger accommodation (1500 square feet)
The remaining are on the waiting list for suitable units to become available.
The companies at the centre are currently exempt from paying business rates (as their rateable value is under £6,000). This allows them to invest more money in their businesses. However, they are advised to make provision for business rates in their budget forecast.

Most of the businesses the centre attracts are at the second phase and have been working from home before making the decision to move into a business premises. Reasons for this include:
- The kudos of having a business address.
- Supports a businesslike professional mentality.
- They have the support of centre staff and other businesses around them.

The SFWBC does not give direct professional advice but will support businesses where they can. The centre is a small business community and through networking the companies support and help each other. The centre holds seminars around three times per year offering basic business advice on topics such as human resources.

Organisations such as Business Link and the tax office used to hold workshops giving advice to businesses, but due to funding cuts this support is now limited. Banks are also happy to come to the centre to speak to the small businesses there.

The Federation of Small Businesses holds a meeting at the centre each month.

There are links to the businesses located at the SFWBC from the WCC website.

There is a real mix of business types and size based at the centre. Some employ staff, and others are staffed by the owner or joint owners. The failure rate of businesses within the centre is extremely low.

There are ten similar small business incubation units across the county, but not all have staff on site. The centres are income-generating for WCC.

As part of its “Going for Growth” agenda, Warwickshire County Council’s Cabinet has very recently recommended funding for new schemes, including a small business loan scheme and a scheme to revitalise Warwickshire’s town centres and market towns, focusing on increasing footfall. The proposed scheme is due to be considered by full council (WCC) shortly.

Julie Crawshaw is due to meet with Aftab Gaffar from Rugby First to discuss topics such as funding opportunities for the town centre and ways to increase footfall. Rugby’s shop front improvement grant is seen as being highly successful and is being copied elsewhere. It was suggested that more footfall counters are required to produce better baseline data.

Details of the re-development of Elliots Field are not yet known and the arrival of Debenhams to the town is seen as a good thing, but out of town retail sites inevitably shift gravity outside the town centre. There is a need to maintain dynamic town centres and take some form of mitigation action against the potential loss of trade to the town centre. One example of a focus for the town centre might be to build a reputation as a ‘gastro town’. The night time economy is important to consider.

Information gathered from companies

The members visited a range of companies within the centre to talk about their experiences. Below is a sample of some of comments made by the business owners:

- The centre was found by chance. The owners had previously been working from home. They felt it was a risk taking on premises but the fact that they did not have to tie-in long term helped to mitigate this risk. The support obtained via the centre,
such as having a manned reception, has been a great help in providing a “firewall” and keeping unwanted sales people away. Been here for one year and business has grown in that time. Networking within the centre has also brought in business. Now in a position to expand.

- Came to the centre through personal recommendation following a period working from home. The business was set up after being made redundant. The facilities available at the centre have allowed the business to grow, eg transient storage space and forklift truck for offloading deliveries. These were things that hadn’t been considered before coming to the centre. The rent per square footage is premium but this needed to be balanced with what you are getting back. The additional costs are offset by the value added to the business by the facilities at the centre.

- The centre management staff are very supportive and help wherever they can, which you would not get elsewhere.

- Most of the businesses did not have a real understanding of the apprenticeship scheme, and some were concerned about potential burdens and additional costs.

- The centre meets a need for both office and warehousing facilities in the same building. Having a manned reception and postal services is beneficial.

- There is a lot of work in this area for web design businesses and good connections with London. Wifi access is needed for the meeting room at the centre, and a basic level of internet access for the centre as a whole would be helpful.