

**SUPPORTING AND ENCOURAGING
NEW BUSINESSES**

**FINAL REPORT OF THE
REGENERATION AND CITIZENSHIP
SCRUTINY COMMITTEE**

9TH JANUARY 2007

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EXECUTIVE SUMMARY

“Supporting and encouraging new businesses” is the current topic under review by the Regeneration and Citizenship Scrutiny committee that started in October 2005. The main aim of the review is to enable businesses in Luton to be successful by ensuring a timely and co-ordinated approach is in place offering help and advice.

The report highlights the current services available to new businesses to tap into for information and advice. Throughout the review there is an overlap in the service provision available that is backed up in the evidence given by witnesses. A number of key findings are highlighted as a result and outlined below for consideration by the Executive:

Key Findings

1. The review found a need for a more co-ordinated approach to support businesses, as the evidence suggests there are specialist agencies providing similar functions. To avoid duplication in service provision the Council could look into adopting the approach taken by Medway Beacon Council in creating partnership arrangements with specialist agencies to avoid duplication in service provision. If this process was to be adopted by the Council it would mean the Council taking a more active role in encouraging partnerships and setting up service level agreements with the agencies involved.

Recommendation 1: That the Executive requests officers within the Regeneration Section to investigate the Medway option as a possible way forward to help support and encourage new businesses in the town and avoid duplication of service provision and identify a lead agency to take on this role.

2. Funding is a barrier faced by most businesses. The Council does not have a definitive role/resources to provide specialism in such areas. Current financial establishments such as banks and building societies view new businesses as a risk and therefore are unlikely to give financial backing. This is mainly due to the lack of training and knowledge to deliver effective business plans to secure financial backing. On the other hand if more information was made available on local funding initiatives available for businesses to access this could help in the interim. However, it is not clear from the review which service would be in the best position to deliver this type of information.

Recommendation 2: That the Executive recognise funding is the main barrier faced by new businesses and is an area that the council alone cannot act upon and therefore, whatever decision is made will need to be in consultation with specialist financial agencies on the best way forward.

Recommendation 3: That the website and other media be utilised to provide information on local initiatives that could assist new businesses.

3. The review found a need for a central point of contact where information and advice is given without the need to be signposted.

Recommendation 4: That the Executive ask officers within the Regeneration Section to look into the viability of providing such a service through the call centre or one stop facility currently available at the Council. However, this could potentially have resource implications in providing specialist knowledge in certain areas. A possible way forward is to include this as part of the service level agreement mentioned in point 1 above.

4. A clearer communications and marketing strategy is needed to promote Luton, as a viable location for businesses. This is an area raised by local businesses in the Town at the business seminar held in June last year by the Regeneration Service. However, the Regeneration Service received £1.2 million from Luton and Dunstable Partnership as part of Objective 2 European funding initiatives. That went towards promoting and marketing Luton as a viable location for businesses. Attached as appendix A is a brief description of the project, its objectives and what has been achieved.
5. There is a need for a mentoring scheme to enable businesses to learn from experienced business people. The evidence suggests mentoring provision is provided by some agencies such as Beds and Luton Business Link. However, mentoring is seen as a much needed service for businesses to access and therefore should be more widely available.
6. Promoting and educating people in running your own business, as an alternative is an option mentioned within the report. Beds and Luton Business Link provide educational days where they go into schools to promote setting up your own business as an option in addition to college and finding a job.
7. There is a need for support and advice to be extended throughout all stages of a business lifecycle and not just at the initial set up stage, where there seems to be adequate provision in place, with little to no provision available thereafter.

INTRODUCTION

The Regeneration and Citizenship Scrutiny Committee agreed the topic of “encouraging and supporting new businesses” at the 6 October 2005 meeting. The aim of the review is to enable businesses within Luton to be as successful as possible by ensuring there is a timely co-ordinated approach in terms of help, support and advice to new businesses. In order to enable the committee to ascertain what approaches were available a series of key questions were put forward:

1. What happens now?
2. When/where is intervention appropriate?
3. What type of intervention is successful?
4. What agency is best placed to deliver help?
5. What works elsewhere and what is best for Luton?
6. Where does Luton fit in the regional context?

The committee invited various witnesses to give evidence to gain a better picture on the type of help available to new businesses in Luton:

- ❑ Karen Wood - Enterprise and Entrepreneurship Manager - Luton University
- ❑ Steve Pryor - Business Start up Manager - Business Link
- ❑ Laura Church - Head of Regeneration - Luton Borough Council
- ❑ Gary Jesson - E-Financial Management

The report includes best practice identified from the Regeneration Service Best Value Review with particular emphasis on the visit to Medway Beacon Council. The findings of a consultation exercise conducted through an e-questionnaire developed with the Council’s Consultation Unit and Business Link to determine the level of information/help available to new businesses in Luton.

What happens now?

The committee decided to invite witnesses to give evidence on the type of services/help available to encourage and support new businesses in Luton:

The University of Luton

Karen Wood the Enterprise and Entrepreneurship Manager at the University of Luton (now Bedfordshire University) is responsible for a number of enterprise related initiatives run by the University at a local and regional level. The University has run these programmes for almost 5 years:

- ❑ Basics of Building a Business Course
- ❑ Dedicated start-up workshops
- ❑ Business Plan Competitions
- ❑ Enterprise in the Community
- ❑ Luton Business School
- ❑ Luton & Dunstable Innovation Centre
- ❑ KBI Support

A local research conducted by the University found the need for an integrated package of support that people would find easy to locate and dip into for various services/information:

- ❑ Training
- ❑ Professional Advice
- ❑ Practical Support
- ❑ Proof of Concept
- ❑ Financial Support

In identifying all of the above needs the University has been successful in assisting various businesses in Luton to grow and develop:

- ❑ AISolve (Mipsoft)
- ❑ Sticmatz
- ❑ Infinite Media Ltd
- ❑ Kidz n Computers
- ❑ Digiworks Ltd
- ❑ Hair4me
- ❑ Luton Automotive

Another role of the University is to engage in partnership arrangements with some of the businesses in Luton such as:

Individual businesses:

- ❑ Nazir Jessa
- ❑ Alan Barrell
- ❑ Lee Allen

Local Businesses:

- ❑ E-financial management
 - ❑ Banks
 - ❑ Incredit
 - ❑ Community centres
 - ❑ The Chamber
- And many more

The University found developing partnerships with the various businesses mentioned above have enabled them to portray a more active role in terms of support and advice to businesses seeking a level of professionalism from such an establishment. The University's views on how it fits into the regional context, found local initiatives such as City Growth identified the level of low start-up rates in the locality attributable to poor representation from ethnic communities and an early failure rate in businesses that do not seek help to establish their own enterprises. This is reflected in statistical evidence that shows the highest number of business start-ups is found in the Eastern region in Hertfordshire and the lowest in Norfolk; although Luton is said to have the best survival rate for small businesses.

Luton is unique in terms of locality and its diverse cultures that is reflected in a good business mix of the communities and groups in the town. Coupled with that it has great potential and opportunities for small businesses being in a central location and in close proximity to London and also near to facilities in Milton Keynes providing opportunities for businesses to expand and grow.

In terms of what agency is best placed to deliver help? This is seen as a co-ordinated approach in which delivering partners can work together and possibly managed by a central body that has established relationships. It is important for the agency to have quality of provision with experience and accessibility similar to the role of the university.

The type of intervention appropriate to Luton is a needs analysis on levels of personal and business acumen with training delivered in a variety of ways to assist with business plans, practical support of meeting places and facilities, mentoring that is well matched to meet the needs and also financial support.

However, there is a variety of business support available in Luton for new businesses to tap into although they are not always easy to access and sometimes do not necessarily provide the most practical approach in terms of assistance. The main barriers foreseen by the university are: financial obstacles and the need for support that continues beyond the business concept stage. There is also confusion about where to go for help and the lack of awareness and understanding for businesses that find it difficult applying for funding.

There is a need for more education on all types of businesses with clearer messages on the services that are available with a more co-ordinated approach to points of contact. Businesses need to tailor their products to match the customer needs to reflect the evolving communities prevalent in Luton and make access to funding easier to obtain.

Beds and Luton Business Link

Steve Pryor the Business Start up Manager from Beds and Luton Business Link provides a free service package that includes: help in “start-up” and ‘micro” businesses for up to 10 employees; one to one advice; workshops; specialist advisors in information technology and finance; online advice; mentoring, coaching, ethnic minority business advice; Luton minority business forum and a programme for women re-entering the business environment.

Another part of their role is to raise the profile of self-employment in Luton, a town traditionally known for large employers employing a significant number of people. Providing a free service acts as an incentive for people considering self-employment to access the service for support and advice. Beds and Luton Business Link also run educational packages in which they are required to spend one week a year working with schools to promote the importance of identifying and establishing self employment which can act as a third alternative to college or getting a job.

Luton Borough Council

In terms of business advice, support and help offered to businesses in Luton this is conducted through the Regeneration Division’s Inward Investment team. The team provides support in areas such as: encouraging and supporting new businesses within the town and support in facilitating the growth of new businesses through planning, transport, improving the environment and education. Another role played by the Council is to act as a regulator in areas such as: health and safety, environmental health and trading standards. The Council acts as a purchaser of goods and services and plays a role in helping and assisting new businesses if the nature of the business addresses an existing local gap. This is particularly important in relation to social enterprise where the nature of the business is of benefit to the community. Finally, the Council also has an intervening role in terms of providing advice, guidance, and support on property to new businesses.

Gary Jesson - E-Financial Management

Gary Jesson from E-financial management is a qualified accountant who has two businesses providing financial management sales and advice to small businesses. His company works in partnership with the enterprise programme run by the university. The views expressed by him echo those already mentioned in terms of the need for more business support and for more sustainability for businesses to grow to add to the economy.

Why do businesses fail?

The main reasons why some businesses fail is due to poor business skills; the lack of financial knowledge; the lack of good ideas and lack of knowledge on how to exploit the market. There is also the fact that businesses are unsure of where to go for help, as there are no obvious places to find help especially at the early stage of the process. How successful a business is will depend on an individual's background knowledge of the business field. Which means people who portray a good business sense will go looking for financial outlets for backing. However, this does not necessarily mean they will go to banks or building societies, which is usually their secondary source. Entrepreneurs usually approach friends and family members in the first instance as very few financial establishments provide direct funding for small businesses. This is because they are seen as high risk as a majority do not have the skills to provide a proper business plan. It should be noted a high proportion of businesses fail within the first year, purely due to the lack of financial help available and people not knowing what funding is available to them.

Best Value Review of Regeneration

The review on "encouraging and supporting new businesses" includes evidence from the Best Value Review of the Regeneration Service with particular emphasis on the results of the consultation events and lessons learnt from best practice visits.

The Inward Investment Team held a Business Breakfast Consultation Event on 2 June 2005 at the Putteridgebury Conference Centre. The aim of the event was to identify what Luton's business community felt should be the key priorities for the Regeneration Service within the Environment and Regeneration Department. In order to ascertain these views various agencies were consulted through the business breakfast event which are listed below:

Chiltern FM 97.6	Holmes Commercial	Peter Hill Chartered Surveyors
Access Academy	Hotel St Lawrence	Prince's Trust
Arndale Shopping Centre	HSBC	Quickmap
AW Transport	Inland Revenue	Regal Litho
Barnfield Technology Centre	Interbrew Uk	Measurement Technology
Bedfordshire County Council	Lloyds TSB	T & E Neville Limited
Bedfordshire Newspaper	Luton Sixth Form College	Taylor Waltons Solicitors
Beds News Group	London Luton Airport	Thistle Hotel Luton
Central Cash & Carry	Ludlow Group Services	University of Luton
Easter Group Ltd	Machins Solicitors	Vauxhall Motors
Filmstock	Namco	Watford Electronics
Hat Factory	Noah Enterprises	Whitbread Plc
Heinz Frozen & Chilled Food	Part P Electrical Services	Young Enterprise

Below is a list of the priorities that came from the event:

- ❑ Have a “business press” board in shopping centre area similar to Milton Keynes
- ❑ More assistance to SMEs, smoother processes. Focus on the needs of SMEs
- ❑ Build relationships with key businesses e.g. university, PR companies, Chamber etc.
- ❑ Area for development of new businesses
- ❑ Streamlining organisations which businesses need to contact - one access point
- ❑ Support for entrepreneurs
- ❑ Develop a “communications role” with Regeneration Services
- ❑ Encourage developers to develop small business units

The event also drew out improvements identified as needed to help businesses in Luton:

- ❑ A one stop shop
- ❑ Monthly newsletter
- ❑ Visit companies to discover the issues
- ❑ Make it easier and smoother for companies to get assistance
- ❑ Build stronger communities to develop individuals, develop businesses and create jobs

The event was viewed as a success overall with three main conclusions that were prevalent throughout and are summarised below:

1. **Communication** - It was agreed communicating a more positive approach in terms of information to the whole of Luton on how the Council addresses the key issues raised during the consultation event to the business community that was seen as imperative. This point was also raised in point 2 below.
2. **Marketing** - To improve areas such as promotion, marketing, communications and PR is needed to create awareness of all the positive things happening in the town.
3. **Regeneration Service** - The Inward Investment Team to promote a positive message across the key sectors and local businesses at local, national and international business events in order to be effective and create an impact within the competitive environment.

Best Practice Visit to Medway Beacon Council and Lessons Learnt

The most relevant best practice visit in terms of the review on “supporting and encouraging new businesses” was the visit undertaken by the Regeneration Service to Medway Beacon Council.

The Council and the following partners provide business support:

- ❑ Business Link Kent
 - Enterprise agency
 - Chamber of Commerce
 - Federation of Small Businesses
- ❑ Medway Enterprise Gateway
- ❑ Private Sector
- ❑ Universities

The partnerships mentioned above all have service level agreements to avoid confusion on the services delivered within the business support service. To achieve this Medway Council approached Business Link to enter into a service level agreement to work in partnership with the Council to share the Business Link client management system.

This has allowed Medway Council to develop their projects to focus on start up businesses by providing flexible workspaces.

- ❑ 3 sites
- ❑ 80 units
- ❑ 32,000 sq ft
- ❑ Cost neutral - council as ‘honest broker’
- ❑ Medway enterprise gateway

The Council owns and operates the managed workspaces, which are all situated in deprived wards. Tenants are offered internal repair leases up to 3 years or less with easy in/out terms and conditions such as fixed legal costs, monthly rentals e.g. one-month notice to quit. All prospective tenants are given free business planning assistance from workspace advisors provided through the Enterprise Agency in North Kent. Existing tenants receive regular visits from their advisor who can be signposted to other business support services including Business Link Kent and North Kent Chambers of Commerce.

Through this intervention a survey revealed a 98% survival rate after 3 years in new start-ups and 98% occupancy, which is a huge achievement.

The key interventions developed by Medway Council to support new businesses include:

- ❑ Providing a Small Business Awards scheme that is done in partnership with the council, where an annual award ceremony is held that includes the 9 partners from public and private sectors and the work of all the projects chaired by the Council. The highlight of the event is the £5000 prize money given to boost businesses profile and acts as a model that other authorities have adopted elsewhere in the country.
- ❑ The Inward investment partnership working has been through:
 - ❑ Local inward investment agency - located in Kent
 - ❑ Medway is part of the partnership approach
 - ❑ Service level agreements in place to
 - Deliver 200 jobs per year
 - 6 monthly reviews
 - ❑ A referral process for all enquiries
 - ❑ Confidential information sharing

The image portrayed by the Council is a cross cutting theme that has a strong foundation within local economic development. Medway provides support for town centres through four dedicated town centre managers that work with new and existing businesses on a daily basis.

The key messages in the approach taken by Medway Council in supporting new businesses are:

- ❑ A strong strategic vision
- ❑ An effective partnership working arrangements
- ❑ Targeted interventions to provide:
 - Flexible workspace
 - E-business
 - Partners for growth
 - And local interventions that are targeted to avoid duplications of work

E-Questionnaire

As part of the review the committee requested a consultation exercise to be conducted with businesses in Luton to ascertain their views on service provision and the support available in the town. The joint exercise was conducted with the Council's consultation unit and Beds and Luton Business Link to provide an e-questionnaire to send out to businesses in Luton using the Business Link database system. A copy of the e-questionnaire that was sent is attached as an Appendix to the report.

57 respondents replied to the questionnaire of which the main findings are summarised below:

46% of respondents had never sought business advice in Luton. The reasons given for this is:

- ☐ There was no need to ask for help
- ☐ Not sure what help is available
- ☐ Never knew where to go to get help or advice that wasn't going to cost money
- ☐ Past experience of business advisors has been expensive and never effective
- ☐ Business is outside of Luton

However, of those that had sought help, 12 sought help during the start up stage, 13 during the established stage and 19 sought help in the growth stage.

In terms of the type of help sought 13 sought training, 12 sought business planning help, 10 sought help in relation to business expansion, 9 sought help regarding a business mentor and 6 sought help for financial support, legal advice and tax advice. Other help/advice sought was for: grant applications, IT, web design, funding and information about marketing and prospects.

In relation to the organisations respondents went to for help and advice: 26 went to Business Link, 7 University, 6 to the Enterprise Centre, Inland Revenue, High Street banks/building societies and used the Internet, 3 went to a solicitor and only 2 approached the job centre and Luton Borough Council.

Respondents were asked to rate the help/advice received as: very good, good, average, poor or very poor. The results for the rest of the organisations varied between the scales and therefore no significant analysis can be drawn. The range of differing responses indicates that experiences of receiving help from organisations are extremely variable.

In terms of level of difficulty finding help/advice 68% felt that it was either very easy or fairly easy, with 26% finding it either fairly difficult or very difficult. The explanations relating to these results included:

- ❑ Was advised grants were available to help expand my business. But could never obtain any real help in respect of obtaining those grants
- ❑ The staff at Business Link did not seem to have much knowledge of the kind of information that I wanted or where I could get it.
- ❑ There are several organisations each providing a little bit of information
- ❑ I phoned Business Link on several occasions and on every occasion I was promised that someone would get back to me but no one did. Eventually I stopped and looked for help elsewhere.
- ❑ Business Link were very happy and gave lots of advice
- ❑ Did not encounter any difficulty in fact well received across the board
- ❑ Start up help is very basic

In terms of other help/advice that would have been helpful, the following suggestions were made: grant applications, small business loan schemes, marketing, funding premises, input from experienced business owners.

26% of respondents think there is sufficient support for businesses in Luton who are at the “start-up” stage, 32% think there was not sufficient support in for businesses that are at the “start-up” stage and 42% didn’t know. The explanations relating to these results included:

- ❑ Specific need for information rather than general start-up help
- ❑ Too many businesses fail early on so more help must be needed to avoid the pitfalls
- ❑ I was dealt with without any delays and all my concerns and questions were answered promptly
- ❑ There is a lack of appropriate property
- ❑ Too many small businesses make expensive mistakes in their early years
- ❑ Business Link and Chamber seem to be quite active but never actually utilised them as much as we could have at the time

23% of respondents think there is sufficient support for businesses in Luton after the start up stage, 36% think that there is not sufficient support for businesses in Luton after the start up start up stage and 42% did not know. The explanations relating to these results included:

- ❑ There seems to be no central focal point of contact
- ❑ Business Link are there if needed and always help me
- ❑ There is a lack of appropriate accommodation
- ❑ There should be someone in the Council to help with things like rates, help available from the government etc
- ❑ Business Link were always there at the end of the phone to answer questions

- ❑ I did not hear from you before I started and never after starting again very sad and poor
- ❑ Help is available at a basic level - but would be more valuable from owners who have done it themselves

In relation to what sort of help/advice would meet respondent's future business needs, the following suggestions were made:

- ❑ Greater understanding of Luton's future and more integration of small businesses in Luton's future
- ❑ Business mentoring during periods of rapid growth
- ❑ As an accountant funding to allow us to give free advice to SMEs there is the expertise available but businesses need the advice free, setting up a new department or agency is not required
- ❑ Easier access to information
- ❑ Need good quality, reasonably priced service offices. The innovation and business base at Butterfield is just the kind of thing that local small businesses are crying out for.
- ❑ Help to find the right premises, help with cash flow for a business plan, understanding statutory requirements e.g. VAT, taxation and returns
- ❑ Advice for expansion and taking on employees
- ❑ More assistance in building effective marketing techniques and programs
- ❑ Legal and accountancy help

When asked what is the best thing about running a business in Luton, the respondents gave the following responses:

- ❑ Low cost premises and good staff pool
- ❑ Access to major transport routes
- ❑ Excellent business support
- ❑ Can't think of anything
- ❑ Good communications
- ❑ It's close to home
- ❑ Being own boss, help and support of Business Link
- ❑ Good location
- ❑ Proximity to London
- ❑ Growth potential
- ❑ Us being local people helping the economics of the local community
- ❑ There is tremendous untapped potential in Luton

When asked what is the worst thing about running a business in Luton, the respondents gave the following responses:

- ❑ Need more focus on the pulses and create a pride in all things Luton. Need a generational plan that could run through all schools and businesses with the support of the papers. Not for a 3-5 years period, but 15-25 years. Plan for the future, Luton needs it's own business plan quickly!
- ❑ Lack of good quality reasonably priced accommodation for small businesses
- ❑ Lack of small second stage units to expand into
- ❑ Luton does not have a good reputation
- ❑ Very hard to find well educated staff
- ❑ Traffic
- ❑ M1 road works

When and where is intervention appropriate?

The general consensus from the evidence presented acknowledges businesses with the least amount of support and advice are likely to fail. The evidence also highlights a wide range of businesses with different skills, knowledge and experience. Therefore, when and where intervention is appropriate is dependent upon a number of factors as no one solution that fits all. However, what must be clear is what type of intervention is appropriate for the different stages of a business lifecycle.

The stages of a business lifecycle include:

- Pre- Start Up
- Start up
- Establish
- Growth

It is recognised that it is difficult to identify businesses that are looking to grow. Beds and Luton Business Link recognise the need to nurture relationships with businesses in order to be able to predict when a business will need growth support. However, the funding allocated to Beds and Luton Business Link does not encourage this with pressures to meet targets and give advice to a certain number of people over a period of time, therefore there is not sufficient time and resources for existing businesses.

It is widely acknowledged that once businesses have received help during start-up the services that are available are reactionary services. Services react to emergencies and put in place emergency measures to help the businesses that have approached agencies for assistance. Therefore, in between start-up and helping in emergencies, businesses need to be able to identify what their needs are, know where to access the help and actually ask for help.

Perhaps under this section a question should be asked as to which businesses should be supported. It was suggested that sustainable and long lasting businesses that create employment and contribute to and support the local economy should receive support. However, single person lifestyle businesses should not be supported.

What intervention is appropriate?

- ❑ There are very few business mentors; there is a need for more of this type of facility.
- ❑ Single point of entry where businesses can be tracked through the system and project managed by the process
- ❑ Very few people have the skills to build a successful business; in these cases they need to surround themselves with people who have the skills
- ❑ Too often people are led down a 'blind alley' encouraging them to pursue an unsustainable business idea. In these cases there should be someone there to state the obvious

How can LBC help?

- ❑ Be more business friendly
- ❑ Buy from and use local businesses
- ❑ Be involved in businesses as there seems to be a "them and us" culture that has developed
- ❑ Do more to promote Luton as a place that does well and a viable option to set up a business e.g. build on the good things that are happening in the town
- ❑ Have a speedier process for processing grants/funding as business cannot wait for decisions to be made
- ❑ Look at best practice adopted elsewhere in the country e.g. Cambridge is well known for its research facilities. For example, businesses know where to go if they need money in Cambridge. This information is not prevalent in Luton
- ❑ Luton needs to play on its strengths
- ❑ Better co-ordination of services
- ❑ Lend support through all stages not just at initial set up
- ❑ Develop a business press that promotes Luton - to promote successful entrepreneurs who are local for others to follow

There is a definite need for someone to take the lead, possibly an organisation such as Business Link/Chamber Business. The City Growth Board had advised that the Luton Forum and Bedfordshire and Luton Economic Development Partnership (BLEDP) would be the right agency to take ownership. City Growth had gained a lot of momentum with publicity largely in relation to clusters, people wanting to get involved in IT clusters, food clusters etc. and project managers, co-ordinators and workshops etc. needed to be set up. There are a lot of people in the town who would and have given up their time to mentor new businesses.

Regarding the availability of premises in Luton, there is very little in the way of small business units all of which were full. There is a need for new affordable units with easy in; easy out contracts, if more were created then they would be filled.

What type of intervention is successful?

There is a need for consistency of services in providing intervention. The key types of intervention highlighted by witnesses include:

- ❑ **Training** (formal training such as: NVQs along with informal training in areas such as presentation skills)
- ❑ **Outreach Services** - identified the need to get out in the communities to deliver services to those who can't be reached through normal channels
- ❑ **Professional Advice** - in terms of business mentors, business planning assistance
- ❑ **Practical Support** - loan of laptops, use of meeting rooms, availability of cheap premises
- ❑ **Financial Support** - loans, start up grants, financial planning
- ❑ **Signposting** - recognising one single organisation will not have all the answers or solutions that will help the business. Therefore signposting people to other organisations or contacts is a fundamental part of successful intervention
- ❑ **On-line Support**
- ❑ **Premises** - low cost with contracts designed for easy in and out terms and conditions

Which agency is best place to deliver help?

There was an overwhelming consensus that a co-ordinated approach is needed from a range of suppliers. Currently, it is not widely publicised where people can go for help and advice, therefore delivering partners need to work together and be managed by a central, independent body. People tend to seek advice and help when needed, which is often not at the pre-start stage, therefore all agencies should be seen as a potential point of contact. For example, the Libraries and job centres. There is also a need for a standard quality of provision. There is a need to ensure that if a person approaches a single agency they are also put in contact with a range of services not just the service that was the original point of contact. It is clear that there is a need for simplicity for the client. Barriers need to be overcome and there needs to be an overall support package which includes local funding initiatives. However, there is a problem that without sufficient awareness of the help available some people will never come across boundaries, inevitably there are still many businesses that do not take advice. Linked to this is the wider issue that there are some people who would be successful in running a business but have never thought about it as an option for them.

Whilst it is recognised that the Council has a role to play in helping agencies work in a joined up way, the Council cannot provide specialist business advice and are therefore not suitable to be the main player. The City Growth Board have advised that the Luton Forum and Bedfordshire and Luton Economic Development Partnership (BLEDP) would be the right agency to take ownership.

What works elsewhere and what is best for Luton?

A number of initiatives highlighted in the review have been successful elsewhere. The examples of good practice mentioned by witnesses concentrate on the following:

- ❑ Developing skills
- ❑ Providing grants and loans
- ❑ Mentoring
- ❑ Establishing a supply chain and a localised procurement

Examples of best practice in the North East include:

- ❑ Business support provided by a delivered by arm of RDA
- ❑ Centres of excellence focussed on specific clusters. Such centres have their own budgets and are measured on factors such as delivering businesses. Importantly business people run these centres

Examples of best practice in Cambridge include:

- ❑ University support new businesses through the use of premises, entrepreneurship courses, business plan competitions
- ❑ Well known and publicised heros and mentors who all give up time to support new businesses
- ❑ Established Angel and Venture Capital funding network
- ❑ Good research facilities

Where does Luton fit in the regional context?

In terms of where Luton fits in the regional context the witnesses thought the following were important:

- ❑ Luton has a very diverse community
- ❑ Luton has a more unusual and less than traditional business economy
- ❑ Luton has a low start up rate for businesses and also a higher early failure rate compared to the rest of the region
- ❑ It is possible that Luton is losing out in terms of new businesses as Milton Keynes is perhaps viewed as a better prospect for new businesses. Especially in relation to the quality of business properties, the quality of such properties in Luton are of a lower standard than those available in

Milton Keynes - businesses have more opportunities to grow as Milton Keynes has more to offer than Luton.

- ❑ SRB (single regeneration budget) funding is ongoing
- ❑ EEDA produce regional economic strategy
- ❑ Luton needs to move away from relying upon a big business economy to a mixed economy made up of small businesses

CONCLUSION

The evidence shows there is advice available and programmes for businesses at the initial pre-start up stage. However, how widely this information is made available is not clear. For example, the Council's website could act as a potential source of information to steer businesses in the right direction. However, trying to find information about how to go about starting-up a new business is not easily accessible. However there are links to the Department of Trade and Industry on loan guarantee schemes that are provided by the government on the Council's website.

The key findings and overall conclusions are set out in the Executive Summary at the beginning of the report.