

Information and Discussion Paper for Economic Growth Scrutiny Committee - January 2023

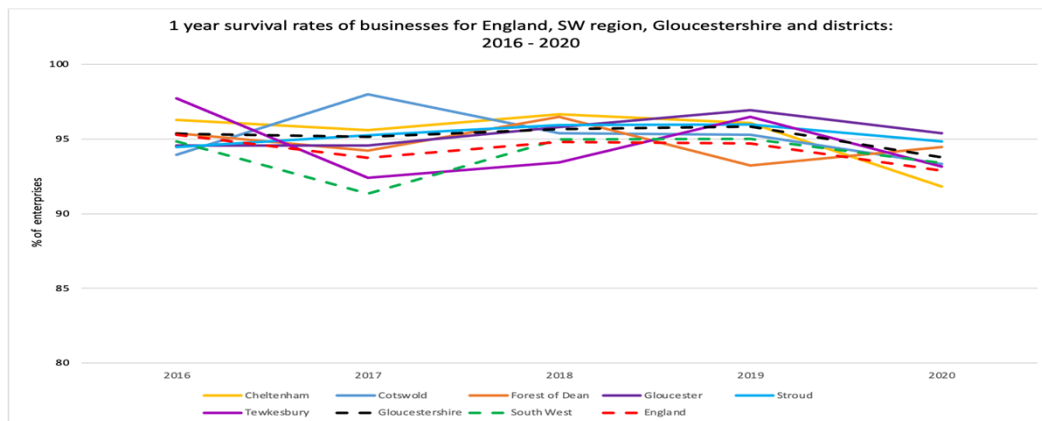
1. Topic requested by Economic Growth Scrutiny Committee: Supporting small businesses / start ups (what are we currently doing, what more could we do, issues and challenges facing small businesses)

2. Background Information

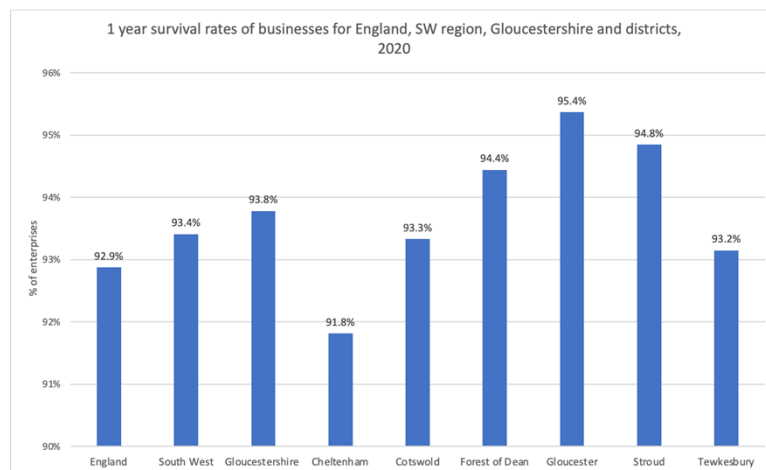
Business Survival Rates

1 year business survival rates

The below graph looks at 1 year business survival rates comparing Gloucestershire and its six districts with the South West and England. Most areas show a drop in 2020, except for the Forest of Dean which saw an increase from 93.2% in 2019 to 94.4% in 2020. Cheltenham decreases from 96.1% in 2019 to 91.8% in 2020. The decline in 2020 is likely to be the result of Covid and the impact this had on businesses born in 2020

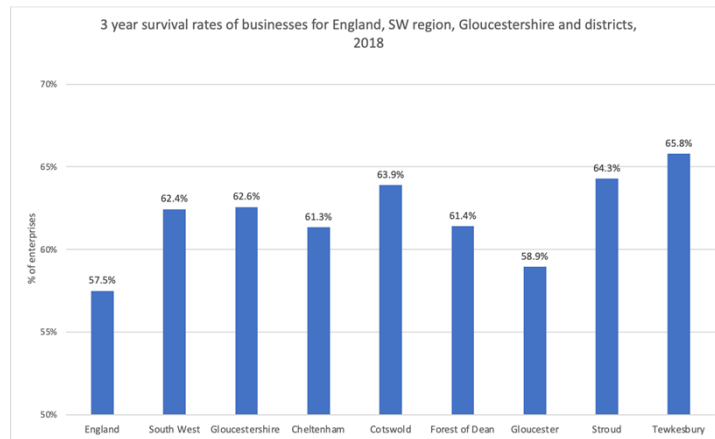


The below looks at 1 year business survival rates for 2020 and displaying the latest picture, comparing Gloucestershire and its six districts with the South West and England. As highlighted above, Cheltenham stands out as having the lowest 1 year business survival rate compared to other areas shown, with Gloucester having the highest. The Gloucestershire rate is higher than both England and the South West.



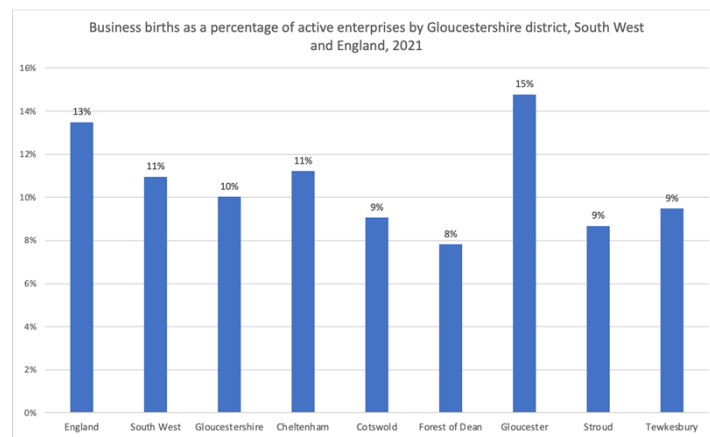
3 year business survival rates

The below looks at 3 year business survival rates for 2018, comparing Gloucestershire and its six districts with the South West and England. Gloucestershire (62.6%) has a higher rate than England (57.5%) and slightly higher than the South West (62.4%), with Gloucester (58.9%) having the lowest rate compared to other areas shown. The Cheltenham (61.3%) 3 year business survival rate shows to be better than its 1 year rate when compared to the other areas, with Tewkesbury (65.8%) having the highest rate for 3 year business survival.



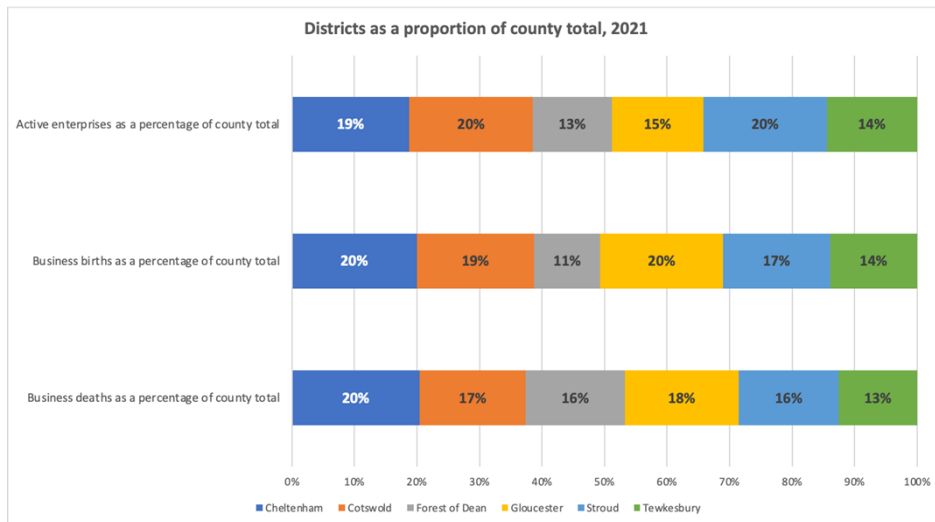
Business births as a percentage of active enterprises

The below shows business births in 2021 as a percentage of active enterprises. This shows England (13%) and South West (11%) averages to be higher than the Gloucestershire average of 10%. Gloucester can be seen to have the highest proportion of business births as a percentage of total active enterprises with 15%, while the Forest of Dean can be seen to have the lowest at 8%.



Districts as a proportion of county totals, 2021

The below shows active enterprises, business births and business deaths in each Gloucestershire district as a proportion of the county total for each measure. This shows Cotswold and Stroud account for a fifth each of Gloucestershire's total active enterprises in 2021, with the Forest of Dean accounting for only 13% of total active enterprises in the county and the lowest amongst all six districts. Likewise, the Forest of Dean also account for the lowest proportion of business births (11%) and both Forest of Dean and Stroud both account for the lowest proportion of business deaths each (16%).



Data for all of the above has been sourced from ONB Business Demography, 2021

3. Local interventions

There are two primary routes via which small and start-up businesses have been supported: through the Growth Hub network and through the Start and Grow Enterprises programme (SAGE).

Growth Hubs:

Referrals made to the SAGE programme from the Growth Hub are as follows:

- Number of referrals to SAGE programme from all hubs since 2017:
 - 540 made up of:
 - 306 x Signposts
 - 234 x Referrals

Whilst the overall number of start up businesses supported by the Growth hub network (in addition to the above) is 521.

SAGE:

Overall the SAGE programme has delivered the following interventions:

Start Ups Supported:
 Phase 1 (2017-2021): 418
 Phase 2 (2021-present): 1032
Total: 1450

Primarily SAGE has delivered 385 workshop interventions covering topics such as: Business Registration, Business Planning, Marketing Your Start-Up, Social Media Foundations for Business, Business Strategy and How to Win More Customers.

4. Economic Landscape

The economic landscape for almost all business is tough at the moment and as a result business confidence is lower than it was during Covid. Energy prices, skills shortages, supply chain problems, banks recalling loans and closing accounts, HMRC closing down businesses that are defaulting on tax payments. Our Gloucestershire Growth Hubs are busier than ever but with current and future funding amounting to less than in the past and with less support from other services such as Severn Wye and SWMAS.

5. Future Plans

The emerging plan for Growth Hubs and local support is to ensure there is a baseline offer right across the county. The intention is to provide additional support for priority areas (e.g. start up) and sectors e.g. Manufacturing.

In addition, the aim is to develop really good digital solutions and great collaboration with partners (e.g. Barclays Eagle Labs) that can enrich what we do and fill gaps in our provision.

A determined focus on what businesses want and need which is developed through full diagnostic discussion that covers every area, including EDI and decarbonisation, and a shift away European Funding drivers like the 3 hour and 12 hour intervention will result in better account management of priority sectors, building long term relationships.

Ensuring the offer increases the diversity of the business owners and managers Gloucestershire supports is vital and measurement will shift away from jobs and GVA and focus on what businesses are doing to promote sustainability and social value.

David Owen

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