

Agenda item:

4

Scrutiny Review – Support to small businesses

On 11 December 2009

<p>Report Title. Scrutiny Review on support to small businesses</p>	
<p>Report of Councillor Charles Adje, Chair of the review Panel</p> <p>Signed :</p>	
<p>Contact Officer: Carolyn Banks, Principal Scrutiny Support Officer Tel: 0208 489 265 E- Mail carolyn.banks@haringey.gov.uk</p>	
<p>Wards(s) affected: [All / Some (Specify)]</p>	<p>Report for: [Key / Non-Key Decision]</p>
<p>1. Purpose of the report (That is, the decision required)</p> <p>1.1. To approve the scope and terms of reference for the Scrutiny Review of support to small businesses.</p>	
<p>2. Introduction by Cabinet Member (if necessary)</p> <p>2.1. N/A</p>	
<p>3. State link(s) with Council Plan Priorities and actions and /or other Strategies:</p> <p>3.1. This review links with the Sustainable Community Strategy Outcomes of:</p> <ul style="list-style-type: none"> • Economic vitality shared by all, specifically through business and inward investment <p>3.2. This review links with the Council Plan priorities of:</p>	

- A thriving Haringey

3.3. This review links with the following Local Area Agreement:

- NI 171- Number of new business registrations for VAT and PAYE per 10,000 resident population aged 16 and above

4. Recommendations

4.1. That the scope and terms of reference be confirmed and approved by the Panel.

5. Reason for recommendation(s)

5.1. Reasons for the above recommendation are laid out in the main body of this report.

6. Other options considered

6.1. N/A

7. Summary

7.1. The Overview and Scrutiny Committee commissioned a review into support to small businesses as part of their 2009/10 work programme.

8. Chief Financial Officer Comments

Any costs associated with the review itself will be contained within the overview and scrutiny service.

Any financial implications arising from the recommendations of the final report will be addressed in that final report.

9. Head of Legal Services Comments

9.1. The legal service has been consulted and have no comments to make at this stage.

9.2. Any reports submitted to the panel will include legal comments where relevant and any legal implications arising from the final report and recommendations will be considered at that stage.

9.3. The Scrutiny Review will provide a valuable and reliable source of evidence that can then be fed into the Comprehensive Area Assessment

10. Head of Procurement Comments – [Required for Procurement Committee]

10.1. N/A

11. Equalities & Community Cohesion Comments

These will be addressed throughout the review together with relevant Equality Impact Assessment (EIA)

12. Consultation

The review will seek the views of a range of small businesses in the borough and partners in the relevant theme group of the HSP.

13. Service Financial Comments

13.1 This review will be carried out within the current resources of the Overview and Scrutiny Service.

13.2 Any financial implications of the final report will be covered within that report.

14. Use of appendices /Tables and photographs

14.1. N/A

15. Local Government (Access to Information) Act 1985

- Council Plan - Year 3, 2009-10, Haringey Council
- Sustainable Community Strategy, Haringey Strategic Partnership
- Haringey Local Area Agreement Refresh, 2009-2011, Haringey Strategic Partnership

16. Background

16.1. The Overview and Scrutiny Committee commissioned a task and finish review into support provided to small businesses in Haringey as part of their 2009/10 work programme

17 The Scrutiny Review process

17.1 Panel Membership:

Cllr Charles Adje (Chair), Cllr David Winskill, Cllr Rachel Allison and Cllr Sheik Thompson

17.2 Terms of reference

To consider:-

1. How small and medium enterprises (SMEs) in the Borough and those wishing to move here are supported by Haringey's Business and Enterprise Team and other departments, in partnership with governmental and non governmental agencies operating in Haringey.
2. How the Council's regeneration strategy operates and supports small businesses and whether it meets its objectives.
3. How the Council is contributing to and influencing the London Business Support policy and Strategy
4. How support is offered in appropriate areas, including
 - training
 - staff recruitment
 - finding/providing suitable premises
 - sign posting to information including (health and safety, taxation, employment law etc)
 - business start-ups, planning and expansion
 - access to funding including new Government Enterprise Loan Fund
5. The support given by other London Boroughs to their SME's to identify best practice and value for money.

17.3 Methodology

The Chair of the Enterprise Partnership Board, other relevant Council Officers, Business Link and the other agencies in Haringey offering advice and help to small business, including the Chamber of Commerce would be invited to all meetings.

MEETING 1

The Business and Enterprise Strategy Team, in consultation with the other officers involved, will submit a report:

- Summarising the effects of the recession on Haringey including the number of Companies that had gone bankrupt in the past year compared to previous years, the health of the surviving SMEs, employment rates etc.
- Setting out the range of services , support and advice offered by all the agencies to SMEs in the Borough and specifying whether any special measures had been taken to provide more assistance during the recession
- The way in which each agency signposted other agencies services
- The total budget available, who contributed what, how it was spent and how this compared to the sums provided in other similar local authority areas.
- Whether any budgets were pooled, and if so what were the arrangements.
- The role of the Enterprise Partnership Board in supporting local SMEs, whether it co-ordinates, monitors and reviews services and how it encourages the development of new initiatives.
- The Councils policy and an assessment on whether it is being achieved
- The grants and loans made to SMEs in Haringey and by whom. Whether there are any other sources of funds which could be tapped in the future.
- The arrangements for distributing funds, the administrative costs involved and how this compared to other similar local authorities.
- New initiatives or services offered by other similar local authority areas which might be introduced in Haringey

The resultant discussions should cover areas such as:

- Was the present mix of services the right one, were there gaps or duplications in services, was each agencies role sufficiently clarified and was the overall provision cost-effective?
- Was there a case for further pooling of budgets and what would be the advantages of doing this?
- How effective were the financial controls over budgets etc?
- How did Haringey compared with other similar local areas and were any of them doing anything which was not done in Haringey
- Should the Enterprise Partnership be doing more and how could it most usefully contribute toward the continual improvement in the support given?

MEETING 2

Again all agencies and business support organisations and, if appropriate, other local authorities, will be invited to the meeting to discuss reports on any issues identified at the first meeting, including the possible introduction, likely cost and financial implications of any new initiatives. At the end of this meeting a decision would be taken on whether any additional meetings required.