

STEVENAGE BOROUGH COUNCIL
ENVIRONMENT AND ECONOMY COMMITTEE

DATE: 22 February 2023
TIME: 6:00pm
LOCATION: Council Chamber

MINUTES

Present: *Councillors: Rob Broom (Chair), Adam Mitchell CC (Vice-Chair), Julie Ashley-Wren, Stephen Booth, Adrian Brown, Jim Brown, Michael Downing, Bret Facey, Conor McGrath, Claire Parris, Loraine Rossati*

Start/End Time: *Start: 6:00pm*
End: 7:55pm

1 APOLOGIES FOR ABSENCE

Apologies for absence were received by Councillor Loraine Rossati.

Councillor Julie Ashley-Wren was absent.

There were no declarations of interest.

2 MINUTES – 17 JANUARY 2023

It was **RESOLVED:** That the Minutes of the Meeting of the Committee held on 17 January 2023 be approved as a true record of the proceedings and be signed by the Chair.

3 COST OF LIVING CRISIS – FOCUS ON THE IMPACT ON BUSINESSES

The Chair introduced the speakers which included Simon Holmes, Director of Client Services and Enterprise Partnership Manager and Emma Wright, Client Services Operations Manager from Wenta (an independent, not-for-profit social enterprise that run the Council's Business Technology Centre (BTC)), and Mena Caldbeck, Business Relationship Manager at Stevenage Borough Council (SBC). He also introduced the Executive Portfolio Holder for Economy, Enterprise and Transport, Councillor Lloyd Briscoe. He stated that SBC worked hard to support businesses in the town and there was importance in sustainable growth as well as collaborative working, such as the work with Wenta.

The Director of Client Services and Enterprise Partnership Manager introduced Wenta and stated they had 100 clients who operated from their facilities and they offered

business advice and support services. He then gave a presentation on their work at Wenta.

The Director of Client Services and Enterprise Partnership Manager stated that there had been pressures on businesses and there had been issues faced particularly around staffing retention.

The Director of Client Services and Enterprise Partnership Manager informed Members that in Autumn 2020, there were 22 vacant offices in the BTC. Over the last 2 years this had changed and there was 6 vacant at the start of the year. In terms of office movements, in 2021 there were more moving out than moving in, whereas in 2022 there were more people moving in to the BTC. Larger offices were also beginning to be less popular. The leads had reduced on office enquiries as brokers were not as active, there had been increased competition in Stevenage and Hertfordshire, as well as working from home having an impact. He stated that other factors such as aged debt had increased as well as short term cash flow became an issue.

The Director of Client Services and Enterprise Partnership Manager informed Members of some of the successes which included:

- The virtual clients remained strong.
- Incubator and co working spaces bounced back.
- Over the last 6 months meeting rooms had picked up again.
- Wenta had partnered up with SBC on the Net Zero programme and had 65 organisation who had committed to net zero and measuring their carbon foot print.
- Wenta had encouraged people to join the BTC and offered upskilling to clients.
- Wenta had partnered with organisations such as Google Digital Garage to deliver specialised content and nationally recognised webinars to clients.

The Client Services Operations Manager gave the Committee information on some of the business advice offered by Wenta. In terms of support required, in 2020/21 the top three subjects needing support were how to start (52%), finance funding, and business planning. In 2021/22 how to start support rose (60%), as well as marketing and funding. In 2022/23 how to start decreased (40%), as well as net zero and funding (11%) which was the highest since the pandemic.

The Client Services Operations Manager stated that in 2020/21 the top age of businesses seen were prestart businesses (55%), in 2021/22 prestart was 65% but in 2022/23 prestart dropped to 41% and it was the highest percentage of 5+ years (16%) which wasn't usually seen. In terms of businesses being supported, in 2020/21 it was consulting, food and drink, and retail. In 2021/22 it was retail, repairs and maintenance, and design and creative. In 2022/23 it was retail, food and drink, and entertainment and arts. She summarised that pre-start businesses reaching out for support, as well as support for how to start businesses were reducing. She also stated that more established businesses were reaching out for support.

The Director of Client Services and Enterprise Partnership Manager advised that Wenta wanted to focus on incubated growth and supporting employment in Stevenage through the development of growth sectors and supply chains. He added they wanted to expand their work with North Hertfordshire College, as well as Action Zero Accreditation. Additionally, Wenta was supporting Tom Pike, Strategic Director, with an Enterprise Centre in the town, as well as a partnership with Stevenage Community Trust to support the community. He brought attention to the Feel Good discounts area on the Wenta website which offered help to SMEs on services.

In response to Members questions regarding the BTC, it was advised:

- Churn was not new to the BTC, and Wenta offer roll on roll off monthly terms.
- Upsizing and downsizing did happen as people were more flexible
- The average length of stay wasn't often analysed but figures can be brought back to the Committee.

In response to Members questions regarding SME's, it was advised:

- The financial stability of being a green business was less of an issue with Wenta services. There were different tiers offered, bronze, silver, and gold. Bronze was free and there was advice around green services, silver and gold were small monthly fees. Business advice offered by Wenta was always free.
- In 2021/22 there was a spike in pharmaceutical organisations. Smaller organisations did face challenges now, as they didn't have as much access to resources, people etc. therefore they could lose out to bigger businesses, but this came down to their responsiveness.

A Member asked a question regarding the online vs physical shopping. In response, it was advised that traditional retailers moved online in the pandemic and people have come up with products they wanted to sell on online sites such as Amazon. Wenta had seen an increase in retail businesses, some are small spaces such as market stalls, but online outweighed this.

Another Member asked whether there was a strong online presence in terms of training for climate change accreditation and what Wenta offered, as well as how easy it was for businesses to apply for government funding. In response, it was advised that there was face to face training and support offered in the BTC. The majority of clients preferred digital training. Wenta offered different webinars on topics such as finance, cashflow management, social media, marketing, websites, and cyber security. This was complimented by business advice services. He advised that clients could speak on a one-to-one basis in person or on the phone. The net zero services and virtual offices were online and there was a live chat to a business advisor that was accessible to all. Additionally, it was advised that Wenta hadn't had any challenges from businesses and so it felt like an easy process.

A Member asked how many grants were available for SMES. In response it was advised that the grants are funded by the EU which was coming to an end and will be replaced by the UK shared prosperity fund. Wenta always gave out grants where

possible and would be around £3,000 for start-ups or early stage within the first 3 years. He stressed that grants were important for SMEs and Wenta worked with businesses if grants aren't available to find other options.

The Business Relationship Manager gave a presentation on the impact of the cost-of-living crisis on small to medium sized businesses (SMEs) in Stevenage. The annual inflation rate had risen since February 2021. By January 2023 the electricity prices rose by 66.7% and gas prices rose 129.4%. She informed the Committee that regular pay for UK employees fell in December 2022 and Stevenage resident weekly real pay had gone up since 2021 (£612.50) but was behind the Hertfordshire average (£736.10) and the national average (£642.20). She added that the average house price in Stevenage was £356,799, with this being the 8th consecutive month of house price growth, and the average property rent was £1,539pcm.

The Business Relationship Manager stated that 41% of businesses reported a rise in the price of goods and services bought in December 2022. Construction was the largest industry group in Stevenage (18%), and the scientific, professional, and technical industry came second (13%). The retail industry group saw a steady growth until 2020. Small enterprises had increased by 13.6% and medium sized businesses had increased by 28.5%.

The Business Relationship Manager highlighted the opportunities for SMEs through the Stevenage Regeneration. The town centre investment continued, as well as mixed use development and the co-space area which opened in 2021. There were new leisure opportunities, such as NEWVU and Geek Retreat. Additionally, there was investment into life sciences. This includes the £65m Autolus investment and the new Forum development which brought science labs, STEM teaching and retail units. These supported the revitalisation of the town centre and created wider employment and apprenticeship opportunities for residents.

The Business Relationship Manager brought attention to the continued investment through unique Stevenage sector activities which included:

- In 2021 the Institute of Engineering and Technology (IET) site was refurbished which supported the highly innovative and technology smart workspaces for 580 members of staff.
- The new £35m UK Space and Defence HQ opened by Airbus which supported Airbus' continued investment in British space capability and toward the UK plan to capture 10% of the global space market by 2030
- Activities at Stevenage Biosciences Catalyst which £64m and 1,050 jobs contributed to the local economy
- Sycamore House which was estimated to result in £150m gross GVA and 2,800 jobs when fully occupied in 2027
- GSK created Europe's largest life sciences campus in Stevenage "fostering next generation of world-class scientists and biotechnology firms".

The Business Relationship Manager highlighted the Herts Growth Hub who conducted a cost-of-living survey across businesses in Hertfordshire which revealed how the cost-of-living crisis has affected businesses. In this, 61% stated they had increased their price of goods and 71% were concerned about the impact of the rising cost of living on their employees financial and mental wellbeing. She outlined the impact on Stevenage businesses, such as leisure, who had experienced a number of issues, such as recruitment and retention and decreasing customers.

The Business Relationship Manager brought attention to the Government support to businesses. The Energy Bill Relief Scheme was eligible to businesses and organisations to receive 6 months support from October 2022. This scheme ended in March 2023 but organisations that needed further support after this date could get help from the Energy Bills Discount Scheme. She also highlighted the grants funding, such as reducing carbon footprint.

The Business Relationship Manager highlighted various business support that was offered including:

- Herts Growth Hub – offering resources to support businesses tackle rising costs which fell under three categories, boosting business resilience, reducing costs by increasing the efficiency and sustainability of businesses, and helping businesses owners/leaders to maintain their own wellbeing and that of their workforce. Herts Growth Hub hosted an event on 10th March.
- Wenta – there were various schemes offered such as Action Zero Support, Savings Support, and training and events to encourage.
- Networking opportunities through Biz4biz, Co-space monthly networking meetings, and Hertfordshire Chamber of Commerce.
- SBC – Shop Stevenage Portal which provided businesses in the High Street with a digital presence.

The Business Relationship Manager highlighted SBC Mission 44 which was to provide a supportive environment for Stevenage’s disadvantaged young people to access wider STEM opportunities with businesses. Stevenage was a key innovation partner globally, but also key for investment. The supply of land and manufacturing space as an issue and young people had limited employment and apprenticeship opportunities. She also brought attention to the Generation Stevenage event in May 2023 at Knebworth Barns to connect local employers to local talent.

A Member suggested that the Council should encourage businesses to go into schools and tell young people what was available. Young people needed all the information before they left school. It was advised that new employers wanted to employ local people and were offering entry level jobs which were good for Stevenage. The careers enterprise programme and Herts opportunities portal promoted opportunities and encouraged employers to go into schools and work with young people.

Another Member asked whether interest rates were a factor in slowing down investment. He then queried the census information into current attainment rates, as

well as house prices and wages. It was advised that Wenta said that businesses had mentioned interest rates and although this was not in the Herts Growth Survey, it was a factor. COVID was a big factor affecting young people with employment access and work experience. Additionally, house prices were increasing, and residents' earnings were behind East Hertfordshire national levels. It was advised that there were new opportunities for local people and opportunities to upskill.

A Member asked how many businesses were being supported with a digital presence, and how many people are commuting out of Stevenage. It was advised that 63 businesses were taking part in ongoing activities to support digital presence. According to census data, 28% of residents were travelling out of Stevenage, however there was a similar number of people travelling into Stevenage.

A Member suggested that it wasn't only young people who needed upskilling, other people needed to be given opportunities as well. It was advised that people of all ages needed this. The Hertfordshire Chambers of Commerce were commissioned by central Government to support the Local Skills Improvement Plan and led on a number of sector led workshops to address the skill needs to businesses in Hertfordshire.

Another Member suggested that the Council needed to counter thinking of young people as there was a perception that they should work outside of Stevenage. It was advised that there was an issue within Hertfordshire but through Regeneration the facilities were improved, and this gave young people a reason to stay.

4 URGENT PART I BUSINESS

There was none.

5 EXCLUSION OF THE PRESS AND PUBLIC

Not required.

6 URGENT PART II BUSINESS

There was none.

Chair