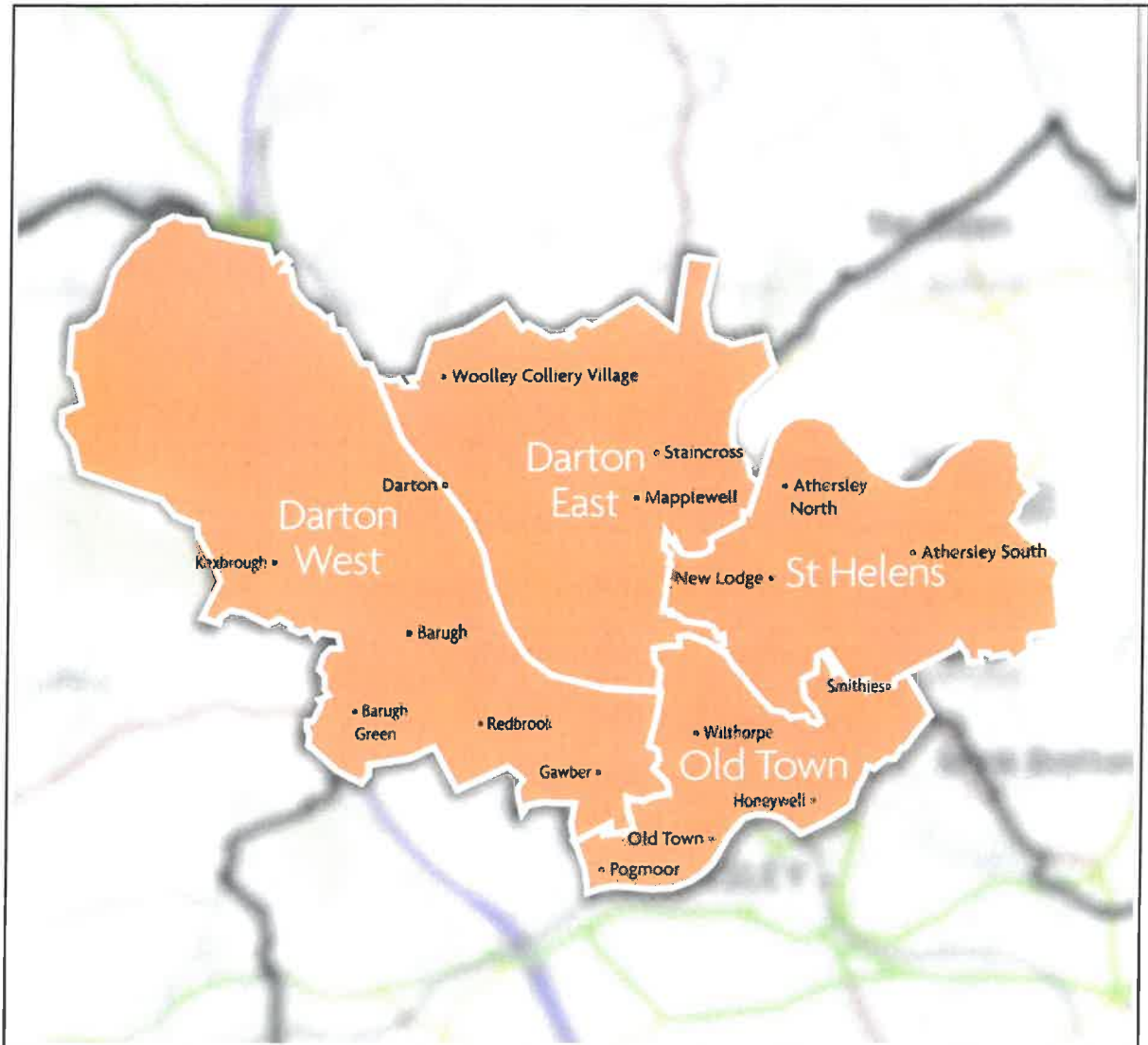


# North Area Business Support Review

August to September 2016



Barnsley Business & Innovation Centre

# **North Area Business Support Review**

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# **North Area Business Support Review**

## **Executive Summary**

The Barnsley Business & Innovation Centre (BBIC) was commissioned by Barnsley MBC North Area to carry out a small review of a representative sample of small independent businesses across the four wards to ascertain whether there was a need or a want for any form of business support.

There is considered adequate support at present in Barnsley for start-ups, early stage businesses (up to two years trading) and small, medium enterprises (SMEs) offering good job growth prospects. However there are a large number of more established businesses in the Area that have not been targeted to receive business support. With the expected increase in residential housing in the Area, there will be an opportunity for small businesses offering products and services to consumers to benefit greatly, but are their businesses prepared to take advantage of these opportunities?

44 businesses were visited in late August/early September 2016 and business owners/managers answered questions from a standard questionnaire.

The focus was on business planning, marketing & business goals but apprenticeships, mentoring of young people, and ideal skills in new employees were raised.

There was no clear indication shown of an immediate want for a specific method of business support. Those who had received one-to-one support already felt that it had benefited their business, and some of those who had not received support would welcome some form of tailored business support, but had not sought it to date, nor was there an expectation that it should be provided.

Based on our knowledge of the business support landscape, the BBIC has made a recommendation for a potential business support pilot that the North Area Council may be interested in supporting in partnership with the BBIC. This would involve holding regular business surgery days that small business owners could pre-book if they wished to received advice on any area of their business.

## **Background & Introduction**

To help smaller independent business in the North flourish and to help reduce the inequalities of business support between larger and smaller SMEs, Barnsley Business and Innovation Centre (BBIC) has been commissioned to complete a small review project to help understand the needs of smaller businesses in the area and report its findings back to the Area Council.

The BBIC and its senior management team have a strong understanding of how business support works in Barnsley, having been engaged on the delivery of Enterprising Barnsley support in their previous roles at both BMBC and within the BBIC.

The BBIC has significant and very successful experience of working on business support projects in Barnsley in recent years, most specifically on the delivery of the highly successful Smart-Start and Genesis business start-up programmes.

Adrian Waite (BBIC Chief Executive) was previously a Key Account Manager at Enterprising Barnsley, looking after larger companies in the Borough, as well as a range of high growth SMEs. He has previously worked with over 200 small businesses in the franchise sector.

Kevin Steel the BBIC's Business Development Manager has recently worked on the Enterprising Barnsley programme providing a wide variety of brokered support into SMEs across retail, services and manufacturing.

## **Methodology**

During late August/early September 2016, Adrian Waite and Kevin Steel visited over 40 smaller businesses in the four wards to gain feedback and input from a variety of questions agreed in advance with the North Area Council Manager (see Appendix One) and put to business owners and managers (where the owner was not available). The vast majority of businesses were happy to engage with us. Where the owner was not present appointments were arranged or follow up work was undertaken by telephone and email, although some owners proved too elusive, so some partially answered questionnaires were included.

The BBIC also did background research to identify the business base within the area and the support already provided as part of various Enterprising Barnsley programmes in the period 2009 to 2016;

- The Office of National Statistics (ONS) estimate there are just over 1,100 "registered" businesses in the North Area;
- Almost 350 businesses (32%) located in the North Area have previously been identified by BMBC's Enterprising Barnsley team to receive some form of business support in the period 2009 to 2016;

- 138 (13%) of these have gone on to receive specialist support from business coaches drawing down over £800,00 of funding from various ERDF (European Regional Development Fund) and Enterprising Barnsley projects over the last seven years;
- This equates to 2,010 days of specific coaching/mentoring for those businesses;

Interrogation of the support these businesses have received provides a clear picture of the needs businesses in the area face on a daily basis. Although smaller in size, the businesses we visited still face the same issues, just on a smaller scale. BBIC's experience in diagnosing these issues and then matching coaching support is well documented.

## General Observations from Field Visits

### Darton East Ward

- Pleasant traditional village environment with car parking;
- Concerns over closure of Dearne Hall Road are high;
- Lots of family established businesses which have been trading for many years;
- Small manufacturers and service based businesses, IFA's, Estate agents etc.;
- Several larger businesses in the ward have already received support from Enterprising Barnsley (Fosters Bakery, employing over 230 for example);
- Large housing development between Mapplewell and Staincross creating valuable opportunities for many independent retailers;

### Darton West Ward

- Good mix of typical village stores providing wide range of retail, creating a pleasant shopping environment;
- Plenty of FREE car parking in Darton specifically;
- Darton's railway station is a huge USP for this Ward but there are concerns over the village being used as a car park as a consequence of commuters to both Leeds and Sheffield;
- Several small industrial estates on the fringes, specifically Booker Developments;
- Large industrial estates populated by the likes of Premdor/Shaw Carpets/The Range/Kingspan;
- Majority of these businesses would previously have been covered by support via EB Priority 2 project. BAPP/Xeracarb etc.;
- Main routes out of town to Huddersfield via A635 have seen huge increases in traffic, a concern for some;
- Lots of new build is creating significant opportunities for business growth, specifically in retail;
- Concerns over lack of infrastructure from majority of respondents;

### **Old Town Ward**

- Predominantly retail and service based businesses – linked to construction & transport sectors;
- A limited amount of manufacturing around the Maple Estate on the Southern boundary and Old Mill on the South East boundary;
- Multi-chain retail outlets on the main Wakefield Road in Smithies;
- Good penetration of suitable businesses by Enterprising Barnsley in period 2009 to 2016;

### **St Helens Ward**

- Independent retail units along main Wakefield Road;
- Industrial area adjacent to Wakefield Road along the Southern boundary for independent construction and transport businesses;
- Carlton Industrial Estate (CIE) is split in two by the eastern boundary edge;
- CIE has mixed industry with some manufacturing, but a predominance of small workshop units offering wholesale and service/retail for transport;
- Good penetration of suitable businesses by Enterprising Barnsley in period 2009 to 2016;

# **Business Interviews Summary**

## **Darton East Ward**

- 10 businesses visited;
- 3 with a Business plan in place, 4 businesses would like to develop this further;
- There were no apprentices in place, but 5 businesses would be interested in finding out more;
- 2 businesses would be interested in mentoring;
- 3 businesses had previously received business support via EB or Smart Start/Royal British Legion support services;

## **Darton West Ward**

- 9 businesses visited;
- 3 of these had strong business plans in place and are looking to grow their businesses;
- 1 business had taken on an apprentice, but not in their retail business, this via Barnsley College; 2 opportunities to develop;
- 2 businesses would be interested in mentoring;
- Only one has previously received business support (via Business Link);

## **Old Town Ward**

- 14 businesses visited, although 3 have partially answered questionnaires due to unavailability of owners;
- 3 businesses with current business plans; 1 opportunity to develop;
- 4 businesses with apprentices;
- 4 opportunities to develop mentors;
- 7 businesses had received some form of business support in the past (3 from Enterprising Barnsley);

## **St Helens Ward**

- 11 businesses visited
- 1 business with a current business plan; 3 opportunities to develop;
- 3 businesses with apprentices; 6 opportunities to develop;
- 5 opportunities to develop mentors;
- 5 businesses had received some form of business support in the past (3 from Enterprising Barnsley)



## Review of Survey Findings

- Of the businesses visited-
  - Average number of employees = 3.7;
  - Average length of trading = 20 years;
  - 3 businesses in the manufacturing sector;
  - 13 businesses in the services sector;
  - 28 businesses in the retail sector;
- 36% (16) of businesses visited had received some form of business support in the past, which suggests that we have visited a representative sample given that Enterprising Barnsley has delivered support to 32% of businesses in the North Area ;
- 23% (10) had current business plans;
- Word of mouth and Social Media were the most popular marketing methods, and 52% (23) had their own websites;
- 18% (8) had apprentices with a further 32% (14) having opportunities in the short term;
- No business owners are currently mentoring a younger person in self-employment but 30% (13) would consider doing it in the future if approached;
- 100% of the businesses approached were independent, none were franchises;
- 73% (32) of the businesses were owned by Barnsley residents;
- Personal skills were the most highly sought in potential new employees;
- Of those who have received business support, all felt that their business had benefited from receiving it, particularly those who had received one-to-one coaching;
- Of those who hadn't received business support, none of them had been pro-active in looking for support or had any knowledge that it was available;
- When we discussed possible options for business support, there was luke warm interest in general workshops, but businesses would not decline tailored support if it was available, particularly in sales and marketing;
- A lack of consistency in available support was mentioned by a few owners;

## **Other Relevant Information**

### **South Area Business Survey 2014**

- When the South Area did a similar survey in 2014, the Area Management visited approximately 100 businesses and identified approximately 50 businesses (mainly small independent retail businesses) that were interested in developing their business skills (business planning; innovation; social media, website development, health & safety/first aid) and growing their turnover, but without the time during the day to attend any training courses (so mid-week evening courses were offered). Consultants were selected following a tender process to deliver the courses that were requested but at best only 20% of the businesses turned up over four cycles of courses offered between October 2015 and January 2016 at two different locations in the area.
- Observations (the BBIC delivered the innovation and business planning workshops)
  - There was a one year gap between the field visits and the workshops so interest waned;
  - Courses were held during or close to the main retail selling period of the year so this could have contributed to attendance ;
  - Generic workshops have to be delivered to the lowest common denominator so are not ideal for all businesses;
  - Those businesses that completed the business planning workshops benefited greatly from the exercise as the results were personal to their business;

### **SmartStart**

- For four years (2012 to 2016), the BBIC ran the SmartStart programme on behalf of Barnsley MBC. This was a combination of one-to-one advice and class based business skills workshops for residents interested in starting their own business. Generic workshops on Suitability for Self-Employment, Sales, Marketing, and Business Finance were well attended (10 to 30 people), but the coaches sometimes struggled to maintain relevance with the variety of business sectors and the differing levels of business skills of the attendees.

## BBIC Observations

- There was no compelling evidence to suggest that there is sufficient demand for evening business workshops for small independent businesses in the North Area. Small workshops for between 5 and 10 people can be highly effective if attendees are at a similar level of business skill. If the North Area wished to do this then we would recommend that businesses register their interest and courses are only laid on when sufficient people have pro-actively signed up, to avoid the situation that happened in the South Area.
- One-to-one support is a far more effective tool. At present this is being offered via the Launchpad programme (European funded) run by Barnsley MBC at the Digital Media Centre, but only to pre-start and early stage businesses that have been trading for two years or less. There is limited support available for any business that has been trading longer than two years.
- Enterprising Barnsley is awaiting the result of a European tender for supporting established businesses but this will be directed towards those companies offering the greatest staff growth prospects and almost certainly will require companies to contribute 50% of the cost of any specific support.
- There is a gap in the market for a business support service available to small independent businesses (who have traded longer than two years). By and large these are lifestyle businesses which are predominantly business to consumer, and operate in the retail and service sectors. This could be offered in the form of a business advice surgery. From a local government perspective, the challenge would be funding such an operation when demand is likely to be variable and unpredictable. If however cost was linked to actual use then the service would be more cost effective, and perhaps within the budget that local government would be prepared to allocate. With the increase in residential space planned for the North Area, there are going to be considerable opportunities for this type of business to benefit from an increasing local population, and the North Area will be keen to keep the economic uplift within the local economy.
- This sector of business was not actively supported by any of the Enterprising Barnsley programmes during the period 2009 to 2016, and will not be targeted in the new European funded programmes operating

from 2016 to 2019. Although the support is unlikely to result in a significant increase in jobs, we would expect to see an impact on sales, expenditure and ultimately profitability which in turn would impact on GVA (Gross Value Added - a measure of financial impact) in the local economy.

- Business failure rates in Barnsley are 25.44 (per 10,000 population) (Centre for Cities Report 2014) which equates to approximately 623 per annum. This ranks Barnsley in the bottom 11% of major towns and cities in the UK, so focussed business support should help individual businesses who are struggling.

## Recommendation

- If the North Area Council were interested in assessing the demand for business advice surgeries for small independent businesses then the BBIC would be prepared to offer time and resources to help test the market in partnership with the North Area.
- The BBIC at Wilthorpe is home to approximately 80 small businesses. Of those 80 small businesses, 24 offer a service to other small businesses including accountancy, marketing, web design, recruitment, HR services, Information Technology, Social Media, Business Strategy, Innovation, Video Services, Direct Mail, Computer provision, specialist business consultancy across all business sectors and Personal Financial Management. In addition BBIC management are familiar with all externally provided support services at local, regional and national level.
- We would be prepared to run a trial project offering a fortnightly small business advice surgery which would be staffed by BBIC management and BBIC tenants operational late afternoon to early evening (e.g. 17:00 to 20:00) on one day per week. Business owners would be offered a pre-booked 45 minute slot to discuss their problems/opportunities with one of our advisors and we would look to then refer them to one of our specialists on site or an external advisor if we were not able to deal with the issue in the 45 minutes available, or if it required more specialised advice.
- Ideally the advice surgeries would be at the BBIC, but we could run some at different locations within the North Area.
- We would also be prepared to develop some peer-peer support groups if there was sufficient demand as a follow-on to the advice surgeries. These could cover general business issues or be specific such as sales and marketing which was identified by some of those interviewed as of interest.
- Our expectation would be that the North Area would commit to the following:-
  - A marketing campaign to alert local businesses to the surgeries involving targeted mail shots, social media, leaflets and adverts within the North Area Council magazine over the period of the trial (minimum of six months);

- The development of a simple web-based booking system that could sit in the BBIC website for North Area businesses to book their surgery time;
- The BBIC would commit to:-
  - Staffing of the business advice surgeries;
  - Development of peer-to-peer support groups;
  - Reporting & reviewing of results;
- Should the trial project prove successful then we could discuss a future funding model and the potential of sharing with other Area Councils which might then make it more cost efficient to operate.



**North Area Council:**  
Focussing on your local area.



Barnsley Business & Innovation Centre

**Questionnaire for North Area Business support pilot:**

- Name of business?
- Nature of business?
- Number of years trading?
- Number of employees?
- Current turnover. (Not essential)
- Are your premises leased or owned?
- Do you have a business plan?
- How do you market your business?
- What are your business goals?
- Have you previously had business support, if so what?
- Are you, the business owner, a Barnsley resident?
- Is the business part of a franchise?
- Have you ever considered taking on an apprentice or offered work experience? What information or support would you need to make this an option for your business?
- To help ensure that the next generation has the right skills for the work environment, have you ever considered mentoring a young person with entrepreneurial aspirations?
- What skills would you be looking for in new employees if you were to recruit additional staff?

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**BARNSELY**  
Metropolitan Borough Council

Appendix 2

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**Directorate: Communities**  
**Business Unit:**  
**Stronger, Safer and Healthier Communities**  
**Interim Service Director: Paul Hussey**

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My Ref: NAC/Business Survey  
Your Ref:  
Date: 1<sup>st</sup> August 2016  
Enquiries to: Rosie Adams  
Direct Dial: 01226 773583  
E-Mail: [RosemarieAdams@barnsley.gov.uk](mailto:RosemarieAdams@barnsley.gov.uk)

Dear local business owner,

By the time you read this letter you will already have been contacted by the Barnsley Business and Innovation Centre regarding a pilot project that will be running throughout the local area during August 2016. This project is designed to find out about the business development requirements of the independent small business located within the north of Barnsley. The findings of this preliminary work could lead to more substantial business development and coaching opportunities for local businesses just like yours.

The twelve elected Councillors who represent the North Area are committed to addressing local need and have identified the local economy as a priority. They recognise that successful businesses are the cornerstones of a vibrant local economy and help to create communities where residents enjoy a high quality of life. This is why the project has been commissioned by the North Area Council. The Area Council is chaired by Cllr David Leech, and includes the electoral wards of Darton East, Darton West, Old Town and St Helen's.

We are very excited about this project and the potential to provide a future programme of support and development to you and your neighbouring businesses. We know that to get it right we need your insight and to understand what matters to you. I hope you will enjoy the opportunity to work with professionals who excel at helping businesses thrive.

For further information on the work of the North Area Council and the neighbouring areas please take a look at our most recent community magazine: <https://goo.gl/F6ADj8>

Yours sincerely

Rosie Adams

North Area Council Manager

The Darton Centre, Huddersfield Road, Darton, Barnsley, S75 5ND

**North Area Council**

Darton East, Darton West, Old Town, St Helens

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PO Box 679 Barnsley, South Yorkshire S70 9JE



## **North Area Business Support Review**

Appendix Three to Appendix Five contains private & confidential information concerning the businesses who agreed to be interviewed as part of this review.

For that reason, this information is excluded from this version of the report but is available to North Area Councillors & management.

