

**MINUTES OF SHROPSHIRE BUSINESS BOARD MEETING HELD ON
25 JANUARY 2010 (4.30 – 6.45 PM)**

Present

Businesses

Mr Trevor Benyon	Muller Dairy (UK) Ltd, Market Drayton
Mrs Karen Davies MBE	Heart of England Fine Foods
Mr Andrew Corbett	PerfectArc Ltd, Ludlow
Dr Geoffrey Davies OBE (Chairman)	McConnel Limited, Ludlow
Mr Arthur Hill	CH Hill & Son, Much Wenlock
	Chair Shropshire Environmental
	Technologies Network (SETNET)

Ms Mandy Stoker

Representatives

Ms Fay Easton	Shropshire Enterprise Partnership
Ms Katie Foster	Chair Shropshire & Telford Destination
	Management Partnership
Mr Stuart Kelly	Bank of England – Agent West Midlands
Mr Greg Molan	Shropshire Learning Network
	Federation of Small Businesses

Mrs Ann Johnson

Observers

Mr Ian Binks	British Telecom
Ms Amanda Cunningham	Advantage West Midlands
Ms Kairen Francis	Jobcentre Plus
Mr Howard Pugh	Openreach

Officers

Ms Jacqui Casey, Mrs Jane Lycett, Mr Kevin Malone, Mr Mark Pembleton, Mr Nick Taylor and Mr David Wise	Shropshire Council
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1. Apologies and Welcome

Apologies for absence were received from Mr Tony Bywater MBE, Mr Robin Morris and Mr Richard Sheehan.

2. Declarations of Interest

Katie Foster declared an interest in agenda item 6 as she had been contracted to put together a Rural Development Programme tourism bid for the Council.

3. Minutes

RESOLVED : That the minutes of the last meeting held on 2 November 2009 be agreed as a correct record.

4. Matters arising

4.1 Business support to the SME sector in the county (Item 9)

The Chairman reported that the proposed home-based business research had yet not been taken forward. The Department for Communities and Local Government had become involved and any local work would be done in line with this national initiative.

4.2 Enterprising Britain (Item 9)

Fay Easton reported that the Shropshire Enterprise Partnership had been awarded third place in the 2009 Enterprising Britain competition.

5. Business Board Business Plan – Task and Finish Group reports

5.1 Local Procurement and Developing Supply Chains

Ann Johnson gave an oral report on the progress of the Procurement Task and Finish Group which had completed all their initial research, including the current spread of purchasing and types of training delivered in Shropshire; best practice from other regions and current communication tools.

In 2009/10 Shropshire companies received 21.98% of the overall spending of the Council (tenders over £30k) and it was hoped to ascertain how many companies this percentage represented. 287 Shropshire companies had been asked to tender and 223 had done so. A survey of non participating companies had been undertaken to understand the reasons they had not tendered and the barriers faced by companies. An exercise to examine the spread of contracts below this level would be too costly to undertake.

Ann reported that she had been campaigning for many years around insurance and public indemnity issues which put some businesses off tendering, and the Council had agreed that the liability levels could be negotiated for some projects depending on the nature of the contract.

Members suggested that one way of overcoming this problem would be if smaller companies wishing to tender took out a shared policy and it was agreed that this should be looked into by the Group.

Ann reported that the aims of the Group covered Awareness, Training and Accessibility. The Group had felt that awareness (from both purchasers and providers of services) could best be achieved through an improved awareness programme aimed at those procuring services within the Council about the need to support Shropshire businesses. Information on service providers should be made more accessible, including building awareness of the existing B2B service offered by Shropshire Chamber to all businesses within the county.

Regarding training, to ensure companies were tender ready, all current programmes should be reviewed to ensure they are accessible and relevant to all businesses and business sector procurement training providers should be required to work together to produce consistent training programmes for Shropshire businesses. A regular programme of training events could then be developed.

The complexity of the tendering documentation was also considered to be a barrier in itself and, as a first step, the Group would be bringing together a panel of businesses to review the Council's tender paperwork. They would also be inviting the MoD to share the issues discussed in the Group and potential solutions to help local businesses to access their contracts.

5.2 Raising the Profile of Shropshire Group

Trevor Benyon reported that five business representatives had attended the meeting on 17 December and encouraged more members, who had expressed an interest in the topic, to engage in the next meeting on 28 January.

The Group had considered the key messages that should be promoted to both overseas and UK-based entrepreneurs to attract them to consider Shropshire as a business location.

The key messages were

1. Central geographic location
2. High quality of life
3. Relatively untapped markets and business opportunities
4. Skilled workforce and competitive cost of facilities

Nick Taylor reported that Shropshire was doing really well with the development of the environmental technologies sector and a low carbon economy. Many other Councils were looking to Shropshire as an example of best practice in the promotion and growth of the sector. Councillor Ann Hartley had been appointed as the new Shropshire Council Cabinet member responsible for low carbon and climate change and she was very keen for Shropshire to continue to develop a low carbon economy. Ann wished to attend a future meeting of the Board to discuss the issues and opportunities and members indicated their assent.

Members agreed that the development of environmental technologies and also the adoption of effective energy and environmental management practices by Shropshire businesses were very important, and at the suggestion of Arthur Hill, who also referred to partnership working with the Carbon Trust, it was agreed that an item on green issues and the low carbon economy would be included on the agenda of the next meeting

RESOLVED: That a report on the Marches Environmental Technologies Network project and Shropshire's low carbon economy initiatives and opportunities be submitted to the next meeting.

6. Shropshire and Telford & Wrekin Destination Management Partnership

Katie Foster, Chair of the Shropshire and Telford Destination Management Partnership (DMP) presented an overview of the work of the DMP in the county. Her presentation (copies of which were circulated) covered the Partnership's structure and operational arrangements, functions, identified strategic priorities (which included culture and heritage, festivals and events, business tourism, the natural environment, local food and drink and sustainable transport). She also gave information on the Partnership's efforts to attract external sources of funding to enable the development of new tourism initiatives and tourism promotions.

In terms of attracting business tourism, Telford's International Centre was the eighth largest conference venue in the UK, but as a conference town it needed further investment. There were plans to construct two new hotels and make other improvements to the night time economy at Southwater Square, Telford.

In responding to a question on whether there was an industry quality standard for hospitality, Katie informed the Board that the DMP wanted to ensure that Shropshire provided a quality experience for visitors. She explained that Shropshire Tourism had embarked on their own accredited accommodation assessment system in part to overcome the long delays that accommodation providers were experiencing whilst waiting for Visit Britain inspections to take place.

7. Broadband and Telecommunications in Shropshire

The Board received a power point presentation on *Broadband: A Shropshire Perspective*.

Jane Lycett reported that recent primary research work, published in November 2009, had validated anecdotal evidence about broadband connectivity and speed across the county, with concerns being expressed by significant numbers of businesses about their current level of broadband connectivity, reliability and speed. An executive summary of the business survey results was circulated. (The full report can be accessed at: <http://www.shropshire.gov.uk/economicdevelopment.nsf/open/4D9ACC9FD43CEDEC802575E500309434>)

Kevin Malone, Head of IT Services, Shropshire Council, explained that the telephone network (using copper wires) had only been designed to carry voice communications and was not intended to carry high levels of ADSL data for broadband services. It was difficult to establish where there were 'not spots' with no service at all and, while fibre optic cables would extend the abilities of internet connections, this would be very expensive. The performance of an exchange line was affected by other users e.g. a residential service could be shared with up to 49 other people. Examples of other contributory factors were that the signal decreased the further the customer's equipment was away from a telephone exchange, as it was difficult to deliver a usable broadband service more than five miles away. Other problems could be caused by poor internal extension wiring and incorporation of aluminium wiring into the exchange line.

In the Shropshire context the Council were working with Advantage West Midlands to develop a small pilot project to address broadband issues which, if successful, could be rolled out across the region. Shropshire Council had an extensive broadband network which served many sites, including schools and libraries and broadplaces. A contract was currently out to tender to appoint a provider to deliver this service and extend it to reach into "not spots" where no service exists at all.

Ian Binks BT Retail's Regional Manager, West Midlands, referred to the "Next Generation" broadband where public sector intervention would be necessary. He pointed out that the Department for Business Innovation and Skills had recently issued a consultation document on the proposed Next Generation Fund and he felt that it would be appropriate for Shropshire Council and the Business Board to respond. Howard Pugh added that he would be getting in touch with some of the businesses on the Board, to establish their problems and identify how they could be resolved.

In the ensuing discussion, Mr Binks agreed to circulate advice to assist businesses and other customers improve/stabilise their broadband service. He also explained that BT were examining different technical ways to provide extra capacity and were trialling repeater exchanges to boost the signal from exchanges.

A member also raised the issue of network coverage by mobile phones in rural areas.

In conclusion, the Chair felt that effective lobbying should be carried out to enable Next Generation Access infrastructure and other improvements to be brought to Shropshire to enable all businesses to access reliable broadband services.

RESOLVED:

- a) That the Board shall engage in further lobbying to improve broadband provision for the county's businesses.
- b) Board members be invited to give their views on the government's Next Generation Fund consultation which can be accessed at: <http://www.berr.gov.uk/consultations/page54155.html>
(Any comments to be e-mailed to jane.lycett@shropshire.gov.uk. A draft response would be circulated for comment prior to the consultation deadline of 1st April 2010).

8. Shropshire Council Business Enterprise Fund

Mark Pembleton gave an update on the Business Enterprise Fund which had been launched at the beginning of December 2009 following the Board's input into the design and focus of the scheme. To date, 17 companies had been supported with start-up and booster grants totalling £41,000. 150 inquiries had been received since the launch of the scheme. Take up of the retail premises grant had been low, with only three expressions of interest being received. The criteria for the scheme would be reviewed and a report containing recommendations would be presented to the next meeting.

9. Management Information and Economic Statistics

Mark Pembleton submitted a detailed report on the state of the economy and economic statistics for information.

Ann Johnson referred to budget reductions affecting Shropshire Enterprise Partnership and sought clarification on whether the Board should have been involved and discussed alternative measures. Mark Pembleton explained that the reductions in this service level agreement (which was a confidential arrangement with a business providing a service) were proposals which would not be fixed until the budget meeting of Council on 25 February. Public consultation on the Council's budget proposals was still underway and the opportunity to comment had been promoted in the media and via the Council's website.

Development Services had been asked to achieve savings of £17 million through a variety of variety of cost reduction measures.

Arthur Hill commented that, although interest rates were at a low level, as detailed in the report, interest rates to businesses remained well over the base rate and were still unattainable by many businesses. Future reports should, therefore, reflect this. Arthur then suggested that the Board should raise this issue with the Banks.

Stuart Kelly said that some optimism had been detected in that the UK was exiting recession. The Bank of England base rate remained at its lowest ever level but confidence in sustained economic growth and job security remained uncertain. The financial markets were making gains and a sizeable plan to reduce the deficit was required, but this was unlikely until after the general election had taken place.

Mark also gave an update on the preparation of Shropshire's Local Economic Assessment and reported that a Stakeholders Event would be held on 22 March. A draft document would then be issued for a 12 week consultation period.

10. Any other business and future agenda items

- Mark Pembleton circulated and summarised a briefing paper on Partnerships for Growth.
- The Chair referred to the practice of issuing press releases after Board meetings and felt that they should continue using the support offered by Council officers to raise interest and knowledge of the Board. He had asked officers to look again at the terms of reference to ensure reporting mechanisms for Task and Finish Groups, including public relations arrangements were clear.
- The Chair reported that Shropshire Council's Legal Services had advised that "there should not be discussion about particular projects or potential contracts in any detail at the Board. If discussion about projects does occur, then it is quite clear – if a member of the Board believes they have an interest, especially if it looks like the Council may be tendering – then they must remove themselves. Everyone must be

aware of this and Council staff must not be discussing potential contracts with the Board or any other group or individuals”.

- The Chair also reported that the Shropshire Partnership were consulting on their External Funding Strategy for the county and he urged members to provide their views. (The draft strategy can be accessed at: <http://www.consultshropshire.org/shropshire/kms/dmart.aspx>)
- Arthur Hill drew attention to an article in the Sunday Times newspaper the previous day which stated that, in view of the need to make emergency savings, the MoD were considering closing Aldershot and Shrewsbury, two of the army’s five regional headquarters. He felt that the Council should carry out an impact study immediately.

RESOLVED: That an investigation be made into the matter.

It was noted that future meetings would be held on 26 April 2010, 12 July 2010 and 18 October 2010 at 4.30 p.m. at Shirehall, Shrewsbury.

