

Decision Session
Executive Member for Economic
Development and Community Engagement
(Deputy Leader)

3rd December 2015

Report of the Office of the Chief Executive

Business Friendly Council

Summary

1. The Council plan agreed by Executive in October 2015 included this administration's ambition to become a business friendly council. This followed the inclusion of this area as a priority in the joint administrations twelve point plan.
2. The emergency budget in June also allocated £30,000 of funding to ensure 'York is business friendly council where it is easy for small businesses to bid for contracts'.
3. We have begun the process of working with businesses to understand their current perceptions of how we work with them and what it will take for us to become a business friendly council. As part of this process, we have been working closely with business groups in the city including the Chambers of Commerce, Visit York, the Federation of Small Businesses and York Professionals to develop and promote a survey of our local businesses.
4. This paper outlines the results of this survey (which concluded on the 20th November 2015) and sets out officers' recommendations to take this work forward. This report also summarises activity to date in local procurement and how we are working to make it easier for local businesses to bid for council contracts.
5. The survey concludes that:
 - The business community's experience of the council when working with them on business rates and broadband was good, with the majority of responses reporting a 'good or better experience'.

- The overall experience of our procurement services was rated good or better by most respondents. However, the experience was not as good for the pre-contract process with issues raised around the complexity of applying to do business with the council
- There were a number of service areas where more than 30% of businesses responding had a poor experience. This includes licensing, business continuity and consultations.
- In written comments, there were a number of respondents who were concerned about the length of time it took for the council to deal with issues raised. This was particularly the case for planning services.

6. We recommend that:

- We undertake work within the council to understand the issues identified by the survey and what we should do to address these. We will look at this in comparison to other surveys conducted for the relevant service areas. For example, planning colleagues have indicated that satisfaction of their service and response times perform well compared to regional comparators
- Work with businesses at all levels to understand how we can improve on our performance. We already plan to meet the Chambers of Commerce Executive Committee to discuss these issues. We will look to arrange sessions with other members of the business community on this topic.
- Work with the business community to develop performance metrics to ensure that we have a target to aim for and measure progress against. For example, we could have a target that the experience of businesses is good or better in all areas.
- Develop guidance for all consultations that involve businesses: Given it was clear that this area was identified as weak for the council and there is currently no one approach for consulting businesses, we will look to work with businesses to develop a process for consultations that better meets their needs.

7. We will aim to report back before April 2016 to ensure that any changes to the way we work that result from this will be published in the new service plans that will be published on the 1 May. Do you agree?

Background

8. The Council Plan, adopted by Full Council in October 2015 included the objective for the City of York Council to become a 'Business Friendly Council'.

9. This aim has been supported initially by £30k allocated in the emergency budget earlier in the year. The funding was provisionally earmarked towards:
- a review of contracts and processes to simplify and streamline where possible
 - providing training for local businesses in how to use the Council's procurement portal
 - providing training and guidance on how to complete the key tender documents
 - a series of provider engagement events to share the Council's forward plan on future opportunities
 - improving management information systems to ensure we can identify which of our suppliers are local SMEs
10. Good progress has been made on all these actions, with members of the procurement team attending events at both the Chamber of Commerce and the Federation of Small Business to discuss upcoming opportunities to work for the Council. Training material has been prepared ready for delivery to suppliers. However, before finalising the dates for these training sessions it was felt sensible to await the outcome of the business survey so we could ensure any other issues raised could be covered.
11. To date, only a small amount of this funding has been used. Work has been commissioned on some bespoke minor works' contracts which will simplify the pre contract process for both the Council and businesses. In addition, some of the work to improve management information systems has been carried out using internal resources without the need to incur additional cost.
12. In light of the survey results outlined in this paper, the use of any remaining funding will be reviewed to ensure it is targeted to where it will have the most impact.
13. In addition to the activity outlined above on procurement, we have been working with business to understand their current perceptions of the council and what it would take to become a business friendly council.

Links to Make it York

14. The survey covered in this paper focuses on services that remain in the council. However, the role of Make it York is clearly key to the success of businesses in the city. We plan to work with them on how they could help us become a business friendly council, including signposting businesses to services, promoting small businesses and attracting inward investment to the city.

The Business Friendly Council Survey

Survey design and promotion

15. The questionnaire and approach for the survey was developed and designed in consultation with a number of business groups including York Professionals, Chambers of Commerce and the Federation of Small Businesses. A full list of questions for the survey is included in Annex A.
16. In order to fit with the preferences of those consulted when we developed the survey, the questionnaire was online and deliberately designed to have a low number of questions. Given the purpose of the questionnaire is to obtain an honest assessment of business perceptions of the council, the survey is anonymous.
17. The survey was targeted to businesses through the networks of a number of business groups (including the chambers, Federation of Small Businesses, York Professionals and Visit York). We also promoted the survey on the 'York Means Business' webpage and sent a copy of the survey to all of the council's registered local providers.

Survey Respondents

18. During the open consultation period 210 businesses responded to the survey. An analysis of these compared with the population of businesses in York is included in Annex B.
19. The survey currently has a greater proportion of businesses in the construction sector than the York average and an under representation of retailers. We could consider addressing this by a focused resampling of these sectors.

Results

20. The headline results are that:
 - a. The business community's experience of the council when working with them on business rates and broadband was good, with the majority of responses reporting a 'good or better experience'.
 - b. The overall experience of our procurement services was rated good or better by most respondents. However, the experience was not as good for the pre-contract process with issues raised around the complexity of applying to do business for the council
 - c. There were a number of service areas where more than 30% of businesses responding had a poor experience. This includes licensing, business continuity and consultations.

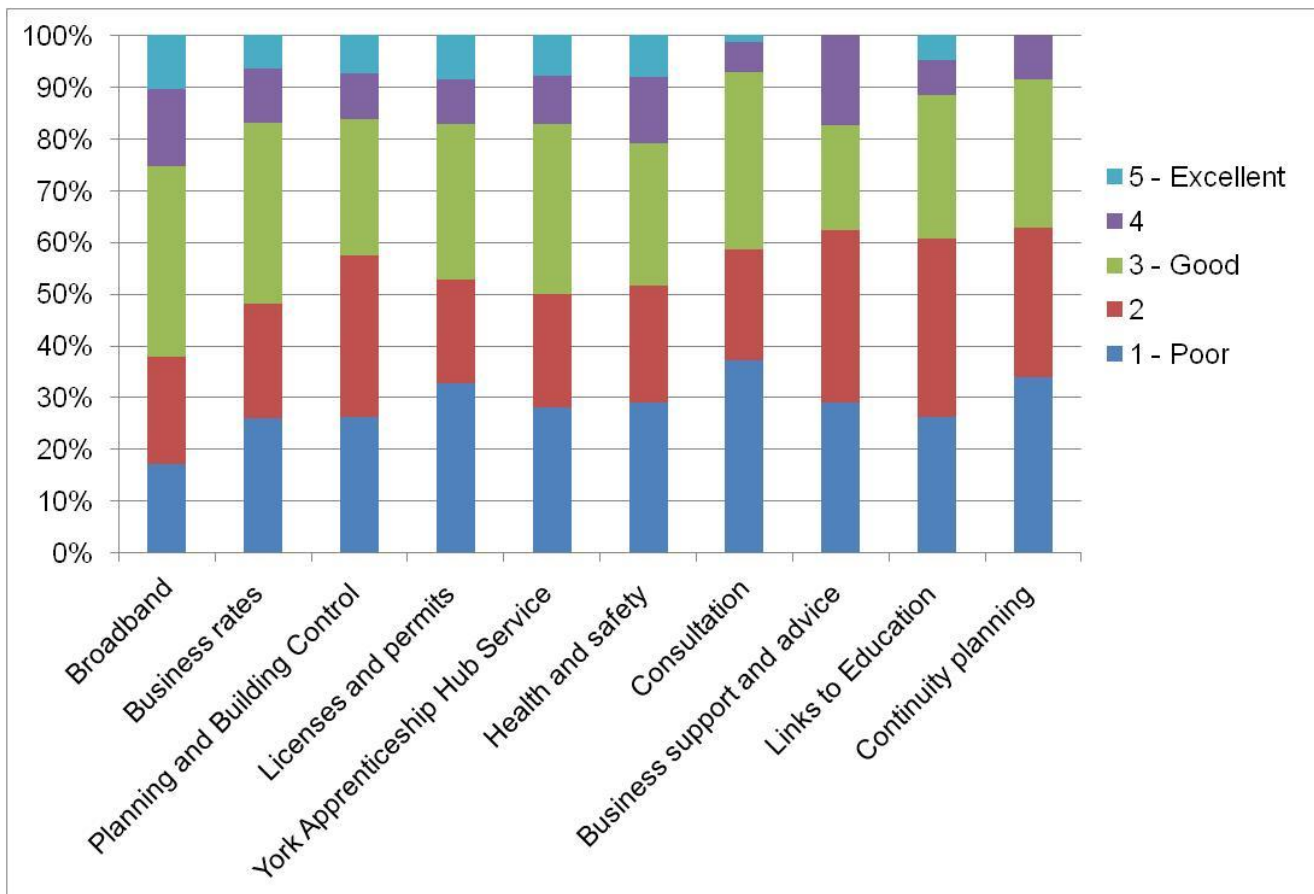
d. In written comments, there were a number of respondents who were concerned about the length of time it took for the council to deal with issues raised. This was particularly the case for planning services.

Detailed Findings

Overall Perception of Services

21. The survey asked respondents about their current experience of council services. The results can be summarised in the chart below.

Chart one: Overall perception (“How would you rate your experience of the following services?”)

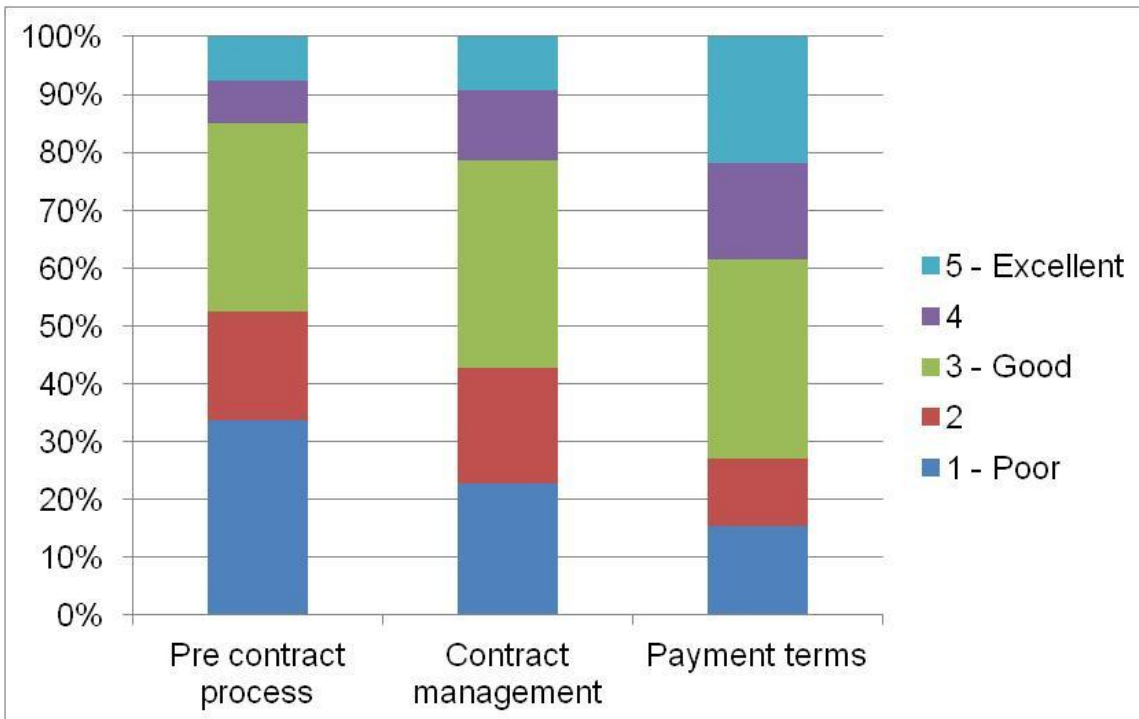


22. For the services covered in the question, there were two where the majority of respondents reported a good or better experience. These were broadband and business rates. In a number of areas, there was a very high level of respondents (over 30%) who reported that service received the lowest possible rating with including licensing, consultations and continuity planning.

Perceptions of Procurement

23. When we developed the survey, it was made clear to us by the business groups that it was important that the survey probed in more depth at the experience for businesses providing goods and services to the council. The headline results are below.

Chart two: Perceptions of procurement (“What is your general experience of the following aspects of procurement?”)



24. Overall, the experience reported on procurement is more positive than other service areas, especially for payment terms where nearly 75% of respondents had a good or better experience of working with the council.

25. The area where there is room for improvement is the pre-contract process and a number of further comments made by respondents backed this up.

General comments

26. Survey respondents were asked for their detailed view. There were a number of comments made about the pace of planning applications. A summary of some of the comments, negative and positive, is included in the table below.

Theme	Actual Response
Planning	"Planning process, protracted, time consuming and frustrating."
	"Lack of communication from planning team."
	"Planning - length of time taken for the process"
Procurement	"Procurement professionals need to understand the businesses they engage with. They could make significant cost savings if they engaged with those who might be able to assist them."
Communication/ Support	"Lack of communication from planning team."
	"During my last contracted work, my contact was made redundant, leaving me to deal with a senior member of staff who was rude and unprofessional. He then decided to cancel the work which had already commenced leaving and refused payment. Hence why I don't look for work with the council anymore."
	"Support with setting up and housing a new business. Involvement in key city strategies."
	"Highways are very good at letting us know their daily/weekly requirements from us and if there are any problems they are more than willing to help sort them out."
	"Generally most contacts have been very positive."
	"Business Rates department very helpful and responsive"
	"I enquired about Superfast Broadband, and had a response within 24 hours"
Delays	"... I have also experience a completely mis-managed planning application which again has cost considerably in time and fees and unnecessary delays."
	"It took over 5 months to get an internet cable laid to a new office of ours. Delays with getting permits."

Next Steps

27. The survey results provide us with a useful platform to develop the approach which the Council should take to become business friendly. Our recommended approach is that we do the following activities:

- Internal work within the council to understand the issues identified by the survey and what we should do to address these. We will look at this in comparison to other surveys conducted for the relevant service areas. For example, planning colleagues have indicated that satisfaction of their service and response times perform well compared to regional comparators
- Work with businesses at all levels to understand how we can improve on our performance. We already plan to meet the Chambers of Commerce Executive Committee to discuss these issues. We will look to arrange sessions with other members of the business community on this topic.
- Work with the business community to develop performance metrics to ensure that we have a target to aim for and measure progress against. For example, we could have a target that the experience of businesses is good or better in all areas.
- Understand how we improve communication and consultation with businesses. In particular, we will look to work with businesses to develop a

process for consultations, given this was an area of weakness identified in the survey.

28. We will aim to report back before April 2016 to allow these new processes and practices to feed into the service planning process.

Council Plan

29. The Council Plan approved by full Council in October 2015 includes a priority to ensure that York becomes a business friendly council. This paper outlines next steps to deliver on this priority.

Financial

30. Whilst it is clear that some of the recommendations to deliver against a business friendly council could require further funding (for example, increased staff in certain areas to improve response times). We will also be working up changes that could be made to processes and culture that could be made in a revenue neutral way in the context of the current local Government funding environment.

31. Recommended: That the Executive Member notes the work being undertaken to become a Business Friendly Council as outlined in the report.

Reason: To ensure that the administration meets its commitment to become a Business Friendly Council.

Contact Details

Author:

Author's name

Phil Witcherley

Title

Group Manager,
Policy and Strategy Team
(Economy and Place)

Dept Name

Office of the Chief Executive

Tel No.

553343

Executive Member responsible for the report:

Cllr Keith Aspden

Deputy Leader,

Economic Development & Community
Engagement

Report

Approved

Date

Insert Date

Chief Officer's name

Steve Stewart

Title

Chief Executive

Report

Approved

Date

Insert Date

Specialist Implications Officer(s)

Not applicable

Wards Affected:

All

Business Friendly Council Survey

This is a short survey which we expect will take around 5-10 minutes to complete. Your participation is important as your views will be considered as we look to our approach of working with York businesses in the future.

The consultation will close on the 20th November 2015.

1. In which sector is your business?

- Agriculture, forestry and fishing
- Mining, quarry and utilities
- Manufacturing
- Construction
- Motor Trades
- Wholesale
- Retail
- Transportation and storage
- Accommodation and food storage
- Information and communications
- Finance and insurance
- Property
- Professional
- Scientific and technical
- Business administration and support services
- Education
- Health
- Public administration
- Other

2. How many people are employed by your company?

- 0-5
- 5-10
- 10-20
- 20+

3. How long has your company been established?

4. How many times has your business contacted the council in the last 12 months?

- Never
- Once

- 1-3 times
- 3-7 times
- 7-10 times
- 10 times plus

5. As a business, how would you rate the following services? (1 is poor, 3 is good, 5 is excellent)

- Broadband (access and advice on)
- Business Rates (accessing information easily and quickly)
- Business support advice (effective neutral signposting)
- Continuity planning (flooding, fire and cyber security)
- Health and safety advice
- Licensing and permits
- Consultations – clear outcomes that result from dialogue and consultation with the business community
- York apprenticeship hub service
- Links to Education

6. Is there anything you could add to this list that would make the council more business friendly?

7. Does your business provide goods and services to the council?

- Yes
- No

8. Does your business provide goods or services to a contractor of the council

- Yes
- No

9. How would you rate your experience of procurement with the council? (1 is poor, 3 is good, 5 is excellent) Of the following services:

- Pre contract process
- Contract management
- Payment process

10. Are there any further points on procurement that you would like to make?

11. Can you share an example of where you have had a positive experience of the council?

12. And tell us about any bad experiences you have had?
13. Are there any further points you would like to make?

Comparison of sample size to national statistics for York

Annex B

Sector	Survey Respondents	
	Response Percent	York (BRES) Percent
Agriculture, Forestry and Fishing	1.5%	0.0%
Mining, Quarry and Utilities	0.5%	0.3%
Manufacturing	6.9%	3.8%
Construction	15.8%	3.8%
Motor Trades	0.5%	1.4%
Wholesale	1.0%	2.3%
Retail	5.4%	12.3%
Transportation and storage (inc. Postal)	4.4%	8.3%
Accommodation and food service	2.5%	10.5%
Information and Communications	7.4%	3.0%
Finance and Insurance	2.0%	4.2%
Property	1.0%	1.6%
Professional, Scientific and Technical	8.9%	6.6%
Business administration and support services	4.9%	6.2%
Education	6.4%	4.8%
Health	5.9%	11.0%
Public administration	0.0%	15.4%
Other	25.1%	4.5%

No. Employees*	Response Percent	York (EconStrat) Stats Percent
0 - 5	50.5%	72.8%
5 - 10	16.8%	13.8%
10 - 20	11.9%	7.0%
20+	20.8%	6.3%