**Economic & City Development Overview &
Scrutiny Committee**   25 March 2014

Report of the Online Business / E-Commerce Task
Group

Online Business / E-Commerce Scrutiny Review Update Report

Summary

1.   This report presents Members of the Economic & City Development
     Overview and Scrutiny Committee with an update of the work to date
     carried out by the Online Business / E-Commerce Task Group.

Background

2.   At a meeting of ECDOSC on 28 January the Committee considered a
     briefing paper, shown at Annex A, on a proposed scrutiny review of
     Online Business / E-Commerce in York.

3.   The briefing paper provided information on Office for National Statistics
     data which suggests that more than half of all UK enterprises are now
     run from the owner's home and there are 2.5 million such businesses
     operating across the UK.

4.   Increasingly the traditional High Street retail sector is having to explore a
     multi-channel approach to reaching its markets. The "click and collect"
     model is increasingly used by the major chain retailers but independents
     may not have access to the technology or skills to take advantage of this
     new way of earning custom.

5.   This area of concern – the need to encourage retail and traditional city
     centre businesses to make the most of the most recent technologies and
     telecommunications – is an issue that has been raised by City Team
     York.

6.   There is also feedback from local business networks that the pace of
     technological change and the development of social media outlets for
     customer engagement is outstripping the pace at which particular
     independent or smaller companies can adapt.

7.   The Committee agreed the topic was suitable for review and appointed a Task Group comprising Councillors Semlyen, Watt and Cuthbertson to carry out the work on their behalf.

8.   The Task Group met for the first time on 12 February 2014 to agree a draft remit for the review and Councillor Cuthbertson was appointed Chair. The Task Group invited the Economy and Enterprise Manager to the meeting to assist them.

9.   As a result the Task Group agreed the following review aim, objectives and provisional timetable as show in Annex B:

Aim

Identify how City of York Council may better support city centre (within city walls) businesses to develop their online opportunities and improve their sales, marketing and profitability.

Objectives

   i.   Identify gaps in current support for online business and commerce

   ii. Identify any barriers the business community may face to increasing online working and possible solutions;

   iii. Investigate how a business, using online methods, can increase its profitability;

   iv. Investigate mentoring / matching opportunities

   v.   Examine the opportunities for funding.

Consultation

10. The Task Group agreed there was a need to examine the existing support provision for local businesses. City Team York and the Retail Forum will be the main conduit for gathering information.

11. To identify any gaps in this support the Economy and Enterprise Manager was requested to map the existing provision by using Genius and an online survey via the Economic Development Unit newsletter and to put out requests for information from organisations including York Professionals, the Federation of Small Business (FSB), Proudly Group, Retail Forum, and Science City York (SCY) and ask them to put information in their newsletters requesting feedback.

12. The Task Group also wanted to meet representatives from York business organisations, including the Federation of Small Businesses, the Retail Forum and City Team York and to invite a digital media expert consultant to discuss the barriers to online working and possible solutions and opportunities.

13. To further help their considerations the Task Group requested information on how other towns and cities are supporting the development of online business opportunities.

Information gathered

14. The survey of other towns and cities revealed:

Wakefield Council Wakefield Business Support Programme	Amongst other things, the support programme, part-financed by the European Regional Development Fund, has contributed money towards things such as e-commerce ready computer systems.

Link: http://www.wakefield.gov.uk/News/PressReleases/news/PR4413.htm

Glasgow City Council E-commerce Solutions Grant	A grant for up to 80% (£1,000 maximum) towards enhancing, updating or installing e-commerce solutions to a business. The grant designed to help companies in Glasgow install e-commerce to encourage the development of businesses in Glasgow. It is targeted at those companies with growth potential and who want to retain, develop and create new jobs by developing an e-commerce service provision. The grant is targeted at small and medium sized enterprises (SME's). The grant can be used to enhance, update an existing E-commerce activity or to install new approaches to trading.

Link: http://www.glasgow.gov.uk/CHttpHandler.ashx?id=17649&p=0

Caerphilly County Borough Council ICT and Ecommerce advice	Free. IT Demonstration Suite – provides business a chance to use popular software before buying. Free ICT training – in areas such as web design, VOIP and SEO. A Go2 Website Grant provides financial support to help eligible businesses to have an online

and training	presence and to start trading on line. Generally all business sectors may be considered for support - including retail. The business must be established in Caerphilly County Borough or the individual a resident of Caerphilly County Borough and setting up a business in the area. The scheme provides: • Domain name registered to the company • Secure website hosting with daily website backup • Professional web design unique to the business • Fixed fee entry level website • Free listing on Go2 My Town sites • Access to online marketing tools and services • Training to manage your own websites

Link:http://www.caerphilly.gov.uk/site.aspx?s=+23S3aVCrphKmSh+rq63 mBKR5iRYQYlhrztvAJ/WIJg=

West Lothian Council E-Business Adviser	A specialist e-business adviser works with local growing businesses to help them take up new technologies and get involved in e-commerce. This includes the delivery of e-business workshops on subjects such as Trading Online; Getting Real Results From Your Website and Improve Your Search Engine Ranking. The e-business adviser co-ordinates the West Lothian e-business club which holds a series of regular meetings to bring together local companies to network, exchange ideas and hear expert speakers on a range of topics of interest to businesses who trade online.

Link: http://www.westlothian.gov.uk/business/business-support/advice/

Newcastle Borough Council Stoke and Staffs Business Helpline	Businesses are encouraged to find the helpline for advice on a range of IT issues including networking, getting the right website and how to start planning for e-commerce.

Link: http://www.newcastle-staffs.gov.uk/business_index.asp?id=SX893D-A780B6E3&cat=1381

West Dunbartonshire Council E-Commerce Grant	An e-commerce grant provides funding for the development and implementation of an e-commerce strategy that can be shown to improve business performance. The funding can be used for assistance to develop e-commerce and e-marketing strategies, e-commerce web site development and assistance with search engine optimisation / establishing an online payments facility etc. The funding can provide 30% of approved project cost, to a maximum of £3,000.

Link: https://www.west-dunbarton.gov.uk/business/grant-and-loan/e-commerce-grant/

15. The online survey went live on 5 March and will run for one month. The Economy and Enterprise Manager took advice from technical staff and agreed that Genius was not the right medium to gather additional information for the review.

Timetable for Review

16. Please see annex A which sets out a proposed timeframe for the review and a breakdown of the proposed work to be covered.

Options

17. Members can:

i. Agree to proceed with the review and approve or modify the aims and objectives;

ii. Agree not to proceed with the review.

Analysis

18. At this stage the report is for information only.

Council Plan

19. This review is linked to the create jobs and grow the economy element of the Council Plan 2011-15.

Implications

20. There are no known implications associated with the report. Any implications arising from the final review recommendations will be addressed accordingly.

Risk Management

21. There are no known risks arising from the report. Any risks arising from final review recommendations will be addressed once they become apparent.

Recommendations

22. Having considered the information provided within this report the Committee are recommended to agree:

    i. The aim and objectives of the review

    ii. The timeframe for completing the work on the review subject to any new reviews being agreed by Members of the Committee following the annual meting.

    Reason: To ensure compliance with scrutiny procedures, protocols and workplans.

Contact Details

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Report Approved	✓	**Date**	*14 March 2014*

Wards Affected: **All** ✓
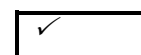
For further information please contact the author of the report

Annexes

Annex A – E-Commerce briefing paper

Annex B – Aim, objectives and draft timetable

Abbreviations

FSB – Federation of Small Businesses

IT – Information Technology

ICT – Information and Communications Technology

SCY – Science City York

SEO – Search Engine Optimisation

SME – Small and Medium Enterprises

VOIP – Voice Over Internet Protocols