

**Economic & City Development Overview & Scrutiny
Committee**

11 March 2015

Report of the Online Business / E-Commerce Task Group

Online Business / E-Commerce Scrutiny Review Draft Final Report

Summary

1. This report presents Members of the Economic & City Development Overview and Scrutiny Committee with the Draft Final Report on the work carried out by the Online Business / E-Commerce Task Group.

Background

2. At a meeting of ECDOSC on 28 January 2014 the Committee considered a briefing paper 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 are 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. During the course of the review Cllr Watt was replaced by Cllr Barnes, who has professional experience in social media.
8. The Task Group met for the first time in 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 recommended the following review aim, objectives.

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.
10. At a full Committee meeting on 25 March 2014 the aim was revised, deleting the words “centre (within city walls)” to read:

“Identify how City of York Council may better support city businesses to develop their online opportunities and improve their sales, marketing and profitability.”

Consultation

11. City Team York was the main conduit for gathering information along with digital media experts.
12. In support of Objective i) the Task Group agreed to use an online survey to examine the existing support provision for local businesses via the Economic Development Unit newsletter with requests for information and feedback from members of organisations including York Professionals, the Federation of Small Business (FSB), Proudly Group, York Retail Forum, and Science City York (SCY).
13. In support of Objective ii) the Task Group agreed to meet with representatives from York business organisations, including the FSB and the Retail Forum and in support of Objective iii & iv) met with the Chair of the Bishopthorpe Road Traders' Association and Blue Box Support.

Information gathered

14. Objective i): Identify gaps in the current support for online business and commerce and Objective v) Examine opportunities for funding. The Task Group received information on how other towns and cities are supporting the development of online business opportunities.

Leeds City Council QU2 (Supporting Business Success through Leeds Metropolitan University)	Professional business centres offer a range of office services at affordable rates. Social media training provides an overview of essential online networks to give businesses a digital presence.
---	--

Link: <http://www.qu2leeds.co.uk/index.htm>

Sheffield City Council Digital Directions	Helping business growth through its Digital Directions programme – a package of support from Creative Sheffield which can help with free assessment of IT needs and up to four days of IT consultancy.
--	--

Link: <https://www.sheffield.gov.uk/business-economy/development/starting-a-business.html>

<p>Lincolnshire County Council</p> <p>onlincolnshire</p>	<p>A series of awareness events across the county looking at a range of topics including how businesses can deal with change, developing a digital strategy and social media.</p> <ul style="list-style-type: none"> • Master classes on e-commerce and internet marketing at venues across Lincolnshire • Social media surgeries on using Facebook, Twitter and LinkedIn • One-to-one advice and support, accessible either through the awareness events, master classes and social media surgeries or through Lincolnshire Technology Hubs
--	---

Links: <http://www.onlincolnshire.org/broadband-for-business/technology-for-business-business-support>

<p>Wakefield Council</p> <p>Wakefield Business Support Programme</p>	<p>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.</p>
--	--

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

<p>Glasgow City Council</p> <p>E-commerce Solutions Grant</p>	<p>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.</p>
---	---

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

<p>Caerphilly County Borough Council</p> <p>ICT and Ecommerce advice and training</p>	<p>Free. IT Demonstration Suite – provides business a chance to use popular software before buying.</p> <p>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 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:</p> <ul style="list-style-type: none">• 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+rq63mBKR5iRYQYlhrztvAJ/WIJq>

<p>West Lothian Council</p> <p>E-Business Adviser</p>	<p>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.</p>
---	---

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. City of York Council offers a range of help and advice on its York Means Business website, including IT, technical skills, social media and innovation. The site includes advice on local training and development programmes with links to technology and digital information at the IT Academy at the University of York and York St John University.
16. The IT Academy, at the Ron Cooke Hub, offers a range of courses for local businesses, individuals and university staff and students. Courses are suitable for IT professionals, people wanting to improve their office skills, as well as those wanting to further their career with professional development.
17. Objective ii) Identify any barriers & Objective iii) Investigate how a business can increase profitability. The Task Group recognised that e-commerce plays an increasingly important role in the way in which products and services are purchased. Selling products and services online can help businesses become more profitable and lower costs.

E-commerce can also strengthen and improve the efficiency in the relationship a business has with suppliers and other trading partners. Task Group Members were also aware that if businesses want to sell directly through their websites they will need to have the infrastructure in place to showcase their products and services and to process orders electronically.

18. The online survey (see paragraph 12) went live on 5 March and ran for one month. The survey went to more than 400 York businesses but the response was disappointing so no worthwhile conclusions could be drawn from it. A summary of the initial findings of the survey was presented to a full meeting of the Economic and City Development Overview and Scrutiny Committee on 29 April 2014 and Members agreed the survey discontinued.
19. A Task Group meeting on 6 May 2014 considered that one way to reduce perceived barriers is to help promote superfast broadband (SFBB) in York. SFBB offers free business support to eligible businesses, from specialist business advisers, training workshops and skills master classes by expert trainers.
20. At a meeting with digital media experts from York Professionals, a representative from Superfast North Yorkshire and the CYC Digital Strategy and Programme Manager on 21 May 2014, Task Group Members were given a summary of the superfast broadband scheme and learnt that the 12-hour free training offer was only available to businesses whose work comprised at least 75% business to business. Recognising that retailers were therefore excluded from the programme, the Task Group agreed to consider other approaches.
21. There was a feeling among Task Group Members that the social media side of online business, such as Twitter and Facebook, was more valuable as it involves direct communication with potential customers.
22. The Task Group Chair noted that low cost internet aids such as MailChimp were available for businesses. (People use MailChimp to design and send email marketing campaigns and boost business sales. It allows businesses to gain an insight into subscribers, manage contacts, send promotional emails and track results.

Businesses can personalise, automate and segment email marketing campaigns and monitor sales and website activity.)

23. However, the Task Group accepted that for some businesses developing an online presence will mean moving into a whole new world which in itself presented barriers, such as:
 - Not knowing how to set up a Facebook page;
 - Not knowing what a digital marketing plan is:
 - A perception that there will be a massive cost to building an online presence.
24. As a consequence the Task Group agreed there is a need to show how easy it is to set up a Twitter or Facebook page.
25. Information was also given about the Super Connected Cities scheme, which will make York among the best connected places in Europe. It aims to support economic growth and jobs by giving people the ability to access high-grade broadband and wireless connectivity, and to stimulate the market to go further and at a faster pace.
26. The programme to extend free, good quality WiFi in the city centre will allow retailers to gather analytical information about their customer base and to target potential customers with special offers using Google Analytics. If, for example, someone has registered and is looking to buy some jewellery then a shop might get a pop-up alert. This allows the opportunity for small retailers to compete.
27. The Task Group also received feedback on a “drop in” recently held in Richmond by North Yorkshire LEP. Task Group Members acknowledged it would be beneficial to stage a half-day event to explain the various elements of online business and e-commerce as a whole and not as a series of disconnected events. The Task Group agreed to hold a similar event in York with expert advice booths to explain such things as infrastructure, connectivity, the opportunities WiFi opens up, help and assistance with social media and marketing and tasked officers with organising an event.

28. As a result officers suggested an event covering a whole range of business support including advice on access to finance, marketing, taking on employees, apprenticeships, training, legal matters and of course all the IT related themes such as e-commerce, web presence and social networking. The idea is to have a road show that can move around the various districts within the city.
29. Such an event would cover the whole e-commerce journey from identifying needs, assessing infrastructure to exploiting the technology and it was felt that this could identify any perceived barriers to smaller businesses developing their online presence.
30. At a meeting on 10 June 2014 the Task Group accepted the key objectives of the drop-ins should:
 - Identify and overcome any barriers the business community may face to increasing online presence and e-commerce;
 - Improve the online presence for small and micro businesses and business engagement ;
 - Increase the support take-up on how businesses using online methods can increase profitability;
 - Increase the number of businesses using social media to promote their businesses and improve profitability;
 - Encourage professionals and businesses support providers to network;
 - Encourage businesses to work together for the community by trading locally;
 - Raise awareness of the help / business support available.
31. The Task Group agreed that there were three broad categories among businesses in relation to their involvement with the internet:
 - i. Business people who either do not use computers or restrict their use to emails and Google. They are hard to reach because they do not stand out and this is where there is a need to raise awareness;

- ii. Businesses that are aware of the possibilities but do not know how to move on. They do not use online marketing or social media because they do not see it as being a business opportunity;
 - iii. Those businesses with advanced skills and eligible for superfast broadband. High-speed broadband schemes are appropriate for businesses with a lot of data to transfer.
32. To further support Objectives i) and ii) the Task Group contacted the York Retail Forum and the Federation of Small Businesses offering to visit one of their meetings to explain the aim of the review and how businesses could develop their online opportunities. This would then provide the Task Group with feedback on what support forum and federation members would suggest to help improve their online presence and identify any possible barriers they may face.

Federation of Small Businesses

33. On June 16 2014 the Task Group Chair and Scrutiny Officer attended a meeting of the York branch of the Federation of Small Businesses where the Chair explained to federation members the aim of the review and its objectives – to help businesses make the most of online opportunities.
34. It was important for the Task Group to understand people's needs and what they considered to be perceived barriers and to help this understanding feedback from federation members was invited.
35. Initial feedback at the meeting included a sense of embarrassment that people were going to get things wrong and that there were perceived financial barriers. Federation members also asked if it was possible to give greater publicity as to the location of WiFi hot spots within the city.
36. After the Task Group Chair's presentation he had further contact with two federation members who run Blue Box Support, a company which offers website design and maintenance and e-commerce solutions. The Chair and Scrutiny Officer agreed to meet the two on 3 July to gather further evidence to support Objectives ii) and iii).
37. The pair set up Blue Box Support in 2012, after they were both made redundant, because they had seen an opportunity to offer ICT services and website design for small and medium enterprises. Their experience had been that many small businesses lacked understanding of ICT and were embarrassed about this.

Some users had bought expensive systems unnecessarily because they had been persuaded that they needed them to be successful; others struggled to cope or felt they were paying their provider too much for work that could possibly have been dealt with by their own personnel.

38. After the Scrutiny presentation at the FSB meeting, the pair had themselves run a combined presentation of their services/surgery for internet users and they had been told of numerous such problems that had been experienced by small business owners/managers who were at the meeting.
39. The Blue Box experience has been that many small to medium retail businesses do not seem to know enough about IT. While they often realise that they are competing in a global market and are aware that they need an online retail presence, they do not know how to set up a website shop. They want to have a website but then find themselves worrying worry about how to update the site.
40. At the end of 2013, Blue Box created a website called North Yorkshire Business Directory <http://nybd.net/index.php> which provides an online database of businesses and their goods and services. Every client who advertises with NYBD gets a whole page on the website with unlimited text, images and video for a flat fee. Blue Box also includes Google Analytics so that the service provider can trace who is looking at which adverts.
41. As well as the directory there is scope for tweets; an idea that could be realised relatively cheaply is to utilise the YouTube channel to air short, punchy step-by-step online videos on setting up businesses and business support. These could be updated as and when there are changes to things such as tax laws, for example.
42. One possibility of this product is that it could be used to offer a 'cheap and cheerful' way for start-up and growing businesses to access a peer network of local businesses, to get their web presence known locally and to gain informal access to a range of internet provider and business support services offered by small local companies, thus contributing to the city's economy.
43. It seems feasible that a similar network could be facilitated by City of York Council under an arrangement in which the whole site is managed by a reputable web host outside CYC infrastructure.

Some arrangement could possibly be concluded with a local supplier such as Blue Box to 're-badge' an existing product and provide such a service through York Means Business. This would remove the need for any development effort to be provided by the Council and, by re-badging an existing product, would minimise development overheads and lead time.

Pop-up Business Cafes

44. As a result of the Task Group's earlier decision around "drop in" advice sessions (paragraph 27 to 29) a series of Pop-Up Business Cafes in the city were arranged by the Economic Development Unit in conjunction with Business Inspired Growth – a York, North Yorkshire and East Riding Local Enterprise Partnership initiative to help businesses in start up, grow and become more competitive - the first at Your Bike Shed in Micklegate and the second at the Exhibition Hotel in Bootham.
45. At each business cafe free business advice was given on a range of topics including social media, digital marketing, websites, technology for businesses, digital skills and staff training and broadband vouchers.
46. As the purpose of the drop-in sessions was to identify gaps in support; any barriers the business community may face in increasing online working; how a business can increase its profitability using online methods as well as funding opportunities, questions were logged by the various experts.
47. The questions logged and the advice offered included:

Question	Recommended Next Steps
What's the best social media for me? (3)	Research Twitter, use # Facebook, Instagram, Pinterest and secure accounts. Consider online learning, research groups and conversations relevant to your expertise and LinkedIn Corporate.
How do we develop a brand? (4)	Research design agencies, consider a logo from the outset
How much does a website cost? (5)	Research web agencies, ask the annual costs, what you own and functionality

How to I diversify the website? (3)	Consider design and your audience
How do I market my website?	Consider a marketing plan, press releases, event attendance and LinkedIn
How do I use Facebook better? (2)	See it as a news feed for your website. Concentrate on Twitter and LinkedIn
How do I push people from one place to another?	Use the website as core and use Facebook as a news feed
How do I launch my business online? (4)	Use the Press and media and ensure that website/social media is fit for purpose
How do I optimise my website? (2)	Look at content and appraise. Add share functions, research key words and take part in a SFNY Master class
Do I need to update my site myself?	There are lots of options , so consider if you need it or if it's just a 'nice to'
How do I promote my business online? (4)	Assess your demographic and what your call to action is
How do I split my website up? (3)	Make sure that the site is clear, pushing people to the right section
How do I target young people?	Responsive version, social media and use analytics
How do I use Twitter/LinkedIn?	Use Google analytics
How often should we Tweet?	At least once a week, but use analytics/feedback
Should I have a site yet? (2)	Utilise a blog and social media
When is WI-FI available in Bishy Road?	Gave details of SFNY and a super connected voucher

How can I maximise my internet connection to grow my business?	Use online marketing, learn to use social media and understand how your website should be marketed
How can I take payments for my business? (2)	Speak to your bank and payment websites. Set up ecommerce on your website
What help can I get with marketing my start up business?	Look at SFNY Master class on social media and website development
How do I get my 12 hours of SFNY support?	Referred to SFNY Customer Services and suggested SFNY Master class
How do I get more followers on Facebook without paying?	Include a video in Facebook marketing
How do I make my brand less dependent on one single supplier?	Integrate a blog into WP website

48. In addition to the technology for business advice there was also information given on start-up loans, expansion funding, card payment facilities and business grants.

Funding Opportunities

49. To further identify IT funding opportunities for business in York (to support objective v), Task Group members were made aware, via GRANTfinder, www.grantfinder.co.uk of funding available to support the development of IT skills in businesses in England.

50. The Tech Partnership Training Fund provides funding for employers to invest in IT training for their staff, with the aim of stimulating increased investment in training which supports business growth and competitiveness.

51. Funding is available for the following key purposes:

- Enhanced Apprenticeships: to support additional training for IT apprentices over and above their standard programme.

- Short courses: to support training in strategically important skills such as cyber security, big data, mobile, cloud and e-commerce.
52. Funding to cover up to 50% of eligible training costs is available, up to a maximum of either £1,000 per learner for enhanced apprenticeships or £500 per learner for short courses.
53. Enhanced Apprenticeships - for employers who want to enhance apprenticeship programmes with additional training. This could include:
- Training for industry certifications.
 - Additional technical training, such as:
 - Cyber security.
 - Additional software languages.
 - New operating systems.
 - Infrastructure.
 - Intermediate or higher units from ITIL.
54. Short Courses – for employers who wish to invest more in:
- Cyber security.
 - Big data - data management, data analytics, data science, business intelligence.
 - Mobile.
 - Cloud.
 - E-commerce.
 - Other technical skills of strategic importance to the business.
55. The Task Group later learnt that in early February 2015 the Leeds City Region Enterprise Partnership has secured funding of £17.5 million from the Government's Employer Ownership of Skills Pilot. The funding will be awarded to small and medium-sized businesses in the Leeds City Region to invest in the skills of their workforces, enabling them to develop and grow their business.

56. The programme has been developed to help small businesses source the skills solutions that they really need. It will provide training, skills assessments, impartial specialist advice and help small businesses to take on apprentices. The programme aims to address skills shortages in key sectors in the Leeds City Region that offer the greatest opportunities for economic and employment growth, such as manufacturing, construction, digital, hospitality and medical technology. Grants and support of £500 to £50,000 will be available to businesses in the region.
57. The partnership will establish this new skills service to finance employers' skills requirements and ensure SMEs are fully equipped with the resources needed to develop a skilled workforce. Businesses will have support to source the most appropriate training and providers to suit their skills needs and help identify what funding opportunities are available to support business investment.

Case Study

58. The Task Group met again in early November to consider the evidence gathered to date. Members were disappointed to note that despite numerous efforts through the online survey, meetings with professional organisations and the pop-up business cafes there was no hard evidence to highlight what support business people actually wanted. They considered the problem to be how to get the snowball rolling while they accepted that the problem with social media is that there are no right or wrong answers.
59. There was a suggestion that the topic should be taken over by a business growth hub but the Task Group agreed to consider a case study as a way of stimulating interest.
60. The Task Group discussed the Bishopthorpe Road Traders' Association which represents 74 businesses located in or around Bishopthorpe Road (Bishy Road) in York. Their aim is to promote these businesses and to contribute to the community. The traders have organised themselves as a collective <http://www.bishyroad.net> and they have a social media coordinator to increase "Bishy Road's" social media presence.
61. On 28 January 2015 the Task Group Chair and the Scrutiny Officer met the Chair of Bishopthorpe Road Traders' Association. About 90% of the businesses in Bishopthorpe Road are independent and prior to 2010 there was little interaction between them.

In 2010 a Towards Carfree Cities conference was held in York and traders in Bishopthorpe Road were approached to stage a street party as part of the event. The community celebration brought traders together and the association chair described it as a Eureka moment out of which the association was formed.

62. Within a few weeks the association had agreed a constitution and launched its website. It costs traders £30 a year to be on the website and they use Pick and Mix Marketing Solutions to co-ordinate social media activities. Among other things, Pick and Mix does 10 posts a week on both Twitter and Facebook featuring association members so all the businesses get additional online exposure every couple of months. The association's Twitter page has more than 1,500 followers. This allows free marketing and gives the area a presence. Association members are all on an email list and there has been training in the use of Twitter and Facebook. Bishy Road produces a newspaper "The Bishy Times" four times a year and this is available both online and in paper form. The association last year used online Crowdfunding to raise £4,500 to finance Christmas lights in the area.
63. The association acknowledged that feedback from both Twitter and Facebook proved the effectiveness of social media as a form of marketing. Often customer comments on social media helped market the area on behalf of the association.
64. York-based Pick and Mix Marketing Solutions specialises in social media and digital marketing <http://www.pickandmixms.co.uk/>.
65. At a Task Group meeting on 5 February 2015 Members agreed that there would be value in trying to extend the Bishopthorpe Road model to other area in the city. By working as a group the traders were able to involve people who were not online savvy in social media. There was little corporate desire to move on from emails and social media as the main tool for promoting the area although traders who saw an online potential to develop their business did go further.
66. The Task Group acknowledged that the Bishy Road traders' association was formed when businesses in the area were invited to take part in a street party and believe such street-closure events could be used as a catalyst for similar associations to be developed in other areas of the city.

These could “piggy back” on street closures for events such as the Tour de Yorkshire in early May 2015 or European Mobility Week from 16-22 September 2015 and Car Free Day on 22 September www.mobilityweek.eu. European Mobility Week is an annual event.

67. City of York Council does not charge for street parties if they are for a community event, although a charge may be enforced if the closure is put in place for a company’s own financial gain.
68. The Task Group noted there were specific street party sites such as Streets Alive <http://www.streetsalive.org.uk/> which aims to help build communities from the street up, Playing Out <http://playingout.net/> and Living Streets <http://www.livingstreets.org.uk/node/106/street-parties> and CYC prepared its own request form and guide for residents wanting to hold a street party to celebrate the Tour de France (Annex B).
69. The corporate model adopted by the Bishy Road traders’ association was indentified by the Task Group as a way to develop the online involvement of businesses as it offered a relatively easy way to help businesses and business growth, particularly among those businesses that were wary of using the internet beyond emails and Google.
70. Information was also provided about other networking groups, such as Meetup York <http://www.meetup.com/cities/gb/j7/york/> Winning Women, a site for entrepreneurial women <http://globalwinningwomen.com/> and She Loves York, <http://www.shelovesyork.co.uk/> a lifestyle club for women with access to offers and discounts in the city. The Task Group acknowledged it would be useful to have a list of networking groups on the York Means Business website.

Conclusions

71. Online activities play an increasingly important role in modern day business and many businesses have been keen to embrace the concept.
72. Social media can play a big part in marketing whether this is for an individual business or an area as in the case of Bishopthorpe Road (paragraph 60). Indeed, it has gone a long way to strengthening the Bishy Road brand.

73. Online business opens the market to customers nationally and internationally and enables smaller companies to compete with larger companies. However, businesses once competing with shops in the next street or the next town now find themselves competing on a global scale.
74. Many businesses nationally and internationally have become extremely profitable through online sales, Amazon for example. Small businesses and even individuals can also market their produces or services worldwide by using e-commerce.
75. A significant challenge was that people do not fully understand how the internet can be used in their businesses, paragraphs 37 & 39. There is some reluctance to admit to not being technically minded and people are unsure about what skill level they need.
76. A common perception encountered in the review was that business owners often “did not know what it was they did not know” in respect of e-commerce and this, along with the disappointing response to the online survey and the lack of hard evidence from the pop-up cafes, made it difficult to identify meaningful outcome targets.
77. While York has an advantage with its digital infrastructure, paragraphs 25 & 26, there is a need to break down into an easy guide the various offers available. This could be as simple as learning how to tweet or set up a Facebook page.
78. There are advantages in businesses collaborating to establish a joint online database of goods and services provided and these can be achieved a relatively low cost, paragraphs 40, 41 and 62.
79. The use of the internet, emails and social media has helped organisations such as the Bishopthorpe Road Traders’ Association, paragraphs 58-60, improve their community and promote the area as vibrant place to live and work. The traders communicate via their email list and they have been able to advertise the Bishy Road brand as opposed to advertising individual business.
80. The close co-operation of the traders has led to numerous accolades for Bishopthorpe Road. At the launch of the Tour de France Grand Depart Bishy Road was named Yorkshire’s Best Dressed Urban Street and the J’Adore Bishy Road theme culminated in a street party which attracted between 15,000 and 20,000 visitors. In October 2014 Bishy Road was awarded a York Community Pride Award for Service with a Smile 2014.

This is normally given to a single business but was awarded to the whole street for its compassionate level of service. And in November 2014 Bishy Road was named in the top three Local Shopping Parades in Britain as judged by the Great British High Streets competition. The Bishopthorpe Road Traders' Association Chair said at the time: "The interaction of the local community through social media to our short listing was second to none and extraordinary. There were literally hundreds of Tweets, Facebook messages and photographs that were sent in to support Bishy Road."

81. Facilitating road closures for street parties to act as a catalyst for traders to work together and ultimately form an association is a viable option. However, there may be a lengthy lead-in time for street closures to enable diversions to be arranged and discussions with transport operators such as bus companies. Street closures also need to be coordinated with road works associated with public utilities (gas, water, electricity companies) and highways maintenance which are often agreed a year in advance.
82. The city would benefit for a list of networking sites which could benefit business to be included on the York Means Business website.
83. Business people who need to travel during the course of their work would also benefit from the clear signposting of WiFi hot spots in the city.
84. While the pop-up cafes (paragraphs 44 to 48) did not provide as much hard evidence of the online needs of businesses as might have been expected they were an overall success in providing advice and information for small businesses.

Analysis

85. Traditional commerce and e-commerce are both concerned with the buying and selling of goods and services. While traditional commerce usually involves interaction between a customer and a salesperson in a place of business, e-commerce is usually done online and is impersonal.
86. The potential of e-commerce to remove the effects of geographic location from selling products and services presents both an opportunity and a threat to York-based businesses.

87. The advantages of selling goods online are that they open the market to customers nationally and internationally; smaller companies can compete more equally with larger companies; a reduction in staffing and / or store premises thereby reducing costs and the option of 24-hour shopping at minimum additional costs.
88. Businesses which are keen to develop e-commerce and increase their online presence often engage outside help to support the transition to e-commerce or expanding e-commerce provision (paragraphs 37 & 62). This help is usually provided by specialist digital agencies which provide consultancy services to build online systems and other agencies who provide advice and other support to business owners.
89. The disadvantages are fiercer competition in that businesses once competing with nearby concerns find themselves competing on a global scale; this increased competition may force local companies to reduce their workforce; the move to e-commerce will require a certain amount of investment and if stores are closed in order to save money customers who prefer to shop on the high street may not be comfortable buying online so may go elsewhere.
90. While many businesses recognise the benefits that might be gained from the use of IT in their business they may not be aware of how e-commerce might be relevant to their business operations or the steps that are required to make that happen.
91. The co-operation of traders via the internet can pay dividends for both individual businesses and communities, as highlighted by the Bishopthorpe Road Traders' Association. Formed in 2010 one of the first things the association did was set up a website and the 74 members are now involved in social media to successfully promote both their individual businesses and the Bishy Road brand.
92. The Task Group realises that community events such as street parties could act as a catalyst for greater collaboration between traders in a particular area and could lay the foundations for the establishment of traders' associations.

Report Recommendations

93. After considering all the evidence above, the Task Group recommends that City of York Council should put in place a plan with timescales to:

- i. Ask the Economic Development Unit to:
 - a) To use the success of the Bishopthorpe Road Traders' Association to encourage other neighbourhood trader groups to collaborate on social media projects to increase business and profitability;
 - b) Liaise with volunteer ambassadors to encourage local traders' groups to engage in joint efforts and form local associations;
 - c) Use social media to spread news about deals, events and skills sharing e.g. digital newsletters and blogs;
 - d) Link to a range of networking Facebook and Meet Up groups with short descriptions of their purpose on its York Means Business website;
 - e) Support continued business advice events along with the Local Enterprise Partnership and feature pop-up events on social media and the Council's residents' newsletters such as Your Voice;
 - f) To work with Make It York as necessary to provide wider training in social media and online skills where appropriate in bids for financial support to the relevant LEPs.

- ii. Ask the Interim Director of City and Environmental Services to:
 - a) Facilitate road closures and street events to stimulate other collaborative groupings between traders and other organisations in a locality;
 - b) Pre-publicise to traders, residents' groups, residents' forums and Councillors through Council channels forthcoming road closures for city/regional events (e.g. European Mobility Week, 16-22 September 2015 www.mobilityweek.eu) and encourage local traders or voluntary groups to combine and communicate to each other around such events.

- iii. Ask the Director of Communities and neighbourhoods to facilitate circulating by email guides on running street parties to support such events to local trader and residents' groups and list the guides on a Council website on a page about economic development through street events along with suitable case studies (eg <http://www.bishyroad.net>);
- iv. Encourage Make it York to review and add to its business emails database particularly for small traders and to email regular information to businesses on online skills training opportunities.
- v. Encourage Make it York to include online and digital skills training as part of its marketing to local businesses so as to develop a "York Online" brand approach to help local businesses make better use of online marketing and communications.
- vi. Ask the Director of Customer and Business Support Services to:
 - a) Ensure WiFi availability in the city centre is publicised and clearly signposted;
 - b) Examine the possibility (with Make It York where necessary) of engaging occupants of the proposed Guildhall Digital Hub to promote training in social media and on-line skills in communities across the city. Any group eventually formed to address this should include community outreach and respond to the recommendations arising from the recent scrutiny review on Disabled Access.

Options

94. Having considered the information provided in this report, the Committee may choose to:
 - i. Revise this draft final report;
 - ii. Revise and/or identify alternative review recommendations;
 - iii. Endorse the draft review recommendations as listed above and sign off this report.

Council Plan

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

Implications

96. With regard to Recommendation i), should it be endorsed, then Cabinet will need to consider this in light of the changing architecture between the Economic Development Unit and Make It York.
97. With regard to Recommendation vi) a) there are proposals for changes to the waymarking in the city centre including the option for digital display boards. The promotion of WiFi could be linked to those proposals although finding way to do this without increasing street clutter in the city centre might not be easy.
98. Information on other implications is currently being identified and will, if any, be tabled at the meeting for consideration and then included in this report prior to its presentation to the Cabinet, once this Committee has confirmed the recommendations it wishes to make.

Risks Management

99. No risks have been identified in relation to the recommendations in this Draft Final Report.

Recommendations

100. The Economic & City Development Overview & Scrutiny Committee are recommended to:

- Note the review findings detailed above.
- Endorse the Task Group draft recommendations as listed in paragraph 93 above.

Reason: To conclude the work on this review in line with scrutiny procedures and protocols thereby enabling the final report to be presented to Cabinet.

Contact Details**Author:**

Steve Entwistle
Scrutiny Officer
Tel: 01904 554279
steven.entwistle@york.gov.uk

Chief Officer Responsible for the report:

Andrew Docherty
Assistant Director Governance and ICT
Tel: 01904 551004

**Report
Approved**

Date 2/3/2015

Wards Affected:

All

For further information please contact the author of the report

Annexes

Annex A – Online survey

Annex B – Street closure request form and guide

Abbreviations

FSB – Federation of Small Businesses

IT – Information Technology

ICT – Information and Communications Technology

LEP – Local Enterprise Partnership

SCY – Science City York

SEO – Search Engine Optimisation

SFBB – Superfast Broadband

SME – Small and Medium Enterprises

VOIP – Voice Over Internet Protocols