

Summary Paper – Stakeholder Feedback

Economic Growth Redesign Research

The aim of the Economic Growth Redesign Research was to design a new operating model within Shropshire Council that would *“Create a more efficient way of working so Shropshire Council resources and others that we influence or source are used in the best way possible to support economic growth and resilience”*.

The project covered 4 main themes:

Community Business Growth

How we better engage with businesses within their local community, getting them to better understand the role they can have in creating local wealth.

Business Growth

(Star) Businesses in the locality and the offer we can make to them to facilitate their growth.

Strategic Growth

Best agree the priorities, allocation of funds and delivery mechanisms using both local and strategic policy, our relationships with Shropshire Business Board and other influencers, intelligence and Investment

Physical Growth

How can Shropshire Council and the local community make best use of their assets to encourage economic growth and local sustainability?

Research was carried out for each of the 4 themes above and a wealth of information obtained. Methods of engagement included:

- An in-depth look at the economy in a test area (Pontesbury and Minsterley).
- Workshops and meetings with Pontesbury and Minsterley parish councils.
- Workshops and meetings with businesses and local partnership groups and boards.
- Survey work covering households, tourist and local businesses.
- Local business interviews.
- A voluntary sector and social enterprise workshop.
- Development of an economic assessment tool.

Only key messages from stakeholders and main findings are included below as a way of highlighting the main messages the community, businesses and partners wished the Council to consider.

Business Interviews

18 in-depth interviews with Businesses resulted in the following feedback and findings:

- There is a desire amongst businesses in Minsterley and Pontesbury to both employ and procure locally.
- Employees live very locally. Among the businesses interviewed only 2% of employees working in the area are from outside of Shropshire and almost 6 out of 10 were from the immediate Minsterley/ Pontesbury local area.

- Businesses reported challenged procuring locally (18% of suppliers were local and a further 28% were based outside the immediate vicinity but still in Shropshire). This means that more than half of businesses supplying Minsterley and Pontesbury are located outside the county.
- The supplier contracts that are being kept in the local area tend to be small – with the major contracts going outside the county. While costs and quality obviously are critical factors when sourcing suppliers, businesses are often forced to source from outside the county due to a lack of local or Shropshire suppliers.
- Most businesses have limited contact with Shropshire Council other than with Licensing, Planning and Public Protection.
- Businesses are most likely to expect the Council to intervene for “big issues” such as land, premises and infrastructure.
- Not all businesses aspire to grow and only a minority have major growth aspirations. A third of businesses did not expect their business to change over the next five years, and around a fifth actually expected their business to decline, often because of retirement plans or deliberate down-sizing.
- Out of the 18 businesses that we spoke to, we only rated two as stars and one more as a potential star of the future. However, a lot of the others are “good” businesses – they are being well run and are important to the local economy.

Business Survey Findings

A Business Survey for all business in the Pontesbury and Minsterley area highlighted that:

- Most of the businesses responding to the survey were small (45% below the VAT threshold and 47% with 2 or fewer FTE employees)
- The average number of employees per business was 5.8.
- 60% of businesses had stayed the same size over the last 12 months
- The business base in the Pontesbury and Minsterley area is mature – 62% of businesses had been trading for more than 10 years. 15% of businesses were more than 50 years old.
- One in ten of the businesses had a vacancy that they were struggling to fill.
- There is a strong propensity to employ local people – only 2% of the people employed by the businesses in the sample were not Shropshire residents and more than half were residents of Pontesbury or Minsterley.
- Businesses do source locally when they can as long as the cost and quality is good enough.
- However, for many businesses the supplies that they need are not always available locally – more than three-quarters of spend on supplies is leaked outside of Shropshire.
- The factors that businesses were most likely to think would help their business to grow in the future were “keeping up with technology”, “access to superfast broadband” and “IT and transport infrastructure”
- The factors that businesses were most likely to think could hinder their business growth were “national and local government red tape”, “the state of the economy” and “energy and transport costs”.

Workshops and Meetings

The feedback from meetings and workshops suggested the following:

Economic threats and weaknesses

- Supermarkets and online retailers are seen as one of the biggest threats to the local economy.
- Out of area employment is considered a threat.
- House prices are high and young people wishing to stay in the area cannot often afford to rent or buy.
- People consider the lack of public transport to and from the area as a significant barrier to economic prosperity.
- Areas considered in need of work to strengthen them are: tourism/visitor economy, promotion of local retail and food, development of public information and creation of affordable housing.

- There is a strong local awareness of issues within the community but the economy does not feature strongly within local decision making and decisions are not necessarily made with an awareness of economic implications.
- There is a lack of clear understanding of where economic responsibilities sit between tiers of Government and potential to grow local economic leadership.
- There is a need to consider how the work of multiple agencies comes together to influence the local economy and consider wealth creation within the community, within businesses, among individuals (focusing on skills, employment, affordable housing, avoiding debt etc.) and strategically through inward investment and work that creates the conditions for economic growth.

Economic strengths and opportunities

- The Community Infrastructure Levy is considered an opportunity to support the local economy by keeping investment spend local.
- Partnerships with business are recognised as in need of development and something that could help focus economic decision making at the local level.
- Other sources of investment (including investment from national and local government) are considered an opportunity to support the local economy.
- There is a desire to explore business rates and tax incentives for rural businesses.
- There is an enthusiasm for localism and devolved decision making.
- Pontesbury and Minsterley are active and 'healthy' communities with a diverse range of social activities, community groups and local services.
- There is a strong 'buy local' culture within the area with households spending a significant proportion of monthly income within the local area.
- The area has a large number of businesses, most are small, locally run and employ local people.
- There are opportunities to improve local buying of businesses and undertake work to see if more local supply chains can be developed.
- There may be opportunities to use existing resources more effectively and build on the fact that the area has a strong, locally focused economy (home grown businesses with business leaders embedded in the local community).



Community Research Findings

The feedback from external partners, businesses and other stakeholders led to the following conclusions (many other findings and recommendations were also made through other methods of research and internal review):

- Communities understand the issues in the locality but do not know how to solve them, and understand role and responsibilities for economic growth.
- Shropshire Council / the Public Sector are not the first port of call for businesses looking for support, unless the business believes the council can directly influence e.g. planning, licencing or access to land.
- Businesses are not engaged in the place plan / place shaping conversation that takes place in a locality, but are integral to its sustainable economy.