

# CORPORATE AFFAIRS AND LOCAL ECONOMY OVERVIEW AND SCRUTINY PANEL NOVEMBER 2022

## THE NEW FOREST BUSINESS START UP CAMPAIGN

### 1. INTRODUCTION

- 1.1 The Economic Development team is undertaking a procurement exercise to appoint an experienced supplier to deliver a 'New Forest Business Start Up Campaign'. This will encourage and support individuals within the district who wish to start a business or move into self-employment.
- 1.2 There are currently gaps in the support available in the district for pre-start, start-up and early stage (defined as a business that has been trading for three years or less) enterprises; specifically, advice, support and information enabling businesses to overcome barriers to growth and improve resilience.
- 1.3 The campaign will include a 'New Forest Pitch Event' for pre-start businesses to pitch their business idea to a small panel of local experts, with a prizes for the best proposal.
- 1.4 The Economic Development team will promote the initiative through their business communication channels and work with corporate communications to reach the district's residents. In addition the team will work with external agencies and community groups to reach a wide audience of potential entrepreneurs.
- 1.5 It is envisaged that the Start Up campaign will run between January and June 2023.

### 2. BACKGROUND

- 2.1 The 2022 New Forest Economic Profile reported that the majority of enterprises in the district (97.5%) are defined as micro (0-9 employees) and small (10-49 employees) sized businesses.
- 2.2 Business size is important, as medium to larger firms tend to account for much of the growth in jobs, turnover, and productivity and offer more job opportunities, job stability and higher wages. Nonetheless, small businesses are often seen as the backbone of the economy by creating new job opportunities and innovation.
- 2.3 The 2022 New Forest Economic Profile also identified that the district has relatively high business concentrations, but low start-up rates although short-term survival rates for new enterprises (1, 3 and 5-years) are higher than the national average.
- 2.4 Lower enterprise start-up rates will be influenced by location (rural areas are generally less dynamic than cities) and industrial mix (certain sectors have higher start-up rates than others).
- 2.5 The 2022 New Forest Economic Profile also identified that self-employment in the district was in decline in the pre-pandemic period (-15%) with 1,800 fewer self-employed (only partially offset by rising employee numbers). During the pandemic period, self-employment in the district continued to fall in line with national and county trends - research suggests the self-employed were hit harder than employees during pandemic despite Government support schemes available at the time.

However, the data used in the profile suggests the New Forest bucked the trend in 2021 with robust growth in self-employed resident workers; accounting for 14.4% of the working age population of the district (up from 12.8 in 2019).

- 2.6 Self-employment and entrepreneurship have traditionally become attractive options in times of economic uncertainty, but many would-be entrepreneurs don't know where to start or have limited experience of running a business.
- 2.7 The supplier delivering the Start-Up Campaign will provide support and mentoring to ensure both pre-start and new businesses have the skills they need to survive the crucial first few years and to grow and improve their resilience longer term.
- 2.8 Equally important is for entrepreneurs to have access to impartial advice to avoid costly mistakes and an opportunity to review the viability of their business plan before they launch the business.

### **3. CONCLUSIONS**

- 3.1 The project will provide at least 40 participants with a comprehensive package of support as well as deliver the 'New Forest Pitch Event'.
- 3.2 In addition to support offered through this initiative, the Economic Development team works with partners, including the Solent LEP, Growth Hubs and Innovate UK to ensure New Forest businesses and entrepreneurs not only have access to targeted support, funding and specialist advice to help them to grow and create high value, sustainable jobs but that residents and businesses make best use of these opportunities.

The Economic Development team actively promote these initiatives through their business communication channels. Solent LEP have confirmed the positive impact of this activity as they report that New Forest businesses take up a high proportion of places in their business support schemes.

### **4. FINANCIAL IMPLICATIONS**

- 4.1 The cost of this project (in the region of £10,000) will be met from the Economic Development initiatives budget.

### **5. CRIME & DISORDER IMPLICATIONS**

- 5.1 There are none.

### **6. ENVIRONMENTAL IMPLICATIONS & EQUALITY & DIVERSITY IMPLICATION**

- 6.1 The programme will support the growth and development of new businesses who provide local employment potentially for local people.

### **7. DATA PROTECTION IMPLICATIONS**

- 7.1 The project will require beneficiary data to be shared between the supplier and NFDC.
- 7.2 The Economic Development Team Leader will work with the Council's Information Governance & Complaints Manager to ensure the project is GDPR compliant.

## **8. RECOMMENDATIONS**

8.1 That the content of this report is noted.

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### **Background Papers:**

**New Forest Economic Profile 2022**