Birmingham Business School Launch Labour's Small Business Taskforce's interim report

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Chuka Umunna MP, Shadow Secretary of State for Business, Innovation and Skills, today launched, “Fulfilling the Promise of British Enterprise” - the interim report from the Labour Party’s Small Business Taskforce, which looks at how government can shape the business environment so that it is as conducive as possible to entrepreneurship and small business growth. The report places SMEs (Small and Medium sized Enterprises) at the forefront of the future of the British economy – highlighting that “7% of businesses that account for over half of all new jobs created in the economy come from Britain’s pool of small businesses.”

The launch – hosted by Birmingham Business School at the University of Birmingham - came on the same day that David Cameron would defend his Europe veto to Parliament. Although not planned – both events would highlight recurring themes that are clearly at the forefront of many business leaders’ minds.

In his opening welcome, the University’s Vice-Chancellor, Professor David Eastwood, said that there was “No better place to launch such a report” given the rich contribution of both the region and the institution. His introduction reflected the importance of rebuilding the economy in a different way – including, not least, the role that Universities like Birmingham have to play (the University of Birmingham has just invested some £3million to ensure employability skills sit at the heart of our curriculum). He also highlighted the challenges for the taskforce: how to make the recommendations a priority for the current government; realism of the economic context that we find ourselves in; how to judge just how and when the State should intervene; access to capital at key moments; and how can government’s own procurement methods support SMEs.

The report’s author, Nigel Doughty, went on to provide his three benchmarks for the report: authenticity; the need for neutrality in terms of potential borrowing required to deliver; and that it would provide a step-change for the future.

Today’s event at Birmingham highlighted some of the pressing issues facing SMEs across the UK. The audience, made up of a wide range of businesses, support networks and organisations, as well as academics and business leaders, provided the setting for a lively debate for the Taskforce to listen to and then, in turn, make a promise to incorporate in their final report and the Labour Party’s future manifesto.

Key issues discussed by the audience today included:

- Access to finance
- Relationships with Government
- Skills and apprenticeships
- Exports and new markets

A series of breakout groups provided the opportunity for the audience to explore those areas further. Reconvened later, the panel, chaired by Angela Maxwell OBE, responded to those individual areas with a resounding promise from Chuka Umunna that the issues highlighted today would indeed help facilitate a step change. He urged the business community to keep talking to the Taskforce to ensure as many representative voices as possible were heard.

Not surprisingly, given the key issues discussed, recurring themes and questions raised included:

- The role that banks and the State have to play in providing a “ladder of support” to SMEs. Nigel Doughty went on to suggest that we should look to reengineer the current system i.e. learn from thriving economies such as Singapore (who have experienced an 8% growth in their economy).
- How the government should be more of an actor – rather than just facilitator - and that the government should look at its own procurement methods and opportunities.
- The relationship that many banks currently have with SMEs and how this is so critical. How relationships between SMEs and banks have become impersonal and how many business advisors within banks are not themselves entrepreneurs. How then, can these advisors be best placed to spot new opportunities and leaders of the future?
- How can we ensure Britain’s young people gain employability skills? The role of universities like Birmingham is key – as is the role of schools and colleges. How can we work together to get employability and entrepreneurship skills embedded within a curriculum?

The interim report (http://www.labour.org.uk/labour-launches-doughty-report)

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