

SOUTH HOLLAND DISTRICT COUNCIL

Report of: Councillor Nick Worth - Deputy Leader of the Council and Portfolio Holder for Commercialisation

To: Cabinet - 21 July 2015

Author: Anna Graves - Chief Executive

Subject: Open for Business

Purpose: Following analysis of the local economic profile and consultation with partners and local businesses, this report requests that Cabinet adopts the 'Open for Business' approach to support the delivery of the Council's business and economic growth priorities.

Recommendations:

That Cabinet:

- 1) Adopts the 'Open for Business' approach as set out in this report;
- 2) In recognising the importance of providing opportunities for local business across our District, Cabinet supports the 'Meet the South Holland Buyer Event', as set out in section 3.4;
- 3) That the key areas for action, set out in section 4.0 be approved in principle and that an action plan to achieve those key actions is developed;
- 4) That officers review the Council's procurement policies and procedures in order to be as inclusive as possible

1.0 BACKGROUND

1.1 The Council recognises the important contribution successful and growing businesses make to our District, and embraces its role in supporting the continued success and growth of our local economy and business base. Pre-requisite to meeting our business and economic growth priorities, as set out in our Corporate Plan, is a clear understanding of local need to enable us to focus our limited resources on the most effective and important areas that make the greatest differences for our businesses. To achieve this, an analysis of our district economic profile and business base was commissioned and a number of priority actions were identified as a result of that exercise.

1.2 A consultation process was undertaken with a cross section of South Holland businesses, local business support organisations, representatives of the Greater Lincolnshire Local Enterprise Partnership (GLLEP) and local authority partners at an 'Open for Business' consultation event held at the Springfields Exhibition Centre on 19 February 2015. The purpose of the event was to consult with businesses on the three main propositions recommended as a result of the analysis undertaken, to ensure they meet local business needs and expectations. The event was also key in helping the Council to identify and understand any barriers to growth businesses may be facing.

2.0 South Holland District

- South Holland has a population of around 90,000 and is set to grow a further 15% by 2021.
- 38,900 are in employment across the district, this equates to 76.6% of the working population as opposed to 72.4% nationally.

- Gross weekly pay in South Holland is £469 against a national average of £520. Whilst the South Holland economy is often seen as a low wage economy, figures show that in fact South Holland has higher level earnings by residence than Boston and King's Lynn and West Norfolk, and are on a par with Peterborough.
- There are a total of 3,465 enterprises in South Holland, 3,075 with 0-9 employees whereas there are 10 with 250+ employees. This shows the food hub effect, how a small number of large businesses are being supported and supplied by the smaller businesses throughout the supply chain
- Food manufacturing is 13 times more significant as an employer in the district than the national average.
- Transport and storage also shows up as twice the national average.
- 22% of South Holland's enterprises are directly engaged in agriculture and 14% in construction.
- Employment – agriculture and horticulture employ circa 3,000 directly and up to 10,000 including seasonal labour, giving flexibility. Food related and general manufacturing employs over 11,000, the construction sector 3,200, wholesale and retail trade 7,000 and logistics 2,700.
- One of the district's strongest assets is its readily available, flexible workforce which compliments the 24/7 working patterns that a lot of modern manufacturing businesses demand.
- South Holland has strong geographical and economic ties with Peterborough and Boston, and to a lesser extent with King's Lynn and West Norfolk through common interest in supporting and growing the agri-food sector and related supply chains, including food processing, logistics and distribution, packaging and storage. Good road transport connections are also important to the whole district and beyond.
- Anecdotal evidence suggests that some 35% of the nation's food will touch South Holland District businesses at some point in its 'life'.

3.0 **Open for Business Key Areas of Focus**

- 3.1 The conclusion of the analysis and subsequent stakeholder consultation recognises the Council's limited resources and the importance of focusing on a small number of key areas that could add most value to local businesses.
- 3.2 It is important to enhance our partnership working with our public and private sector partners and continue to build on our relationship and involvement with the GLLEP and expand our LEP presence beyond traditional administrative boundaries to include the Greater Cambridge and Greater Peterborough, (GCCPLED) area by holding dual LEP membership.
- 3.3 Attracting funding and inward investment into the district and working with partners to deliver an identified number of strategic growth projects will support the growth of our key industry sectors.
- 3.4 The opportunity to trade with the council and the wider public sector should be promoted locally. To support this, the council will organise and support accessible framework arrangements wherever possible, and will host a 'Meet the Buyer Event' to give local businesses the opportunity to understand how the Council procures its goods and services and engage in workshops to understand the necessary tendering processes. This will better inform local businesses of the range of contract opportunities available at the Council.

4.0 **Key areas for Action**

4.1 An action plan will be developed to support delivery under headings as follows:-

4.2 **Key Area 1 Doing the Basics Well – Whole Council Approach**

4.2.1 There are functions in which the council needs to demonstrate positive and proactive competence. Planning is the most obvious, but delivering business growth requires regulatory services, environmental health, licensing, customer services, in fact the whole council to be business focused. Using our council assets and finances to kick-start growth, especially regarding housing will be a focus. The Council is continuing the work, especially in our regulatory services, to ensure there is a culture of enabling business, with restriction as a measure of last resort.

4.2.2 The Council will make access easier in a number of ways; informed staff at every point of contact and professional business relationship management, ensuring we are signposting and providing brokerage to national and LEP support products and services. Members and officers recognise the importance of connecting our services in order that the business contact experience, regardless of the service you contact, is consistent. We know there are clear links with services such as economic development because only together can they deliver the outcomes needed such as housing, skills and support for business expansion.

4.3 **Key Area 2 Focus on the key projects**

4.3.1 The Council has to be realistic in where its focus should be and how much it can take on. Some projects should be key and immediate tasks for South Holland, either leading or working with and through others, to deliver. The focus will be on the strong links between providing infrastructure and housing and leading to an environment of business growth.

With respect to physical investment:- we will focus on developing a pipeline of economic development opportunities across South Holland including;

1. Spalding Western Relief Road
2. A151/A17 Peppermint Junction Interchange
3. Additional grow on units at Crease Drove, Crowland
4. Agri-food centre of Excellence at Holbeach
5. Broadband
6. Directly delivering our wider housing objectives

4.3.2 The Council have now been awarded pathfinder funding from DEFRA to promote a Local Development Order on a site located adjacent to the A151/A17 at Holbeach. The purpose of this is to incentivise the delivery and early occupation of an employment site to meet the needs of food and farming related uses and employers. The Local Development Order will seek to create an environment in which defined buildings and uses are certain to be acceptable. It will seek to increase marketability and to compliment investments that support the food and farming sector, becoming a food enterprise zone.

4.4 **Key Area 3 Energising our work with partners**

4.4.1 Doing the basics well and delivering projects by implication means South Holland District Council becomes a partner of choice with Central Government, business, the LEPs, the County Council and others, to set the framework for growth in the district. The Council should do this in a way that builds on what strengths exist in South Holland, such as the agri-food sector, and make the case and champion the need for investment.

- 4.4.2 South Holland looks south to Peterborough and the GCGPLEP will be an important partner in the future. The Council has become a member of the GCGPLEP. South Holland's participation in the GLLEP has taken a step change over the past months.
- 4.4.3 Our early focus has been on the creation of a Food Enterprise Zone at Holbeach, a focus on work with the University and others to address South Holland's knowledge of the economy and skills opportunities - especially in agriculture/land-based, manufacturing, and logistics.
- 4.4.4 To be effective we need business support locally to work with and help us shape the South Holland economic plan and work with us to deliver the action plan.
- 4.4.5 Continued involvement in the delivery of the Rural Development Programme for England Wash Fens funding stream with Lincolnshire County Council. This is a DEFRA funded grant scheme to support micro and small businesses, land based industries, rural services, tourism, cultural and heritage activities. It will operate in the rural parts of Boston Borough and South Holland plus Bourne, Stamford and the Deepings.
- 4.4.6 The SHDC Economic Development team have just submitted an application to the European Regional Development Fund for funding under the 2014-2020 programme for Grants4growth2 which is a grant program to small business to support efficiency and growth. An indicative decision is due end of July.

5.0 **Summary of Business Feedback from the South Holland Open for Business Event**

- 5.1 Businesses represented at the event on February thought overall that the three key areas for focus presented were on the right track and supported the work packages to deliver them.
- 5.2 On communication with the Council, they felt this was best done through personal relationships with members and officers. South Holland District Council's Environmental Health Department was singled out as best practice in their approach to supporting local businesses and that other services could learn from this. Planning decision timescales were criticised as being too long and there was a strong feeling that 'Open for Business' proposition as presented seemed to focus mainly on the agri-food and related supply chains. Better management of the Spalding town centre around anti-social behaviour and cleanliness issues should also be a priority for the Council. In addition it was suggested that the Council should assign a dedicated Spalding Town Portfolio Holder to deal with the town as a whole.
- 5.3 The list of key infrastructure projects were supported with the dualing of the A16 a high priority for some. It was recommended that the existing Water Space Strategy be revitalised and if there was to be substantial housing growth it was important that the schools and social infrastructure to support it would be put in place.
- 5.4 It was felt that an overall vision and development of master plan for the district could be of benefit and felt this was missing at present. More events and marketing for the area was needed to attract visitors. Consideration should be given for any new Grants4growth programme to be broadened out to support horticulture and agriculture businesses. Initiatives to address training and skills needs for the District are required. Drainage, water security and flood management were also key issues to be addressed.

6.0 OPTIONS

6.1 **Option 1** – That Cabinet adopt the ‘Open for Business’ approach as set out in this report, and in recognising the importance of providing opportunities for local business across our District, Cabinet supports the ‘Meet the South Holland Buyer Event’, as set out in 4.3.

6.2 **Option 2** – That Cabinet does not adopt the ‘Open for Business’ approach as set out in this report.

7.0 REASONS FOR THE RECOMMENDATION

7.1 **Option 1** - The Council is already pursuing its pivotal role within the district’s growth agenda to fulfil its commitment within our corporate plan priority **‘To support the local economy to be vibrant with continued growth’**.

7.2 The Council has the opportunity to refresh its approach to economic and business growth to ensure we meet local business needs and maximise our contribution to the prosperity of the district, this in a context where the GLLEP (and GCGPLEP) has major resources to commit to local and national economic growth priorities.

8.0 EXPECTED BENEFITS

8.1 Tangible economic benefits will come from the activities and projects that the ‘Open for Business’ approach delivers and will be measured by the Council’s corporate and team plans, performance management systems and project evaluation reports.

8.2 Overall the district should see measurable growth in jobs, housing, inward investment, business turnover figures, infrastructure development, Gross Domestic Product (GDP) and Gross Value Added (GVA).

8.3 The suggested ‘Meet the South Holland Buyer Event’ will assist and facilitate the opportunity for local businesses to bid for the Council’s goods, services and contracts and improve their ability to secure new business from South Holland District Council and other local authorities.

9.0 IMPLICATIONS

9.1 Carbon Footprint / Environmental Issues

9.1.1 It is the opinion of the Report Author that there are no adverse implications.

9.2 Constitution & Legal

9.2.1 This is a non-statutory service. The council has general powers that permit such projects. The Council constitution allocated responsibility for this decision to Cabinet.

9.2.2 The procurement policy will be reviewed in order to allow local suppliers greater access to council contracts subject of course of course to all legal requirements being complied with.

9.3 Contracts

9.3.1 It is the opinion of the Report Author that there are no adverse implications.

9.4 **Corporate Priorities**

9.4.1 'To support the local economy to be vibrant with continued growth'.

9.5 **Crime and Disorder**

9.5.1 It is the opinion of the Report Author that there are no adverse implications.

9.6 **Equality and Diversity / Human Rights**

9.6.1 It is the opinion of the Report Author that there are no adverse implications.

9.7 **Financial**

9.7.1 It is the opinion of the Report Author that there are no direct financial implications. Critical activities within team plans will deliver the Council's corporate priorities and be funded through service budgets or through external funding sources. 'Meet the South Holland Buyer Event' can be funded within existing budgets.

9.8 **Health & Wellbeing**

9.8.1 It is the opinion of the Report Author that there are no adverse implications.

9.9 **Risk Management**

9.9.1 No risks directly as a result of this report. Risk management will be dealt with at both a Corporate and project level.

9.10 **Staffing**

9.10.1 This is being dealt with through the current implementation of the shared senior management restructure.

9.11 **Stakeholders / Consultation / Timescales**

9.11.1 Consultation on draft proposals was carried out as outlined in section 1.2. Further consultation on an arising action plan and procurement policy review will be undertaken early autumn.

10.0 **WARDS/COMMUNITIES AFFECTED**

10.1 All South Holland Wards

11.0 **ACRONYMS**

GDP	Gross Domestic Product
GVA	Gross Value Added
LEP	Local Enterprise Partnership
GLLEP	Greater Lincolnshire Local Enterprise Partnership
DEFRA	Department for Environmental, Food and Rural Affairs
GCGPLEP	Greater Cambridge and Greater Peterborough Local Enterprise Partnership

Lead Contact Officer Anna Graves

Director / Officer who will be attending the Meeting Anna Graves

Key Decision: No

Exempt Decision: No

This report refers to both Mandatory and Discretionary Services

Appendices None