SOUTH HOLLAND DISTRICT COUNCIL

Report of: Christine Marshall, Executive Director of Commercialisation

To: Performance Monitoring Panel 13th November 2018

Author: Nigel R Burch Economic Development and Inward Investment Manager

Subject Update on the contract held with Opportunity Peterborough

Purpose: To update panel on activity undertaken through the council’s relationship with Opportunity Peterborough thus far, and to set out the work programme for the next six months.

Recommendation

1) That the panel give consideration and provide views to the report on progress made with the economic development activity undertake with Opportunity Peterborough over the past six month period, prior to a detailed report being presented to Cabinet in January 2019

1.0 BACKGROUND

1.1 South Holland District Council has a small Inward Investment team consisting of two officers whose remit is to nurture effective relationships with and between local employers and business network, promote business growth and inward investment and manage the ERDF funded Grants 4 Growth programme.

1.2 Grants4growth is overseen by the Inward Investment Manager who spends a proportion of his time on the project. Since March 2017, the council’s Economic Development Officer has spent 4 days a week acting as a business broker for the project, as well as supporting the Project manager and Financial Claims Officer, both of whom are full time on the G4G project.

1.3 This means that overall, and once the commitments to the G4G project are taken into account, the council has the equivalent of approx. 1 FTE working solely on Economic Development and Inward Investment activity within the Council.

1.4 It has long been an ambition to do more to promote Economic Development and Inward Investment across the district, driven by the council’s wider Growth and Commercialisation agenda. It has also been acknowledged for some time that extra resource and expertise is needed within the service. However, despite various options being considered in the past, it has, and continues to be, a challenge to recruit any one person with the wide range of skills that are needed within the Economic Development/Inward Investment arena, evidenced by the fact that other districts have sought external support to cover the range of expertise required.

1.5 Opportunity Peterborough (OP) is an economic development company that was founded in 2005. It is a private not-for-profit business, wholly owned by Peterborough City Council. It provides economic development services to Fenland and South Kesteven as well as
Peterborough. OP markets these areas to external businesses to attract inward investment, engages with local companies to support growth and development, and plays an active part in skills development to ensure that local talent is trained and ready to meet the needs of employers. OP also delivers a range of related programmes such as the Bondholder Network and Smarter Cities projects.

1.6 The ED department have had a relationship with Opportunity Peterborough for a number of years through our relationship with Peterborough City Council, our former associate membership of the Greater Cambridge/Greater Peterborough Local Enterprise Partnership, and more recently through the University of Cambridge Agri-Tech and the University of Lincoln Food-Tech programmes.

1.7 In response to the desire to increase the level of activity that the authority is taking to proactively support economic development, in late 2017 the authority approached Opportunity Peterborough to explore if they would be interested in putting forward a proposal to supply some additional resource to the South Holland ED team in the same way that they had successfully provided this type of service to South Kesteven and Fenland district councils.

1.8 The proposal consequently received by the Council was for Opportunity Peterborough to provide additional resource that will enable SHDC to provide an enhanced ED/Inward Investment service helping to deliver major growth to the district. This was with an intention for the arrangement to allow South Holland to benefit from Opportunity Peterborough’s wider knowledge and larger team, maximising the opportunity to develop approaches across South Holland, Peterborough, Fenland and South Kesteven, and negating the current need to recruit one or more extra staff to the department.

1.9 On Tuesday 27th March 2018, South Holland District Council Cabinet gave approval for Opportunity Peterborough contract Economic Development Services to South Holland District Council for a period of 2 years, with a full review at 6 and 12 months. This contract is being closely monitored with regular contract management meetings, monthly reports to the Executive Director of Commercialisation in the form of a highlight report, and 6 monthly reviews for the 2 year period of the contract with an option to review continuation after 12 months.

1.10 Following the Cabinet decision, the contract was signed and delivery of the service began officially on the 1st June 2018.

1.11 The purpose of this report is to update members on the progress made to date, and to enable members to scrutinise the performance of the arrangement ahead of the six month review being formally considered by Cabinet.

1.12 Delivery and activity to date

1.13 During the first six months of the contract, the focus has been on embedding the relationship between the economic development team at Opportunity Peterborough with the team at South Holland, our businesses and our partners. It has also focused on doing with work with senior members of staff at Opportunity Peterborough in reviewing evidence, reviewing the council’s approach to raising awareness of the economic opportunity within
the district, and formulating the plans which will carry forward into a detailed work programme for the remaining period of the contract.

1.14 **Evidence collation** – A key focus has been on evidence collection and the analysis of date as a means of refreshing and updating understanding of the makeup of the South Holland economy, and from this, to establish the economic indicators that would be used throughout the two year contract. Those economic indicators are set out in Appendix 1. Another key activity has been through the launch of the first Annual South Holland Business Survey; a survey developed by Opportunity Peterborough colleagues, to be used as a tool to obtain a greater understanding of the performance of the local economy through the eyes of business, alongside understanding the challenges and opportunities that businesses are experiencing in relation to growth. Whereas the detailed evaluation of the evidence gathered through this exercise is still being evaluated, the following themes are emerging from the analysis;

- Businesses in South Holland are generally positive concerning the current business environment, with many businesses expected to perform better this year compared with the previous year
- Whilst the vast majority of businesses foresee an increase in operating costs next year, many also predict an increase in job creation and capital investment.
- Increasing overheads, price pressure from customers and competitors, and the availability of skilled workers were the most commonly identified barriers to growth. Concerns over availability of low to semi skilled workers were raised, along with need for improved roads and to access support to leverage improvements in technology as a means of supporting productivity.
- Respondents were broadly split on the likely impact of the national situation post-March 29th 2018 and the impact on their business.
- Over half of respondents indicated that they will be looking for larger premises within the next 5 years as a means of supporting the growth of their businesses.

1.15 **Business Engagement** – Another key focus has been embedding the relationship between key colleagues at Opportunity Peterborough and businesses. The ED team and members of Opportunity Peterborough’s team have undertaken a number of key business engagements during the first six months, as a means of building relationships and helping the officers within the wider team to gain a more detailed understanding of the challenges and opportunities that some of our key businesses face. This has included visits to South Lincs Foundry to discuss their needs to facilitate growth, attendance and presentations to major businesses through the council’s regular Business Breakfasts in September, and in the last 10 days, a visit to Gousto to discuss their pressing expansion needs.

1.15 **Partner Engagement** – In addition to focusing on engagement and the embedding of relationships with businesses, there has also been a focus on engagement with key partners with an involvement in supporting economic growth. This has been facilitated through a number of stakeholder meetings with Boston College, the University of Lincoln, the National Centre for Food Manufacturing, the Greater Lincs Local Enterprise Partnership and Lincolnshire County Council’s Economic Development and Inward Investment team.

1.16 **Marketing and Communications Audit** – Another key activity has focused on the means through which the council currently communicates with and market the district as a place to invest, and how the council’s approach to communication and marketing could be strengthened to encourage regional, national and global investment.
Following extensive engagement with the council’s own communications team, a draft Marketing and Communications Audit has been prepared by Opportunity Peterborough’s specialist marketing team. The audit presents some recommendations around future marketing and promotion with a view to attracting future Inward Investment. Officers at the council are currently reviewing the draft document and liaising with the relevant internal departments to explore the means through which those recommendations can be taken forward.

1.17 **An Economic Action Plan** - The main underlying action that all these other activities have contributed towards is that of the development of a draft Economic Action Plan. The purpose of the plan is to set out a series of actions for the authority to pursue as a means of supporting economic development and inward investment activity, in response to the evidence collated through the activity undertaken within the initial six month period. In line with the first 6 month work programme, this has now been delivered in its first draft form, and like the Marketing and Communications document, is currently being considered for our initial response.

1.18 **Contract performance and next steps**

Officers are of the view that the relationships and activity developed and pursued with Opportunity Peterborough colleagues over the first months of the contract, in pursuit of a more proactive approach to inward investment, has been effective. The work that has taken place to date has been done in accordance with the work programme that is laid out in the Service Level Agreement, and if the arrangement is continued into the next six month period, work will continue to refine, and start to implement both the Marketing and Communications plan and the Economic Action plan. Furthermore, a number of dates are already in place for further visits to businesses and intermediaries such as accountants, developers and land agents. These include key businesses such as Addo Food Group, QV Foods and Longstaffs land agents. Colleagues at Opportunity Peterborough will continue working on the generation of business leads, and Ann Wardle will start to take a more active role in representing the Inward Investment team now that the relationship between her and the team is embedded.

2 **OPTIONS**

2.1 **Option 1** - That the panel give consideration and views to the report on progress made with Opportunity Peterborough prior to a detailed report being presented to Cabinet at the six month review period (recommended)

2.2 **Option 2** – That members do not give consideration to the report (not recommended)

3 **REASONS FOR RECOMMENDATION(S)**

3.18 In accordance with the original Cabinet decision from March 27th 2018, that the reporting and review of activities of the Opportunity Peterborough contract comes before the Panel and Cabinet at the point of six month review.

4 **EXPECTED BENEFITS**

4.18 This contract with Opportunity Peterborough is bringing a dedicated resource to help South Holland attract new inward investment. It is bringing expert advice and experience in helping to develop an Economic Action Plan, professional marketing resource, and is providing much
needed additional support and expertise to the small in-house team.

5  WARDS/COMMUNITIES AFFECTED

5.18 This report encompasses all wards in South Holland

6  ACRONYMS

6.18 LEP Local Enterprise Partnership
6.19 GLLEP Greater Lincolnshire Local Enterprise Partnership
6.20 CX Chief Executive
6.21 SHDC South Holland District Council
6.22 SKDC South Kesteven District Council
6.23 CMA Combined Mayoral Authority
6.24 GCGPLEP Greater Cambridge/Greater Peterborough Local Enterprise Partnership
6.25 OP Opportunity Peterborough
6.26 G4G Grants4growth
6.27 ERDF European Regional Development Fund
6.28 LCC Lincolnshire County Council
6.29 FTE Full time equivalent

Background papers:-

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Key Decision: N
Exempt Decision: N

This report refers to a Discretionary Service

Appendices attached to this report:

Appendix A SHDC - Economic Indicators