

SOUTH HOLLAND DISTRICT COUNCIL

Report of: Cllr Nick Worth, Deputy Leader and Portfolio Holder for Growth and Commercialisation.

To: Cabinet 18th June 2019
Council 31st July 2019

Author: Nigel Burch Economic Development and Inward Investment Manager

Subject Economic Action Plan, Inward Investment Marketing strategy, Skills Service future funding options, creation of a new Economic Development Officer post.

Purpose: To present to members a package of proposed activity that has been designed to support interventions in respect of Economic Development and Inward Investment delivery in South Holland, including the adoption of a South Holland Economic Action Plan.

Recommendations to Cabinet:

- 1) That Cabinet approve the adoption of the South Holland Economic Action Plan and associated work programme, with a view to embed the actions contained within as part of the council's delivery of its wider corporate plan.
- 2) That Cabinet give consideration to and approve the proposed funding for the delivery of the 'Skills Service' across secondary schools in South Holland for a 12 month period, whilst a longer term funding strategy for the service is developed.
- 3) That in view of the findings of the 'Inward Investment Communications and Marketing Audit' as prepared by Opportunity Peterborough, Cabinet approves implementation of the elements contained in paragraph 3.12 of this report relating to communication with businesses within the district.

Recommendations to Council:

- 4) That in order to support with the delivery of recommendations 1, 2, and 3, and to provide additional resilience to the Economic Development and Inward Investment team, that Council gives consideration to and approves the creation of a new Economic Development Officer post.

1.0 BACKGROUND:

- 2.0 The Economic Development and Inward Investment service at South Holland District Council plays a key role in contributing to and assisting in the delivery of the Council's Corporate Plan by helping to support the local economy utilising a number of different work strands. The overall objective for the service is to maximise opportunities within the local economy for the creation of jobs, in particular higher value jobs utilising skills that are needed now to help local businesses transition towards higher productivity using automation and robotics, whilst retaining a readily available workforce to service the inevitable seasonality of the agricultural/horticultural/food manufacturing economy. The

inward investment element aims to support existing businesses to expand, and to attract new businesses into the district, strengthening the supply chain and growing business rate income.

- 2.1 The Economic Development and Inward Investment service also delivers the European Funded Grants4growth project, which encourages eligible Lincolnshire SME's to apply for capital grant funding to help their businesses to grow, create jobs, and increase productivity. The programme is about to commence a further three year programme.
- 2.2 The service currently consists of one full time Economic Development and Inward Investment Manager and a 0.2 FTE Economic Development Officer. The remaining 0.8 of the Economic Development Officer is currently utilised on and recharged to the European Regional Development Funded Grants4growth project.
- 2.3 Due to the wide ranging remit of the service and the variety of skills needed to service the various aspects of the workload, a decision was taken by Cabinet in 2018 to engage Opportunity Peterborough (the not for profit economic development arm of Peterborough City Council) in a two year contract to supply additional skills and resource to the existing team, enabling the Council to benefit from Opportunity Peterborough's wider knowledge and larger team, particularly in respect of marketing, communications and dealing with major inward investment enquiries. This contract started in June 2018 with OP colleagues working from both their Peterborough office and by having a presence within SHDC.
- 2.4 With this resource in place the team have been exploring the following key work streams, some of which have been developed as part of our partnership with Opportunity Peterborough.
- 3.0 **South Holland Economic Action Plan.**
- 3.1 South Holland District Council are 11 months into the two year contract with Opportunity Peterborough. The majority of the work undertaken during the first period of the contract focussed on evidence collection and data analysis as a means of creating a baseline of the South Holland Economy, allowing the establishment of economic indicators which will underpin the activity undertaken throughout the life of the OP contract and beyond.
- 3.2 This evidence has been obtained by both running the first Annual South Holland Business survey, as well as utilising data obtained by desktop research and information gained via the South Holland Business Breakfasts and one to one meetings with businesses which is undertaken as a core part of the Economic Development service. The first of the key work streams that Opportunity Peterborough have now undertaken has been the creation of an Economic Action Plan (Appendix 1), informed by the evidence obtained during the first phase of the contract.
- 3.3 The Economic Action Plan is designed to be a short to medium term plan of activities that identify and prioritise the key actions that the evidence gathered has indicated is required to deliver the wider aspirations of the Corporate Plan. The remit of the Economic Action Plan, having identified and prioritised activities, is to identify actions that can then be incorporated into the service delivery plan (linked to the corporate plan) which will then set out how the various work streams will be addressed by utilising the existing ED resource, the proposed new ED Officer post, and the expertise being delivered through the existing Opportunity Peterborough contract.

3.4 The Economic Action Plan has identified 4 key priorities that the service should concentrate on:

- **Infrastructure and growth**, including maximising the impact of key strategic development sites, maximising the availability of current and emerging digital technologies including 5G to support growth both now and in the future, exploring opportunities to improve the areas transport links, and protecting the natural assets of the district.
- **Raising the profile of the district to proactively target new inward investment**, Including the promotion of South Holland as 'Open for Business' as well as developing a reputation as an Agricultural and Horticultural Centre of Excellence in order to attract innovative new businesses, at the same time strengthening the existing cluster and its attendant supply chain, utilising key assets and major unique opportunities located within the district such as the emerging Food Enterprise Zone at Holbeach.
- **Enhancing the level of business support available to our businesses to support with resilience and future proofing.** This includes supporting and promoting improvements to both productivity and innovation, particularly for existing and emerging businesses with high growth potential, concentrating on those in the Agri/Horti/Food sector by helping them to improve their competitiveness, resilience, and maximise their potential for high quality job creation.
- **Raising skills within industry and for those leaving school.** This includes awareness raising and promotion of skills development opportunities and apprenticeships, working with businesses and local training providers such as Spalding College and the University of Lincoln's Holbeach Campus. Continue to broker ever stronger relationships between schools and local businesses in order to inspire and raise the career aspirations and opportunities of our young people who are the workforce of the future.

3.5 These priorities will be delivered through a series of activities captured in a proposed work programme that covers the short to medium term (see Appendix 2), and delivered through both existing SHDC-employed team, colleagues from Opportunity Peterborough and the proposed additional Economic Development Officer proposed within later within this report.

3.6 It is also worth noting that, through drawing upon the evidence collated in preparing the document, the Economic Action Plan raises a number of wider considerations for the authority that will need to factor into future decision making in other areas of the council's responsibilities. This includes;

- The likelihood of significant future additional economic growth within the district, as demonstrated through national data and engagement with businesses, which may have a bearing on future decisions in respect of how such growth could be accommodated and retained within the district
- Linked to the latter, the means through which the authority is able to ensure that potential future jobs growth is not undermined by housing supply and/or the size of the working age population within the district

3.7 By adopting the Economic Action Plan as the council's strategy for supporting both the existing businesses within our local economy as well as promoting the district for relocating businesses who want to be part of the existing supply chain, these priorities will enable the

service to focus on the four key strands that have been identified, all of which will feed into the wider overall objectives of the Economic Development and Inward Investment service.

3.8 **Marketing and Communications Audit – Adoption of recommendations concerning communication**

3.9 Linked closely to the work completed in conjunction with Opportunity Peterborough in respect of the South Holland Economic Action Plan, is the work that has been undertaken through a Marketing and Communications Audit, completed as part of their ongoing contract. The final audit report, which is enclosed within Appendix 3, has explored and made a variety of recommendations on the following;

- The means through which the council currently communicates with and promotes initiatives to the existing business community, as a means of communicating a) what business support is available, b) what South Holland's investment offer is, and c) why and how South Holland is championing business growth.
- The council's current the use of social media, newsletters and other forms of communication (such as Business Breakfasts) and how these can be further enhanced.
- The options available to the authority in marketing the district as a place which is open to investment from new businesses, including through increasing awareness of the investment opportunities within the district and the production of marketing 'collateral'.

3.10 This report seeks to present to members the recommendations that will be taken forward in respect of communications (i.e. how the council communicates with and shares information with the business community)

3.11 The means through which the recommendations concerning marketing (i.e. how the council promotes South Holland to a wider audience nationally and internationally, through brand development and enhanced tools such as micro-sites and marketing collateral), are currently being explored, with proposal due to be put to members for consideration in due course.

3.12 The key recommendations in respect of how the council can improve the way it communicates with new and existing businesses, emerging from the audit and which are proposed to be taken forward into implementation, can be summarised as follows;

- That the tone of the council's published communications on economic development need to have an increased focus on positioning the ED team as a local economic expert and the first port of call for all business related matters and inward investment enquiries.
- That given the use of LinkedIn as a prominent business-to-business communication tool, coupled with the current under-use of the platform by the authority on economic development related matters, the authority should look to create a dedicated economic development-focused LinkedIn account which should be used to maintain contact with businesses and networks, share messages via sector and interest specific networks, and generate debate between businesses on topical matters.
- The Economic Development team's Twitter account needs refreshing to include a more relevant biography that sets out what the team does and the services on offer,

and effort needs to be given to increasing the number of followers by making the content promoted through the Twitter account more relevant to the needs of the business community. The latter could be achieved by greater use of 'hashtags' to support those looking for content on the platform.

- The council's hugely successful 'business breakfasts' should be promoted more further afield to attract a wider audience, particularly by featuring a more diverse range of business speakers
- The council should develop 'sector sheets' and 'PowerPoint pitches' that can be distributed by the authority, containing facts and figures that demonstrate the size and importance of key sectors within the local economy. These should primarily be developed as a tool to support inward investment activity from other agri-food / agri-tech focused businesses, including through distribution to the Department for International Trade.
- There is significant scope to improve the council's website in respect of economic development and inward investment content. For example, the site does not capture any 'leads' from its visitors, with the contact details provided being the council's generic email address and phone number. Furthermore, the amount of content which is likely to be relevant to the needs of new and existing businesses is limited. The council should therefore look to review its website, and explore the creation of a 'micro-site' aimed specifically at the business community.

3.13 If members are supportive of adopting these recommendations in respect of how the council can improve the way it communicates with new and existing businesses, the implementation and delivery of the recommendations will be overseen by the council's Economic Development and Inward Investment Manager, with support from Opportunity Peterborough's communications team, the council's own communications team and the wider Economic Development team (including the proposed new Economic Development Officer).

3.14 **Continuation of the 'Skills Service' within South Holland**

3.15 The skills agenda is a subject that is raised in nearly all discussions whether it be with businesses, education providers, funders or training providers. It is a subject that features large in our business breakfasts with one of the main concerns being the lack of young people considering or being steered towards careers with the businesses involved in our local economy. Of particular concern is that there appears to be a historic approach being taken by local schools that seem to see the agri/horti/food industry as one of nothing more than production line work with a low skill requirement and little or no career opportunities. As a result, many of our school leavers go to university but once graduated, do not return as they hold the belief there are no well paid jobs with career prospects in our local economy.

3.16 In view of the above, there is considerable frustration amongst local businesses that schools, and in particular the teaching staff, do not fully understand the opportunities that lie within our local economy for a range of careers whether it be in finance, HR, technology, or any of the other choices that are available within any modern business. Local business leaders have told us that they would welcome the opportunity help to address this situation by talking to schools and teachers, facilitating visits either school to business or business to school, as well as offering the chance for school leavers to work their way up through the business, whilst being supported through whatever type of learning is most appropriate for their career aspirations.

- 3.17 For this reason, the matter of developing the offer to support skills amongst residents in South Holland features with the proposed Economic Action Plan.
- 3.18 For the past three years, the Skills Service, part of Opportunity Peterborough, have been working in the secondary schools in South Holland. Businesses regularly voice their concern about the work-readiness of young people coming out of education at all levels. To help address this concern, the Skills Service provide a brokerage service for businesses, education and training providers, coordinating work-related learning activities that aim to improve the aspirations and economic awareness of young people and develop their employability skills in line with local business needs. The Skills Service also deliver the National Enterprise Advisor Network Programme on behalf of the Careers and Enterprise Company. The aim of the network is to match volunteers from the world of work with schools to support employer engagement.
- 3.19 Using a simple audit tool, the Skills Service work with school staff to review current Careers Education, Information and Guidance activities to help ensure that all schools have an effective careers strategy in place in line with the Gatsby benchmarks, they then support the schools with the implementation of their activity plans.
- 3.20 Originally funded by the Greater Cambridge Greater Peterborough Local Enterprise Partnership, and latterly, by the Cambridge and Peterborough Combined Mayoral Authority, the Skills Service funding was cut at the end of February 2019 which currently leaves the service unable to operate in South Holland.
- 3.21 Up to the point that engagement ceased at the end of February, The Skills Service had engaged with all of the senior schools in South Holland.
- 3.22 Since the start of their work in South Holland in 2016, the cumulative totals achieved for the targets (below) in South Holland are:

• Named individual businesses directly involved in school events	100
• Young people supported with direct contact with an employer	3316
• Schools completed Compass or 6–12 month review	6
• Business led events/activities brokered by the service	28
• Schools given information of statutory careers obligations	24
• Business hours at events	539.18

Events by school:

• Spalding Academy	9
• Spalding Grammar School	1
• Spalding High School (post Feb and now being funded by SHDC)	1
• The Peele Community College	12
• Thomas Cowley – engagement only recently established	tbc
• University Academy Holbeach	1

- 3.23 Conversations held with key companies at the business breakfasts as well as more general contact as part of the teams business facing role have confirmed that the response from both schools and businesses in respect of the work being done by the Skills Service has

been overwhelmingly positive. The team are therefore of the opinion that the Skills Service has been performing much needed and appreciated work in all local senior schools and that intervention is required to ensure that this work continues.

- 3.24 In order to ensure the continued delivery of the service within South Holland into the near future, it is proposed that the council looks to directly fund the Skills Service for a period of 12 months whilst a longer term and sustainable funding strategy is sought for the programme. The cost to the authority for a 12 months period is £16,800. Details of the budgetary impact are contained within a 'Proforma B' form enclosed within Appendix 4.
- 3.25 If agreement is given to continue with funding for a twelve month period, the team (working with the council's recently appointed External Funding Officer) will explore a range of options available to the authority in terms of long term funding models. These will be presented to members ahead of the conclusion of the proposed 12 month contract.
- 3.26 It should be noted that the GLLEP does fund activity across Greater Lincolnshire in respect of skills and secondary schools. However, the service funded by the GLLEP is 'lighter touch' in its approach and involves providing guidance to schools on how to improve their existing skills programmes, as opposed to providing the capacity and expertise to run events directly on behalf of schools. In that respect, whereas skills activity would still be taking place within the district if members were minded not to fund the Skills Service, officers are of the view that the offer from the Skills Service is much more holistic and therefore has the greater opportunity of delivering positive outcomes.
- 3.27 **Creation of a new Economic Development Officer post.**
- 3.28 The final matter raised within this report, which is linked to the delivery of recommendations 1, 2 and 3, is the proposed creation of an Economic Development Officer post within the ED and Inward Investment team.
- 3.29 The current core South Holland Economic Development/Inward Investment service is made up of and delivered by 1.2 FTE staff members consisting of the Economic Development and Inward Investment Manager who is responsible for the overall delivery of the service which includes the European funded capital grants scheme Grants4growth, seeking and handling inward investment enquiries, maintaining a relationship with the key businesses in the area, and an Economic Development Officer who spends 1 day a week (0.2 FTE) on the core service.
- 3.30 The service is also responsible for the delivery of Grants4growth across the whole of the Greater Lincolnshire Local Enterprise Partnership area, and this project is run operationally by a Project Manager contracted to the project, a Technical and Financial claims administrator working 30 hours per week, and the remaining 4 days a week (0.8 FTE) of the Economic Development Officer. These posts are fully cost recovered from Grants4growth and are at nil cost to the Council. The Economic Development and Inward Investment Manager also spends a number of hours a week managing and overseeing the project and this time is also recovered from the project.
- 3.31 The contract with Opportunity Peterborough is designed to provide strategic Economic Development and Inward Investment expertise and support to complement the Economic Development/Inward Investment service in its current form, this is provided by the Chief Executive of Opportunity Peterborough and the Inward Investment and Business

Engagement Manager both of whom work in the ED office with the team when appropriate, and also attend meetings and undertake business visits representing SHDC, again, when and where appropriate. Further resource is also available from Opportunity Peterborough's Communications and Marketing Manager.

- 3.32 The existing focus of the service is concentrating, in the main, on the 'big ticket items' i.e the successful delivery of Grants4growth, maintaining the relationships with many of our key businesses, inward investment work focussing on making connections between both direct enquiries and those that come through the Department for International Trade and the LEP, land owners, developers, agents, and internal departments such as Development Management and Strategic Planning, and working with the County Council, LEP and education and training providers on the skills agenda.
- 3.33 However, in order for all these big ticket items to function smoothly and have maximum impact, a lot of work needs to take place in the background, for example, monitoring and maintaining our database of South Holland businesses and the intelligence that sits behind those businesses such as type and nature of business, ownership, turnover, employment numbers, key contacts, growth aspirations and any constraints that might be affecting the business. By collating and maintaining this information we then have a better understanding of how the local economy and the supply chain within it works, and also enables us to pinpoint its strengths and weaknesses which in turn enables the ability to look at solutions and/or interventions that might be required now or in the future to secure the business or enable their growth plans.
- 3.34 It is also important that we have an accurate understanding of the availability of land for both current and future expansion and Inward Investment requirements, both employment allocated and non-allocated land, the opportunities and constraints of the land, ownerships, utility and access availability, all intelligence needed in order to be responsive to enquiries or funding opportunities. In its current form, the team do not have the capacity to engage in all the differing elements required to perform the Economic Development/Inward Investment function to its full potential.
- 3.35 There is also a question around succession planning within the department, much of the current local knowledge of both businesses and the wider economy sits with just one person. This which presents a risk to the Council, therefore it is suggested that an additional post be created within the service that will enable succession planning whilst providing appropriate resource to enable the team to perform a broader range of functions and projects, such as those contained within the Economic Action Plan.
- 3.36 In order to develop the right person into this role, they would take on, in the initial stages, some of the background work as described previously, both within the core service but also supporting and shadowing the work of the G4G team, this would build additionality into the service and also add a level of resilience should another member of the team be unavailable for a period of time.
- 3.37 The cost of the Opportunity Peterborough contract is currently covered by the budget for the vacant Senior Economic Development Officer salary, but it is possible to reduce the budgetary impact to the Council of a new ED Officer post Grade E for the first 3 years by part funding (60%) the role through Grants4growth. This approach can be taken by ensuring that 60% of the new role is spent working for Grants4growth. There is also a budget of up to £2000 within the G4G budget for recruitment costs associated with this

post. The need for and spend associated with this approach has already been approved by MHCLG in the 3 year extension that has now been accepted for the Grants4 growth project which will run until 2022, thus reducing the impact of the new post to Council budgets by 60% for the next 3 years.

3.38 By bringing a new officer post into the team, we would hope to be able to guide and mentor the post to grow within the service with a view to taking a more senior role in the fullness of time.

3.39 A Proforma B form, setting out the financial implications of the additional post and the approach to funding, is contained in Appendix 5.

4.0 **OPTIONS**

4.1 **Option 1: That the recommendations contained within this report, in respect of proposed activity that has been designed to support interventions in respect of Economic Development and Inward Investment delivery in South Holland, are approved (Recommended).** Under this option, the authority will;

- Adopt the South Holland Economic Action Plan and associated work programme, with a view to embed the actions contained within as part of the council's delivery of its wider corporate plan.
- Approve the proposed funding for the delivery of the 'Skills Service' across secondary schools in South Holland for a 12 month period, whilst a longer term funding strategy for the service is developed.
- Approve to the implementation of the elements relating to communication with businesses within the district
- Approve the creation of a new Economic Development Officer post to support with the delivery of the above recommendations, alongside the Grants4Growth programme.

4.2 **Option 2: Approve some or all of the above with or without changes.** Under this option, selected elements could be approved and taken forward with or without changes being applied.

4.2 **Option 3: Do nothing.** Under this option, the package of activity proposed within the report will not be taken forward in its current form.

5.0 **REASONS FOR RECOMMENDATION(S)**

5.1 The adoption of the Economic Action Plan will enable the Economic Development/Inward Investment team to have an evidence based action plan/policy that will serve to guide and inform the direction of the service for the future, assisting with the delivery of the wider objectives contained within the council's Corporate Plan.

5.2 The adoption of the communications recommendations within the Marketing and Communications Audit will help driving improvements in how the authority communicates with key stakeholders on matters relating to economic and jobs growth, specifically in terms of communicating the support that the authority is well placed to provide as a means of enabling economic growth.

- 5.3 Through providing funding to support the continuation of the work being done by the Skills service within local schools and businesses, the authority will be able to support both local schools leavers and businesses in promoting the many and varied career opportunities that are present within our local economy for school leavers at the appropriate stage in their education.
- 5.4 The addition of an Economic Development Officer post to the existing team will strengthen both the Grants4growth project and the Economic Development/Inward Investment service not just from an available resource perspective, but also from a mid to longer term approach by introducing an element of succession planning into the team to ensure that local knowledge, contacts and connections are shared within the team as a means of minimising risk.

6.0 **EXPECTED BENEFITS**

- 6.1 The adoption of the Economic Action Plan will enable the Economic Development/Inward Investment team to have an evidence based action plan/policy that will serve to guide and inform the direction of the service for the future, assisting with the delivery of the wider objectives contained within the council's Corporate Plan.
- 6.2 The adoption of the communications recommendations within the Marketing and Communications Audit will help driving improvements in how the authority communicates with key stakeholders on matters relating to economic and jobs growth, specifically in terms of communicating the support that the authority is well placed to provide as a means of enabling economic growth.
- 6.3 The addition of an Economic Development Officer post to the existing team will strengthen both the Grants4growth project and the Economic Development/Inward Investment service not just from an available resource perspective, but also from a mid to longer term approach by introducing an element of succession planning into the team to ensure that local knowledge, contacts and connections are shared within the team as a means of minimising risk.
- 6.4 Through providing funding to support the continuation of the work being done by the Skills service within local schools and businesses, the authority will be able to support both local schools leavers and businesses in promoting the many and varied career opportunities that are present within our local economy for school leavers at the appropriate stage in their education.

7.0 **IMPLICATIONS**

In preparing this report, the report author has considered the likely implications of the decision - particularly in terms of Carbon Footprint / Environmental Issues; Constitutional & Legal; Contracts; Corporate Priorities; Crime & Disorder; Data Protection; Equality & Diversity/Human Rights; Financial; Health & Wellbeing; Reputation; Risk Management; Safeguarding; Staffing; Stakeholders/Consultation/Timescales; Transformation Programme; Other. Where the report author considers that there may be implications under one or more of these headings, these are identified below.

7.1 **Constitutional & Legal**

7.1.1 All changes to the staffing establishment are reserved to Council for decision.

7.2 **Contracts**

7.2.1 The procurement team have been consulted and confirmed that no exemption is required to enter into a contract with the Skills Service for a 12 month period.

7.3 **Corporate Priorities**

7.3.1 All elements of this report will support the Corporate Plan Priority 'Your Opportunity

7.4 **Equality and Diversity / Human Rights**

7.4.1 All activities carried out will conform to the Councils Equality and Diversity/Human Rights policies.

7.5 **Financial**

7.5.1 The report recommendations do include financial implications. These are captured within a number of 'Proforma B' forms appended to this report.

7.6 **Reputation**

7.6.1 The additional activities and resultant interventions being proposed within this report can only serve to enhance the reputation of the Council.

7.7 **Risk Management**

7.7.1 All risks associated with the subjects of this report will be properly considered and managed.

7.8 **Staffing**

7.8.1 This report requests permission to create a new Economic Development Officer post

8.0 **WARDS/COMMUNITIES AFFECTED**

8.1 This activities contained within his report will affect all wards within South Holland.

9.0 **ACRONYMS**

9.1	ED	Economic Development
9.2	SHDC	South Holland District Council
9.3	OP	Opportunity Peterborough
9.4	FTE	Full Time Equivalent
9.5	G4G	Grants4growth

Background papers:-

Lead Contact Officer

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Key Decision: N

Exempt Decision: N

This report refers to a Discretionary Service

Appendices attached to this report:

Appendix 1 SHDC Economic Action Plan
Appendix 2 SHDC Economic Action Plan – Work Programme
Appendix 3 Marketing and Communications Audit
Appendix 4 Skills Service Proforma B
Appendix 5 ED Officer Proforma B