

## SOUTH HOLLAND DISTRICT COUNCIL

**Report of:** Christine Marshall, Executive Director Commercialisation and Section 151 Officer

**To:** Performance Monitoring Panel September 11<sup>th</sup> 2019

**Author:** Nigel R Burch, Economic Development and Inward Investment Manager

**Subject** Economic Development and Inward Investment update

**Purpose:** To provide an update to Performance Monitoring Panel on how Economic Development and Inward Investment is undertaken and promoted in South Holland

### **Recommendation(s):**

- 1) That the panel give consideration to the report.

### **1.0 BACKGROUND**

1.1 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.

1.2 The purpose of this report is to provide members with a further update on the continuing work streams carried out by the team.

### **2.0 Update on relationship with Opportunity Peterborough**

2.1 The Council are now into the 15th month of a two year contract with Opportunity Peterborough, the proposal for which was approved by Cabinet on the 27<sup>th</sup> March 2018, enabling a number of resources to be provided by Opportunity Peterborough to the Inward Investment team over a 2 year period which started on the 1<sup>st</sup> June 2018. Progress on the contract was scrutinised by PMP in November 2018 at the end of the first six months, a further update was provided in June 2019 and we now bring a further update as requested. One of the main pieces of work undertaken has been the creation of an Economic Action Plan, which was presented to Cabinet on 18<sup>th</sup> June 2019 with a recommendation for approval.

This action plan sets out a suite of key action points and the means by which the Inward Investment team, working with Opportunity Peterborough, will start to deliver the outcomes of the plan.

- 2.4 The Economic Action Plan has been 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 now sets out how the various work streams will be addressed by utilising the existing ED resource, the new Economic Development Officer post for which we have just interviewed, and the additional expertise being delivered through the existing Opportunity Peterborough contract.
- 2.5 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 promote 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, building on the work already being done by the Skills Service.
- 2.7 We are now starting to deliver these priorities through a series of actions captured in a work programme that covers the short to medium term, and is being delivered through the existing SHDC-employed team including the newly created Economic Development Officer post which we hope to fill shortly, and colleagues from Opportunity Peterborough.
- 2.8 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.

At the same time, an audit of the council's current approach to communications and marketing has been undertaken by Opportunity Peterborough. A number of recommendations concerning communication are currently being taken forward and implemented. Activities from the recently approved communications plan are now being put into place, and in respect of the future activity relating to the marketing of South Holland as a location to invest, a further piece of work is taking place to explore which elements of the audit carried out as part of Opportunity Peterborough's initial work the authority will seek to implement, with a recommendation that will be presented to members in due course.

A copy of the Economic Action plan is attached to this report as Appendix 1

### **3.0 Business engagement**

- 3.1 Since officers last came before the panel, the Inward Investment team have continued to engage with a variety of businesses and partners across the district with visits including Channing Engineering, Davis Worldwide, Bridge Farm Nurseries, Total Blast, Coveris, Greencell, and Princes. We continue to maintain contact with many businesses via phone and email in order to keep channels of communication open.

As they are now embedded into the work that the Inward Investment team do, colleagues from Opportunity Peterborough undertake visits to businesses and attend stakeholder meetings in their own right, as part of the SHDC Inward Investment Team, in place of the Inward Investment Manager where appropriate, and in these instances, verbal and written reports are supplied as updates.

- 3.2 Meetings are also taking place with stakeholders such as banks including Barclays whom we met on the 28<sup>th</sup> August and Santander on September 5<sup>th</sup>, and an opportunity has arisen through Lincolnshire Chamber to take part in a meeting at FESA with two Jamaican diplomats from the High Commission in London to introduce them to South Holland Businesses and the wider Lincolnshire Economy.

A number of South Holland businesses that are owned or part owned by Dutch businesses are being invited to a meeting with the Dutch Ambassador organised by Opportunity Peterborough colleagues.

- 3.3 The now well established South Holland Business Breakfasts continue with the latest one organised for Monday September 30<sup>th</sup> at NCFM at Holbeach. Subjects to be covered will include an introduction to the work done at NCFM, informing businesses that SHDC will be funding the Skills Service in South Holland Schools for the next 12 months and introducing the concept of the business community contributing to this initiative to secure for future years. There will also be an update on the Spalding Western Relief Road and the Food Enterprise Zone at Holbeach.

These meetings allow the Council to continue a close working relationship with many of our key businesses and stakeholders in the district, many, but not all of whom are identified in the Inward Investment teams Critical Business List, in order to maintain awareness of any emerging issues that could have a significant impact on the local economy. It also gives local businesses a voice, at the same time strengthening the relationship that the Inward Investment team and the Council as a whole have with businesses outside the regulatory

framework that they are used to interacting with the Council within, by taking a more private sector approach and understanding of our local businesses.

- 3.4 Work continues to engage with businesses of all sizes through the variety of approaches undertaken by the service, ranging from incoming enquiries from pre start and start-up businesses, facilitating start up workshops in conjunction with Norfolk and Waveney Enterprise Services (NWES), the Jobs Fair organised in partnership with the Department for Work and Pensions (DWP) visits with the County Council and Department for International Trade, visits with Key Account Managers, requests for advice, particularly around expansion plans, networking events, and courtesy visits in order to maintain relationships.
- 3.5 Work continues internally to embed the Open for Business way of working, a number of Key Account Managers have been identified and have been accompanied by the Inward Investment Manager to meet with the business that they have been allocated. Initial feedback to this approach has been very positive, businesses very much appreciate the personal touch, and are content in the knowledge that they have a name they can go to should they need a rapid response to a query, and a couple of account managers are in the process of being allocated second companies. This approach is now working well across the main business facing departments, i.e. Inward Investment, Development Control, Building Control, Strategic Planning and the Food Safety /Licensing teams. There is now a much better flow of information and sharing of intelligence between the departments that happens automatically. The use of the in-house Pentana system is now about to go live as a way of capturing this intelligence, and will further enhance capability both internally and with Opportunity Peterborough.

#### **4.0 Key Employment Sites**

- 4.1 Work has now started on the Food Enterprise Zone at Holbeach to construct the first building which will be the University of Lincoln's Centre of Excellence in Food Manufacturing. The Food Enterprise Zone (FEZ) is a 17 hectare prestige employment allocation which will specifically promote the Agrifood sector providing, by way of employment and education led schemes:

- 20,000 square metres B1 Business use
- 20,000 square metres B2 General Industrial use
- 9,500 square metres D1 Non-Residential Institutional Use (Education and Training)
- 1,500 square metres D2 Conference facilities
- 1,500 square metres Financial and Professional Services use
- 3,000 square metres C1 Hotel or Motel use
- Ancillary B8 Storage and Distribution and A3 Restaurant/Café use

The Inward Investment team are playing a key role in spreading awareness of the FEZ and are starting to identify any potential occupants that will fit the criteria of an agri-tech business whose expansion or relocation plans fit the timeframe, but a concerted marketing effort will start later in the year, in the meantime the topic is discussed in every meeting with businesses to ensure awareness is raised.

The Inward Investment team are also working with consultants to look at short to medium-term utility solutions to help in bringing forward Phase 1 of the FEZ, work is also taking place to understand the detailed delivery strategy for utilities that will unlock Phase 2.

- 4.2 Work continues to promote the two parcels of land at Wardentree Lane owned by Elsoms/Keelings, and the Clay Lake Industrial Estate owned by Ashwood Homes, which is

now being marketed as the East of England Industrial Hub. Interest in this site continues with a number of referrals being put forward, but as is the nature of Inward Investment, no firm commitment has been received to date, however, the Inward Investment team continue to liaise closely with the owner and marketing agent to bring the site forward and we are optimistic that a business may be about to sign for a plot at the East of England Industrial Estate shortly. Officers continue to liaise with the owners to obtain updated information about the site that could be relevant to potential future investment enquiries.

- 4.3 The team are also working with Ashwood Homes to promote and signpost to the Gateway site which is being marketed by the same agent as the East of England Industrial Hub, and constant contact is being maintained with the agent to ensure that any potential opportunities are maximised.
- 4.4 A planning application has now been submitted by SHDC for the construction of phase 2 of the Council's Pinnacle Close Industrial Estate at Crease Drove Crowland. This development will see the completion of Phase 1 by the construction of up to 3 units on the existing Pinnacle Close site, and a further 8 units to be constructed on the additional 1 acre of land adjacent to Pinnacle Close, increasing the Councils commercial portfolio and creating opportunities for business expansion/relocation. The team are also aware of other potential units that may be coming forward shortly.
- 4.5 The Inward Investment team is continuing to work with other SHDC colleagues to promote these sites to the County Council and the GLLEP to identify funding that may help to ease some of the infrastructure blocks.

## **5.0 Inward Investment**

- 5.1 The Inward Investment team continues to work closely with the Department for International Trade, through Lincolnshire County Council and the Greater Lincolnshire Local Enterprise Partnership, as well as Opportunity Peterborough, with a number of local businesses, helping to facilitate their growth plans and ensure that they can be delivered as quickly and smoothly as possible. This work is a key part of the Inward Investment role, and also fits seamlessly with the Councils Open for Business Agenda.
- 5.2 The team are also currently engaging with a number of businesses both across and outside the district, to help facilitate their growth, expansion and relocation plans. An approach has recently been made by a logistics business who are currently based outside the district but wish to come to Spalding, like many others, they would prefer a site that is ready to go. A meeting took place on the 3<sup>rd</sup> September with the client, ourselves and a planning officer from Development Control to look at an alternative site that we had originally suggested and is now being reconsidered by the company in question.

Officers have also been contacted by an existing logistics company who are looking for larger premises, currently based on the industrial estate but ideally would like a site directly on the A16 for ease of access. Details of two potential sites have been passed to the client and we understand they might be about to make a decision.

- 5.3 The team continues to manage the 'prospect list' that records inward investment enquiries and opportunities that come into the council through this and other departments. This list is ensuring that all relevant departments are aware of contacts being received by others, and also gives an insight into the potential income that might be derived should any of the enquiries come to fruition, working closely with the in-house rates team. It is also useful for tracking trends in business types, and what kind of tenure they are looking for which in turn feeds into future policy and strategies. This list will be merged into the new system that is currently being adopted using the in-house Pentana system.

5.4 The Inward Investment team also continue to work closely with the Department for International Trade, the County Council Inward Investment team, and continue to support the Team Lincolnshire initiative which serves to promote the County as a great place to live and work to both a national and international audience. A joint visit to Greencell took place on the 4<sup>th</sup> September with the SHDC and LCC teams in attendance, along with a colleague from the Department for International Trade.

## **6.0 Skills**

- 6.1 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 the 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 the 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 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 the local economy.
- 6.2 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 the 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 said 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.
- 6.3 For this reason, the matter of developing the offer to support skills amongst residents in South Holland features in the newly adopted Economic Action Plan.
- 6.4 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.
- 6.5 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.
- 6.6 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.

- 6.7 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.
- 6.8 Following approval from Cabinet for SHDC to fund the Skills Service in South Holland for the next 12 months starting in September, 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.

## **7.0 Grants4growth**

- 7.1 The Grants4growth project has successfully completed phase one of what has now become a 6 year project having had the contract extended by a further 3 years. The first phase has been completed ahead of time, with outputs targets reached and within budget.

MHCLG required SHDC to treat the next three years as a project extension rather than a new contract which has allowed continuation of the project with only a minimum delay to the service. Procurement of a Project Manager and a marketing company have been carried out as both of the original contracts were due to run out in September and needed a new procurement exercise, the new contract has started, and will run until the 31<sup>st</sup> July 2022.

As a result, the project now becomes a 6 year programme with revised outputs of 330 grants to be awarded, 330 businesses to be engaged, 223 jobs to be created, and £8,417,700 in private sector match funding to be committed.

## **8.0 Strategic Engagement**

- 8.1 The Inward Investment Manager continues to work closely with the internal strategic planning department and development control team, quarterly meetings are held with the Assistant Director Growth at Lincs County Council, and the team attend the Lead Economic Development Councillors meetings with the Portfolio Holder for Growth and Commercialisation.
- 8.2 The Inward Investment Team continue to engage with the University of Lincoln, the GLLEP and the County Council to ensure that South Holland views are represented in the emerging Local Industrial Strategy, a document that all LEP's have to produce for adoption by the Government by early 2020, and to also ensure that SHDC are in a position to maximise our influence in shaping the emerging UK shared prosperity fund which will replace European funding from 2022.

## **9.0 OPTIONS**

- 9.1 That the report be noted for consideration

## **10.0 REASONS FOR RECOMMENDATION(S)**

- 10.1 That the reporting of Inward Investment activities comes before the Panel every 3 months.

## 11.0 EXPECTED BENEFITS

- 11.1 The Inward Investment Team provide a key role in helping to support and grow the local economy by providing a valuable link between business, the Council, developers, funders, training and education providers and other stakeholders, and by delivering the flagship Grants4growth project which is now recognised as a business friendly capital grant project across the whole of Greater Lincolnshire.
- 11.2 It also provides detailed knowledge and personal contact with business leaders in many local businesses both large and small, and plays a wider role in making sure that South Holland's voice is heard at County and GLLEP level to ensure the Council has influence in decisions around funding, skills, communications etc.

## 12.0 IMPLICATIONS

- 12.1 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; 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.

## 13.0 WARDS/COMMUNITIES AFFECTED

- 13.1 This report encompasses all wards in South Holland

## 14.0 ACRONYMS

14.1	LEP	Local Enterprise Partnership
14.2	FEZ	Food Enterprise Zone
14.3	LDO	Local Development Order
14.4	GLLEP	Greater Lincolnshire Local Enterprise Partnership
14.5	SHDC	South Holland District Council
14.6	CMA	Combined Mayoral Authority
14.7	GCGPLEP	Greater Cambridge/Greater Peterborough Local Enterprise Partnership
14.8	NWES	Norfolk and Waveney Enterprise Services
14.9	DWP	Department for Work and Pensions
14.10	LCC	Lincolnshire County Council
14.11	ED	Economic Development

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Background papers:-

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### Lead Contact Officer

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**Key Decision:** N **Exempt Decision:** N  
**This report refers to a Discretionary Service**

**Appendices: Appendix 1 SHDC Economic Action Plan**