

SOUTH HOLLAND DISTRICT COUNCIL

Report of: Councillor Nick Worth, Deputy Leader of the Council and Portfolio Holder for Growth and Commercialisation.

To: Performance Monitoring Panel March 18th 2020

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 Executive Summary

- 1.1 The team continue to work towards the delivery of the council's adopted Economic Action Plan, with priority being given to the Inward Investment marketing strategy and the 2019/20 business survey.
- 1.2 Business visits continue as well as contact with business outside the district who are enquiring about land and premises.
- 1.3 The team continue engagement with owners of strategic key employment sites.
- 1.4 Work has started on the FEZ with both the access road and the first of the University buildings currently under construction.
- 1.5 The team involved in the delivery of the Holbeach FEZ have commissioned and received a refreshed economic impact assessment and delivery strategy for the site
- 1.6 Opportunity Peterborough colleagues are engaging with businesses and stakeholders and are supporting on more strategic work, particularly the FEZ.
- 1.7 Work has now commenced on preparing a marketing plan for the district for Inward Investment purposes.
- 1.8 The first joint South Holland/Boston business breakfast has recently taken place with around 50 attendees.
- 1.9 Grants4growth project change request submitted for an additional £500,000 in capital grant funding to take the programme to June 2023.

2.0 Background

- 2.1 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.

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

3.0 Delivery of the council's Economic Action Plan

- 3.1 One of the main pieces of work undertaken in conjunction with Opportunity Peterborough has been the creation of an Economic Action Plan, which was presented to Cabinet on 18th June 2019 and was consequently approved. This action plan sets out a suite of key action points and the means by which the Inward Investment team will start to deliver the outcomes of the plan.
- 3.2 The Economic Action Plan is a short to medium term plan of activities that identifies and prioritises 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 including the appointment of the new Economic Development Officer post, and the additional expertise being delivered through the current Opportunity Peterborough contract.
- 3.3 The Economic Action Plan has identified 4 key priorities that the service should concentrate on:
- Infrastructure and growth.
 - Raising the profile of the district to proactively target new inward investment.
 - Enhancing the level of business support available to our businesses to promote resilience and future proofing.
 - Raising skills within industry and for those leaving school.
- 3.4 We are continuing to deliver the priorities identified within the Economic Action Plan through a series of actions captured in a work programme that covers the short to medium term.
- 3.5 Contact has been made with the National Farmers Union, and we will shortly be attending one of their group meetings to engage with them to discuss how the Economic Action Plan seeks to promote South Holland as an Agri-food and Horticultural Centre of Excellence, at the same time working with the NFU and other partners to help protect the natural assets of the district. Engagement has also taken place with the AHDB to discuss how we can support their work around crop storage and research and development going forward, and to introduce them to the GLLEP.

- 3.6 Opportunity Peterborough recently presented the South Holland offer to the DIT representative from the British Embassy in Poland, during the discussion South Holland was identified as a possible location for an investment opportunity and details of Clay Lake Industrial Estate were supplied.

4.0 Business engagement

- 4.1 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 Port Sutton Bridge, AHDB at Sutton Bridge, Gousto, Bridge Farm, Sundial Growers, Fresca, Karsten UK, Robsons Transport, Steadfast Training, Garn's Transport and Royals Gym. We continue to maintain contact with many businesses via phone and email in order to keep channels of communication open. Colleagues from Opportunity Peterborough continue to undertake visits to businesses and attend stakeholder meetings in their own right.
- 4.2 Engagement continues with stakeholders such as banks including Barclays and an opportunity arose through Lincolnshire Chamber to visit the Jamaican High Commission in London with representatives from the National Centre for Food Manufacturing at Holbeach, Boston College, Boston Borough Council and four businesses, three of whom were from South Holland. The main reason for the meeting was to start to establish future potential trading links with Jamaica based on fresh produce and a transfer of knowledge and expertise through our mutual academic institutions.
- 4.3 With support from Opportunity Peterborough, the ED team are also looking at ways of creating much closer ties with the Netherlands through DIT contacts, academic colleagues, and Dutch businesses based here in South Holland.
- 4.4 Louis Humphries (the newly appointed Economic Development Officer) is attending the Lincolnshire Chamber of Commerce monthly network engagement sessions to broaden his experience of local businesses and their networks.

5.0 Key Employment Sites

- 5.1 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 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 council's wider growth 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.

- 5.2 In October 2019, Collison Associates were commissioned by SHDC, LCC, GLLEP and the University of Lincoln to conduct an Economic and Delivery Strategy review of the FEZ. This work has now concluded and the final report expected shortly. Over 50 businesses and trade bodies were consulted face to face or by phone, Collison Associates and the ED team also attended 8 events providing further industry insight. The clear message coming

from the industry is that the challenges the FEZ is seeking to address are growing and action is urgently needed to ensure South Holland maintains its position at the forefront of the industry. The conclusions presented in the final report give an evidence based vision of what the scheme has the potential to deliver.

- 5.3 This message is further reinforced by the research done as part of the study showing that South Holland sits at the centre of the UK's 'supply chain and agri-food industry with the sector creating 38% of employment locally, and 42% GVA, with the agrifood tech sector growing more strongly in the district than at any spatial level, 64% growth in GVA from 2010 to 2017 against 25% nationally, and 14% growth in employment against 9% nationally. Given its importance at both a local and regional level, the report finds that once completed, the FEZ has the potential to support the growth of 1390 regional jobs and increase onsite GVA by £76m per annum by 2030.
- 5.4 Work now continues through a regular programme of both operational and strategic board meetings enabling SHDC, LCC, the GLLEP and the University of Lincoln to work together as a partnership to drive forward the delivery of the site.
- 5.5 Work continues to promote the two parcels of land at Wardentree Lane owned by Elsom/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 these sites 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 sites 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.
- 5.6 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. We are also in conversation with a developer via a local land agent about the future use of a 4 acre parcel of land at Wardentree Industrial Estate.
- 5.7 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 Council's commercial portfolio and creating opportunities for business expansion/relocation. The team are also aware of other potential units that may be coming forward shortly.
- 5.8 Officers from across the council continue to promote these sites to Lincolnshire County Council and the GLLEP to identify funding that may help to ease some of the infrastructure blocks.

6.0 Inward Investment

- 6.1 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 Council's Open for Business Agenda.

6.2 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.

Officers have also been contacted by an existing logistics company who are looking for larger premises, and are working with them to identify suitable locations to support their expansion..

6.3 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.

6.4 This list has now been integrated into the Pentana system which is the Council's in-house system for reporting on a wide range of KPI's and risks, and is now providing a much improved method of both recording and tracking a wide range of economic intelligence, at the same time giving us the ability to use as a contact relationship management tool for our local businesses. This system is used and updated by all of the team.

6.5 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.

6.6 Delivery of the Economic Action Plan continues with priority being given to develop the Inward Investment marketing brand and the necessary work required to move this forward. Regular meetings are taking place with all involved including the communications team and the web team who are starting to build the framework of the new micro site in readiness for the branding and narrative which is currently being developed, with Opportunity Peterborough working on a sector value proposition which is a series of slides that outline the variety of strengths within the local economy including sections on key locations, opportunities within the district such as the NCFM, FEZ etc, and examples of the global and national companies that are based in South Holland as proof of both its importance and the opportunities the district offers to prospective inward investors., , .

6.7 This marketing approach is being designed to maximise the exposure of the district to potential inward investors both at home and abroad, at the same time promoting its place as the supply chain centre of the UK, its importance in the agrifood/agritech space, and showing how by working with the University, the GLLEP, LCC and our local businesses, South Holland is the place to choose to live, work and invest.

7.0 Skills

7.1 The skills agenda is a subject that continues to be raised in nearly all discussions whether it be with businesses, education providers, funders or training providers. It is for this reason the matter of developing the offer to support skills amongst residents in South Holland features in the Economic Action Plan.

7.2 For the past three years, the Skills Service, part of Opportunity Peterborough, have been working in the senior schools in South Holland. 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.

7.3 Following approval from Cabinet for SHDC to fund the Skills Service in South Holland for 12 months starting in September 2019, the team, working with the council's external funding officer, are now starting to explore a range of options available to the authority in terms of long term funding models. As part of this work, the team are carrying out a mapping exercise to understand more fully exactly what is on offer in the district at the present time and this will help to guide our decisions going forward.

7.4 Now halfway through the 12 month contract, the latest update from the Skills Service covering their work in South Holland over December 2019/February 2020, contains the following headlines:

- University Academy Holbeach are asking for increased employer engagement and careers fair organised for 6th May.
- Spalding High have a careers fair organised for 13 July following last year's successful event that took place funded by SHDC. Also running introduction to Linked In workshops on the 9th June.
- Spalding Grammar, working on 15 wish lists drawn up by department heads for activity's and workshops.
- University Academy Long Sutton to create a Primary Stemfest programme to ease the transition from primary to secondary, will run between the 24th April and 17th July. They have also just completed a survey showing that activities within the school has raised student's aspirations.

7.4 The Economic Development and Inward Investment team recently engaged with Liz Draper-Smethurst from the GLEPP's Enterprise Advisor Network with the intention of forming a close relationship between the Enterprise Advisor Network and the Skills Service going forward. The Liz Draper-Smethurst also gave a presentation to the 40 or so businesses that attended the first South Lincs Business Breakfast hosted at Boston College, Spalding campus. This event was a collaboration between South Holland District Council, Boston Borough Council and Boston College with information being presented on business resilience during the EU transition period, a presentation on the Enterprise Advisor network, and a discussion led by Clare Hughes from the GLLEP on the potential implications to businesses of the Governments proposed immigration points system.

7.5 SHDC have agreed to work with the Enterprise Advisor Network by helping to promote their 'Give an Hour' initiative which aims to introduce a young person to a career that they don't know exists, but also by taking part within the department and acting as ambassadors for the GLLEP's skills programme.

8.0 Grants4growth

8.1 The Grants4Growth project continues to meet set targets and operate to a high standard. An extension has been submitted for a further year of funding which will mean that the programme could potentially run until 30th June 2023.

The extension is for a further £500,000 of grant funding and the set targets are to help 40 businesses and as a result create 40 new jobs. A further £200,000 has been requested to support the running of the extension of the programme.

9.0 Strategic Engagement

- 9.1 On January 31st, South Holland hosted the GLLEP Board meeting held at Roythornes Solicitor's in Spalding and followed the meeting with a tour of World Wide Fruit's factory on the Industrial Estate. In the afternoon, a round table was held with Stephen Fidler, Director for Local Transport at the Department for Transport, and invited local hauliers and manufacturers.
- 9.2 The Board meeting was attended by our Chief Executive, Leader and Deputy Leader of the Council, who gave a presentation on the economy and vision of South Holland. A economic picture of the district was presented to key decision makers within the LEP, alongside an overview of some of the key businesses in the district, why South Holland is a good place to do business, the regional and international context, and our key projects, economic priorities and opportunities.
- 9.3 The Inward Investment Manager continues to work closely with the internal strategic planning department and development control team, regular engagement is 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.
- 9.4 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, 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 April 2021. This fund is intended to replace EU structural funds such as ERDF and ESF funding, and possibly Local Growth funding.
- 9.5 The Local Industrial Strategy is for the whole of Greater Lincolnshire, however, some parts of it are critical to the economy of South Holland, in particular the ambition to future proof the agrifood economy by creating the conditions for a productive and resilient economy. The themes contained within the Local Industrial Strategy around boosting productivity and raising wage levels are the basis on which the skills work we do with local businesses, projects such as the FEZ, and enabling opportunities around employment sites and bringing investment into the district, are based.

10.0 OPTIONS

- 10.1 That the report be noted for consideration

11.0 REASONS FOR RECOMMENDATION(S)

- 11.1 That the reporting of Inward Investment activities comes before the Panel every 6 months.

12.0 EXPECTED BENEFITS

- 12.1 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.

- 12.2 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.

13.0 IMPLICATIONS

- 13.1 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.

14.0 WARDS/COMMUNITIES AFFECTED

- 14.1 This report encompasses all wards in South Holland

15.0 ACRONYMS

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| 15.1 | GVA | Gross Value Added |
| 15.2 | FEZ | Food Enterprise Zone |
| 15.3 | DIT | Department for International Trade |
| 15.4 | GLLEP | Greater Lincolnshire Local Enterprise Partnership |
| 15.5 | SHDC | South Holland District Council |
| 15.6 | ERDF | European Regional Development Fund |
| 15.7 | ESF | European Social Fund |
| 15.8 | KPI | Key Performance Indicator |
| 15.9 | DWP | Department for Work and Pensions |
| 15.10 | LCC | Lincolnshire County Council |
| 15.11 | ED | Economic Development |
| 15.12 | AHDB | Agriculture and Horticulture Development Board |

Background papers:-

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

Appendices: