



REPORT TO:	Performance Monitoring Panel
DATE:	24 th January 2023
SUBJECT:	Economic Development and Inward Investment Update
PURPOSE:	To provide an update to Performance Monitoring Panel on current work being undertaken to support the South Holland economy
KEY DECISION:	N/A
PORTFOLIO HOLDER:	Councillor Nick Worth, Deputy Leader of the Council, Portfolio Holder for People, Places and Economy
REPORT OF:	Matthew Hogan, Assistant Director - Strategic Growth and Development
REPORT AUTHOR:	Nigel Burch, Economic Development and Inward Investment Manager
WARD(S) AFFECTED:	(All Wards);
EXEMPT REPORT?	No

SUMMARY

- The Holbeach FEZ continues to progress with its delivery, with the following activity have taken place over the past period:
 - A formal opening and launch of the site in September 2022, attended by representatives of the food industry
 - The opening of the £5m Hub building, which will accommodate up to 36 SME businesses in the agri-food sectors. The Hub is now occupied by two business, including a Florida-based business that has expanded into South East Lincolnshire
 - The commencement of the new headquarters for AJS – a locally based business involved in automation in the food industry
 - The submission of planning application for 13 industrial units by Stirling Developments
 - Further interest and enquiries in Phase 2 of the site, which is jointly owned by SHDC and LCC
- The Council's Investment Plan for South Holland's share of the UK Shared Prosperity Fund, having been submitted to Government during the summer, has now been approved. Work has started to develop the detailed approach through which the funds by which it will be administered delivered across the wider Partnership. The funds have a strong focus on supporting businesses and the economy.
- The team continues to work with a number of local businesses to help them realise their expansion plans, as well as working with the Inward Investment Team at the County Council to help find

suitable sites and premises for enquiries that come through the GLLEP and the DIT. Developments are continuing to come forward on the Wardentree Lane Industrial Estate, and the team are working closely with the owners of the Clay Lake and Gateway sites to support inward investment interest.

- Grants4growth has now committed the last of its capital funding and the remaining 6 months of the project will see the verification, evaluation, and financial closure of the programme take place. Planning is taking place around a replacement scheme, with a view to utilising UKSPF funds to deliver the programme for the benefit of local businesses.
- The team continues to seek to raise awareness of the economic opportunity of the area, coupled with the challenges we need to address to support further growth. This includes establishing a relationship with a newly formed All Party Parliamentary Group (APPG) with a focus on Freight Logistics, hosting Midlands Connect (the sub-regional transport body for the area) for a two day tour of South and East Lincolnshire, and submitting consultation responses to seek to influence the Cambridge and Peterborough Combined Authority's Transport Strategy in respect of the A1, A14 and A47 (all of which are important routes for food businesses in the area).
- The team are working with a number of investors interesting in delivering hydrogen production and power distribution, which has the potential to significantly support growth and business development in the area.
- The team are working with schools in the area to support a variety of initiatives linked to skills, careers and STEM subjects.

RECOMMENDATIONS

That the panel give consideration to the report.

REASONS FOR RECOMMENDATIONS

That the report is noted for consideration, so as to inform PMP on activity taking place to support the local economy and invite any questions, thoughts and proposals from the panel.

OTHER OPTIONS CONSIDERED

That the report be noted for consideration.

1. BACKGROUND

- 1.1 The Economic Development and Inward Investment team 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, those of higher values utilising skills that are now needed to help local business transition towards higher productivity using automation and robotics and other higher tech solutions, whilst retaining a readily available workforce with the appropriate skills to service the inevitable seasonality of the agriculture/horticulture/food manufacturing sector that is the bedrock of our local economy. The Inward Investment element aims to support existing businesses to expand and attract new businesses into the district, thus 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. REPORT

Business Engagement and Inward Investment

- 2.0 Work continues on both Inward Investment and working with 17 local businesses who wish to expand or find new premises. In the last period the team successfully sourced new premises for a Dutch company who were unable to stay on their previous rented site as it had been taken over by a national company who themselves are new investors into the district and have expansion plans. This has allowed the Dutch company to stay in South Holland, at the same time helping the company whose site they have rented space on, to rent out unused space.
The team continue to respond to Inward Investment enquiries that come through the DIT, GLEP and County Council, many of the requests are very difficult to give any meaningful response to as often there will be specific requirements, for example one recent ask was for a site that had to be adjacent to a graphite production facility, but where appropriate, potential sites are put forward.
- 2.1 The team continue to work with the tourism sites Visit Lincolnshire and Destination Lincolnshire to ensure that all publicly available information relating to visitor attractions in South Holland is up to date, accurate and accessible.
- 2.2 Work continues with colleagues at Lincolnshire County Council in the delivery of much needed improvements to the A16, particularly the Greencell and MacDonalDs roundabouts in Spalding, which is being delivered through a £19.5m levelling up investment to this major route in South Holland and Boston. This follows on from our work to support and shape the funding bid that LCC led on.
- 2.3 The wider team continue to work with a private investor who is looking to develop both hydrogen and power distribution across the SELCP. This project, if delivered, will support a wide range of businesses in the area, particularly the logistics sector as they strive for net zero within their own sector, but also the wider supply chain over the coming years.
- 2.4 After a break of two years, (2020 and 2021) the South Holland Business awards again took place at Springfields Exhibition Centre in early November. Organised by the Lincolnshire Chamber of Commerce, the prestigious black-tie event was attended by 342 people, an increase of well over 100 on the last event in 2019. The awards celebrated the best of business both big and small in South Holland, and once again, SHDC sponsored the Business Person of the Year award. Officers from the Inward Investment team hosted the 4 finalists on the night, the eventual winner being Justin Szymborski of Melon Co.
- 2.5 The team have been involved in work to promote and support high street businesses by the making and sharing on social media of 19 videos featuring local retail businesses, and the provision of a support package of social media advice delivered by Clare Bailey, the nationally recognised 'Retail Champion'.
- 2.6 During the summer, the Federation of Small Businesses held the National Local Government Awards to showcase the work done by Councils in supporting SME's through the pandemic. South Holland District Council entered the Recovery and Growth Scheme into these awards and were shortlisted in the category 'All round business friendly Council' Katrina Pierce, Development Manager for Lincolnshire said:

“The standard and range of entries was so strong in this region that to make the shortlist bestows great credit on the team at South Holland District Council, and I was delighted to see their efforts were recognised by the judges. To be shortlisted as one of the most all-round business friendly councils in England is no mean feat. I now look forward to continuing to work with them to ensure we have a vibrant and strong local SME community across South Holland and that they are as supported as possible during these tough times.”

Key Employment Sites

- 3.0 The employment land on Wardentree Lane Industrial Estate continues to be developed with ARK ICT (new HQ), Produce Packaging (new warehouse) and Brookes (7 industrial units, all of which are already let) finishing out new buildings along Elsoms Way. A planning application has been submitted for 4 industrial units at Bervor Close on the Wardentree Lane Industrial Estate, and an application for 12 industrial units has been approved for Phase 1 of the Food Enterprise Zone at Holbeach with construction of these units anticipated to start in early Spring 2023. An application for 8 industrial units has also been received and approved for the site previously occupied by Fleet Road Nursery at Holbeach. The team continue to work with the agents marketing both the Clay Lake and Gateway allocated employment sites on the A16 and since the last report, have met with 3 businesses who have expressed an interest.
- 3.1 A planning application has now been approved for a King Prawn Hatchery at Decoy Farm in Crowland, and on Thursday 27th October, officers met with a potential foreign investor and introduced them to the horticultural/food production/logistics sector in the district. To facilitate this introduction, colleagues from the Inward Investment team at the County Council, the GLEP, the University of Lincoln and two local businesses were brought together, all of whom played a key role in showcasing the joined up approach being taken towards Inward Investment in South Holland which was very much appreciated by the investor who commented that of all the sites they have visited both here and abroad, they had not come across such a united, business friendly attitude.

South Lincs Food Enterprise Zone

- 4.0 The Hub building, a key element of the overall FEZ strategy in providing collaborative space and opportunities for business engaged in the agritech sector, and which has been delivered utilising £5m of Government funding, has now been officially handed over to the County Council and an intermediary's day was held on Wednesday 20th July attended by 33 businesses that could be potential end users of the building, along with others who may have clients that fit the target audience. As a result, 5 offices are now occupied by 2 tenants, a USA based packaging company, and an accountant specialising in agricultural clients, and keen interest is being shown in some of the remaining space. The Inward Investment team have been instrumental in making a number of introductions which are being followed up by the agents, and interest is being shown by external companies wishing to hold Business to Business and networking events early in 2023.

Holbeach based business AJS are well under way with the construction of their new premises, and we expect the construction of 13 speculative units by Stirlin Developments to start early in the new year. Targeted marketing of plot 2 as a gateway site is being considered to recognise its position as a trophy asset suitable for the location of a HQ style occupier.

- 4.1 Interest in Phase 2 of the site is growing rapidly, dialogue is progressing with one potential purchaser and potential partners in supporting its delivery. An event to celebrate the opening of the University of Lincoln Campus and the progress so far on the wider FEZ took place on the 22nd September which was aimed at senior business leaders and elected members. Work is also progressing on a strategy, in conjunction with Western Power Distribution, now renamed National Grid, to enable power reinforcements to Holbeach and the surrounding area, helping to support delivery of the FEZ and wider planned growth.
- 4.2 Since last November officers have been working with a company based in Fenland who were interested in purchasing Port Sutton Bridge which had ceased operation and was on the market. The team's role has been to facilitate meetings, signpost them to relevant agencies and act as an interface with the various departments at SHDC and LCC as and when required. The company took possession of the Port on the 31st October 2022 and as of the 4th January 2023, the port once again has an operational licence. Officers will continue to support where appropriate, particularly in making connections with a variety of potential end users.

Skills, Careers and Employment

- 5.0 As reported at the March PMP, skills and increasingly recruitment issues were a key issue for most businesses both large and small. The last update to PMP reported that DWP were re-energising their employer teams and had a new support offer for employers called Plan for Jobs was being rolled out utilising all DWP's resources to provide a range of help and advice including:
- Jobs Fairs and Events
 - School Advisors
 - Disability Employer Advisors
 - Disability Conference Scheme
 - Employer Services
 - Find a Job
 - Movement to Work
 - Mentoring Circles
 - Apprenticeships/Traineeships
- 5.1 The Enterprise Advisor Network run by the GLLEP has now been renamed The Careers Hub. All South Holland Schools are now members of the Careers Hub with all schools other than Springwell Academy engaged with several different employers including SELCP. Following the success of the jobs fair held on the 13th May 2022 which saw 344 people interacting with 27 employers who were offering around 800 vacancies. On the day, 127 people handed in CV's, were invited to inductions, offered positions or were being sifted for opportunities. A further event has been booked for 19th May 2023, more information will be released nearer the time, but will again be supported by the DWP and colleagues from the Careers Hub.
- 5.2 The partnerships Investment and Skills officer, part of the wider Inward Investment team, has been working with South Holland Schools by means of the following.
- **University Academy Long Sutton** – delivered workshops across the whole of year 9 for their Super Learning Day which included various roles and careers at SHDC, followed by leading an activity for the students to organise their own Youth Music

and Arts Festival which highlighted the importance of community events and what is involved in organising them.

- **University Academy Holbeach** – Attended their first ever careers fair with an SHDC careers stand, promoting the work of the Council and the careers within, brought in a PSPS Learning and Development colleague to represent as well as one of our Future Leaders colleagues.
- **University Academy Holbeach** – Introduced them to the Global STEM challenge F1 in schools as a way of engaging more students in STEM subjects which has resulted in them entering a team which will compete in the East Midlands Regional Finals in March 2023. Representatives from SHDC will be hosting the school's F1 team on the 18th January at the FEZ for them to make a Dragons Den style pitch to fund a 3D printer to help with their designs.
- **Cowley Academy** – The Skills and Investment Officer is the voluntary Enterprise Adviser for this school and works with their careers lead on career strategy for all their students. This school was selected as it is on the boundary of South Holland and Boston and has students from both local authority areas in equal measure.
- **Spalding Grammar School** – The Skills and Investment officer organised the school's first Skills in Schools morning across the whole of year 10, and coordinated a variety of organisations to deliver skills workshops to promote skills and careers in their industry including Eurovia, Ark ICT, NHS Lincolnshire Talent Academy, Boston College Green Careers and delivered the SHDC Skills Workshop, Planning our Place, centred round planning, building control, economic growth, sustainability and environmental health.
- **Spalding Academy** – Attended their careers fair with a SHDC careers stand, bringing in a PSPS recruiter to support.
- **Gosberton Academy and Wygate Park Academy** – Presented F1 in schools to their Chief Education Officer and await news of whether they will be participating and entering a team which will increase the appetite for STEM subjects from their pupils.

5.3 In the main, businesses are still carrying vacancies but seem to have adapted well to the situation which may indicate that the recent news from Bakkavor about potential redundancies at one of their Sutton Bridge factories will be softened by the number of jobs still available locally and indeed within other Bakkavor sites. Despite well documented concerns earlier in the year, in general, businesses seem to be coping with the reduction in labour that has occurred for a variety of reasons, there is no doubt that varying degrees of automation have been introduced into some processes, and some businesses have also made changes to shift patterns. As an example of this, at least two local fruit packers introduced a 'Mums' shift which allowed the flexibility for people to work during school hours which has opened up a previously untapped resource. Other businesses have also adopted a similar approach, especially in the run up to Christmas.

5.4 The second post covid jobs fair was held on the 13th May at Springfields Exhibition Centre and was again well attended with 344 people through the door to speak to 27 employers who had taken space, offering approximately 800 vacancies, this figure did include 5 Bakkavor sites in South Holland, Boston and Bourne. Employer feedback indicated 127 people handed in CV's, were invited to inductions and/or offered positions.

Strategic Engagement

- 6.0 An expression of interest was submitted to Government in late October following a call to nominate sites to be put forward as potential future investment zones, sites that have a key role to play in the expansion and growth of our nationally significant agri-food business cluster. The strategy in doing this is to further develop and enhance the agrifood sector through the growth and diversification of our business base, including attracting new foreign direct investment and supporting business growth in the areas of low carbon logistics, agri-tech, advanced manufacturing (including automation and robotics) and energy production. However, following a change in Government policy shortly after the EOI was submitted the emphasis changed to zones that have a direct relationship with Universities and knowledge transfer partnerships, as a result of this a letter has gone to the Chancellor from Senior figures within South Holland District Council, The University of Lincoln and the County Council urging Government to continue consideration of the South Lincs Food Enterprise Zone due to its close relationship with the University of Lincoln, the Institute of Technology, and the National Centre for Food Manufacturing, all of which are based on the FEZ and the knowledge transfer potential of the wider UK Food Valley which the FEZ is an integral part of.
- 6.1 In late July, a contingent from Midlands Connect, part of the Midlands Engine with a remit for infrastructure planning across the East Midlands, took part in a two-day visit to the SELCP area. This event, jointly organised by colleagues from the County Council and the GLLEP, was designed to highlight the importance of our local economy and some of the issues it faces, particularly in respect of transport infrastructure. The team facilitated a business meeting at Springfields between the Midlands Connect team and a number of local businesses and the manager of the Fresh Produce Network representing her members, all of whom are reliant on the road network in the region. The Midlands Connect team, having earlier in the day visited the bridge at Sutton Bridge, engaged fully with the businesses and an open discussion took place to highlight the concerns that many local companies have on the lack of dual carriageway on the A16, A17 and A52, and gave local support for the project to dual the A47. Following the business meeting, the Midlands Connect team finished the day visiting the section of the Spalding Western Relief Road that is currently under construction.
- 6.2 Also working with the Fresh Produce Network, a relationship has been developed with Lord Waverly, co-chair of an All-Party Parliamentary Group on the future of freight and Logistics. This group will be meeting within the next 12 months and it is intended that evidence will be presented to show the extent of our reliance on road transport to support our economy, and the need for the area to be identified as a key area for future investment in infrastructure.
- 6.3 Through the development of a business case, an 'in principal' agreement has been secured from National Grid (the new name for Western Power) to secure major investment in power infrastructure to unlock planned housing and employment growth in Holbeach and Long Sutton in the form of a second primary substation. It is through officers intervention that it has been possible to achieve this outcome, it would not have happened had lobbying not taken place and made a strong case for the investment. The team are also involved in a wider piece of work, looking at energy infrastructure shortages across the area and wider Greater Lincolnshire, to identify other areas where there is a need to lobby for and secure investment in order to deliver growth.

Grants4growth

7.0 Since the last report, Grants4growth has continued to perform well against targets and budget. In the 9 months from April to the end of December 2022, £499,800 worth of grants were awarded to 41 businesses, creating 37.5 jobs and injecting £606,589 worth of private sector investment into the Lincolnshire economy.

The final grant offers were awarded in December 2022 and the programme has now fully allocated all the £3,849,764 ERDF funding available. The programme will reach practical and financial completion on 30th June 2023 and all grants must be claimed by SME's by the end of March 2023. The last 6 months of the project will concentrate on liaising with SME's to submit their final claims and minimise grant withdrawals and underspend. The team will continue with the programme evaluation and completion of the business impact assessment as well as ensuring that DLUHC programme requirements are met.

7.1 The programme has recently been subject to a Government 127 audit which has just successfully concluded. In summing up, the Government Internal Audit Agency noted that:

- The project meets the relevant selection criteria and objectives of the programme
- EU and National rules, including Procurement, Publicity and State Aid requirements have been met
- Expenditure declared corresponds to accounting records and supporting documentation held
- Expenditure at all levels has been defrayed, including the payment of public contribution to the end beneficiary; and
- Data regarding outputs, results and milestones, are reliable.

7.2 As Grants4growth draws to a close, planning is taking place around a replacement scheme, with a view to utilising UKSPF funds to deliver the programme for the benefit of local businesses.

8. CONCLUSION

8.1 This report is for information only.

9. EXPECTED BENEFITS TO THE PARTNERSHIP

9.1 N/A

10. IMPLICATIONS

10.1 None

11. SOUTH AND EAST LINCOLNSHIRE COUNCIL'S PARTNERSHIP

11.1 None

12. CORPORATE PRIORITIES

12.1 None

13. STAFFING

13.1 None

14 CONSTITUTIONAL AND LEGAL IMPLICATIONS

14.1 None

15 DATA PROTECTION

15.1 None

16 FINANCIAL

16.1 None

17 RISK MANAGEMENT

17.1 None

18 STAKEHOLDER / CONSULTATION / TIMESCALES

18.1 No consultation undertaken

19 REPUTATION

19.1 None

20 CONTRACTS

20.1 None

21 CRIME AND DISORDER

21.1 None

22 EQUALITY AND DIVERSITY/ HUMAN RIGHTS/ SAFEGUARDING

22.1 None

23 HEALTH AND WELL BEING

23.1 None

24 CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

24.1 None

25. ACRONYMS

25.1 GIAA Government Internal Audit Agency

25.2 SELCP South East Lincs Council Partnership

25.3 GLLEP Greater Lincolnshire Local Enterprise Partnership

25.4 FEZ Food Enterprise Zone

25.5 SME Small to medium size enterprise

25.6 DIT Department for International Trade

25.7 B2B Business to Business

25.8 LCC Lincolnshire County Council

25.9 DWP Department for Work and Pensions

25.10 G4G Grants4growth

25.11 SHDC South Holland District Council

25.12 STEM Science, Technology, Engineering, Maths

APPENDICES

None

BACKGROUND PAPERS

No background papers as defined in Section 100D of the Local Government Act 1972 were used in the production of this report.

CHRONOLOGICAL HISTORY OF THIS REPORT

A report on this item has not been previously considered by a Council body

REPORT APPROVAL

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