

Business Portfolio Annual Performance Report

1 Introduction

The Business Portfolio covers a range of services which aim to support and grow the local economy by supporting local businesses, developing policies for economic development, delivering projects and working in partnership with business and other agencies. The work of the Portfolio is supported by staff predominantly based within Development Services. It is one of two portfolios (the other being the Development portfolio) that link directly with Development Services. Specifically, the Portfolio covers the following services:

- **Economic Performance and Labour Market:** working with our partners to monitor and report on indicators relating to the economic well-being of the District and the key sectors that make up our economy. Developing a strategic framework with our partners to support the local economy
- **Business Growth and Inward Investment:** tourism and sector support (e.g. digital games sector)
- **Enterprise:** Provision of support with focus on early start ups and businesses with growth potential. Enterprise delivers a variety of services and projects which include enterprise centres such as Althorpe Enterprise Hub and 26 Hamilton Terrace (26HT).
- **Business support and events:** ensuring a rich range of events is staged across the district and the economic benefits of these are maximised. Linked to this is liaising with chambers of trade, the Leamington Business Improvement District (BID)*, town centre businesses and developing approaches to improve town centres as places to do business
- **Projects:** providing project management resource for a range of departmental and corporate projects, primarily associated with the development of the District and improvements to the business environment.

2 Service Plan Performance

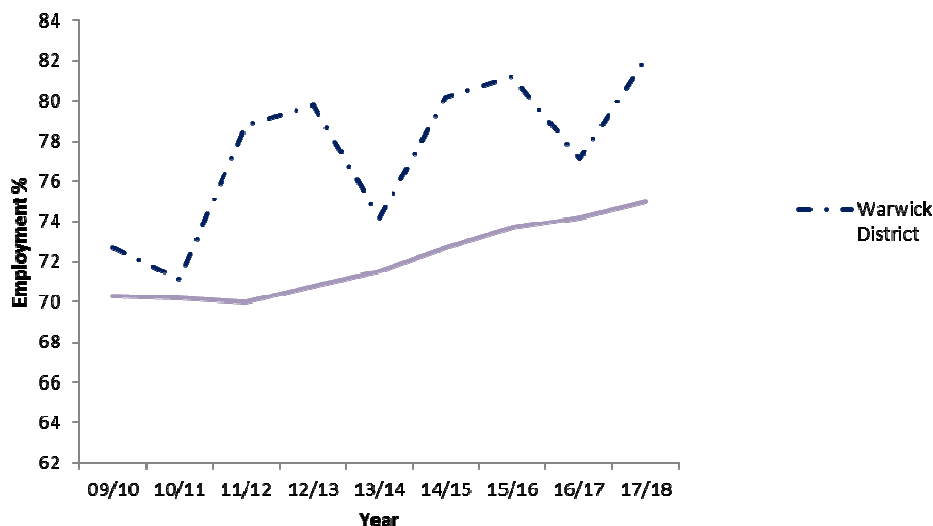
A Economic Performance and Labour Market

The economic overview for the District's performance during the financial year 2017/18, paints a generally positive picture:

- Economic activity grew 6.3% to £5.47bn.
- Employment rates (the percentage of the working age population who are employed) increased to 81.2% (this is higher than the Warks. average but lower than Rugby & North Warks) and unemployment (people who are formally registered as unemployed) has decreased to 2.8% which is well below the national (4.4%) and regional (7.1%) rates.
- There was a sizable increase (9.1%) in the proportion of residents with NVQ Level 4 qualifications or above.

- There was growth of 32.1% in the number of job listings per 1,000 working age residents to 372.8.
- The District has the highest number of STEM (Science, Technology, Engineering, Maths) job adverts across the County (2,414).

District employment levels vs. national average

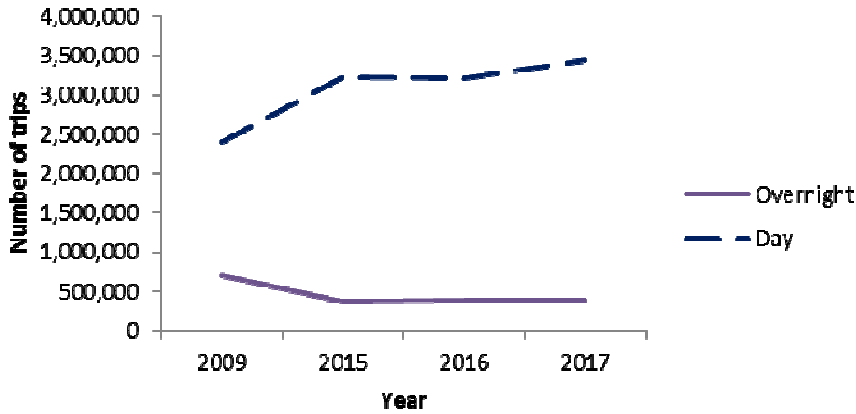


B Business Growth and Inward Investment:

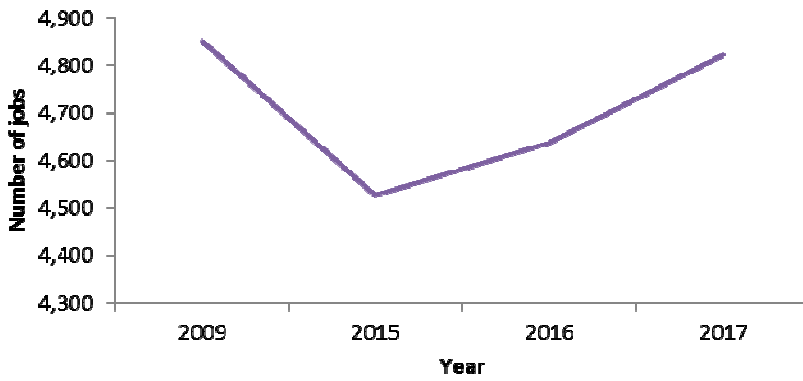
1) Tourism

- Shakespeare's England: The Council has continued to support Shakespeare's England, the region's Destination Management Organisation, as a key element of its support to the tourism sector. The Council invests in Tourism by providing an annual contribution of £75,000 towards Shakespeare's England. The current round of funding comes to an end in August 2019, and a report is currently being written to go to the Executive in March 2019 which will set out recommendations for future funding of Shakespeare's England.
- The Council commissioned a district-wide Tourism Economic Impact Analysis for 2017. This showed the economic impact of tourism in the District are:
 - Total trips: 3,825,000 (day 3,443,000 & 382,000 overnight)
 - Total value of tourism to the local economy: £282,661,000
 - Actual tourism related employment: 4,822 jobs, equating to 6.3% of all employment within the District.

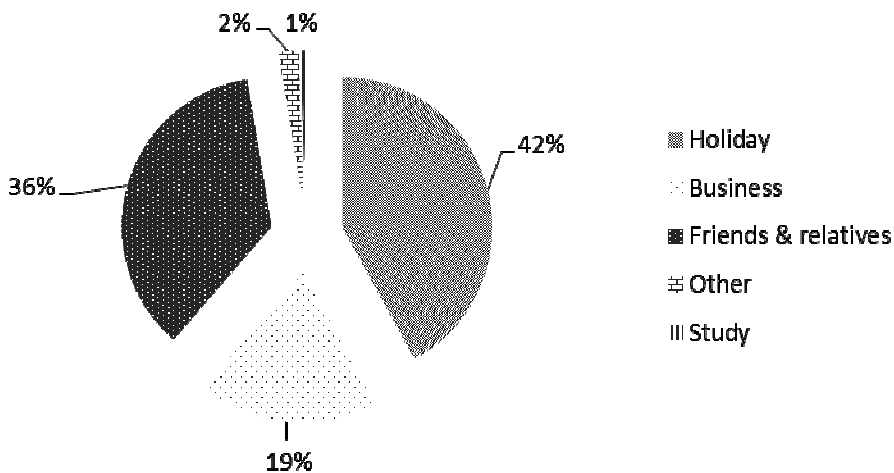
Total volume of trips



Total jobs supported



Purpose of overnight trips



NB: This refers to 2017 data only and shows the split of leisure and business tourism across the District.

- In addition to the district-wide Tourism Economic Impact Analysis, we have commissioned town-specific reports too so that data will be available relating to the economic benefits of Tourism for Kenilworth, Warwick and

Leamington. This will help us further understand the importance of tourism on each town's local economy. This data will be presented to the Overview and Scrutiny Committee in March as part of the annual report from Shakespeare's England.

2) Digital and Games Sector

- **Interactive Futures***: Taking place from 31st January to the 2nd February, in Leamington Spa. This is set to be one of the biggest games industry events held in the Country. The festival programme will include an Academic Conference, and two stages hosting a number of headline speakers. There will be a number of fringe events, as well as an expo space for our gaming companies, both large and small, to showcase their work. To deliver Interactive Futures, the Council has engaged with four of the biggest studios in Leamington Spa and through a collaborative public and private sector partnership. The full programme of events will be published on the website which you can access here; <https://interactive-futures.com/>
- The work on Interactive Futures builds on the wider work undertaken through Silicon Spa*. The team collaborate with the local studios (of all sizes) to understand what is holding them back from growing as they have planned to and then working with them to identify the solutions. The strength of the strong partnership that has been established shows through the depth of understanding both sides have on what is needed to grow the sector and how it can best be achieved. This year, work has been more focused with the implementation of the Digital Creative Lead at Local Enterprise Partnership (CWLEP) with whom we've been working closely.

An example of our collective success can be seen in the rapid and significant growth shown by Playground Games, a local AAA* games studio. Their success in securing a new project with Microsoft for a game called 'Fable' sees them taking a second, large premises within Royal Leamington Spa town centre and a doubling of their workforce. They were then subsequently acquired by Microsoft.

We have worked closely with Playground during this whole process to tackle certain issues where they've arisen or, in general, to offer support and guidance. At the time of this report, they will soon be finished with their first phase of the refurbishment works.

3) Retail Sector

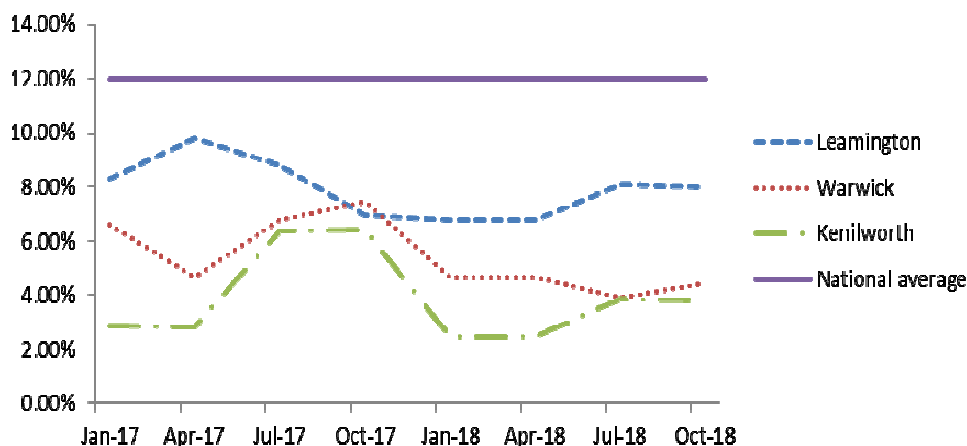
- Store closures: Support for the retail sector remains a key part of the work the Council does to support the local economy. Whilst it has been a turbulent year nationally within the retail sector with the announcements of profit warnings, store closures and companies going into administration, combined with dire warnings of more closures to come, the impact locally has to date been less severe:
 - Marks and Spencer: no store closures within the District

- Homebase: both stores within the District to remain open
- House of Fraser: the store currently remains open and in the short term, it will continue trade as normal. We are in an ongoing dialogue with the store management, the building owners and CBRE (the agents appointed by Mike Ashley). It is understood that we have been the only Council to contact the agents and it is hoped that this proactive approach will stand us in good stead as negotiations progress. Whilst the store remains open, it remains our priority to avoid its closure. However, the building owners are intending to make some much-needed investment in to the building and are planning to consult on two options: one is five ground floor retail and restaurant units, a gym at basement level, and boutique cinema and office use at upper levels. The second is retail use at ground and first floor, a gym at basement level and office use at second floor level. This means that should the store close, the site can be brought back in to productive use as quickly as possible thereby to mitigating the impact of the closure.
- Markets in the District: It is thought that there are 47,000 micro and small and medium sized (SME) businesses operating in markets within the UK (according to Retail Markets Alliance, 2009). Markets actually provide one of the most flexible and cost-effective ways for a new business to start trading. By encouraging more people to start trading as part of a market, the diversity of our retail offering will increase and the benefits can be significant to the local economy. In fact, the benefits of local markets go wider than the pure economics: they also promote social interaction and social inclusion, which, given the rising rates of loneliness amongst the population, has immeasurable benefit.
- Leamington BID: The BID renewal ballot in the Spring, saw overwhelming support for another 5 years for BID in Royal Leamington Spa. This is great news to the town centre given the level of investment and support it received from the BID.
- Town Centre Vacancy Rates: The latest figures on our town centre vacancy rates (to end October) are as follows:

Vacancy Rates

Town	October 2018	October 2017
Warwick	4.43%	7.44%
Kenilworth	3.82%	6.43%
Leamington	7.99%	6.96%

Percentage of vacant units by Town



- Supporting our town centres: A lot of hard work by a wide group of organisations goes into maintaining the vitality of our town centres and the graph above shows the hard work is paying off comparing the local rates to the national vacancy rate of 12%. Given the evolving state of the High Street, there is a continued need to keep up this focus. This is something that we and our partners (Chambers of Trade, the BID and Town Councils) are committed to. As part of this, driving the continued success of the retail sector is a key focus. The team strives to promote this growth through monitoring the health of our Town centres (vacancy rates and the composition of the premises) and working to fill vacant premises to ensure that vibrant and vital Centres are maintained. BID Leamington helps to contribute to this success which culminated in Royal Leamington Spa being named as the second most vital town in the West Midlands and being ranked as 28th in the Digital Influence Index*.
- The Future High Street Fund: In his Autumn Budget Statement, the Chancellor announced The Future High Street Fund, amounting to £675m, for which local agencies, including collaborative partnerships with the private sector, involved in town centres and local high streets can bid. A small working group has been established within the Council to develop a strategic approach to bid for this fund and further updates will be provided as this work evolves. The bidding process was opened shortly after Christmas and bids need to be submitted by the closing date in March 2019.
- DisabledGo: DisabledGo* has carried out accessibility audits at sites across the District. These provide vital information about accessibility over 130 buildings within the District. Each building has an accessibility guide which is available [online](#). Our focus now is on:

 1. Publicising the online audits more widely;
 2. Identifying from the audits what accessibility improvements can be made;

3. Furthering the accessibility agenda to ensure that we're an inclusive District and using the Parabolws in the Commonwealth Games to raise awareness of accessibility even more.

4) Inward Investment:

The Invest in Warwickshire*, which is contracted to deliver WDC's Inward Investment activities, received 295 direct enquiries between April 2017 and March 2018. This resulted in 31 successful investments across Coventry & Warwickshire, of which 12 were in Warwick District.

Collaborative work between our Strategic Economic Development Officer (SEDO) and colleagues at the Growth Hub* and Warwickshire County Council has been ongoing. There have been a number of successes in encouraging organisations to relocate or expand their operation into the District:

- The UK Battery Industrialisation Centre (UKBIC) will be developed in the District at Whitley South during 2019. This follows confirmation of an £80million government investment in to the Coventry and Warwickshire LEP area to support innovation in battery technology.
- The World of Books (one of the largest sellers of books in the UK has announced a new distribution centre in the District, creating up to 250 jobs on the Middlemarch business park
- Two more new arrivals to the Middlemarch Business Park following rapid expansion are the international online pet store Zooplus and their fulfilment partner DIRKS Group. Their new premises on Siskin Drive is four times the size of their previous location and will allow them to serve majority of their UK customers to improve the customer experience.

Other inward investment initiatives include:

- Proposals to Channel 4 which sought to bring a Channel 4 Hub in to Leamington. Whilst the bid was unsuccessful, the work undertaken to support the bid, provided an opportunity to promote the creative side of Leamington with a view to encourage future inward investment in to the town.
- A South Warwickshire Parliament Day was held at Westminster in November which we attended along with Shakespeare's England to promote tourism in the District. The District was represented by most of the major companies, college and University and so on. The event was attended by a range of MPs and Civil Servants and was addressed by the local MPs; Nadhim Zadawi, Jeremy Wright and Matt Weston.
- Close work with the Coventry and Warwickshire LEP and Warwickshire County Council's "Invest in Warwickshire" team. For large scale inward investment the Council generally plays a supporting role to these organisations by assisting with site identification and planning issues

- An active role in the Coventry and Warwickshire Business Festival 2018, not only providing financial support and speakers to promote the District at events organised by others in the sub-region, but also arranging events within the District. This included a BAFTA Games Masterclass (How to Level-Up in Indie Game Development) held in collaboration with BAFTA Games, Conquering the World from a Pub in Kenilworth facilitated by Purple Monster and #Pioneer100: Celebrating the Achievements of Female Pioneers, Leaders and Innovators. We received strongly positive feedback from the attendees of each event;

"no other event during the business festival will beat this",

"the ED team are awesome"

"it's amazing that we're going to be able to continue the momentum after the event – you don't usually get that."

- Business Rates Relief Policy: In October 2018, the Executive agreed to consult on a discretionary business rates relief policy as a tool to support business growth and inward investment. These proposals will be subject to consultation in early 2019 before the scheme is brought forward for adoption.

A key element of our role in supporting Inward Investment relates to making employment land available. Data relating to this was reported as part of the Development Portfolio Report presented to the Scrutiny Committees in November. Despite approving outline permission for the Gateway South site in 2018, there remains more work to be done to address market concerns relating to the short-term availability of employment land in the District. In particular, the Service is continuing to work with developers to bring forward the employment sites at Stratford Road in Warwick and at Thickthorn in Kenilworth. Looking beyond, the allocations in the adopted Local Plan, work is getting underway with our partners across Coventry and Warwickshire to update the evidence base relating to longer term land requirements and to review market pressures for employment land. This work seeks to ensure an ongoing pipeline of sites is made available.

During the year, a monthly economic update bulletin has been produced for Council staff and members and has been well received. This provides the latest news from across the district relating to business and economic development. The bulletin seeks to ensure staff and members are kept well informed about what is happening within the District.

C Enterprise:

Warwick District Council's Enterprise service was formed in 2008 to support and encourage local economic growth across the District. This is achieved through a range of support provision with focus on early start ups and businesses with growth potential. Enterprise delivers a variety of services and

projects, from digital incubation hubs to supportive, flexible and serviced office space. Enterprise's current portfolio of projects consists of: -

- **Althorpe Enterprise Hub** – serviced offices offering flexible licence arrangements
- **26 Hamilton Terrace (26HT)** – digital gaming hub, supporting new 'off-spring' game developer studios
- **Court St. Creative Arches** – a scheme of 8 renovated Victorian railway arches; solely targeted towards creative industries
- **Spencer Yard** – the building provides a range of spaces, from large studio space through to smaller offices, suitable for creative businesses
- **CoWorking Arch 4** – this new project, launching on 31 January 2019, is aimed at early start-ups, freelancers and agile workers (see below for more detail).

The service is self-sufficient and has the potential to produce a small annual surplus to reinvest back into business support projects. In summer 2017 Executive granted approval for 26HT to be incorporated within Enterprise ring fencing. This allows the service to continue to reinvest into its provision of support, services and projects.

Enterprise continues to provide a valuable service supporting Warwick District businesses both those in their early stages of development and those with plans for growth. The various projects detailed offer a range of commercial space, either generic or sector specific and are very rarely vacant. This is considered a vital service to assist in business growth in our towns. Whilst this is successful, there is substantial opportunity and desire to look at expanding this portfolio into Warwick and Kenilworth.

The service is self-sufficient and is capable, depending upon internal recharging, of producing a small annual surplus to reinvest back into business support projects. This allows the service to continue to reinvest into its provision of support, services and projects.

The Enterprise service is inherently required to function commercially, both from a strategic and operational point of view. As such, new opportunities are always being considered, whether that be looking to address any relevant gaps in demand, such as the new co-working space, or expanding its service provision or explore additional income streams to support the service and its objectives..

In the financial year 2018/19, to date, Enterprise has supported 134 businesses, whether directly linked to services or through other engagement or initiatives, such as the Business Support Programme, which provides mentoring and workshops for those with aspirations to start a business. Other initiatives included:

- Jobs Fair: WDC led and funded this event, supported by Job Centre Plus and BID Leamington. Employer exhibitors included Warwick Castle, Cafe Nero and Everyone Active, to name but a few and this year we welcomed WDC's HR and recruitment team. The event featured a good mix of employer exhibitors, across various industries and sectors. It was Warwick Castle's first to year to exhibit. They expressed how it widened their pool of potential candidates, they were particularly keen to connect with those who were semi-retired and looking for occasional work and are interested in being involved at a subsequent event. Positive feedback was collected from the circa 250 job seekers who attended. Similarly, the employers complimented the event for its diverse representation across sectors and the valuable opportunity to network.
- Start-up Business Support Programme: this three year programme, which started in September 2016, has been very successful for the District. The Coventry and Warwickshire Chamber of Commerce were contracted to provide a business support service to deliver the European Regional Development Fund (ERDF) Programme to provide direct and practical support to businesses, focusing on Start-Ups. In addition the Council links with other business support provision such as Creative Warwickshire* and the Business Ready Programme* which are aimed at established businesses that are ready to grow. Whilst final results have yet to be finalised or reported, it is understood that Warwick District overachieved its target of 61 (new starts and post start outputs) by +116% supporting 132 individual businesses.
- Co-working (Arch 4): A new co-working space is to launch at the end of January, in a recently vacated arch within the Court Street Creative Arches. This new project plans to target support specifically to early start ups, small businesses, freelancers and local residents who commute to the capital or elsewhere but want local business space. A small capital investment was required to fit out the space and this has been self-funded through the services reserves.
- Re-branding: The service has recently undergone a rebranding exercise (including a new website: <https://wdcbusinessenterprise.co.uk/spaces/alhthorpe-enterprise-hub>) and has received a soft launch pre-Christmas 2018. An official promotion and 'hard launch' will be implemented to run parallel and in conjunction with the launch of the new co-working project. The new website combines all current projects and provides the ability and flexibility to add new projects and services as and when.
- New services: Tenants and other external small businesses now have access to a new administrative support function, providing support to businesses with back office tasks, including bookkeeping and tailored call answering. The service intends to capitalise on the resources and skills within the team, whilst providing the customer with the ability to focus entirely on running or establishing their business.

D Business Support and Events:

Once again, during the past year a rich variety of events have taken place across the District. Not only have we been host to some incredible annual events (Warwick Folk Festival, Art in the Park, Bowls National Championships and Kenilworth Carnival, to name but a few), but we also had the privilege of being the finish for both 2018 OVO Energy Women's Tour and the Men's Tour of Britain.

- Womens' Cycle tour: In June the Women's Tour went through the District for the second year running, and sadly for the last time as the Tour route alters after three stages in the same County. The economic and business benefits that the district gains from such events is evident. Take Mike Vaughan Cycles from Kenilworth as an example of how local businesses are benefitting: *"It is really good to see that this variety is really being brought to a wider audience, and that can only be good for cycling and also for those locally in the business. The race days themselves are really busy and create a great buzz, and the crowds in Kenilworth have been impressive..."* We also have the data to show some of the economic impact data, as detailed below;
 - 87% of race watchers described the race as "very enjoyable".
 - 67% were inspired to cycle more often .
 - Specific to the stage finale in Royal Leamington Spa, there were 20,000 attendees whose combined expenditure was £434,058.
- Men's Cycle Tour: The Tour of Britain Stage 4 brought great excitement to the district, building on the success of the Women's Tour described above. With internationally recognised riders such as Geraint Thomas and Chris Froome, it was an unforgettable day. The Business Support and Events team arranged a complimentary event in the Pump Room Gardens with plenty of children's entertainment, allowing grown-ups to watch the race on a big screen, enjoying food from local caterers, and browsing products from some of Leamington's cycling shops.
- National Bowls : Tony Allcock MBE, Bowls England Chief Executive, said: "The National Championships in 2018 were a great success. We were blessed with superb weather for the majority of the event, particularly during the first two weeks, and this contributed to a large increase in the number of spectators that attended and contributed to the local economy. "We must thank Warwick District Council for their continued support of the sport, and we look forward to a similarly successful event in 2019."
- Christmas Lights Switch Ons: Once again we had successful Christmas events in Warwick, Leamington Spa and Kenilworth. Again all three events attracted and engaged large crowds. We also altered the layout of the Royal Leamington Spa event to improve the experience for the large

crowds that attend and the feedback on this new layout has been well received.

- The Kenilworth Arts Festival took place from 20 – 29 September and was a huge success for the town. Not only did it bring 2,000 visitors into the town, but they came from all over the UK including Exeter, Norwich and Newcastle. These visitors had the opportunity to experience the mix of music, literature and art events across the whole host of amazing venues that Kenilworth offers. Events like this are an important part of the District's tourism offer and we're highly fortunate to have so many committed and talented organisers for these events.

Across the whole year, the number and variety of other events has been amazing and has included sporting events (such as 10k runs), community events (fun days and carnivals); arts and cultural events (Warwick Folk Festival and Art in the Park); events to celebrate and support local business (food festivals and the Smith Street Party), and as mentioned above, the ever popular and vibrant Christmas Lights switch-on events in the four towns.

Over the year, the team have begun work on the implementation of Events Review Action Plan including:

- a) Ending charges for use of WDC parks for events
- b) Developing an events manual that the team and events organisers can use to improve consistency and to assist with the smooth running of events
- c) Improvement in measuring the impact of events
- d) Developing a strategy for events to provide more clarity about which events the Council will directly support.

Also, as agreed through the Events Review, over the course of the coming year, as events take place, a detailed economic impact assessment will be undertaken so that we can measure the outcomes in terms of expenditure and footfall and how these contribute to the economic benefits to towns hosting these events in our District. Further reports will be presented to the Executive with recommendations for future financial and in-kind support for the events based on measurable data from the impact assessments.

E Projects:

1) Europa Way:

During the year, responsibility for leading this project has been transferred to Cultural Services. The involvement of the Projects Team within the Business Portfolio has therefore changed from lead to support. The update provided below therefore reflects work which is now being led by colleagues within Cultural Services.

Following the decision in principle in April 2017 to proceed with the purchase of land at Europa Way to include the development of a new community stadium, the purchase has now been concluded. During the course of negotiations, a

new challenge presented itself as to how to provide a new secondary school on land identified for this in the Local Plan immediately to the north of that being acquired by the Council. This land is not considered suitable for a school of the size required, so this project is now exploring other education and community uses for this land and an alternative school site on land near Bishop's Tachbrook south of Harbury Lane.

A masterplan for both the land being acquired by the Council, and the County Council education land to the north, was approved by Executive in November 2018. This will form the basis of further design work with Leamington Football Club for the new community stadium.

2) Regeneration at Leamington Railway Station:

Following many years of work on the part of the Council and our partners, development of this site for 212 new homes, 75% of which will be affordable, commenced in September 2016. Phase one, which included 24 affordable apartments on the land around the station underpass was formally opened in November 2018. Phase two is scheduled for completion in November 2019 at which time the Council will take possession of a 99 space public car park. The whole scheme is scheduled for completion in 2021/22.

3) Lillington regeneration:

Following the decision of the Planning Inspector at the Local Plan Examination not to allocate land at Red House Farm, Lillington for housing, and the continuing uncertainty around Government changes in the financing of local authority housing following the enactment of the Housing & Planning Act in early 2016, there has been little progress on this project in the past year. The Council is still, however, maintaining an active dialogue with the local Clinical Commissioning Group (CCG) about how to support improvements to the delivery of NHS primary care services in Lillington and this will include consideration of how to provide new surgery premises. On May 2018, the Council agreed to work with the CCG and NHS South Warwickshire Foundation Trust to explore how a new surgery could be provided in the Lillington area to replace the current surgery on Cubbington Road.

4) 2nd Warwick Sea Scouts Headquarters (2WSS):

In 2014, the Council granted landlord's permission to undertake works to redevelop the headquarters and other facilities of the 2WSS and to make a grant available to support this. Since that time, 2WSS have revised their development proposals and in July 2017 obtained landlord's consent from the Council for this revised approach. This is likely to see development taking place on their existing boatyard site at St Nicholas's Park in 2018 and subsequent development of a new HQ building adjacent to the St Nicholas's Park Leisure Centre. 2WSS have been hard at work fundraising and in July 2018 the Council agreed to provide a further £150,000 from the Community Projects Reserve, subject to match funding being provided by other donors to assist the project. In September 2018 the first phase of major investment took

place with the completion of new jetties at the boatyard site in St Nicholas's Park.

The Council will continue to maintain a watching brief and provide advice and support as appropriate to 2WSS on this project.

5) Creative Quarter:

Following the appointment of Complex Development Projects Ltd (CDP) as our development partner in November 2017 CDP commenced an intensive period of working with stakeholders to develop a masterplan and identify and bring forward projects within this area to support the established cluster of creative industries. CDP held a large number of meetings with different groups, organisations and business and community interests over the year and this culminated in a masterplan which was approved in draft by the November Executive. Public consultation on this document ended on 21st January and it is hoped that a final version of the masterplan can be brought back to Executive in March for approval. If this approval is given it will bring phase 1 of the partnership to an end. After this, work can begin to prioritise which sites the Council and CDP wish to bring forward. It should be noted that the Council, through its normal decision making process, would need to agree any specific project before it can proceed. There will therefore be full member engagement in all projects as these move forward.

6) Stratford Road Employment Land

Following the adoption of the Local Plan, land at Stratford Road in Warwick is part of a wider area now allocated for employment uses. The Council has begun discussions with the other land owners, including Severn Trent Water (STW) about how best to bring the site forward. It is anticipated that a report will be brought to Executive during 2019/20, however any development will always be subject to STW being able to decommission their offices.

7) Newbold Comyn

Following the closure of the golf course at Newbold Comyn in late 2017, a public consultation was undertaken in September 2018 and consultants undertook an appraisal to consider the market demand and potential for a range of uses across the site. We are continuing to progress the Newbold Comyn Study to agree future uses of the golf course and surrounding land/facilities in the Council's ownership following the completion of the initial high level options appraisal.

8) Income maximisation Programme

One of the elements within the Council's FFF programme is looking to maximise opportunities to generate income for the Council. A number of ideas are being separately considered and these have been brought together as projects within an Income Maximisation programme. The four elements are:-

- Advertising and sponsorship
- Local authority lottery

- Opportunities to access external grant funding
- Crowdfunding platforms

Subject to these being viable, officers will look to maximise income generating potential, seeking approval from members where appropriate.

3 Risks

The Service risk register is monitored on at least a quarterly basis by service managers and the portfolio-holder. Significant risks are reported to the Senior Management Team. The most recent risk register update took place on 4th December 2018.

The Portfolio has one risk in the “red” band (indicating the highest category of risk). This relates to the risk of “Ownership of Railway Arches and implications for Court Street Creative Arches”.

The Arches have recently been sold by Network Rail to a company who have purchased railway arches across the Country. This risk is high due to the significant degree of uncertainty surrounding the appetite for the new owners to continue to support the Creative Arches project with potential knock on consequences for lease arrangements and the long term viability of the Creative Arches project.

Overall there are 19 risks currently being managed by the Portfolio. Of these 4 are “green” (indicating a lower category of risk) and 14 are “yellow” (indicating the moderate category of risk)

Other significant risks include:

- The Regions’ Destination Management Organisation (DMO), Shakespeare’s England fails to deliver desired outputs. This risk is being managed through careful partnership work with Shakespeare’s England, including monitoring of their key performance indicators through the Board. The annual report on Shakespeare’s England’s performance will be brought to Scrutiny in March 2019.
- Enterprise: Insufficient insurance cover as WDC currently only insure its buildings for fire and malicious damage. In the event of a burglary any resulting loss is at the mercy of WDC’s insurance reserve fund. This could pose financial risk to projects and ring-fenced budget. This happened following the burglaries in late 2017 which resulted in Enterprise having to meet uninsured costs of £7000 from its own budget. The risk is being mitigated through improved security arrangements at AEH and a review security at Spencer Yard and 26HT.
- Failure to progress key corporate projects on time or budget, with impacts on budget savings, additional costs and failure to deliver against corporate priorities. This is mitigated by the Projects team closely monitoring and managing projects to ensure that they meet the timelines set, and if there

are changes or impacts in terms of delay or budgetary issues, there is a robust reporting mechanism and a governance structure in place to respond to these changes.

4 Workforce Planning

Development Services (including the Business Portfolio) seeks to take a proactive approach to workforce planning. Experience over the recent years has shown that recruitment of experienced senior staff can be a real challenge. For that reason the service has put in place a range of initiatives to support and retain staff and to develop staff with potential so that they can grow within the service. In particular, the service undertakes the following activities

- A rigorous approach to training, including the development of a training plan to maximise value achieved from budgets
- The introduction of monthly lunchtime briefings on issues of professional importance
- Professional training opportunities for two planning assistants and a number of Building Control staff
- Routine approach to one to ones for all staff to support them within work priorities
- Regular management discussions on developing key members of staff
- A comprehensive approach to appraisals and personal development planning

Over the last two years the teams involved with the Business Portfolio have grown to provide additional capacity to support the organisation's ambitions around major projects. The teams have had considerable success in recruiting to vacant posts including over the last year, the following posts have been successfully filled:

- Business Manager (Projects and Economic Development): Recruited internally
- Projects Officers (external recruitment)
- Project Manager (initially primarily focused on HQ Relocation)
- Business Support and events Manager (external recruitment)
- In addition, two of the current Business Support and Events Officers have been confirmed permanently in their posts

5 Finance

- **Budget:** As Development Services supports two portfolios, it is not possible to separate out all the financial implications that are specific to the business portfolio as budgets are managed on a service basis rather than a portfolio basis. Development Services continues to meet its required savings year on year in relation to discretionary budgets. These savings requirements are increasingly challenging to meet as some budgets have been reduced to such an extent that it is becoming difficult to meet the basic service requirements within the given budget, with the Christmas Lights budgets being an example of this. The Events Review has been completed and this was considered by Executive on 7th February. This has resulted in a reduction in income of around £3,000 per annum. This impact was adjusted in the quarter 1 update to the Medium Term Financial Strategy. It is also anticipated that the review will lead to an increase in demand for events in the District which is likely to have further financial implications.
- **Training:** Officers have been involved in additional finance training throughout the year to ensure effective budget management.
- **Procurement and Contract management:** As part of the training stated above, officers are working closely with the Procurement team to ensure that good practice is maintained. The Contracts Register is reviewed on a quarterly basis by the Portfolio Holder and the management team within the service area. This has helped in focussing on reviewing contracts in a timelier manner.
- **Audits:** There have been no audits affecting this portfolio since the last update in March 2018.
- **Risk Register:** see above. This is reviewed on at least a quarterly basis.

6 Work Streams and Projects

Looking ahead to 2018/19, it is anticipated that the service will progress a number of key work areas:

- **2022 Commonwealth Games:** Staff will play a key role in planning the Commonwealth Games with the Portfolio Holder providing the member-lead for the Council. In particular, there will be a focus on planning for the games in a way that ensures the potential economic benefits are exploited and maximised. This will aim to provide a great experience for visitors to Leamington for the Bowls tournament and also to maximise the economic benefit to the district as a result. Members of the Policy and Projects team are involved in the project team specifically in relation to economic development, business support and tourism.
- **Strengthening approach to business engagement:** The Business Support Review was carried out during 2016. More work needs to be

done to carry forward the recommendations in the review over the coming year. A new Business Support and Events Team manager has been appointed. His priorities will involve continuing to support our rich pool of events and improving the Business Support work of the team. This has already started, particularly with the engagement of the retail businesses in the Covent Garden Quarter described in more detail below

- **Explore opportunities to further expand provision of services and projects:** Work will continue to identify opportunities to expand its support and services, including its geographical reach, with a specific focus on opportunities in Kenilworth and Warwick.
- **Deliver progress on a range of major projects:** The major projects listed above will continue to be delivered. 2019 promises to be a year of substantial progress for the Creative Quarter. At the time of writing, there are a range of significant public and business consultation events taking place and feedback from those will be taken on board, considered in light of the current Draft Masterplan and reported to the Executive in March.
- **The British Science Festival** – for the first time in its history, this internationally recognised festival will take place in our district and is being hosted by the University of Warwick. Meetings have taken place with the University, and the County, to make sure that WDC and our towns can maximise the potential benefits from this exciting event. In January the first meeting of a collaborative partnership of WDC, WCC, CWLEP and the University met to begin the strategic planning behind this event and more updates will be provided as progress is made in the run up to its launch in September.
- **English Tourism Week** – run in association with Visit England, taking place in from 30th March to 7th April, this is another great opportunity for partnership working with our neighbouring districts and Shakespeare’s England to promote and market our great towns. We have already started the planning for this, and a number of exciting concepts are being formulated to make the best of this national event in our district.
- **Support for the Covent Garden Businesses** – the Business Support and Events Team is heavily involved in this element of the Car Park Displacement Strategy. A recent survey has been undertaken to gauge the support for developing a specific brand for the shops in the immediate vicinity of the Covent Garden car park. This important work will continue, and gain momentum in the early part of 2019.
- **City of Culture** – our Economic Development team are part of a cross departmental group working on a case to support Coventry in its year of culture. This presents huge potential benefits to the district and a focused piece of work is ongoing to ensure we maximise our contribution in conjunction with the County Council and our closest big city neighbour.

Any Changes Required to Service Area Plan

None.

Authors:

Cllr Noel Butler - Business Portfolio Holder

Dave Barber - Head of Development Services.

January 2019

Glossary

AAA games studio – refers to a large studio working at the highest quality with the biggest budgets that will receive the widest promotion.

Business Ready Programme – The Business Ready Programme, hosted at the University of Warwick Science Park, is designed to assist those businesses with the potential for growth, or are now reaching their growth potential.

Creative Warwickshire – Creative Warwickshire is a dedicated business support programme for Warwickshire-based creative and digital businesses, focussing on peer-to-peer mentoring

Digital Influence Index – a measurement of the digital reach each retailer, town or city has.

Disabled Go (now known as AccessAble) – a charitable organisation which seeks to provide detailed information in the form of access guides, to meet everyone's access needs. To achieve this they provide trained surveyors to check locations in person and to prepare a guide/report. This helps people to understand whether a location is accessible to them

Growth Hub – The growth and inward investment arm of the LEP

Interactive Futures: An event for the games industry to be held in Leamington from 31st January to the 2nd February 2019.

Invest in Warwickshire – part of Warwickshire County Council, Invest in Warwickshire is offers free support and advice to help businesses make an informed investment and relocation decisions by responding to inward investment enquiries from local, national and international companies.

Business Improvement District (BID) - A Business Improvement District (BID) is a business-led and controlled partnership in a given area such as the Town Centre, which delivers an agreed set of services and projects. These are agreed, and formally voted for, by all businesses in the Business Improvement District and are in addition to what the public agencies provide.

Silicon Spa – the name of the games cluster in and around Leamington Spa