

March 2017

Business Portfolio Holder Update

Service Plan Performance

Business Growth and Inward Investment:

Within the Council's Sustainable Community Strategy, one of the key priorities is Prosperity, and the Business Portfolio has a part to play in delivering this across the district. Part of prosperity is providing jobs, business support, ensuring that land is available to encourage inward investment, leading on regeneration projects, providing events and supporting our commercial sector, in particular our town centres. We have teams that work across all these elements, delivering major projects, inward investment and economic growth and some examples of the work is explained within this statement.

Significant work has been undertaken to review national, regional and local data about the performance and prospects of different business sectors. This data is being used to inform the priorities for Inward Investment work. Alongside this, work has continued to support the tourism sector in partnership with Shakespeare's England and tech/digital sector through Tech-Central*. Inward Investment enquiries continue to be routed through Invest in Warwickshire* with the support of WDC. Through the year on going engagement has been led by the Strategic Economic Development Officer with continued focus on the digital and creative sector.

Following work with partners at the County Council and the LEP, French games developer Ubisoft committed to locating its new studio in Leamington. It has now purchased FreeStyle, a Leamington based studio, and we will be working closely with the company to ensure the transition goes smoothly and that it meets its growth objectives.

In conjunction with the FSB and local Chambers of Trade, the team are co-ordinating a series of business workshops* focussing on marketing and promotion. These will be delivered over the next few months.

The Coventry and Warwickshire Chamber of Commerce have been contracted to provide a business support service to deliver the European Regional Development Fund (ERDF) Programme. This is a three year programme that started in September 2016 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* (aimed at established businesses that are ready to grow).

Embedding in the Policy and Projects Re-design:

The redesign of the service was implemented in April 2016 and was at a very busy time for the team due to the position the local plan had reached. Furthermore, the recruitment process and the evolution of the new Business Support and Events team is only just coming to a conclusion so it is still very early days to fully assess its effectiveness. However, the teams have adapted to the new way of working and it has given us the versatility to move from producing a local plan to being able to deliver its outcomes.

Projects are closely linked to and sometimes dependent on the local plan, such as Lillington (see details later in the report), and that close working relationship within the team has been invaluable. With regard to Business Support and Events, this has helped us to focus on the benefits of events to our towns not only from a leisure perspective, but also the economic benefits they bring. A short and focused internal review of the Business Support work has been undertaken in February to give this area of work refreshed impetus and to consider effective structures and working arrangements for engagement with the business community in Kenilworth, Leamington and Warwick.

Alternative Delivery Model for Enterprise:

Our Enterprise units are a valuable service and are very rarely vacant. We consider this an invaluable service to assist in business growth in our towns. Whilst this is successful, the team have skills that can be used to widen the opportunities to support businesses and increase income for the Council. However, to be able to trade in this way requires a different business model.

Significant progress has been made in developing this new model. We have looked very closely at our potential market for providing additional support for firms as they continue to grow from incubation into successful businesses with the objective that we retain them in our district. We are also looking at opportunities for increasing the number of business units we manage, not only using our own buildings but also managing space for other businesses that may have part of their premises vacant and are looking at renting out the space.

We aim to do this by developing a new Trading Arm of the Council which will enable us to be more commercial. The intention is to roll this out over 17/18.

Tourism Service Review:

Until now, the Council has provided a grant to Warwick Town Council to provide a visitor information service in both Warwick and Leamington. A review of the service in Leamington has been conducted. This has resulted in a new working arrangement that will see the service being provided directly by WDC from April 2017 as part of the services already provided by Cultural Services at the Pump Rooms and Town Hall. This new combined service will see the responsibility for the provision of the Leamington VIC moving to Cultural Services on a permanent basis.

Events:

There have been many successful events within the district over the last year. Some of the most significant ones are the Bowls Championships held in August, which is not only nationally important, but helps to put our town in the spotlight, providing significant economic benefits for tourism, restaurants and accommodation in Leamington and beyond. We were also delighted to have the National Women's Aviva Cycle event pass through Kenilworth and Warwick for the first time, which also put these towns in the spotlight. Furthermore, this year stage 3 of the event will be finishing in Leamington Town Centre, which will enable us to promote the town and provide activities and events to make this a real occasion to be proud of. We also had the Kenilworth Siege, Warwick Folk Festival and the beautiful Christmas light switch-on events in our town centres.

In addition to these, we have supported numerous other events throughout the year and are already being approached about some new events in the coming year.

We have a new team delivering events and they have been looking at the safety aspects of our events to ensure that the safety of our visitors is at the forefront of our event preparation.

For some time there has been a proposal to review events and it was considered appropriate to do this when the responsibility moved over to Development Services. Increases in costs for waste and repairing our parks requires a review of these costs and how these are covered in the future and we are therefore intending to start the full review with internal and external stakeholders shortly.

Projects:

- **Europa Way:**

The feasibility study is nearing completion. A decision on whether to proceed to the next stage is expected in early spring 2017.

- **Regeneration at Leamington Railway Station:**

This project made significant progress during 2016/17. At Station Approach all the legal agreements with landowners (including WDC) were completed, in July 2016 allowing the developer (Waterloo Housing Association) to commence development. Building started on site in September and the first properties are scheduled for release in 2018. In total, Station Approach will deliver 212 homes of which 75% will be affordable.

In a parallel project, Chiltern Railways completed legal agreements to secure the former Travis Perkins Builders Merchants site on the Old Warwick Road as the new station car park. Work commenced on the new car park in September and the car park partially opened in December. By

January, there was sufficient capacity in the new car park to allow WDC to close the Station Approach car park, and this will form the next phase of Waterloo's housing development.

Also within the scope of this project is the employment site on the corner of Princes Drive and Old Warwick Road (next to Morrison's). This was purchased by the furniture company Vitsoe for its world headquarters and the building is currently under construction. It is scheduled to open in June 2017. Vitsoe have indicated that they will be providing 50 jobs, with the intention of expanding in the future to increase the workforce.

- **Lillington regeneration:**

Progress on this project has been limited this year for two reasons. Firstly, uncertainty over Government changes in the financing of local authority housing (following the enactment of the Housing & Planning Act in early 2016) has meant that it has not been possible for WDC to make decisions around the affordability of any regeneration proposals involving the replacement of Housing Revenue Account (HRA) properties. Further clarification is being sought from Government on this matter. Secondly, decisions around whether regeneration at The Crest can take place have needed to await the outcome of the Inspector following the Public Examination into the Warwick District Local Plan.

The Council has continued to maintain a dialogue with key stakeholders, particularly the three GP practices that are seeking to co-locate on a site for a new surgery in north Leamington.

- **Kenilworth Public Services centre:**

This project has been on hold during 2016/17 pending completion of Neighbourhood Plan by Kenilworth Town Council (estimated for late 2017).

- **2nd Warwick Sea Scouts Headquarters (2WSS):**

In 2014, WDC 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, WDC has maintained a watching brief and provided advice as appropriate as the 2WSS have reviewed the design of their proposals and undertaken further fundraising. No new proposals were prepared for formal consideration by WDC during 2016/17.

- **Creative Quarter:**

Following the decision of Executive to find a development partner to work with WDC to deliver a Creative Quarter in the Old Town area of Leamington, an OJEU procurement process was launched in November

2016. Bids are currently being evaluated and it is hoped to be able to announce our development partner by April 2017. This will be the start of 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.

Risks

Key risks outlined in the Service Area Plan are as follows:

- **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 project managing projects to ensure that we 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.

- **Difficulty in recruiting professional experienced staff generally**

Inevitably we do not have all the specialist skills to deliver projects from concept to delivery. However, the Projects team works very closely with Project Sponsors to ensure that the feasibility of projects captures any additional specialist support needed, particularly if this results in buying external advice. This is also the case with Inward Investment, where we work very closely with our partners such as the County Council, LEP, etc.

Workforce Planning

- **Succession Planning:** Historically, Development Services have had some difficult experiences with the lack of succession planning severely impacting on the service, and therefore we are trying to ensure that we have plans in place to train and develop staff to assist in their career development. It is hoped that we will have staff able to step into more senior roles when they become available.
- **Skills, Training and Competency Needs:** Officers are developing a service area training plan following on from staff appraisals, which will provide generic training as well as specialist training.

Finance

Development Services achieved the 2.5% saving on discretionary budgets in 2016/17, which totalled £21,900. We have made this saving year on year, which has been particularly challenging for the service area.

The service area commissioned a consultant to assist in sourcing grant funding for projects, not just for development services, but for the whole organisation. This is in recognition of the reduction in financial resources in local government, and allowed us to identify opportunities to enable projects to be progressed and delivered. This resource is on a temporary basis to measure the output and ensure that it provides value for money. The budget allocated was £50K over a two year period. Grant funding application successes achieved to date in the region of £2,356,350, with a further £180,000 still progressing. Whilst it is not solely down to the result of this post, the consultant has played a major role in either sourcing the grant and putting in a successful bid, or being a significant support to others in doing so, for example, £2M was the successful bid for the Sports and Leisure Centres. In addition to this work, there have been other work-streams that the consultant has assisted with, together with support to community projects in the district, e.g. European Regional Development Fund – Business Support Programme funding (in conjunction with other authorities in Warwickshire): 3 Years funding for business start-up support, Creative Warwickshire and the Business Ready Programme.

Budget: Officers have been involved in additional finance training throughout the year.

Procurement: As part of the training stated above, officers are working closely with the Procurement team to ensure that procedures are improved. For example, we have procurement surgery sessions where officers can carefully work through projects and this enabled us to plan beyond the end of project periods.

Contract management: Through a significant amount of work and scrutiny of the Contracts Register for the service area by Finance and Audit, the data held is now much clearer in the Contracts Register. An up-to-date contracts register is being maintained and is due to be scrutinised by Finance and Audit Scrutiny Committee in March 2017

Audits: There have been no audits within this area over the last year.

Risk Register: This is regularly reviewed for the service area. This is also a standing item on our team meetings. The only red risk within this portfolio is in connection with our Enterprise work, relating to the risk of Heat Network* not meeting the regulations and the financial implications this would have to the Council.

Work Streams and Projects

Looking ahead to 2017/18, it is anticipated that the service will progress a number of key work areas:

One of the themes from the Sustainable Community Strategy (SCS) is the development of prosperity in the district and it is important to provide a link between the high level themes of the SCS and the practical work on the ground provided by the staff within the service. The planned work will provide clarity regarding the key priorities on which the teams will focus and will enable effective business engagement and support including the development of geographically based action plans. This will ensure the District is playing its part in making our towns good places to do business.

As mentioned earlier, the outcomes of the Events Review and particularly the new Events Policy will be rolled out during the year. As many events have a significant lead time, the new policy will be phased in. However, by early 2018, it is expected that all events will be planned and managed in line with the new policy.

Work is needed to improve the current business engagement mechanisms in our towns. Currently the Town Centre Partnerships are not working effectively in this regard and following the Business Support Review it will be necessary to establish improved approaches and structures in each of the towns. As part of this, a series of practical business workshops mentioned earlier are being set up and run across the District to provide practical advice and networking opportunities.

The Business Support contract with the Coventry and Warwickshire Chamber of Commerce has now been in operation for 4 months. The effectiveness' of this contract will be monitored on an ongoing basis. The Chamber are required to provide key performance indicators and if needed, this data will be used to drive improvements to the way this service is provide

Any Changes Required to Service Area Plan

The Service Redesign was introduced in April 2016 and its full implementation is still ongoing with the recruitment to the Strategic Economic Development Officer currently taking place, thereby completing the structure. Whilst reviews have been undertaken in relation to a number of specific parts of the service (such as business support and events) these are about ensuring effectiveness of the redesign and are not intended to fundamentally change the service. Given the 2016 changes and the number of staff who are new to their posts, stability is important during 2017 to enable the new way of working to become fully established.

The exception to this is the consideration of proposals for an arms-length Enterprise function. As mentioned earlier the potential for this is to establish new ways of working and explore new opportunities within that function during 2017/18

Managing Planned Changes, Major Work-streams and Projects

There are no planned changes to the Service Area Plan for the current year as we are very close to year end. However, we will be reviewing this as part of the development of the Service Area Plan for 17/18, currently taking place.

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March 2017

- See Glossary at end of report

Glossary

Tech Central – Tech Central is a partnership between the District and County Councils and a range of businesses within the tech cluster. The group put on a range of workshops and networking opportunities, as well as promoting the cluster as a great place for tech businesses.

Invest in Warwickshire – Invest in Warwickshire (IIW) is the Inward Investment section of the County Council. WDC has a Service Level Agreement to ensure that IIW continue to provide a single point of contact for investment enquiries, maintain a database of requirements and sites available, and also to work with UK Trade and Investment, Department for International Trade and other national bodies to ensure they are aware of our unique proposition.

Business Workshops – There are currently 8 workshops planned, although more are likely to be added over the coming months. They will be aimed at reaching a broad range of businesses, marketed in conjunction with the Chambers of Trade and the FSB, and include the following topics: Twitter, Facebook, LinkedIn, Twitter, Google tools for business, eMarketing, Staff training and retention and retailing in the 21st Century.

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

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.

Heat Network – This relates to the metering and billing of heat within a building that may be shared by multiple users, sometimes known as District Heating