

March 2018

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:

- Provision of enterprise centres such as Althorpe Street Enterprise Hub and 26 Hamilton Terrace
- Economic development and business growth including inward investment, tourism and sector support (e.g. digital games sector)
- Business support including liaising with chambers of trade, the BID, town centre businesses and developing approaches to improve town centres as places to do business
- Events management, ensuring a rich range of events is staged across the district and the economic benefits of these are maximised.

2 Service Plan Performance

A Business Growth and Inward Investment:

The Fit for the Future plan identifies 'Infrastructure, Enterprise and Employment' as a priority. While this covers a number of aspects and aims, the overarching ambition is ensuring the District has an economically vibrant and creative business community. Furthering this ambition is the cornerstone of the work undertaken by Economic Development which, as mentioned above, covers the business growth and inward investment functions.

These functions are used to support a range of different sectors: our vibrant town centres, tourism, manufacturing and technology to name but a few. Support is offered in a multitude of ways dependent upon what the specific needs are of the individual organisation/sector. These include supporting job creation and giving business support, ensuring that land is available to encourage inward investment, leading on regeneration projects, providing events and supporting our commercial sector, in particular the town centres. We have teams that work across all these elements, delivering major projects, inward investment and economic growth. Examples of the work are explained later in this document.

Looking first at the business growth function, considerable work has been undertaken in this area to drive sustainable growth in the District. The Economic Development (ED) team provide individual business growth support to

organisations as and when requested. This type of intervention may also be provided in conjunction with the Business Support and Events team so that they are able to provide the right support for the organisation. ED also works proactively with a range of local businesses to provide the space and impetus for growth. For example, Tech Central* (which focusses on our creative digital industries) hosts a series of events throughout the year. With these, we bring together local businesses with an aim of:

- showcasing innovation (to inspire others)
- introducing those who wouldn't ordinarily be in the same space together (to drive new conversations and collaborations)
- establishing the local area as a notable cluster (on both a regional and national level)

In order to support local industry more generally, the ED team took a key role in driving participation in the Coventry & Warwickshire Business Festival. Through this, the District was able to highlight the level of talent and expertise our companies have and create interesting conversations that are still continuing to help explore new possibilities. As a result of the work of the team in hosting, facilitating and also encouraging third party events, Warwick District had the largest volume of events taking place outside of Coventry.

Equally, through Silicon Spa*, the team collaborate with the local development studios 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 to the depth of understanding both sides have on what is needed to grow the sector and how it can best be achieved.

An example of the success of this approach can be seen in the rapid and significant growth shown by Playground Games, a local games development company. Their success in securing a new project with Microsoft for a game called 'Fable' sees them taking a second, significant premises within Royal Leamington Spa town centre and a doubling of their workforce.

Alongside the growth shown by Playground Games, the team have been delighted to support and welcome the rapid expansion plans of local Electric Vehicle manufacturer, Detroit Electric, in increasing their workforce.

Another key focus within the District is driving the continued success of the retail sector. The team strives to promote this growth through monitoring the health of our High Streets whether that be the vacant units (and working to fill them or keep them in good condition) or the composition of the premises to ensure that vibrant and vital High Streets are maintained. The close working relationship with 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*.

As a consequence of this work with businesses, the Council has received recognition from the FSB in their Small Business Friendly Awards. Through the Better Business for All initiatives which was led by other colleagues within WDC, the Council won awards for "Best Small Business Friendly Procurement Policy" and "Best Small Business Friendly Regulation Policy".

The last year has also seen further development of our employment land to support this growth with some notable new developments, such as the speculative space for distribution uses, (Carbon 207 and Carbon 103), at Middlemarch Business Park. There is also further development taking place at Tournament Fields in Warwick which is coming through now.

Turning now to Inward Investment, 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. Notable examples of this include Vitsoe, Oliver Bonas, the Tata European Headquarters and new satellite games development studios from Lockwood and Rebellion.

The SEDO also works to develop the District as a key tourist location with the UK. Working alongside Shakespeare's England (the South Warwickshire Destination Management Organisation), they collectively seek to drive up visitor numbers and, in particular, visitor numbers for overnight trips. Activity within this area over the past year has seen new product development through The "Explorer Pass"* and the "Stay, Play, Explore"* initiatives.

Alongside this, a new website was launched to improve the member experience and improve take-up from new members. In addition to the work with the Destination Management Organisation, the SEDO also takes a lead role in furthering the priorities identified within the Destination Management Plan. This plan is a shared statement of intent on how to improve the offer to our visitors and therefore increase the profile for the local area.

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* which are aimed at established businesses that are ready to grow).

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.

B Enterprise:

The Enterprise section (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 Enterprise projects in Leamington (Althorpe Enterprise Hub, Court Street Arches, 26 Hamilton Terrace and Spencer Yard) 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 currently self-sustaining and is able to produce a small surplus to reinvest back into business support projects.

In 2017/18 to date, Enterprise has supported 102 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.

It is recognised that the team have skills that can be used to widen the opportunities to support businesses and increase income for the Council. With this in mind preparations have been made to trial and promote an alternative delivery model for the service with new services being introduced during 2018/19. The potential market for providing additional support for firms as they continue to grow from incubation into successful businesses, has been looked at very closely with the objective that we retain them in the District.

Enterprise is also looking at opportunities for increasing the number of business units it manages, 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 that space. In August 2017 a recommendation to Executive was successful, enabling all Enterprise project budgets to be ring fenced which will enable Enterprise to commence trialling the concept. It is anticipated that once there are two years figures available Enterprise can explore developing a Trading Arm of the Council which will enable it to be more commercial.

C Events:

Once again, 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, Bowls National Championships and Kenilworth Carnival, to name but a few), but we also had the privilege of being the finish for Stage 3 of 2017 OVO Energy Women's Tour.

On that day we welcomed over 20,000 people to Leamington Spa (the organisers say it was the busiest finish line outside of London in their history). Following similar patterns of other hosts, the economic benefits of hosting a finish line aren't just seen on the day of the event, but also in the months and

years following it. An independent economic impact assessment of the event showed that in Leamington Spa, the net visitor expenditure for that day alone, was over £300,000. Building on this success, we have bid to host stage finishes for both the ladies and men's tours in 2018.

Once again we had successful Christmas events in Warwick, Leamington Spa and Kenilworth. Touch FM once again provided stellar line ups to attract and engage large crowds to all three of the events. We also altered the layout of the Kenilworth, Warwick Road event to highlight and showcase the new lights that had been purchased. Whitnash Town Council organised their switch-on event with "...more attendees than ever before." This goes to show how well supported and valuable these community events are in Warwick District.

Across the whole year, the variety of 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.

A major review of events has taken place during the past year. This has identified a number of key issues in the way we currently support events including costs, consistency and risk management. An action plan from this review was agreed by Executive in February 2018. This sets out proposals for a number of significant improvements to events 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.

Last year it was highlighted that all the members of the Events team were new to the role so it was pleasing that a key finding of the events review was that the new team have established a reputation of providing helpful and efficient support and advice for events organisers. This has ensured that range and popularity of events is as strong as ever at the same time as ensuring the safety of our visitors is at the forefront of our event preparation.

D Projects:

- **Europa Way:**

Following completion of an initial feasibility study, Council agreed in April 2017 to proceed with the purchase of land at Europa Way to include the development of a new community stadium. Detailed negotiations on this purchase are still underway and an update report was brought before the

Executive in November. It is hoped to conclude the purchase of the land in March 2018.

- **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 will include the land around the station underpass, is scheduled for completion in May 2018. In 2017, a new Stagecoach Bus Depot on land off the Tachbrook Road was opened, allowing the demolition of the current depot at Station Approach and the commencement of the next phase of this 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 was formally opened in September 2017.

- **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 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.

- **St Mary's Lands Masterplan:**

During the year the Executive approved the Masterplan for St Mary's Lands and work has already started to implement a number of the items in the Action Plan. More will be actioned in the coming year

- **Kenilworth Public Services centre:**

This project has been on hold pending completion of Neighbourhood Plan by Kenilworth Town Council. This is expected to be completed by autumn 2018.

- **Upper Avon Navigation:**

At this stage the tendering process has just been completed to undertake the social/economic assessment and a high level of environmental impact assessment of the possible scheme. Peter Brett Associates have been appointed to undertake that work.

Once the assessment has been undertaken the report will be presented back to the Executive to enable this Council, Stratford District Council and the Avon Navigation Trust to consider whether there is a case for proceeding further or not. This Council's position at present is a neutral one.

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

- **Creative Quarter:**

Following the decision of Executive to find a development partner to work with the Council to deliver a Creative Quarter in the Old Town area of Leamington, an OJEU (Official Journal of the European Union) procurement process to select a development partner has now been concluded. The Council has appointed Complex Development Projects Ltd (CDP) to work in a 10-year partnership to bring forward and deliver proposals to support a Creative Quarter. CDP is now commencing 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.

- **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) about how best to bring the site forward. Discussions are also being held with our LLP partner to explore if the LLP may have a role in delivering this site. It is anticipated that a report will be brought to Executive in due course during 2018/19.

- **Leamington Town Centre Vision & Strategy**

The "Leamington Town Centre Forum" was established at the Council's instigation in 2016 as a task and finish group to develop a vision & strategy for Leamington town centre. Working with a range of stakeholders across the town centre, during 2017/18 the Council developed the strategy, consulted both with stakeholders and the public,

and produced a “final” vision & strategy document. This is to be considered by Executive on 7th March.

- **Whitley South and Gateway South**

With the adoption of the Local Plan, land at Whitley and Gateway South have now been removed from the Green Belt. At Whitley South, there is outline approval for development and reserved matters approval has now been granted on phase 1 of this site. On Gateway South the applicants have undertaken pre-application meetings with the Council and held a public consultation before Christmas. A planning application on this land is anticipated imminently.

3 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 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.

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

During the past year there has been successful recruitments to a number of key posts including the Business Manager for Policy and Development (Dave Butler), the Strategic Economic Development Officer (Suzee Laxton), Team Leader for Business Support (James de Ville) and a Business Support and Events Officer (Abi McCartney) and a Projects Officer (Guy Collier). However, inevitably there remain risks that key staff will leave and that we will 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.

- **Managing risks associated with events:**

An Event Plan including a risk assessment is carried out for all events and for the more significant events these are considered by the Safety Advisory Group*. Further mitigation in the form of an events manual will be introduced during 2018 as part of the Events Review Action Plan mentioned earlier in this document.

4 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. Linked to this, the service has established a Planning Assistant role which overlaps with the work of the Business Portfolio. This role is part of the approach being applied across the whole of Development Services whereby staff are developed and trained within the team
- **Skills, Training and Competency Needs:** Officers are developing a service area training plan following on from staff appraisals, which will provide generic as well as specialist training.

5 Finance

A: 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, and whilst this is a small amount, it is challenging as these budgets have been reduced so much other costs are being reviewed, such as Christmas lights. This affected Whitnash Town Council in 2017. However, the team will be working with those areas affected to look at opportunities within the town to gain more support from partners and businesses to contribute to this important event.

The Events Review has been completed and this was considered by Executive on 7th February. The financial implications of this are expected to be a reduction in income of around £3,000 per annum. The impact of this will be adjusted in the quarter 1 update to the Medium Term Financial Strategy.

There were two break-ins at the Althorpe Hub recently, following which there has been a review of security measures and this will have financial implications to the service. A number of improved measures are currently being put in place and/or considered. This is being done in conjunction with the tenants to give them the confidence they need to ensure they do not vacate their units and result in loss of rent to the Council. This is being done within existing budgets, although support is also being sought from the corporate "self-insurance" budget.

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

C Procurement: As part of the training stated above, officers are working closely with the Procurement team to ensure that procedures are improved. The surgery sessions that took place last year with Procurement have embedded into the service improved practices and a better understanding of engaging the procurement team at an early stage in the process.

D 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. The Portfolio Holder and the management team within the service area review the contracts register on a quarterly basis. This has helped in focussing on reviewing contracts in a timelier manner.

E Audits:

Two Audits have taken place within the Business Portfolio during the past year

- **The Economic Development Audit** was given substantial assurance rating, reflecting the strong management of facilities in the enterprise team and the effective way economic development activities are carried in partnership. This included the improved management of the relationship with Shakespeare's England.
- **The Events Audit** was given a moderate assurance rating. This audit identified good practice in relation to the management of most events, such as the use of events plan and risk management. However, it did identify issues relating to the management of the Warwick Mop license and markets contracts. These issues reflect the high turnover of staff in the Business Support and Events Team during 2016/17 and now the issues have been identified, staff have put in place tighter processes to ensure lessons are learnt and practice is improved.

F Risk Register: This is regularly reviewed for the service area. This is also a standing item on our team meetings. There are no "red risks" within this portfolio.

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. This will include signposting visitors to the fantastic services and opportunities provided in our towns and working to draw visitors for events in Birmingham to the attractions of Warwick District through effective promotional activities. Staff will play an active role within the project groups that have been established to support the Games.

- **Implementation of the Events Review Action Plan:** As mentioned earlier the Events Review Action Plan was agreed by Executive in February 2018. It includes a number of important initiatives which will be introduced during the year. Other initiatives require detailed analysis and research and this work will be carried out during 2018 with a view to introducing the outcomes for events taking place in 2019.
- **Strengthening approach to business engagement:** The Business Support Review was carried out during 2016. The outcomes of this review will continue to be established during the 2018 with a stronger emphasis on supporting businesses in key geographical areas such as town centres. It will also include the development of town centre action plans to ensure these continue to provide a great environment to support business activity.
- **Explore opportunities to expand the reach of the Enterprise service:** As part of the work to establish alternative models for the delivery of the Enterprise service, work will continue to identify opportunities to expand its geographical reach with a specific focus on opportunities in Kenilworth and Warwick.
- **Trial of alternative delivery models for the Enterprise Service:** In addition to the expansion mentioned in the previous paragraph, during 2018/19 new initiatives will be introduced to expand the range of services and facilities provided through the Enterprise Service with a view to trialling these to fully understand their impact and the opportunities they offer.
- **Deliver progress on a range of major projects:** The major projects listed above will continue to be delivered. In particular 2018 promises to be a year of substantial progress for the Creative Quarter with significant public engagement taking place and practical options taking shape.

Any Changes Required to Service Area Plan

None.

Managing Planned Changes, Major Work-streams and Projects

There are no planned changes to the Service Area Plan for the current year. The 2018/19 Service Area Plan is being prepared in parallel with this update.

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March 2018

Glossary

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.

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

Safety Advisory Group (SAG) – A group of key consultees (e.g. Fire service, police) that meet to review event plans in order to make them safer

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

Stay, Play, Explore - A tourism initiative offering a pre-packaged short-term break incorporating both accommodation and attractions within South Warwickshire.

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.

The Explorer Pass – a tourism initiative offering visitors one pass to access multiple attractions.