

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter:	Review of Huntingdonshire's Economic Growth Plan 2013-2023
Meeting/Date:	O&S Economic well-being – 4 th June
Executive Portfolio:	Strategic Economic Development and Legal, Cllr Roger Harrison
Report by:	Economic Development Manager, Sue Bedlow
Ward(s) affected:	All

Executive Summary:

Delivery of the HEGP is on track both in terms of the contextual indicators against which we undertook to report and in terms of progress against the short and medium term actions within the delivery plan. An extra-ordinary amount (in excess of £5m) of external funding has thus far been secured for the delivery of the HEGP objectives in addition to which more than half a million pounds for the pursuit of the council's own corporate strategic and structural development has been raised.

The only short-term measures that have not been progressed have interdependencies on the development of the marketing strategy for the district, a project which was placed on hold pending potential change over wider geographies but which is now well underway.

In addition to short-term actions, where opportunities have arisen to progress medium term delivery actions, these have been seized and may potentially lead to some exciting projects with significant impact on the economic development of the district, establishing links indirectly with Cambridge University and establishing a role for the Alconbury EZ in the development of the greater Cambridge phenomenon.

The proposed focus for service delivery for the next 12-24 months will be to:

- progress the delivery of EDGE – sharper skills for enterprise, including skills gap closure activity
- progress the development and implementation of the marketing strategy
- to support the successful delivery of the Alconbury Enterprise Campus
- deliver business start-up support and support for existing and growth enterprises through themed information events

Recommendation(s):

As such it is recommended that the panel notes the progress made thus far against the HEGP and endorses the focus of the delivery of HEGP within the resources currently allocated/budgeted for the next 12-24 months.

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1. WHAT IS THIS REPORT ABOUT/PURPOSE?

1.1 The purpose of the report is:

- to consider progress thus far against the Huntingdonshire Economic Growth Plan 2013-23 (HEGP)
- to determine Economic Development service priorities for the next 12-24 months

2. WHY IS THIS REPORT NECESSARY/BACKGROUND

2.1 In July 2013 the Cabinet approved the HEGP and its short, medium and longer term deliver plan. At that time it was agreed that as part of the measuring the success of the HEGP a biennially review would be conducted to include the statistical context and progress towards delivery of the 10 year action plan. The HEGP is available from our website here:

www.huntingdonshire.gov.uk/SiteCollectionDocuments/HDCCMS/Documents/Business%20and%20Economic%20Development%20Documents/Economic%20Growth%20Plan%202013-2023.pdf

2.2 Since the approval of the HEGP it should first be noted that there have been some areas of change and potential change to the economic development landscape which have impacted on progress with the plan. These relate to: the Cambridgeshire Public Sector Board review of economic development and related services delivery across the County geography; HDC's strategic partnership with South Cambs DC; developing roles and responsibilities of the Local Enterprise Partnership (LEP) within the economic development field; and reduced resource within the economic development team.

2.3 Together these circumstances led to the senior management decision to hold any significant expenditure of resource on the development of a marketing campaign for the promotion of the district as this would be a longer term project which may need to be done together with partners across a wider geography. This hold has now been lifted and work is underway on the development of a marketing strategy, branding and promotional materials to attract high skilled workers and inward investment to Huntingdonshire.

2.4 Another consideration is the allocation of an additional responsibility to the team: the application for Transformation Challenge Funding from DCLG. The application was successful and HDC received £529,090 for the development of its strategic partnership with South Cambs and Cambridge City councils. Work on the application and the initial administration following the granting of funds took place between April 2014 and January 2015.

2.5 Against the backdrop of the aforementioned changes the council has reiterated in its refreshed Corporate Plan for 2014-16 that delivering a strong local economy and sustainable growth within the district is still a top priority. Economic Development has always involved partnership working both with other councils, other public agencies and the private sector. This will continue to be the case and through this partnership work we are always looking for opportunities to delivery services differently and more efficiently. One notable example of this has recently been achieved with regard to closing the local skills gap through the formatting of EDGE – sharper skills for enterprise (further details of which are in Appendix 1, section 1.2).

3. ANALYSIS

3.1 The contextual statistic indicators for the HEGP

These include per capita Gross Value Added (GVA) growth – an indicator of economic scale, output and activity – and a basket of quality of life indicators – for which the Halifax quality of life survey is referenced.

3.1.1 GVA data - taken from the latest data available (in this case the Autumn 2014 baseline forecasts) from the East of England Forecasting model. As such these still contain a significant element of forecast rather than actual data.

GVA figures for the district for the period from 2012 are represented in the table below. Total GVA for the district and GVA per capita both demonstrate steady increases. However, labour productivity (GVA per job) fell slightly in 2013. The District data shows a significant increase in employment this same year, some 2,700 more in employment or self-employment but this fall in productivity would indicate that these are predominantly lower value jobs. 2014 shows a similar increase in employment (of 2,500) but a small increase in productivity.

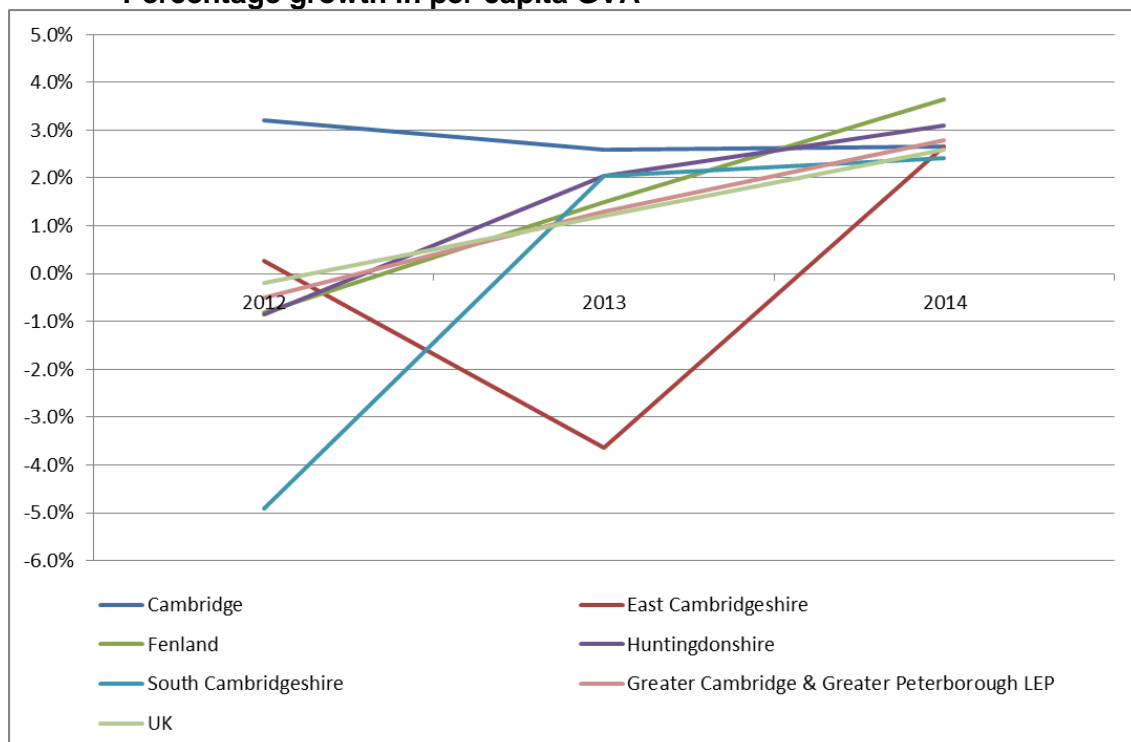
	2012	2013	2014
Total GVA (millions £s, 2010 prices)	3356	3445	3579

Labour productivity (000s £s, 2010 prices)	41.2	40.9	41.3
GVA per capita (000s £s, 2010 prices)	19.8	20.0	20.6

Source: East of England Forecasting model (Autumn 2014 baseline)

The graph below demonstrates Huntingdonshire’s per capita GVA growth rate as compared with local, LEP–wide and national rates.

Percentage growth in per capita GVA



Source: East of England Forecasting model (note: lower absolute levels of GVA per capita tend to result in more volatile growth rates)

The graph indicates that Huntingdonshire's per capita GVA growth was slightly below the LEP and national average in 2012 but has outperformed these two and all other local comparators except Fenland in 2014.

3.1.2 The Halifax Quality of Life Survey

The Halifax publishes two quality of life survey results each year: one for all areas and one for rural areas. Huntingdonshire's ranking in these for the last 3-4 years is captured below.

	2012	2013	2014	2015
All areas (out of 405)	55th	90th	18th	Due Dec 2015
Rural areas (out of 121)	24th	30th	44th	9th

The significant improvement in the district's ranking recently is attributable to improved performance in terms of percentage employment, access to broadband, personal well-being factors (life satisfaction, worthwhile, happiness, anxiety) and climate.

3.2 Progress towards delivery of the plan

The HEGP includes a short, medium and longer-term outline delivery plan. This is replicated below with those actions on which progress has been made shown in bold and italics. Further commentary on each of the short-term actions and others progressing on track is contained within Appendix 1 to this report.

	People	Place	Business
Short Term Delivery Actions	<i>District wide approach to careers advice and apprenticeships</i>	<i>High value sectors</i>	<i>Links with Cambridgeshire Chamber of Commerce</i>
	<i>Enterprise Strategy – young people</i>	Developer's Forum	<i>Dragons Den competition</i>
	<i>Marketing programme to attract high skilled workers</i>	Huntingdonshire Investment Portfolio	<i>Improve relationship between the Council and business</i>
	<i>Promote study of science, technology, engineering and mathematic (STEM) subjects</i>	Internationalisation programme	<i>Link schools with employers</i>
		<i>Delivery of strategic development, including Alconbury Enterprise Campus, Huntingdon West, St Neots and key service centres.</i>	

Medium Term Delivery Actions	Local Area Initiative	Small and Medium sized Enterprise (SME) business accommodation	High growth SME programme
	Community Organising	Links with Cambridge University	Supply Chain Strategy
	Visitor Economy Strategy	Delivery of strategic development, including Alconbury Enterprise Campus, Huntingdon West, St Neots and key service centres.	Business mentoring / coaching
	University capability		Innovation and R&D in manufacturing
Longer Term Delivery Actions	Community Budgeting in areas of high need	Critical infrastructure	Huntingdonshire Alumni Network
		Housing targets, with additional demand from Alconbury Weald Enterprise Campus	
		Delivery of strategic development, including Alconbury Enterprise Campus, Huntingdon West, St Neots and key service centres.	

4. KEY IMPACTS/RISKS? HOW WILL THEY BE ADDRESSED?

4.1 Each project described above carries a unique balance of impact and risk and going forward these will be addressed through the new reporting procedures either within the development of service planning templates or through the project management reporting procedures.

5. WHAT ACTIONS WILL BE TAKEN/TIMETABLE FOR IMPLEMENTATION

5.1 With the exception of the internationalisation programme, many of the activities indicated above (and described further in Appendix 1) will involve elements of continuation, development or follow up during the next 12-24 month period. The focus for the service plan delivery is proposed to continue to be along the lines of the three themes from the strategy document:

- people – create a flexible and resilient work force
- place – make Huntingdonshire a location of choice
- business – foster a culture of enterprise

5.2 People – create a flexible and resilient work force

It is proposed that we continue to lead partnership delivery of EDGE – ‘sharper skills for enterprise’, a partnership project which provides a one-stop shop service to simplify, facilitate and improve the match of skills supply to business demand not only on the EZ but across the district. This initiative in one vehicle/structure contributes to or links with a number of HEGP priorities:

promotion of STEM subjects; providing links between schools and employers; connecting with the Grassroots programme; connecting to the Dragon's Den competition; and, most importantly the district wide approach to careers advice. The later will be achieved predominantly through the careers advice events that will be organised through EDGE and the coordination with the schools.

5.2.1 Despite the recent dissolution of HASP (Huntingdonshire Academy Schools Partnership), close relationships with the schools individually will be built upon to continue their participation in EDGE. It is unlikely though that HDC will be able to continue to receive secondment income from this activity in the short-term.

5.2.2 EDGE was the vehicle through which partners contributed funding for research work from the Institute for Manufacturing (IfM) which, in the short term, will inform the skills and training delivered at the Technical Vocational Centre on the EZ. EDGE will also provide the vehicle for ensuring delivery is based on the evidence of need. We will lead on the follow up of potential for further collaboration with the IfM itself and potential links with the National College for Advanced Manufacturing. In the longer-term other follow up activities emanating from this work are more relevant to 'business' 5.4 below.

5.3 Place – make Huntingdonshire a location of choice

5.3.1 The most significant activity in the short-term should be the development, approval and implementation of the marketing strategy. This will include development of a brand and marketing materials, a make-over of the Huntingdonshire4business website, a launch event for promotion of the brand and associated web-site and then the start of implementation with use of the materials at for example, business to business events, and business information events (our own and in partnership).

5.3.2 Having the appropriate infrastructure in place to support growth is critical to our ability to promote the district and to this end it is proposed that we continue to both support the Connecting Cambridgeshire broadband project and continue our work in partnership with our LEP to support their Growth Deal applications and other funding initiatives relevant to longer-term Economic Development activities (national policy directives, EU funding).

5.3.3 Monitoring of the footfall in our four market town centres is proposed to be continued as this data gives us a good contextual indicator for how the vibrancy of our town centres is fairing compared to the national picture. This will support marketing of the district as well as inform policy direction in the future.

5.4 Business – foster a culture of enterprise

5.4.1 Work to support the successful delivery of Alconbury Enterprise Campus is proposed to continue as this will build the profile of the district within the Greater Cambridgeshire business community as a great place to invest. To this end, information will be gathered on options for the funding of an Industrial Venture Centre (IVC) on the Alconbury Campus including the potential use of the Building Foundations for Growth underspend (see Appendix 1, section 6) as match funding to pursue further EU funds.

5.4.2 Delivery of the IVC would in the longer-term provide support for early stage ventures involved in R&D innovation in manufacturing and potentially develop

links with the University through the IfM. It would also build upon and be facilitated by shorter-term activities such as: continued work to support and development clusters of companies – such as in composite industries; the continued delivery of support for existing and growth enterprises through themed information events; and, the continuation of our business start-up support programme. With regards to the latter, which is currently outsourced, it is proposed that we explore the option of collaboration with South Cambs District Council with a view to issuing a combined tender for services at the end of the current contract in September. Initial discussions are promising and indicate that this should bring both a broader offer and better value for money.

- 5.4.3 It is proposed that we continue to promote HDC's support for the business community through sponsorship of the Business awards.

6 LINK TO THE CORPORATE PLAN

- 6.1 The HEGP is directly linked to the Corporate Plan's Vision and delivery of the Strong Local Economy Theme and to a lesser extent to the Enabling sustainable growth theme.

7. CONSULTATION

- 7.1 Has been conducted with the rest of the Economic development team, Head of Service, Corporate Director and Portfolio Holder.

8. RESOURCE IMPLICATIONS

8. 1 The Economic Development service is currently undergoing the ZBB process to determine whether the service represents value for money and alternatives for service delivery or whether the service delivery should be curtailed.

The total revenue cost to the council for the service in FY 2014/15 was £203,304. Revenue costs for the current FY are budgeted at £214,167 plus a £9,250 carry forward from the previous year due to delays in receipt of contract deliverables. Funding secured directly by the service for the district's economic development objectives during the same financial year exceeded £5m. An additional £530k was secured for the development of the council's shared services and strategic partnerships.

9 REASONS FOR THE RECOMMENDED DECISION

- 9.1 Despite a number of factors that have had a limiting impact on the resource available to the economic development team to deliver the actions identified in the HEGP delivery is still on track. An extra-ordinary amount (in excess of £5m) of external funding has thus far been secured for the delivery of the HEGP objectives in addition to which more than half a million pounds for the pursuit of the council's own corporate strategic and structural development has been raised.

The only short-term measures that have not been progressed have interdependencies on the development of the marketing strategy for the district, a project which is now well underway.

In addition to short-term actions, where opportunities have arisen to progress medium term delivery actions, these have been seized and may potentially lead to some exciting projects with significant impact on the economic

development of the district, establishing indirect links with Cambridge University and establishing a role for the Alconbury EZ in the development of the greater Cambridge phenomenon.

As such it is recommended the panel notes the progress made thus far against the HEGP and endorses the focus of the delivery of HEGP within the resources currently allocated/budgeted for the next 12-24 months.

BACKGROUND PAPERS

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APPENDIX 1 - COMMENTARY ON DELIVERY PLAN PROGRESS

1 District wide approach to careers advice and apprenticeships

1.1 For the last 18 months a 0.5 FTE member of the economic development team has been seconded to the Huntingdonshire Secondary Academies Partnership (HASP – a partnership of all the District’s secondary schools). Activities conducted include a full audit of the careers advice provided in the schools, co-ordination and simplification of work-experience administration, company/school visits, and organising schools’ participation in a number of events aimed to facilitate interaction with local businesses and raise awareness of local business skills needs (including STEM) and employment opportunities. The secondment arrangement will end in July due to the recent decision of HASP to disband. Endeavours will be made to continue relationships with each individual school in order to continue to support the school/business activities.

1.2 We assisted a LEP application for £100k funding from the Skills Funding Agency (SFA) to develop a skills strategy for the EZ. Being successful this brought together a local group of stakeholders which has itself evolved into a formal partnership which will operate as ‘EDGE sharper skills for enterprise’. The model is an innovative example of multiple public sector agencies coming together with the private sector and ‘re-wiring’ or pooling their resource in order to add value to delivery and improve customer facing service. Co-ordination of this group and the development of EDGE has been led by HDC staff and we received an income from the SFA funding pot to cover a 0.5 FTE up until December 2014.

2 Enterprise Strategy – young people

Funding and resource (board membership) is provided to support the delivery of a Young Enterprise (YE) Company programme across the district. This academic year the programme has involved 90 students in seven teams (each with their own real business adviser/mentor) from five of our secondary academy schools. The programme enables students to find out what it’s really like to set up and run a business. Delivered across an academic year, the young people make all the decisions about their company, from raising the initial share capital through to designing their product or service to selling directly to customers and ultimately winding up the company and paying their taxes. A student from St Peter’s school has this year won the County final level competition for YE Entrepreneur of the year and will go through to the Regional Final in this category.

(Also see 8 Lion’s Den competition below)

3 Marketing programme to attract high skilled workers

As mentioned in 2.3 of the main report, this action was on hold until March 2015. The development of a marketing strategy, branding and promotional materials to attract high skilled workers and inward investment to Huntingdonshire is now under way and due to come to this panel later this year.

4 Promote study of science, technology, engineering and mathematic (STEM) subjects

See 1.1 above regarding the promotion of STEM through school/business inter-facing events and school/company visits.

5 High value sectors

5.1 We have established a small cluster or group of local, high growth, composite materials companies and are supporting them in removing any barriers to their continued growth. Focus has initially been on recruitment and training issues and, working with local training providers, a bespoke apprenticeship cohort will start in September 2015. None of the companies individually could commit to sufficient apprentices to make the establishment of a viable cohort of possible. By bringing the companies together we have been able to make this happen.

Other collaborative activities around joint marketing and procurement are also being facilitated within the cluster. Collective marketing activities have the added advantage of helping to raise the profile of the district as a centre of excellence in this sector which in turn supports inward investment promotion.

5.2 Working in collaboration with the Institute for Manufacturing (IfM) (see section 15 & 16 below) we are both defining/refining those sectors of the manufacturing industry which our district should target. This is also raising our district profile through the IfM both with other manufacturing companies engaged with them and the University of Cambridge itself (engineering department particularly), the IfM being wholly owned by the University.

5.3 Other work has involved collaboration with other councils and the private sector to promote the wider Cambridgeshire region at an NEC exhibition relevant to advanced manufacturing. And we continue to work with UK Trade and Investment in terms of responding to enquiries that they receive that may be relevant to our district.

6 Delivery of strategic development, including Alconbury Enterprise Campus.

6.1 Much of the economic development work programme plays a contributory part towards this objective. The most significant has been an application for Building Foundations for Growth (BFG) grant funding of £5m from DCLG in 2014 for demolition and remediation works on the Alconbury Enterprise Campus. The business case for the application was based on the bringing forward of the delivery of the EZ by approximately 3 years.

6.2 The application was successful and our partner applicants, Urban&Civic have delivered the works and been the recipients of most (just over £3m) of the grant. The combination of an unanticipated underspend on eligible costs together with £500k (equating to land value uplift) which had to be deducted from eligible costs in order to comply with State Aid, leaves HDC, as the Accountable Body, in possession of just under £2m which, in accordance with DCLG's grant determination letter must be spent delivering growth priorities for the Enterprise Zone.

6.3 We are currently exploring the options for use of this capital funding including the possibility of using the money as matched funding for a further application for European Grant funding for the delivery of an Industrial Venture Centre (see 16 below).

7 Links with Cambridgeshire Chamber of Commerce

Officer and member resource is allocated to the Huntingdonshire Chambers of Commerce Committee meetings in order to facilitate cooperation and collaboration as appropriate. The council is represented at both the Huntingdonshire and Cambridgeshire Chambers of Commerce annual business to business fairs.

8 Lion's Den competition

Sponsorship is provided to Huntingdonshire Regional College who have agreed to run this competition as part of their week of activities promoting apprenticeships and employer engagement. The event includes a series of 'Dens' for participants to promote themselves and their ideas as well as receiving careers and product development advice from industry leaders.

9 Improve relationship between the Council and business

9.1 Huntingdonshire Business awards: event and award sponsorship is provided as the most effective way of demonstrating to the business community, particularly through the Leader's speech, the council's support for businesses.

9.2 A programme of themed business support events is organised with themes informed by the businesses themselves in their evaluation of the events. Themes for the last year have included funding opportunities, innovation and taxation, and financial management. Attendance is usually between 40 – 70 at each event and evaluation scores returned range from 75 -100% good or excellent.

9.3 Business start-up support: we currently fund Outset Huntingdonshire, a programme of one to one and specialist workshop support designed to equip residents with all they need to know about becoming self-employed. Over almost three years the programme has helped 50 people to start their own business, creating 67 new jobs in the local area. 50% of those who have participated in the programme were previously claiming benefits. A recent evaluation of the Outset programme nationally was conducted which concluded that a "very conservative" evaluation indicated that for every £1 invested, at least £3.36 of social, economic and financial value is created for Outset's clients, the State and the wider economy. This contract comes to an end in September 2015. We are currently in discussions with colleagues at South Cambs to explore opportunities for the issuing of a joint tender for business start-up and growth support in order to try to get further value for money.

9.4 Finally, a new fast track pre-planning enquiry service for new and growing businesses has been established. Pre-application advice will be dealt with in 2 weeks less than standard pre-application enquiries and a nominated planning case officer has been made responsible for this process.

10 Link schools with employers

See 1 and 8 above

11 Local Area Initiative

11.1 We have provided match funding for and assisted with a successful competitive funding application to the LEP for a project called 'grassroots'. This project, led by partners 'Groundwork' provided a pathway to new employment opportunities at Alconbury Weald from the area of greatest deprivation in Huntingdonshire through gaining skills/confidence by working on projects to improve parks and community spaces.

11.2 Outputs :

- 89 people signed up to Grassroots as beneficiaries
- 29 people gained paid employment, (10 from Green Skills projects)

- Over 40 qualifications gained
- 14 people completed further training, work experience or entered education

11.3 Alternative (to LEP) funding has been secured from DWP Flexible Support Fund to permit the continuation of this programme. This year Groundwork will deliver a 'Green Skills' employment training programme with local residents in Huntingdon North Ward. This will involve 10-12 unemployed or economically inactive people.

12 Community Organising

Last year's Grassroots project (see 11 above) included community action days as part of the engagement process for the scheme. There is insufficient budget available to specifically include these in the Groundwork delivery this year but links with other voluntary groups active in this area are to be continued.

13 Visitor Economy Strategy

Resource does not currently permit the development of a detailed visitor economy strategy or its implementation. However, in the promotion of the district as a great place to live, work and invest, some information relevant to visitors is being included in the marketing strategy and the associated web site.

14 Small and Medium sized Enterprise (SME) business accommodation

Space within the Incubator at Alconbury was quickly taken up. More medium sized provision is anticipated to be provided by Urban&Civic with 3 planning applications for speculative buildings anticipated to be submitted in June/July.

The Industrial Venture Centre would potentially provide further start-up accommodation space with specialist support. See 16 below.

15 Links with Cambridge University

We have been leading a partnership to commission research work from the Institute for Manufacturing (wholly owned by the University of Cambridge) to affirm target sectors for the EZ and identify those competencies required to support those sectors. This work will inform the delivery of the Technical Vocational Centre on the EZ in the short-term. In the medium/longer term it was hoped that it would lead to a relationship/partnership with the IfM. Indeed, new contacts and potential areas for collaboration and joint projects have come forward: there is potential for working with the IfM to pursue the delivery of an Industrial venture centre on the EZ (see section 16 below); and contacts have been established with a view to exploring the potential for the Technical Vocational Centre as a local delivery body for the National College for Advance Manufacturing.

16 Innovation and R&D in manufacturing

16.1 As a result of work with the IfM (see 15 above) we have been collaborating with the IfM on the development of a concept for how the Alconbury EZ could contribute to the overall development of the Greater Cambridgeshire Industrial ecosystem. This work has identified the potential need for an Industrial Venture Centre at Alconbury which would provide both physical space and facilities as well as technical expertise and advice to support both early stage ventures and established Small and Medium Enterprises in the High Value Manufacturing sector at the point of needing to develop products and scale up production processes and technologies.

16.2 This project, which could involve using the BFG underspend as match funding for a further funding application for European Structural and Investment Funds (ESIF) (see 6 above), would also potentially involve Urban&Civic and the IfM as partners.

17 Critical infrastructure

17.1 We have been working with our LEP on the development of a priority list of infrastructure projects for their negotiations and bidding processes with central government for Growth Deal funding.

17.2 The allocation of funds in round one included more than £10m for a Technical Vocational Centre at Alconbury and over £3m for a Welding Institute project also at Alconbury, but the overall allocation of funding to our LEP in round one was disappointing.

17.3 Government feedback encouraged closer working between the LEP and local authorities and as a result the allocation of funding in round two was notably improved. An additional £38 million of investment for our LEP was announced. Huntingdonshire will benefit directly from the funding of a local Highways & Civil Engineering academy to provide skilled labour for the many key transport schemes planned over the coming years. £16.6 million will also go into the LEP's Growing Places Fund scheme that provides affordable loan funding to overcome key barriers to growth and this will be available for our district to put forward appropriate infrastructure projects for this funding.

18 Developer's Forum and Huntingdonshire Investment Portfolio

These activities are interdependent on development of a marketing strategy and will be addressed once the marketing strategy is approved.

19 Internationalisation programme

The Chambers of Commerce are currently running a series of training, information and support activities aimed at supporting companies wishing to export. It is not currently deemed necessary to duplicate this activity.