

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

REPORT TO: Leader and Cabinet

8 September 2011

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ECONOMIC DEVELOPMENT PRIORITIES 2011/12 AND 2012/13

Purpose

1. This report and **appendix** provide a summary of 10 actions for direct, immediate/ongoing delivery under the 6 strategic themes of the Economic Development Strategy, as adopted by the Portfolio Holder on 8 March 2011. It also incorporates additional priority areas identified by the Cabinet since May 2011.
2. This is a key decision as it is likely to have a significant impact on the communities in South Cambridgeshire and the Portfolio Holder would like to present current and planned economic development actions to Cabinet.

Recommendation

3. It is recommended that Cabinet approve the priority actions contained in the attached appendix, which includes the restructuring of the £150,000 Economic Downturn Measures budget allocation to be split £90,000 for 2011/12 and £60,000 for 2012/13.

Reason for recommendation

4. South Cambridgeshire District Council has, since increasing the economic development function in 2008, successfully delivered benefits to the District (residents and businesses) as detailed in this report. The Council wishes to continue its positive contribution to developing and enabling the prosperity of the District, especially with the new responsibilities facing Local Authorities through the Growth Act and the "Localism" agenda; as well as within more challenging economic times (recession and austerity measures).
5. The appendix contains a schedule of economic development priority actions that include the economic downturn measures support.

Background

6. Through the adopted economic strategy and through delivered and current actions, the Council has communicated and shown active commitment as:
 - **a listening Council**, understanding economic development and business issues
 - **open for business**, practically encouraging and assisting **economic development priorities** and businesses through:
 - business support
 - enabling growth through policies and practise (including planning)
 - underpinning the existing economy (noting the District's strengths i.e. the Research and Development sectors as well as supporting the rural and general economy
 - maintaining and attracting inward investment
 - supporting digital and transport infrastructure

- promoting the District to stakeholders and interested partners as a **business friendly authority**, proud of its businesses and their success
- playing its role in supporting its own economy as well as that of the Greater Cambridgeshire-Greater Peterborough Local Enterprise Partnership (LEP).

7. To date actions have included:

- (a) **a thorough economic assessment** with the aid of economic consultants (PACEC) and the **adoption of an economic strategy with six themes** to deliver against the priorities mapped out as the economic needs of the District. These themes are:
- **The role of South Cambridgeshire**
(in the sub region reflecting housing provision and a world class economy)
 - **Supporting business**
(enhancing objectives and actions to support business including new and existing business and investment attraction)
 - **A low carbon economy**
(reducing carbon and fossil fuel dependence and supporting “clean” tech industries)
 - **Building sustainable communities**
(ensuring the right support to businesses and communities, eg through the supply of housing, skills, facilities)
 - **Improving the infrastructure**
(maximising the infrastructure (roads, broadband etc) to support the economy)
 - **Key intervention areas: Recession**
(assisting businesses in challenging economic times)

The themes each contain a framework delivered across the Council and with partners externally and can be found in the Council’s Economic Strategy Document, published on the Council’s website, www.scambs.gov.uk/Business/edstrategy.htm

- (b) A specifically scheduled suite of measures to assist business responses to the **economic downturn** (now part of the broader Economic Strategy.) for which the Council continues to receive positive feedback from businesses and stakeholders.

8. Specific in 2011/12 to develop the Economic Strategy, include:

- (a) delivering business support – e.g. business workshops, access to finance and funding opportunities for businesses;
- (b) aiding employment opportunities for local people – planning (e.g. Economic Development Panel, Cambridgeshire Redundancy network, skills training and addressing training gaps, working with universities);
- (c) developing investment attraction with businesses and partners, such as UK Trade & Investment, through engaging with key businesses to support them and developing actions and messages to underpin existing investment and attract other companies to South Cambs;
- (d) engaging with businesses and business organisations (e.g. the Federation of Small Businesses, the Institute of Directors, Chambers of Commerce, etc.) in order to have access to information to develop support activities;
- (e) developing a commercial property search facility that aids with investment retention and attraction in facilitating businesses to set up in the District. It also adds value in the provision of site information for planning purposes;

- (f) aiding business start-up through the “Step-Up” Business Competition where the process of applying for the competition is a business support activity itself with associated workshops. In 2010, 3 new start-up businesses resulted from the competition with the winner having international business potential;
- (g) the Hardship Rate Relief measures, aiding those businesses most affected by the recession in a practical way and to developed criteria;
- (h) delivering the South Cambridgeshire Business Support Fund in partnership with Business Link (twice extended since its initial success and having aided 70 businesses to date);
- (i) improving the payment and cash flow of suppliers and local businesses through efficient electronic payment methods via the Council’s Finance service;
- (j) improving on-line business attraction and development resources – tender opportunities, workshops and funding information;
- (k) aiding businesses with public sector procurement through events and information;
- (l) developing the roll-out programme for dependable and high speed broadband with the County Council to enable economic prosperity across the District’s communities and businesses;
- (m) actively engaging in the LEP – to develop delivery programmes around issues such as skills, investment and business rates;
- (n) developing opportunities through tourism, working on extending stays, conferencing, accommodation and hospitality support and opportunities such as the 2012 Olympic and Para-Olympic games.

Economic Priorities 2012/13

9. The Economic Development Portfolio Holder wishes to work with partners to create and sustain opportunities for employment, enterprise and world-leading innovation. This takes the existing and ongoing delivery programme and focuses it upon three top priority actions with seven supplemental areas of key supportive delivery, see the table in the attached appendix. This table also details spending on the economic downturn measures. The top 3 priorities are:

- (a) **Supporting Digital Infrastructure** by:
 - (i) aiding the Broadband Delivery UK (BDUK) programme as part of Cambridgeshire and Peterborough Broadband Together through active participation and development of the area-wide assessment, funding and procurement programme;
 - (ii) working with partners to support businesses in implementing and making the most of the physical infrastructure;
 - (iii) aiding private sector suppliers with advice and support regarding planning applications for physical infrastructure elements.
- (b) Developing a **business friendly** approach and **website** to:
 - (i) support the economic sectors and clusters in South Cambridgeshire and enable development of new business and jobs;
 - (ii) develop inward investment;
 - (iii) assist business support with advice and, through the website, on funding opportunities, commercial property availability in the District, etc..
- (c) **Working with Economic Development partners** through:

- (i) engaging with the economic sectors, new and existing businesses and business organisations, and;
- (ii) supporting the Local Enterprise Partnership (LEP).

Considerations

10. Delivery of the priorities will occur across the Council's corporate service areas (as identified in the attached appendix schedule as well as the Economic Strategy).
11. The Greater Cambridge-Greater Peterborough Local Enterprise Partnership (LEP) has formed its shadow board and identified work programmes and actions in which the Council is participating and/or supporting. For example, the planned skills programme of work being commissioned by the LEP and the support to Alconbury as an Enterprise Zone, which could see economic benefit for the District in the future.
12. Changes to funding and loss of delivery partners, most notably the East of England Development Agency and Business Link, will inevitably restructure delivery and/or the cost of delivering economic development commitments within the District. The full implications of this will only be clearer once the LEP is fully operational and the full impact of partner departures are evaluated, probably by the first quarter of 2012. It is expected that Local Authorities such as SCDC will face increased demands. This is also in line with the spirit of the Localism agenda and Growth Act visions.
13. In response to these developing issues the Council's Economic Development Priorities and the Economic Strategy have been shaped with flexibility in mind.
14. An element of this flexibility is the proposal to split the 2011/12 £150,000 budget allocation for Economic Downturn Measures to a spend of £90,000 in this current financial year with the balance being reallocated to 2012/13. The principal reason for this is that Business Link has been a key and valued partner in the delivery of these measures. With its demise from November 2011 a significantly revised delivery framework will be required. The LEP stands to be a significant contributory partner in this framework but it is not envisaged having clarity over the respective revised delivery programme elements until the first quarter of next year. Thus, in order to take best advantage of the value this may offer and/or work up a new additional delivery mechanism with new partners, it is proposed to defer the allocation of £60k of the 2011/12 budget to 2012/13.
15. Delivering on these measures is just one part of the Council's broader commitment to facilitating a positive economic development agenda across South Cambridgeshire (as outlined in the appendix). Key to the achievement of these actions will be ensuring the availability of the necessary internal resources/capacity, or access to the requisite external resources/partners, to deliver the full schedule within the budget currently available.
16. As noted above, 2010/11 has seen significant national and regional changes to the external delivery framework for economic development work and this is having a significant impact upon local delivery mechanisms. If account is not taken of the resource implications of this change, alongside the Council's commitment to deliver in this field, there is a risk of not meeting the Council's priorities.
17. To this end officers will assess the existing available resource base against that envisaged necessary to complete the schedule of actions contained in the appendix. This exercise will be completed over the next six to eight weeks and will subsequently be fed into discussions over the Medium Term Financial Strategy (MTFS).

Implications

18.	Financial	<ul style="list-style-type: none"> An assessment of the necessary resources/capacity to complete the schedule of priority actions (see Appendix) will be carried out over the next 6-8 weeks and fed into the MTFS discussions. £150,000 downturn allocation proposed to be split as £90,000 in 2011/12 and £60,000 in 2012/3.
	Legal	All legal requirements, as relevant to programmes/actions have been met to date and will continue to be met as necessary.
	Staffing	Within current structure
	Risk Management	Subject to individual activities and assessment of available resources,
	Equality and Diversity	Not applicable
	Equality Impact Assessment completed	Yes Neutral to positive outcomes were assessed on the EQIA for the Economic Strategy
	Climate Change	A climate change theme forms part of the Economic Strategy and there are actions to implement this.

Consultations

19. The Economic Development Portfolio Holder and the Executive Management Team were consulted.

Consultation with Children and Young People

20. This is not directly relevant to Children and Young People.

Effect on Strategic Aims

21. These actions reflect and underpin all the Council's corporate aims and commitments:
22. These commitments are reflected in the Council's specific policy documents, listed in and used in the economic assessment and strategy as well as the proposed Council actions for Economic Development.

Conclusions / Summary

23. This report provides Cabinet with an update of the top 10 priorities for Economic Development to be executed by the Portfolio holder for the coming year and seeks its approval.

Background Papers: Economic Development Portfolio Holder Report 8 March 2011
Economic Downturn Update to Cabinet 7 July 2011.

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