

TELFORD & WREKIN COUNCIL

CABINET – 12 NOVEMBER 2015

ENTERPRISE TELFORD – DRIVING GROWTH & PROSPERITY

REPORT OF ASSISTANT DIRECTOR: DEVELOPMENT, BUSINESS & EMPLOYMENT

LEAD CABINET MEMBER – CLLR SHAUN DAVIES

PART A) – SUMMARY REPORT

1. SUMMARY OF MAIN PROPOSALS

- 1.1 In 2013 the Council launched 'Invest in Telford' as part of its commitment to being a business supporting and business winning Authority. Through Invest in Telford we promote the Borough as a place to invest to both existing businesses and potential new investors and we offer free support to businesses from start-ups to our largest companies. Since the launch we have dealt with over 3,000 businesses and over 130 inward investment enquiries.
- 1.2 Since 2013, the economic picture within Telford & Wrekin has changed with new and exciting opportunities for growth, although still with challenges. Some of these challenges are a result of skills shortages in certain key sectors and problems in accessing funding to support business expansion and diversification. Other challenges relate to increasing competition from new and emerging markets.
- 1.3 At the same time, changes in regional structures and alliances, opportunities through devolution deals and Government's launch of another phase of Enterprise Zones and of a national network of Business Growth Hubs are all influencing the landscape for business investment and support.
- 1.4 This report provides an update on the successes achieved by 'Invest in Telford' and following our designation of the whole Borough as an enterprise area, sets out our new **Enterprise Telford** 'pledge' to business. This extends our offer to business through a bespoke package of support available borough wide creating a more competitive investment environment than regional and national destinations including those designated as Enterprise Zones.
- 1.5 The report also describes how, working with our partners the Telford Business Board and the University of Wolverhampton, we will deliver support to our businesses and new investors through Telford's new one stop shop **Business Growth Hub**.

2. RECOMMENDATIONS

2.1 That Cabinet approves the Invest in Telford strategy for growth and the Enterprise Telford Pledge to business.

3. SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific Co-Operative Council priority objective(s)?	
	Yes	Protect and create jobs as part of a business winning and business supporting council
	Will the proposals impact on specific groups of people?	
	Yes	Existing and new businesses: Enterprise Telford and the Growth Hub will support growth in existing businesses and will provide an incentive to new investors. The proposals will reduce unemployment and create new higher skilled jobs for local people.
TARGET COMPLETION/DELIVERY DATE	The Invest in Telford campaign and Enterprise Telford pledge will be on-going with activity set out in 12 month action plans and activity monitored through KPI's.	
FINANCIAL/VALUE FOR MONEY IMPACT	Yes	The set up cost of the Growth Hub has been funded from one off Destination Telford funding, and plans are in development to make the Hub financially self sustaining ongoing. The support to businesses included within the Enterprise Telford Pledge will be provided from within existing resources and budgets, or from the generation of additional third party income. JAC 151015
LEGAL ISSUES	Yes	State Aid law recognises a variety of public support which is compatible with the internal market including support for small and medium enterprises and promoting the local economy. The Council will be mindful of State Aid Rules and any General Block Exemptions available to SMEs in

		<p>relation to grant funding to commercial entities who engage in tradeable activity. The Council will construe its behaviour against Constitutional standards of financial probity and stringent financial planning and financial risk management as well as risk and equality impact assessments and procurement requirements, which may impact its pledges, support package coordination and delivery to third parties.</p> <p>State Aid includes:</p> <ul style="list-style-type: none"> • Grants to enterprises for investment, research and development, employee training • Preferential or 'soft' terms at below market rates • Sale or lease of public land or property at discounted rates • Free Business and Consultancy advice <p>The report requests approval for further research and assessments which may be required in the future which does not give rise to any legal implications.</p> <p>MG Legal Services 21/10/15</p>
OTHER IMPACTS, RISKS & OPPORTUNITIES	Yes	Enterprise Telford will complement the delivery of HCA land to the market and the Land Deal being negotiated with HCA/DCLG. Success will also deliver an increase in business rates.
IMPACT ON SPECIFIC WARDS	No	Impact is Borough wide.

PART B) – ADDITIONAL INFORMATION

4. INFORMATION

Background

- 4.1 Invest in Telford is the campaign name for a programme that incorporates business support and the promotion of Telford as a place for businesses to invest and expand, driving economic growth and job creation.

- 4.2 Invest in Telford is supported by a high quality website, marketing literature and investment propositions which are used to respond to the widest possible range of investment enquiries
- 4.3 Since 2013 the team has worked to raise Telford's profile with the Governments trade and industry body, UKTI, with Telford now promoted through this body as a key UK investment destination for advanced manufacturing (particularly automotive). Invest has raised Telford's profile with investment intermediaries such as property agents, lawyers and accountants with attendance at key trade shows and events generating significant investment enquiries. The Council Team have account management relationships with Telford's top 180 foreign direct investors (FDI), gathering local intelligence and supporting these companies to expand.
- 4.4 Since the formation of Invest inTelford the team has:
- generated 132 investment leads
 - directly secured 21 business investments creating 369 jobs
 - supported the expansion of 13 of the Borough's strategic businesses including Stadco, BAE, Denso and Heinz who have made multi-million pound investments
 - delivered full turnkey solutions, in house, for a number of investors including land acquisition, design and build, relocation and project management
 - worked with the Estates team to secure land and property disposals
- 4.5 Through Invest, support has been provided to local businesses across all sectors and of all sizes. We have:
- regular contact with over 3,000 businesses
 - visited and given direct support to c 1,000 businesses
 - helped create 261 jobs and safeguard 291 jobs
 - directly helped businesses to secure funding for growth in excess of £2m
 - supported Job Box by securing commitment to recruitment opportunities for young unemployed and participation on skills/jobs fairs from investor
 - supported aspiring entrepreneurs and pre-start ups with successful events such as Global Entrepreneurs Week, Start Up Saturday
- 4.6 The team also has an essential role in meeting business needs in terms of recruitment, skills and training, working as an intermediary between businesses and schools and colleges, establishing business skills and training needs and brokering solutions with education providers. The team is working closely with schools as part of a growing Science, Technology and Maths (STEM) network which now has over 50 members and a Twitter account that has grown 163% in 10 months.

National and Regional Context 2015

- 4.7 Telford's approach to economic growth will be increasingly influenced by the Government's devolution policy, by our non-constituent membership of the West Midlands Combined Authority and by the emerging Midlands Engine for growth. These have been the subject of separate reports.
- 4.8 In 2014 Government launched a national initiative to simplify and streamline the delivery of support to business. This was as a result of the increasingly confusing and often competing (and therefore wasteful) programmes of support on offer to businesses. Government has tasked each Local Enterprise Partnership (LEP) to develop a **Business Growth Hub**, through which accessible and 'joined up' support should be given to businesses regardless of sector or stage of development.
- 4.9 In 2015 Government launched a new round of **Enterprise Zone bids**, which gave each LEP the opportunity to submit an application to Government to designate a specific area as an Enterprise Zone. Enterprise Zone status provides a standardised package of support to business that includes business rate savings.

Local Context 2015

- 4.10 Since the launch of Invest in Telford the local economy is showing positive signs of growth with company expansions particularly strong in:
- Manufacturing - enhanced by the expansion of the Telford Innovation Campus of Wolverhampton University through investment into its engineering and manufacturing faculty with a particular focus on automotive manufacturing.
 - Defence and logistics – highlighted by the £83m investment into the MOD Logistics Hub at Donnington but also growing through investments by local companies including BAE Systems
 - Agric tech and food and drink - driven by the international renown of Harper Adams University with its food and drink academy and proposals for a national agri-tech research & business development centre providing a stimulus for sector growth in Newport.
- 4.11 Telford has a strong Business Board with senior representatives from businesses who are acting as 'champions' for their sectors; helping to identify both barriers to growth and opportunities and creating sector networks and collaborations. The Board are instrumental in promoting opportunities for Telford to create a reputation as a 'centre of excellence' in areas including rapid prototyping and composites and resource efficiency in advanced manufacturing.

- 4.12 Infrastructure funding secured through the Marches LEP Growth Deal is enabling the Council to strengthen connectivity across the Borough and region and the Council and its partner BDUK are jointly funding the Superfast Telford programme which will bring superfast coverage to a minimum of 98% of the Borough by 2017.
- 4.13 There are local challenges however. Whilst Telford has an impressive supply of ready-to-go land, there is a shortage of certain categories of property, specifically for manufacturing and warehouse space for small to mid sized SME's. Telford's older industrial estates are also in need of environmental and infrastructure improvements, particularly as a result of their piecemeal development over the last 20 years.
- 4.14 Telford also still has issues of unemployment, underemployment and business partners highlight skills shortages across sectors and an ageing workforce in some sectors that could hamper growth. The recently released 2015 update of the Index of Multiple Deprivation, shows that Telford needs to address deprivation and levels of NEETS (young people not in education, employment or training) and this demonstrates the need for a balance in the economy providing both high growth and high value added employment and high volume, high job creation employment to create larger numbers of low to medium skilled employment.

Invest in Telford – Delivering Growth 2015

- 4.15 Given the growth in the local economy it is essential that the Council continues to prioritise engagement with both our top FDI and home grown companies. It is only through strong account management that we will pick up market intelligence that will ensure that we can support these businesses to achieve their growth potential and also ensure that those looking to expand stay in our Borough.
- 4.16 Emerging regional changes offer significant opportunities for the Invest in Telford campaign. Telford is uniquely well placed to capitalise because of its predominantly urban nature, its geographical location and its strength in manufacturing. The West Midlands represents a highly connected market and with growing international competition from new and emerging markets the promotion of Telford as part of the West Midlands Engine for Growth is critical.
- 4.17 Invest in Telford is already collaborating with these partners and with UKTI in the Drive West Midlands initiative which will promote the West Midlands as an investment opportunity to overseas businesses in the automotive supply chain where there are still significant opportunities for growth. Invest in Telford will be part of the Drive West Midlands promotion at the Advanced Manufacturing Exhibition in Birmingham in November 2015, at the new Automechanica exhibition and MIPIM London in 2016.

- 4.18 To compete with the national network of Enterprise Zones, which offer a standardised package of support to new or growing investors, we have designated the whole of Telford an enterprise area. Through Invest in Telford our new **Enterprise Telford Pledge to Business** (Appendix 1) will provide a unique borough wide offer that matches investor aspirations with a tailor-made support package. Not limited to a standard EZ offer we aim to match the commitment of investors with a fast, responsive, deal focussed approach with a 'Hello Telford' landing offer and options around finance, land, design and build, property, recruitment and skills. Our offer includes the commitment of senior business champions from across our sectors willing to engage with and support potential and new investors.
- 4.19 A separate report to Cabinet sets out the Council's proposals for a £20m **Growth Fund**. This will enable the Council to fund the acquisition of land or property and build premises on behalf of investors for leaseback, driving growth and business expansion and delivering a revenue return to the Borough.
- 4.20 The Council has already made funding available through the Pride fund to remove the cluttering effect of excessive signage on our industrial estates. The Council has prioritised seeking funding for industrial estate improvements as part of future Growth Deal funding bids and will consider how the branding of our existing estates can be improved.
- 4.21 Taking advantage of Telford's growth opportunities, Invest has already developed tailored offers targeted at key sectors and will develop these for locations including T54 as a flagship employment site for advanced manufacturing and specifically the automotive supply chain and for Newport, where the Harper Adams 'brand' will enable us to create a unique and persuasive offer for potential investors in the food and drink and agri-tech research sectors.
- 4.22 Going forward, we will work closely with the Telford Business Board and Sector Champions to develop further growth proposals around developing 'Centre of Excellence' concepts, building on the innovative work of local businesses such as Ricoh.
- 4.23 Telford has the highest concentration of skilled workforce outside the SE and major, sector employers including Cap Gemini. Our strategy includes working with these partners to lobby and position Telford as a regional competitor in the Digital and ICT sector. This will help to promote Telford's potential to HMRC who have already identified Telford as a Specialist Digital Hub and other Government agencies, consolidating and growing local jobs and acting as a stimulus across our business base.

Telford Growth Hub

- 4.24 On 21st October the Council, with its partners the Telford Business Board, the University of Wolverhampton and Marches LEP, launched a new business **Growth Hub** at the Telford Innovation Campus, Priorslee.
- 4.25 The **Growth Hub** will bring together Telford's Investment and Business Support Team with the University's Business Solutions team, the Business Board Sector Champions and a range of other local, regional and national business support providers to create a one stop shop that will meet all business needs and will act as a showcase to attract inward investment.
- 4.26 The **Growth Hub**, which offers hot-desking, meeting space and access to webinars, will also provide access to significant European Grant Funding programmes, export advice, direct access to research and innovation and links to business and sector networks. The Federation of Small Business and the Chamber of Commerce are among the local business networks already closely engaged with the Hub.

Measuring Success

- 4.27 Success will be measured through an agreed set of key performance indicators that will cover both business support and inward investment activity. These will be set out in detail in the economic strategy and they will link with the Growth Hub reporting requirements of the Marches LEP.

5. IMPACT ASSESSMENT – ADDITIONAL INFORMATION

6. PREVIOUS MINUTES

None

7. BACKGROUND PAPERS

Appendix 1 – Enterprise Telford Pledge

Report prepared by Kathy Mulholland Service Delivery Manager, Inward Investment and Business Support, Telephone: (01952) 367572

Appendix 1

Enterprise Telford - Our Pledge to Business

We are committed to promoting the economic growth and prosperity of our whole Borough. We don't limit success to a single sector or location - **Enterprise Telford** – is a borough wide enterprise area – open for your business.

Wherever you invest, we can promise you the operating environment, skilled workforce, business support and the infrastructure to help you realise your ambitions. Whether you are an existing business with potential to expand or a new investor, we pledge to work with you to create an **Enterprise Telford** package tailored to support your plans.

Investors in **Enterprise Telford** will benefit from our unique experience of successfully matching investor expectations to tailor-made support. Our 'business winning, business supporting' approach, which brings together all the Council's business facing teams (planning, property, design, skills, business rates, business support) through a **dedicated account manager will guarantee you a red carpet welcome**.

Our **Business Growth Hub** offers a one stop shop for access to funding, business and sector networks, export advice, support with recruitment and skills training and direct access to research and innovation expertise from our two world class universities.

Hello Telford is our welcome offer - a fast and efficient property service, free hot-desking and meeting facilities and potential for rent free office space to assist with your relocation.

When you choose Enterprise Telford the Council's **in-house design and build service** can project manage the construction of your new premises and offer a complete relocation support package with charges discounted to reflect the level of investment.

We offer opportunities through our **Telford Growth Fund** to acquire land or buildings and deliver bespoke accommodation solutions on your behalf with leaseback options and long term property management services

Enterprise Telford will ensure that you benefit from **quick planning application validation, comprehensive and timely planning advice** including planning obligations and conditions that maximises certainty prior to major investment.

Enterprise Telford will provide **access to finance, supporting businesses from start-ups to multi national** to access a range of grant funding to support initial investment, expansion or diversification into new products or processes.

10 wards across Enterprise Telford benefit from **Assisted Area status providing additional financial incentives**

To maximise on funding success Enterprise Telford offers **free professional consultancy support and a competitive bid writing service.**

Enterprise Telford will help you attract and **recruit staff providing a one stop brokerage service to meet all skills, training, work experience and apprenticeship needs.**

Wherever you choose to invest in Enterprise Telford, you will have benefit from **high quality infrastructure provision** – fast road and rail connections regionally and nationally, uncongested local connections, energy security and fast, affordable broadband provision.

Enterprise Telford...whatever the sector, whatever the size, our focus will always be on you, your business, your plans

Testimonials 2015

James Beirne of Midland Alloy and Telford Business Board sector champion: " To have business support services under one roof is a great asset for the Telford business community. It also shows to future investors that we are pro growth and a great place to do business."

Rekha Rani Chhiber, managing director for Asteria Global Ltd: "It was on the off chance I rang Telford & Wrekin Council business support and I'm so glad I did. Through this service I decided to stay in the borough rather than relocate to Birmingham. A great choice and I'll be using the growth hub for my latest ideas to grow my business...."

Bryan Webb, Managing Director for Edgmond Food: "We will be relocating (in Telford) to a larger premises soon which is really exciting and through a streamlined range of business support services this has been a smooth process..."

Graham Humphery, Chairman of Eurofilm Extrusion Ltd : "We've accessed funding through a range of business support providers to increase our production. Identifying funding can be somewhat of a mine field but Telford & Wrekin Council's business support team helped us through this process - the growth hub will help other businesses to gain support when and where they need it."