

CUSTOMER, COMMUNITY & PARTNERSHIP SCRUTINY COMMITTEE

Minutes of a meeting of the Customer, Community & Partnership Scrutiny Committee held on Tuesday, 10 May 2016 at 6.00pm in Meeting Room G4, Addenbrook House, Ironmasters Way, Telford, TF3 4NT 7

Present: Councillors N England, J Ashford, S J Reynolds (part), P Scott, J Seymour (part), B Tillotson.

Also Present: K Kynaston, Assistant Director, Business, Development & Employment (CCP-20); K Mulholland, Inward Investment and Business Support Service Delivery Manager (CCP-20); S Jones, Scrutiny Officer.

CCP-18 Apologies for Absence

Cllr. G Cook

Cllr S Davies Cabinet Member Business, Neighbourhood & Customer Services and
Cllr G Reynolds Cabinet Member Employment & Skills

CCP-19 Declarations of Interest

None

CCP-20 Business Support

The Chair introduced the item saying that the committee had looked at customer services for residents and now wished to find out how the Council was supporting businesses and attracting inward investment, and to follow up on previous scrutiny recommendations which the Scrutiny Officer explained were the report on Developing Skills for Business in 2010, First Point for Business in 2012 and Tackling Youth Unemployment in 2014.

The Chair referred members to the report circulated as Appendix A and invited officers present to present the report.

The Assistant Director explained that things had moved on a long way since the previous scrutiny reviews and there had been many new initiatives and a lot of work had been done with businesses. Her area of responsibility included the business support and inward investment teams as well as the employment and skills team.

The Service Delivery Manager then gave a slide presentation to show the journey from 2013 to the present, making the following key points:

- First Point for Business was launched in 2013 as a single point of contact for businesses with the front door in Wellington. Also in 2013 the Council launched Invest in Telford as a proactive campaign to promote Telford, support growth and attract investment into the borough. Invest in Telford would be superseded by Enterprise Telford which would launch the whole of Telford as an enterprise area later in May. The development of Enterprise Telford had been influenced by

experience from work over the last 3 years and new regional and national initiatives, significantly the government's Growth Hub programme which had included the opening of a physical Growth Hub at Wolverhampton University Innovation Campus, Priorslee in October 2015.

- The focus had remained on the Business Supporting and Business Winning approach. The team had been split into two teams of Business Support Officers and Inward Investment Officers. Key areas of work included:
 - The provision of free business support for all types of business from start-ups to high growth larger companies;
 - Developing partnerships and networks, including hosting events and supporting the development of the overarching Telford Business Board;
 - Attracting funding for growth;
 - Providing recruitment, skills and training support to businesses and working with education providers to develop employer-led skills training;
 - Account Management of top180 foreign direct investors (FDIs);
 - Promoting the borough to investors and intermediaries regionally, nationally and internationally;
 - Cross-Council working to provide a joined up service to businesses.
- **First Point for Business** had been launched in 2013 in response to feedback from businesses and the Local Economic Assessment which highlighted the need for the Council to provide a joined up and proactive service for business. Previously, business engagement with the Council tended to be driven by regulatory services such as planning or environmental health. First Point for Business was established in Wellington as a one-stop-shop for businesses to access Council services – such as business support, estates and investment, planning, regulatory services, business tax - and to enable the Council to be proactive in helping businesses to maximise growth opportunities.
- **Invest in Telford** was also launched in 2013 as a proactive campaign to raise Telford's profile regionally, nationally and internationally and to front interactions with businesses. The service provided free business support and tailored packages for potential investors which could include business planning, marketing, property, skills etc. as well as wider factors such as housing or lifestyle which could influence an investment decision. Invest in Telford had significantly raised the profile of Telford and made the borough more competitive as an investment destination. Key to this work had been cultivating relationships with UKTI (the government's trade and industry body responsible for attracting investment from overseas) to ensure international representatives and local sector specialists understood Telford's proposition. Telford was now promoted by UKTI as a key destination for advanced manufacturing, with enquiries also coming in from investors in other sectors such as digital or food and drink. Work had been done to raise Telford's profile with business intermediaries such as lawyers, accountants, property and land agents locally, and in Birmingham and London. Attendance at high profile events and trade shows in key target sectors – such as the Advanced Manufacturing Exhibition in Birmingham – helped to raise brand awareness and generate enquiries. The Telford Business Board of 20 local business leaders, chaired by a local business owner Paul Hinkins, had

appointed sector champions and was playing a proactive role working with the Council to develop propositions for investors and to articulate the needs of businesses back to the Council. Telford & Wrekin was a member of the Marches Local Enterprise Partnership (LEP) with Shropshire and Herefordshire Councils. LEPs were increasingly a route for government and EU funding and were taking a greater role in promoting regions.

- In terms of Invest in Telford successes:
 - Over 130 investment leads had been generated. The number had been benchmarked against other areas and was good;
 - There had been 21 new business investments creating 369 jobs;
 - There had been 13 multi-million pound strategic investments including the MoD, Denso, BAe systems;
 - The Business Support team had regular contact with over 3,500 businesses, with direct support provided to over 1,000;
 - £2.5m funding for growth had been attracted creating 274 jobs and safeguarding 356 jobs. ERDF and Growth Funding streams had slowed but businesses were supported to ensure bids met funding requirements for whatever streams were available;
 - Estates and investments had been involved in land and property disposal deals and providing full turnkey solutions;
 - Ten employment sites in Telford had been granted Assisted Area Status. Assisted Areas are directed by the EU Commission to link areas of deprivation with employment sites to create employment opportunities in areas of greatest need. The government had seen the opportunities for Telford around the automotive sector.

- 2015-2016 was a period of change in the local, regional and national context and Invest in Telford had needed to adapt.
 - There was increasing competition for investment and Invest in Telford had responded by exploring opportunities in different markets. The local economy was still growing. There were threats to the automotive industry and the risk of offshoring but the investment by JLR was good news and local businesses were being supported to benefit from supply chain opportunities. Locally the professional services sector was growing, the construction sector was reviving and new opportunities were being created in the food and drink sector.
 - The government's national Growth Hub programme had been introduced to address concerns about the lack of co-ordination of business advice and support and the confusing landscape for businesses. LEPs had been charged with setting up a Growth Hub – 39 had been established nationally – for businesses to access information and help through a single point. LEPs had discretion to develop their own delivery model which could be virtual or physical. The Growth Hub moved First Point for Business a step further by involving local and national partners through a single base.
 - Enterprise Zones (EZ) had been introduced. EZs were enterprise or employment sites endorsed by government to offer a standard business support package including flexibility on business rates. One EZ was designated in the Marches LEP, in Herefordshire, some years ago. . The Council's view was that by focussing incentives for business in one Enterprise

Zone in the Borough we were constraining potential investment. . Enterprise Telford designated the whole Borough as an enterprise area which offered a stronger package to investors and business expansions than EZs.

- The Telford Business Board was expanding and had taken a sector-based approach. Sector leads acted as ambassadors, promoting Telford to potential investors, reflecting the needs of the sector back to the Council and partners and had brought fresh ideas about things that could be done.
 - University investment in the borough had grown. The University of Wolverhampton had expanded the campus at Priorslee and made significant investment in advanced manufacturing (especially automotive) research and training. Harper Adams University had invested in its agritechology centre, collaborating with 70 businesses and looking at further expansion.
- The **Telford Growth Hub** had opened in October 2015. The model for the Marches LEP Growth Hub was a central website supported by LEP staff and a physical hub in each local authority area. The Telford Growth Hub had been co-located with the University of Wolverhampton on the Priorslee campus to maximise opportunities for partnership working particularly around HE-business collaboration. Over 350 businesses had visited the Hub since October. The space had been used for networking, business events, and seminars on topical or specialist issues such as cyber security or drone technology. Hot-desking and meeting rooms were available for use by businesses, especially start-ups, with facilities for webinars and video conferencing. It was suggested the Committee visit to see the Hub for themselves. In-kind sponsorship had been brought in and other contributions would be sought. Newsletters had been emailed to 2,000 businesses and the database was growing, and the hub had also been promoted on social media. The model was still developing and the approach was to be flexible.
 - **Enterprise Telford** would be launched in May to promote the whole of Telford as an enterprise area and to position Telford in relation to the Enterprise Zones. The campaign would build on the positive growth and opportunities in the borough, such as the HCA land deal, and the next stage would be to develop propositions for the borough towns. Work had already started on a proposition for Newport and there had been discussions with Harper Adams about developing a cluster of high-tech companies. The Pledge to Business replaced the Charter for Business and set out a range of ways in which the Council would work with businesses. The Economic Development Strategy would bring all the work together and would be launched on the same day as Enterprise Telford.
 - Looking forward, a number of strands of work would continue to be developed or would be developed:
 - Skills shortages remained an issue raised by local businesses and significant work was being done with the LEP, businesses and education providers to address shortages in key skill areas such as advanced manufacturing, engineering and construction by expanding training provision and apprenticeships and using the Growth Hub to provide in work training and up-skilling opportunities which may be tailored to specific sectors.

- Work with the Telford Business Board and other networks would continue to develop, particularly linking into industry networks such as Shropshire Constructing Excellence.
- Work would continue to capitalise on local growth potential. Regionally, Telford would build relationships with the West Midlands Combined Authority (as a non-constituent member) and with the Midlands Engine to promote Telford particularly the amount of ready-to-go land which gave Telford the advantage over competitors.
- Taking opportunities for joint marketing, attending events and ensuring local businesses benefit from the series of UKTI trade missions over the next 3 years.
- Attracting grant funding to support business growth was increasingly important. Telford was jointly bidding with Shropshire and Herefordshire for European Development Programme funding. £87 million had been allocated to the Marches LEP for projects meeting priorities set by the EU largely around business growth and job creation. Telford, Shropshire and Herefordshire had engaged with the Birmingham business growth programme and Telford was working with local businesses to help them access grants from £10k-£150k to help businesses benefit from HS2. Local businesses were being supported to bid for the Green Shoots capital funding administered by Wolverhampton University. Telford was leading on a bid for Growth Hub funding to provide income for the Hub to extend the range of support including coaching and mentoring or activities to support high growth companies (organisational programmes, work force development etc).
- Linking into networks and centres of excellence where Telford may have an opportunity to raise its profile and for businesses to share best practice, for example the Catapult centres for automotive, advanced manufacturing or digital. Catapult centres were seen as Centres of Excellence in their sectors and helped attract and drive investment. Work was being done to build on Telford's IT strengths and a bid had been submitted with the University of Wolverhampton to develop an offshoot of the digital Catapult in Telford. A decision would be made in July. Further funding would be sought wherever possible to roll out programmes and work would be done to ensure government departments and providers such as Cap Gemini stay in Telford.
- Opportunities to maximise commercial income from Council services would be pursued, for example developing biT as a commercial architecture and design practice.

The following additional information was provided in response to questions. Cllrs Seymour and Reynolds left the meeting at 7.15pm:

- In terms of business events, some generated a lot of enquiries and some generated none and it was noted that inward investment deals could take a long time to come to fruition. It was important for Telford to have a presence at

exhibitions and to be competing with other areas. Telford's stand at the national Advanced Manufacturing Exhibition had generated several leads.

- In relation to filling the gap in the job creation target between the 8,500 jobs projected in the Local Plan to be created by the HCA land deal over 10 years i.e. 850 per year, and the 643 jobs created over the last two years, there was increasing evidence of demand for employment land. Expansions to date had been fairly small, creating 10-20 jobs, but there was now increasing demand for employment sites for example four companies were competing for a site at Hortonwood. The job creation statistics reported related directly to Council intervention but did not take account of other companies which had expanded or located in Telford but had not used Council services where the number of jobs created may not be known. The Council would know about business moves from business rates but the size of the premises did not necessarily give an indication of the number of jobs, for example if a new factory was highly automated and employed relatively few people in relation to the size of the site. It could be hard to project numbers accurately and the targets were challenging but the provision of employment land was an incentive for investment and the Hortonwood site alone was projected to create around 1,000 jobs. The key was to promote the borough and to understand which companies were in the borough and how they could be supported.
- Responding to a suggestion that more should be done to raise public awareness of successes and what the Council was doing to support business growth and attract investment, such as developing the Newport proposition, it was acknowledged that communication tended to focus on the business community but the Cabinet member had also picked up on this point. It could be difficult to articulate the scope and impact of activity to the wider community but the Growth Hub, and successes around the Growth Hub, could be a 'hook' to communicate with the public e.g. around job creation and more was planned to be done to raise awareness with Town and Parish Councils and partners. Members suggested the communication strategy for Enterprise Telford should include awareness raising with members of the public.
- In terms of the potential impact of a 'Brexit' officers had not picked up on any undue concern from the wider business community and had not seen a change in the investment landscape although location deals could take a significant time to plan. It was acknowledged that there were differing views on Brexit within the business community. The Council's approach to attracting investment had shown proven success and work to support businesses and with the University would continue and would adapt to any changes.
- There were questions about support for the retail sector, particularly bringing empty premises on high streets back to use. European funding could not be used to support the retail sector (only business-to-business companies) and although the Growth Hub was open to all businesses the retail sector would not be able to access programmes (such as the coaching or mentoring) funded with EU money. However the business support team linked into other Council programmes such as Pride in Your High Street, or worked with partners on projects to support retail on the high street such as the Pop up Shop in Wellington. In terms of incentives to encourage investment in high streets and dealing with semi-derelict properties, the business support team tended to focus on issues at a macro level such as how to improve the environment and increase footfall and were looking at the next steps for high streets including options

around business rates and linking into other strands of work such as bringing empty properties back to use. However, consideration could be given to looking at issues at a more detailed level. One of the issues with derelict properties was convincing private landlords to invest in the property.

- In terms of bridging the gap between skills in the local labour market and the skills needs of employers, many factors contributed to the skills gap such as changing business needs, the ageing workforce and the increased demand for skilled workers by JLR which had create skills shortages for companies in the supply chain. Work was on-going to develop relationships between schools and education providers, and businesses to encourage the take up of apprenticeships, ensure young people are prepared with appropriate employability skills, mentoring and buddying programmes and to help schools understand what local businesses need. The new Ofsted inspection framework would help as it included more measures related to careers support. The availability of the right skills in the local labour market was a key consideration for investors and the links to the Universities and FE had helped but efforts needed to continue. Bespoke training had been developed in the past where the investor's needs had been identified early on.
- Lifestyle factors could influence investment decisions and information about housing, or executive housing, schools or other factors was provided as part of the package for investors.
- There was a discussion about how easy it was for businesses to access information on the website. Members commented on the good quality and amount of information on the Invest in Telford website but suggested the menu of services could be more prominent. Some issues were raised with out of date information which had come up on internet searches or areas which could be improved which would be looked into. Members were given assurances that businesses did not have a problem contacting the service or finding Telford & Wrekin on the website and there was no shortage of new enquiries. The links between the Invest in Telford and the Growth Hub websites would be reviewed as the Growth Hub concept was pushed forward and it was felt that the Growth Hub website was strong and easy to navigate. Members noted there had been good feedback on the Council's Twitter feed.
- The £20m Growth Fund was allowing the Council to invest in land and property where an investor is looking to lease a property or to make speculative development where there is proven demand. The investment then delivers a revenue return with the property included in the Council's Property Investment Portfolio One Telford had been the inward investment company for Telford years ago but the service had been taken back in house and One Telford no longer existed.
- With regard to encouraging self-employed traders like plumbers or electricians to take on an apprentice, many self-employed traders came to the Council for help to get up and running and could be a pool of people to target to encourage to take on an apprentice. The apprenticeship grant was available for SMEs Members were assured that the issue identified by scrutiny in the past of multiple records for businesses had been resolved by bringing everything together in a single client relationship management system (Evolutive) which was visible to a number of parts of the organisation and used to manage all interactions across the Council and produce reports.

- In terms of the relationship between First Point for Business and the Growth Hub, it was felt that they did not compete. First Point was for businesses to access help and advice but not many businesses use the front door as the advisors tend to go out to the business. The Growth Hub would become the focus for businesses but First Point would be retained in Wellington as a front door to planning and other business-related services in the building.
- Traffic on the website was monitored as far as possible. The number of visitors to the website and which pages they look at could be monitored but the system was not as sophisticated as it could be and this could be something to look at. The issue was with knowing who the visitor was which was not possible unless they register on the website and asking people to register could deter people from using the website.

When there were no further questions there were a number of suggestions of further work the Committee may wish to consider:

- Visit the Growth Hub and/or University of Wolverhampton to increase Members' understanding of the offer and to make any comments;
- Meet with an existing investor to explore their experience of the journey;
- Explore with the Telford Business Board sector champions how more businesses could be engaged going forward;
- To look at how Members and other people could encourage their business contacts to get involved with the Growth Hub including promoting opportunities for in-kind sponsorship.

CCP-21 WORK PROGRAMME

The Work Programme working document was tabled and members discussed items for future meetings. The following items were agreed subject to review of the 2016/17 scrutiny work programme and allocation of resources by the Scrutiny Management Board after Annual Council:

- A meeting in July (date to be confirmed) to follow up on issues raised at previous meetings on Customer Services and Traffic Management;
- Cllrs England, Ashford, Scott and Tillotson volunteered to take part in the mystery shopping and product testing exercise for the next meeting on customer services;
- A meeting in September to consider performance on the elements of the waste services contract delivered by Veolia;
- A meeting in November to consider performance of the environmental services contract delivered by TWS as preparation for further work related to the tender process in 2017/18;
- To add the suggestions from today's meeting to the work programme for further discussion;
- Members noted the Committee has responsibility for scrutiny of flood management and that the Flood Management Strategy was due to be refreshed;
- Members were interested in looking at issues related to HMOs in more detail.

The meeting ended at 7.55pm

Chairman:

Date: