

28th November 2013

REPORT OF THE PORTFOLIO HOLDER FOR ECONOMY AND EDUCATION**Shared Service in Economic Development – Annual Report & Progress Update****EXEMPT INFORMATION**

None

PURPOSE

To update Cabinet on the progress made by the Shared Service in Economic Development in the implementation of the Business and Economic Partnership's (BEP) Economic Strategy 2011 and the contributions made to the development of the local economy.

RECOMMENDATIONS

1. Cabinet notes the progress made by the Shared Service and BEP in implementing the 2011 Economic Strategy.
2. Cabinet notes the review of the 2011 Economic Strategy and that a refreshed Strategy will be presented to Cabinet in early 2014.
3. Cabinet endorses the continued work and approach of the Shared Service and BEP in seeking to achieve the ambitions of the Economic Strategy and related economic objectives of both Tamworth Borough Council and Lichfield District Council.

EXECUTIVE SUMMARY

The Shared Service in Economic Development has been operating since April 2009 in partnership with Lichfield District Council and covering both district areas. It is delivered by the Economic Development Team (part of the Councils Planning and Regeneration Service) and is governed by a Service Level Agreement between the 2 authorities. The main objectives of the service are to undertake activities and support policies that encourage sustainable local economic growth and to co-ordinate business support and engagement across the 2 districts.

The main vehicle for achieving the service's objectives is the Business and Economic Partnership (BEP), a group of public, private and voluntary organisations and businesses which was formed in 2009 immediately following the establishment of the Shared Service. The BEP was established in order to support and develop the local economy and to articulate the priorities, needs and economic significance of the Lichfield and Tamworth area, as well as to provide a conduit to co-ordinate business engagement across the 2 districts.

In addition, the Shared Service provides a mechanism for both councils to liaise closely on matters related to wider economic partnerships, and in particular the Southern Staffordshire Partnership (SSP) and both Local Enterprise Partnerships (LEPs) that cover the area, Greater Birmingham and Solihull LEP (GBSLEP) and Stoke and Staffordshire LEP (SSLEP). The Service also inputs into and influences key council policy areas related to economic development across both districts, such as Local Development Plans, Development Control (including planning applications requiring an economic perspective), regeneration initiatives, asset management, town centre management and tourism initiatives.

In order to provide strategic direction for all partners involved in the BEP, an Economic Strategy was developed in late 2011 with the direct support of the Shared Service. This strategy clearly articulates an ambition to support sustainable business growth and development and was put together following the extensive involvement all partners within the BEP and a wider consultation exercise with local businesses and partner organisations. The strategy was also endorsed by the Cabinets of both Tamworth Borough Council and Lichfield District Council.

The overall aim of the Strategy is to promote a stronger, more resilient local economy through sustainable business development and growth, which reflects both the urban and rural dimensions to the Tamworth and Lichfield area. The following economic vision was agreed:

“Building on the excellent location to live and work, communication links with the whole country and local skilled workforce, we will provide an environment that encourages and actively supports all new and existing businesses, with a view to developing areas of excellence.”

The 5 key themes identified as priority areas for action were

1. Supporting our businesses
2. Place promotion
3. Infrastructure to support business
4. Town centres
5. Workforce development

As part of the Shared Service monitoring processes, the Economic Development Team produces a Business Plan for the Service and meets with Lichfield District Council on a monthly basis to review progress to this plan, as well as to the wider Economic Strategy. In addition, each Summer, the team produces an Annual Report to summarise progress made over the previous financial year. The Annual Report of the Shared Service for 2012-2013 ‘Delivering the Goods’ is attached for information.

To summarise the Annual Report, over the past year there has been much more in the way of specific delivery of projects and initiatives, as well as the strategic influence of resources controlled by others. The delivery of these projects and initiatives has been grouped around 3 particular work streams:

1. **Business support**, encompassing how we respond to business enquiries, the various business support schemes we have delivered or contributed to and our work through Think Local 4 Business.
2. **Business engagement**, covering the support of the BEP, the emerging BEP communications strategy and tools, the Business Networks Forum and the business events we have staged.
3. **Shared strategic thinking**, which includes our contributions to and influence of the Southern Staffordshire Partnership (SSP), Local Enterprise Partnerships (LEPs), our joint work on how we market Tamworth and Lichfield as a place for business and contributions to the place agenda such as town teams and planning/development management.

The Shared Service Annual Report provides a lot more detail around the activities delivered within these 3 work streams. The resources that the BEP and Councils have at our disposal to support these work streams are also outlined. Finally, the Annual Report concludes by summarising how the BEP and Shared Service are continuing the progress made in implementing the Economic Strategy. In particular, this highlights how the BEP/Shared Service will continue to add value to what is already being delivered around the identified 3

key work streams of Business Support, Business Engagement and Shared Strategic Thinking.

It should also be noted that the BEP and Shared Service are currently reviewing the Economic Strategy with a view to publishing a refreshed document very early in the New Year. The refreshed Strategy will focus more on where the BEP and Shared Service can *add real value to what is already being delivered elsewhere*, rather than seeking to reflect or duplicate this activity and/or create additional complexity. The BEP will achieve this on 3 specific fronts: 1. **direct delivery** of activities; 2. **strategic influence** of other partnerships and activities; and 3. acting as a **communications conduit** for the business community. The refreshed Strategy will also articulate how the Shared Service and BEP will contribute to achieving the ambitions contained in the Tamworth Growth and Regeneration Plan, which is also being presented to Cabinet for endorsement at this time.

Overall, the Annual Report and progress made by the Shared Service and BEP represents an excellent example of how the Council is working effectively with Lichfield District Council in achieving shared objectives and ambitions through more effective use of combined council resources. In addition, the Shared Service and BEP have allowed both councils to coordinate views and exert greater influence in wider strategic partnerships, and in particular the Southern Staffordshire Partnership and both Local Enterprise Partnerships that cover the 2 district areas, namely Greater Birmingham and Solihull (GBSLEP) and Stoke on Trent and Staffordshire (SSLEP). This is becoming ever more important as LEPs are provided with greater financial and investment resources by Government, and in particular the management of European Structural and Investment Funds and the devolvement of government budgets through the Single Local Growth Fund.

RESOURCE IMPLICATIONS

Lichfield District Council pays Tamworth Borough Council an annual management fee of £22,220 to deliver the Shared Service, providing a direct mitigation of the costs of the Economic Development Service. In addition, Tamworth Borough Council and Lichfield District Council pool some economic development operational budgets within the Shared Service to facilitate the BEP and deliver activities around marketing, communications, business engagement and business networking events (amounting to £26,000 in total), which leads to some economies of scale in delivery, as well as scalability of impact.

The Shared Service and BEP seek to influence other partnerships' programmes and activities, and in particular the LEPs, who have co-ordinated funding to expand existing business support activities or instigate new programmes of activity. This has already leveraged in new funding sources into the LEPs and lead to the provision of new business support services for Tamworth and Lichfield based businesses that were hitherto not available to them, such as the GBSLEP Business Development Programme funded by the European Regional Development Fund, the Advanced Manufacturing Supply Chain Initiative and Green Bridge Initiative, both funded by the Regional Growth Fund

Although officially only part of one LEP (GBSLEP), Tamworth Borough Council does engage with both as it is in its interests to do so, both strategically and politically. Through the ever expanding activities and structures of the LEPs, this has placed ever increasing demands on officer time within the Shared Service, as well as from other officers and members across the council.

Supporting local economic growth will play a vital role in future income generation opportunities for the Council, such as business rates growth, new homes bonus and the general benefits of an increase in local spend.

The Shared Service and BEP will continue to identify and pursue direct income generation opportunities through the service's own activities, such as leveraging in European match funding/grants and advertising/sponsorship. For instance, so far the service has leveraged in £6,734 of ERDF match funding through its delivery of the GBSLEP Business Development

Programme. It is also anticipated that the delivery of a new portal style of website for the BEP (www.bep4business.co.uk) will provide some advertising and sponsorship income generation opportunities.

LEGAL/RISK IMPLICATIONS BACKGROUND

The main risks to the Shared Service/BEP and delivery of the Economic Strategy have been highlighted as follows, along with mitigation measures:

1. Either district council ceases to fund the Shared Service and BEP

Mitigation: Regular attendance and participation at BEP meetings, regular updates with Lichfield District Council.

2. Partner organisations lose commitment to the BEP

Mitigation: Continuous engagement of partners through the BEP Board, communication channels and through other less formal exchanges.

3. Shared Service/BEP loses influence with and confidence from other partnerships, in particular the LEPs

Mitigation: Continued participation in relevant Boards, Steering Groups and work streams, as well as less formal exchanges.

4. Shared Service/BEP loses influence with and confidence from the business community

Mitigation: Continuous business engagement through the Business Networks Forum to ensure business views are captured and acted upon. Development of comprehensive BEP communications strategy and allocation of resources to implement.

5. BEP Strategy fails to have desired impacts

Mitigation: Clear lines of accountability for the Strategy on the BEP Board. The BEP will continue to influence and engage with partners to ensure their activities work towards the stated objectives of the Strategy.

SUSTAINABILITY IMPLICATIONS

The objectives of the Shared Service and BEP are to promote inward investment, indigenous business growth and new business start ups on a sustainable basis so that the businesses and jobs thus created are around for the long term.

The creation of increased local job opportunities will decrease the need for out commuting and promote more sustainable forms of transport, such as walking, cycling, rail and buses.

Businesses will be encouraged to adopt more sustainable business practices, including product/process enhancements, waste management and energy consumption.

Through the creation of a local business network, businesses and public bodies will be encouraged to adopt more sustainable procurement practices, increasing business opportunities to local companies and reducing the transport impact of businesses.

Residents will be encouraged to use local facilities, such as shopping, thereby reducing travelling and the resultant environmental impact.

BACKGROUND INFORMATION

See above.

REPORT AUTHOR

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LIST OF BACKGROUND PAPERS

None

APPENDICES

1. Shared Service Annual Report for 2012/13 – Delivering the Goods.

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