

ECONOMY AND ENVIRONMENT OVERVIEW AND SCRUTINY PANEL 11 SEPTEMBER 2019

ECONOMIC GROWTH

Summary

1. The Panel has requested an overview of the Council's role in Worcestershire's economic growth, specifically what is the Council doing to attract new business and to help existing businesses grow?
2. Officers from the Economy and Infrastructure Directorate have been invited to attend, as well as the Cabinet Member for Economy and Infrastructure.

How the Council attracts new business:

3. The Council has a key role to play in attracting new business to the county, both foreign direct investment, new business investment from other areas of the UK and supporting home grown entrepreneurs to establish new businesses;

Inward Investment

4. Worcestershire County Council employs an Inward Investment manager who concentrates on the delivery of the Game Changer sites, working closely with Worcestershire Local Enterprise Partnership (LEP) and district councils to ensure potential inward investors receive a bespoke service to address their individual needs, whether that be space, workforce, access to relevant supply chains or professional services.

5. As part of the Council's Investing in Growth programme, the Directorate has worked with Worcestershire LEP to launch a new website specifically designed for potential investors <https://www.investinworcestershire.com/> providing information on employment sites, workforce, our local economy and the support available. To complement the website we have worked with district colleagues to develop a suit of brochures which focus on our game changer sites and their surrounding areas and lastly we have worked with local companies to develop a soft landing package, which provides offers and discounts for investors from companies such as; recruitment agencies, accountancy practices and temporary office space:
<https://files.acrobat.com/a/preview/be2d0a71-b1fb-43e3-a2a8-0f67adc3fa97>

Game Changers

6. The objectives of the Game Changer Sites are
 - to create strategically important employment sites,
 - to attract commercial occupiers, that will generate new jobs and investment; and
 - to contribute to the sustainable development and growth of the Worcestershire economy.

Worcester Six

7. Worcestershire County Council invested in the infrastructure costs to enable site development. So far 50% of phase one is either let or under construction.

8. Worcester Six is a business park with a 72 hectare (178 acre) site set immediately to the east of the M5 motorway at junction 6. With outline planning consent for 1,500,000 sq ft (140,000 sq m) of manufacturing, offices, R & D and logistics buildings, Worcester Six one of the regions flagship developments in Worcestershire.

Current and future Worcester Six occupiers/investors include:

- Kimal
- Spire Healthcare
- Siemens – Material Solutions Ltd
- Liberty Property Trust
- Kohler Mira
- Cornelius Drinks

Impact

9. 700,500sqft now let or under construction

Circa 250 jobs.

£71m Private Sector Leverage

£3.69m generated by Land receipt and Overage payments to Worcestershire County Council

Redditch Gateway

10. The development has planning consent for 900,000 sqft of premium employment space and the Gateway development is set to deliver up to 2,500 jobs to the area as well as achieving an increase in economic growth and productivity, through the development of high-quality headquarters-style manufacturing facilities.

11. Planning consent has been secured and construction of primary infrastructure is underway.

Malvern Hills Science Park

12. Malvern Hills Science Park (MHSP) has been developed over four phases and is currently fully let accommodating over 30 technology-rich companies employing over 350 people. Phase 5 is now built providing a further 17,000 sq ft of Technology/R&D

13. Recently Worcestershire County Council together with Malvern Hills District Council purchased 4.5 ha of non-serviced land adjacent to the MHSP site with the intention. It is anticipated that the development will accommodate up to 250,000 sq ft of B1(b) commercial floor space.

14. The vision is to establish Malvern Hills Technology Park as a co-ordinated and coherent business environment that provides a location of choice for knowledge and technology rich business in Worcestershire capable of supporting the sustainable development of the Worcestershire economy. The combination of the existing MHSP site, the new development land and the relationship with QinetiQ now has constituent parts to create a European scale Science Park.

One Worcestershire:

Stimulating new business creation:

15. Worcestershire County Council is working alongside District Councils and University of Worcestershire to provide a comprehensive package of support to people wanting to start a new business in the county.

16. Over the past 2 years we have supported over 700 people to start a business, almost 200 early stage businesses, creating over 200 new jobs.

17. The Programme offers a variety of support to enable start-up and early stage enterprises to develop and prosper. From Start-up workshops to help businesses get off the ground to grants and early stage support that will help a company's sustainable growth.

18. The range of current services available for start-up businesses includes:

Enterprising Worcestershire - Business grant

Grant support from £1000 – £2500 is available to start up and early stage enterprises looking to make some capital or revenue purchases that will help them establish or grow.

Start-up workshops:

For any would-be entrepreneur in the early stages of planning their business. These free courses cover all aspects of setting up a business from getting the right mind set to basic financial control techniques, market research and writing a business plan.

Summer Start-up Boot Camp

The University of Worcester summer business start-up programme is aimed at people within Worcestershire who are in the process of, or are interested in, setting up a business.

Business Development Workshops

Experts are delivering a rolling package of support workshops which cover a range of topics pertinent to early stage enterprises in a number of locations throughout the county with some additional 1-2-1 follow up support.

High Growth Start-up support

This specialist service will support start up or very early stage enterprises who have rapid growth potential. Focuses on bespoke 1:1 tailored support.

Weekly grant/support clinics

Every Friday at The Hive, Worcester 9-4. Drop in sessions to advise businesses on support available and guidance on grant applications.

19. In terms of future planning, the Directorate is continuing to work with colleagues to submit applications for further funding which includes existing partners, and in addition our Library Service this will include online resources, a trained member of staff in each key library across the county all operating under Enterprising Worcestershire brand to ensure there is a single message to people starting a business within the county and a consistent service offer.

How the Council helps existing businesses to grow

20. Worcestershire County Council has a comprehensive service offer to support the growth of local businesses, including bespoke consultancy and advice, finance in the form of grants and loans, events and workshops, commercial space, and providing networking opportunities including events where businesses get the opportunity to pitch to commercial buyers at Find it in Worcestershire.

21. Our business support services are now delivered under four core headings; Worcestershire Innovation (WINN), Accelerate Growth, Enterprising Worcestershire and Clean Growth/Sustainability. The breadth of programmes enables us to be able to support a business at each stage from start-up, proof of concept, early stage (commercialisation) and growth. Each programme has a common structure providing companies with:

- Bespoke one to one support
- Workshops/Events
- Networking
- Grant funding
- Online resources

22. The Council works closely with partner organisations including district councils, University of Worcester, Worcestershire Business Central (where members of our team are co-located), the Chamber of Commerce and Worcestershire LEP, to ensure our services do not duplicate other market offers and where possible we work in partnership to maximise the impact on the business. Key areas of delivery which support economic growth are:

- a. Business Support
- b. Worcestershire Business Central
- c. Partnership Working

Business Support

23. The Council has a number of support programmes which are in place to foster and facilitate growth within local businesses, as mentioned above these fall into 4 categories; WINN, Accelerate, Enterprising Worcestershire and Clean Growth. To support the development of these programmes we have been awarded in excess of £8m of EU funding. See Appendix 1 for additional information on the outcomes of these programmes and case studies.

24. Over the past 2 years the Council has supported over 2000 local businesses, of which 580 businesses have received at least two days of bespoke consultancy support and over 350 businesses have received grants totalling £4.4m to facilitate growth which has created over 600 jobs.

25. Just one example of the programmes we operate is WINN which offers companies a number of support mechanisms all developed in consultation with local businesses. The offer includes;

26. Funding: POC Grants (capital and Revenue): Companies can access grants of up to £30,000 match funded (40% grant/60% business match), this is the 3rd programme of this kind currently operating and since its launch in January we have received over 30 expressions of interest and contracted with 8 businesses, the majority of these applications have come from innovative engineering companies

working across a range of sectors including component manufacture for the automotive, heating, rail, and flood protection markets and automated manufacturing, with other applications from companies developing new software for the surveillance, office supplies and the manufacturing sector. Applicants ranged in size from 4 to 60 employees, with annual turnovers ranging from £278k to £5.8m.

Bespoke one to One:

27. Specialist Advisors: WINN has launched its Innovation Launch Pad! This programme is comprised of two phases. The first brings likeminded entrepreneurs together, where they can create, develop and define new ideas. During the course of the day businesses will:

- Hear the latest thinking from top innovators
- Receive 1:1 exploratory business coaching
- Share the space with like-minded entrepreneurs
- Explore and develop their mind set, ideas, and goals in breakaway spaces
- Select the specialist support required in phase two

28. The second phase of the launch pad is bespoke professional support delivered at their premises by specialist advisors. The advisors they work with can be selected from a team of procured professionals with diverse specialisms, ensuring they can access the expertise when they really need it.

29. MAKE IT HAPPEN CHALLENGE: Our WINN Make It Happen Challenge enables a business to submit an application for a new business idea or product – as judged by our sponsors, the winner receives a 15K package (5k cash and individual packages of £1k from businesses across of full breadth of support).

Networking and Events:

30. We now have a network of just over 900 local business people.

31. WINN Wednesday (our regular innovation events)

People Power – February's event saw our highest booking figures of **140** businesses with over 100 joining us to celebrate our biggest innovation asset!

Knowing Me, Knowing You – April's event had **80** in attendance and received amazingly positive feedback from delegates and via social media. We had students from the university speaking and heard from businesses and start-ups with regards to their research experience when informing their innovation journey and on the benefits of big data to SMEs of Worcestershire.

Our next event is 11September: Show me the Money: where Haines Watts will discuss R&D tax credits, Central Business Finance will talk through types of finance available

32. WINNING Innovation events: These events are delivered in each district across the year at business locations – we have already delivered events at Morgan Cars and Pershore College, with further events planned for Coomber and DRPG. Each event include a tour of the companies facilities enabling attendees to understand the level of innovation taking place in the local economy. Each event follows a similar format e.g.

- 'Technology Readiness Levels: Funding at Every Level' Hannah Ross, Worcestershire Count Council

- 'What Do You Want To Create?' Alan Clark, Exponential Coaching Ltd
- 'Five Steps of Innovation' Sharon Chance/Tony Bennett, Coomber Innovation
- 'Bridging the Gap between your idea and the Market' Gavin Allen, Glideology
- 'Innovating the Marketing Message' Ian Woodley, Stilo Design Branding Digital
- 'Bridging the Digital' James Vincent, Hot Source Creative
- Questions & Answers

33. **GREAT THINGS:** Is a full day of Innovation with over 250 attendees held annually it includes:

- Interview style talks
- Round table discussions
- 24 workshops and seminars. The seminars focused on emerging technologies including: 5G, AI, nanotechnology, and block chain.
- The Kiln (co-working group)- providing drop in space
- Worcestershire Telecare demonstrating assisted living space
- University of Worcester – showcasing gaming undergraduate's projects.

34. **Infrastructure:**

- **The Kiln** –The Kiln opened its doors at Copenhagen Street at the beginning of August and its official Launch Event took place on 30th August 2019 with more than 130 people booked to attend.
- **BetaDen:** is Worcestershire's first dedicated tech accelerator for entrepreneurs and scale up businesses and is just introducing its second cohort of companies. The Accelerator is funded via our ERDF programme and supported by the Proof of Concept Programme Manager

Worcestershire Business Central:

35. This is the recognised growth hub for Worcestershire established by WCC in 2013 and now co-located with Herefordshire and Worcestershire Chamber of Commerce and co-funded with Worcestershire LEP. WCC currently has 3 members of staff located in the team, whose role is to improve the level of business engagement. The team within WBC promote the services provided by WCC and act a gateway and referral point for all growth and investment services as well as establishing a scale-up club to encourage growth and for local businesses to share best practice.

Partnership Working:

36. Across our programmes and engagement with business we work alongside a number of local partners, these include District Councils, HW Chamber of Commerce, University of Worcestershire, National farmers Union, Forestry Commission, Worcestershire LEP, FE Colleges, commercial space providers including, Bloom Space, The Kiln, Open Space, Basepoint and local developers, as well as the business and professional services sector and Worcestershire Ambassadors. These on-going relationships ensure that the services we provide remain relevant and provide added value without duplicating existing market offers.

37. The Council's website includes information about the range of support available to businesses:http://www.worcestershire.gov.uk/info/20278/support_for_businesses

38. Several Panel members will also be aware of the Council's role in the Worcestershire LEP (Local Enterprise Partnership), about which an annual update is

provided to the overarching Scrutiny Board, the most recent of which took place on 24 May.

Purpose of the Meeting

39. The Panel is asked to consider the latest information on economic growth in Worcestershire and the Council's activity in helping new and existing businesses and:

- determine whether any further information or scrutiny is required at this stage
- agree any comments to highlight to the Cabinet Member.

Supporting Information

Appendix 1 – Business Support Programme outputs and case studies

Contact Points

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Background Papers

In the opinion of the proper officer (in this case the Head of Legal and Democratic Services) the following are the background papers relating to the subject matter of this report:

- Agenda and Minutes of Overview and Scrutiny Performance Board on 24 May 2019
<http://worcestershire.moderngov.co.uk/ieListDocuments.aspx?CId=134&MId=2788&Ver=4>