

## **CABINET**

### **22 SEPTEMBER 2022**

## **OPEN FOR BUSINESS**

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### **Relevant Cabinet Member**

Councillor M Bayliss

### **Relevant Chief Officer**

Strategic Director for Economy and Infrastructure

### **Local Member(s)**

N/A

### **Recommendation**

- 1. The Cabinet Member with Responsibility for Economy, Infrastructure and Skills recommends that Cabinet:**
  - (a) Delegates responsibility to the Cabinet Member with Responsibility for Economy, Infrastructure and Skills to oversee the implementation of the Open for Business programme and approve future business cases for such investment, from the Open for Business Reserve and/or the Open for Business Capital Programme, up to £0.5 million per project;**
  - (b) approves the Governance Structure of the Open for Business Board as set out in this report; and**
  - (c) notes the schemes already completed and underway as part of the Open for Business Programme and its successes to date and approves relevant reserve and capital programme allocations to be spent on the proposed projects as listed in this report, namely Business Worcestershire, Visit Worcestershire, and Workforce Resilience.**

### **Background**

2. Worcestershire County Council set out its vision of creating a prosperous Worcestershire and recognised that improving economic prosperity is a vital driver for realising it.
3. A Cabinet report in February 2013, established the Open for Business Board and the original budget of £3m to deliver the ambitions of the Council's Corporate Plan. Over time additional funding has been provided through the budget setting process and additional COVID Government funding to support local businesses impacted by the pandemic.
4. The Open for Business programme has been highly successful supporting a series of projects to aid the skills agenda, including the Connecting Schools and

Business, Here2Help Business support enacted during COVID to help businesses continue during the pandemic and recover, and the Apprenticeships programme.

5. Capital Infrastructure programmes have also been supported through the Open for Business programme which have unlocked significant economic opportunity which include projects such as Malvern Hills Science Park, Redditch Railway Station, Shrub Hill, Worcester Six Business Park.

6. The Open for Business Board has also supported our local businesses to start, grow, adopt new technologies and innovate. This investment has aided Worcestershire businesses through a portfolio of business support projects, part funded by European Regional Development Fund and more recently through the pandemic achieved by the Here2Help programme.

These interventions have resulted in the following outcomes and outputs:

- Businesses Assisted **1,323**
- Business pre-start assists **928**
- **£15m** of Business Grant funding
- **£24.9m** Private Sector Investment
- **595** Jobs Created
- **820** Jobs Safeguarded
- **50** new Graduate placements
- **£5.1m** leverage from private sector matched funding
- Feasibility and Options appraisals for a range of capital schemes resulting in **£16,650m** of successful external funded bids, enabled by OfB.
- Number of Businesses joined the One Worcestershire programme **605**
- **36** 'One Worcestershire' events
- Leveraged the equivalent advertising value of **£792,000** through 'One Worcestershire' programme
- Businesses Engaged in school activities **551**
- Step-up and operation of the first 5G testbed network – nexGworx at Malvern Hills Science Park.

7. As detailed within the 2022 – 2027 Corporate Plan, “Open for Business” remains a key priority for Worcestershire County Council. The Council’s commitment is vital to enable a successful and growing local economy which will generate wealth for residents and businesses.

8. The Open for Business Board is an internal mechanism to decide on County Council investment priorities and provides governance and oversight of this budget. Given it is over a decade now since this Board was established the Council has taken this opportunity to review the Terms of Reference for the project board to ensure they remain fit for purpose and aid sound decision making. This report therefore proposes an update to this for approval, which is detailed at Appendix 1.

9. As detailed in the 2022 – 2027 Corporate Plan, the Open for Business programme proposes a series of high-level outcomes to guide its work and investments including the following guiding principles:

### ***Our Plan for Growth – The Economic Strategy***

10. To enable a modern and dynamic economy, embracing new technologies and providing businesses and residents with more opportunities, for it to accelerate our recovery from the pandemic and attract further investment and opportunities to Worcestershire.

11. We continue to engage and work closely with local businesses to understand their needs and how we can best support them to unlock their growth potential. Our proactive approach has already paid dividends, with significant growth in strategic investment sites.

12. Well managed, successful locations are great places to work but also live as well as to visit. The Council will therefore work with its partners under the banner of the 'One Worcestershire' programme to ensure collaborative with other funding sources. Also raise the profile of the County locally, nationally, and internationally as a place to live, work, learn, visit, and invest.

### ***A Connected County***

13. Leading the way in the transformation of Worcestershire's connectivity. Having good transport and digital infrastructure is a pre-requisite to attract and retain high-tech and knowledge intensive businesses and building a resilient and dynamic economy for the future.

14. Our continued investment in transport seeks to better connect our places, our people and our businesses across Worcestershire and beyond. We continue to work closely with partners, including Midlands Connect, National Highways, the rail industry and other regional bodies to make the most of our geography and strategic assets.

### ***Delivering Strategic Investment Sites***

15. Worcestershire has a strong track-record in delivering key investment sites – including Worcester Six Business Park, Redditch Gateway and Malvern Hills Science Park. We are providing more employment land for businesses seeking to expand in Worcestershire.

16. Our ambitions for the County mean we will continue to work closely with partners to bring forward further strategic investment sites. These will provide flexible investment opportunities, and cater for major market led investment, or as high-growth hubs for start-up businesses to expand.

### ***Investing in the Workforce***

17. Having a high-skilled workforce is vital to supporting economic growth and attracts further investment – particularly in better paid jobs that are a priority to bring to the County to help increase the average salary of our residents.

## **Proposed Open for Business projects for Cabinet approval**

18. Three projects were recently presented, assessed, and appraised by the Open for Business Board. After due consideration the Board's view was that all three should be recommended to Cabinet for approval. The three projects are detailed in the following paragraphs.

## A) Visit Worcestershire

19. Visit Worcestershire is the County's Destination Marketing Organisation (DMO) and plays an important role supporting the county's £990m tourism economy. In addition to visitors, it also provides an information service for residents. Visitors are looking for a diverse comprehensive wide-reaching variety of activities and attractions that only the whole county can provide.

20. Ultimately, it's the job of the DMO to attract people to the destination, inspire them to stay longer and spend more money. To do so, the DMO needs to focus on the things that make the destination unique and make people want to visit – which is the approach Visit Worcestershire has taken over the last two years.

21. Visit Worcestershire plays an important role supporting the county's tourism economy. Over the coming years, the focus and application for Visit Worcestershire will be:

### **Objective One:** Visitor Experience & Marketing:

Making Worcestershire easy to visit, making that visit easy to organise and ensuring people have a great time when they get here is 'a must' to creating a 'destination of choice'. By consistently conveying brand loyalty, tourists regularly return to the destination and become "free advertising" for a DMO: sharing with friends the value they saw in a destination, far beyond the time they spent in it.

### **Objective Two:** Sector Support:

Visit Worcestershire offers leadership and coordination across the County - supporting the sector to develop, to grow sustainably, and to work together to make a bigger impact. Helping businesses to think bigger and think about how they fit into the 'County Brand' is key to further developing the County's offer, ensuring it delivers a high-quality user experience.

### **Objective Three:** National & International Profile

Establishing a competitive edge & developing the destination's attractions and resources in a way that highlights its authenticity and characteristics will enable Worcestershire to thrive. Ensuring positive visitors' experiences, allowing tourists to push their limitations, try new things, new tastes or experiences, will deliver an excellent quality experience in a destination.

### **Objective Five:** Partnerships and Engagement

Visit Worcestershire's role is to work with partners to create a common vision, a common story and a common brand, bringing all the pieces together and acting as a leader to deliver on it. Bringing with it economics of scale, bigger impact and a 'One Worcestershire approach'.

22. The funding requested for this project is £1,459,500 to be funded from the Open for Business Revenue Reserve and the funding is expected to run from September 2022 to September 2025.

23. Outputs forecast to be delivered by the implementation of this project are

- 405 Business supported

- 1,480,000 Website traffic increases
- 156,000 Social media followers

## **B) Workforce Resilience**

24. This project seeks to step change the education curriculum in Worcestershire through local provision, meeting the needs of local employers around key recruitment needs and sectors.

25. Alongside this, the programme will focus on sustainable outcomes and improving the current process of employer engagement in the county around skills, enhancing the current work with training providers and stakeholders that engage on skills and fully exploring employer needs.

26. This will further cement stakeholder relationships seeking to improve the skills of those engaging employers to be able to understand more effectively skills needs and to refer into partners and expertise where appropriate. Long term this will support our intelligence gathering to assist in planning county needs moving forward.

Therefore, this project aims to:

- Embed a consistent and effective approach for Skills Diagnostic/ Training Needs Analysis in Employer Engagement.
- Alongside diagnostic tools, offer support for Employers to understand how to effectively workforce planning.
- Develop Incentives to encourage and support young people to undertake and complete apprenticeships.
- Curriculum development fund to reduce barriers for providers in developing and running economically vital curriculum for Worcestershire's workforce.
- Pilot programme to target those young people most at risk i.e., Care leavers and increase participation in Apprenticeships and Employment.
- Facilitate spaces for residents to access advice, guidance and reskilling services building on current resources.
- Permanent resources for length of project to drive forward promotion and marketing of Apprenticeships and Workforce planning in the County, continuing to raise profile and support agendas.

27. The funding requested for this project is £1,297,079 funded from the Open For Business Revenue Reserve and the funding is expected to run from September 2022 to September 2025.

28. Outputs forecast to be delivered by the implementation of this project are

- 500 Business supported
- 500 Residents supported into Apprenticeships

## **C) Business Worcestershire**

29. Business Worcestershire will provide support for the local economy as EU funded projects come to completion. Over the past three years, the Economic Development team has delivered a portfolio of EU funded projects that supported businesses at every stage of their journey, from start-up to growth, to supporting the development

of new products and processes, to the implementation of resource efficiency measures and diversification into the low carbon economy.

30. Previous projects have provided tailored support to specific sectors such as manufacturing, tourism, agriculture and creative technologies, maximising the £13m ERDF investment into Worcestershire. We now want to ensure that the relationships that has been developed with the local business community continues and we are able to provide the support they need to stay, grow, and flourish in the county.

31. The proposed Business Worcestershire programme is focussed on providing a more explicit whole programme management approach for business support that is driven by themes and business priorities. It will also drive national and local priorities for levelling up, growth & prosperity and deliver significant economic and environmental benefits through supporting businesses in the County to increase productivity, attract new businesses and develop higher wage jobs.

32. Business Worcestershire is designed to provide a flexible framework and delivery model that can be scaled up and grow the level of programme funding where additional funding opportunities arise. This includes the potential for district councils and other county areas to increase the level of support in their local areas from UKSPF allocations.

33. Business Worcestershire Programme will focus the support in the following key areas:

- Start-up and High Growth
- Net Zero/Decarbonisation
- Innovation & Technology
- Inward Investment

34. The programme will provide an opportunity for the economic development team to work with partners to ensure joint activity has the maximum positive impact, from high quality advice and bespoke consultancy support with related grant funding to working with partners to support key sectors, create a business-friendly environment and attract investment. It is intended that there will also be scope within the programme team for further follow-up with SMEs to take up the recommendations, signposting to the growth hub and to other complementary business support programmes and funding sources.

35. The funding requested for this project is £3,364,071 funded from the Open For Business Revenue Reserve and £727,000 from the remaining Open for Business Capital Programme, and the funding is expected to run from September 2022 to September 2025.

36. Outputs forecast to be delivered by the implementation of this project are

- 300 new jobs created
- 300 business supported
- £3,750,000 Private sector match
- 1500 tCO<sub>2</sub>e reduction in energy consumption

## Legal, Financial and HR Implications

37. Council originally allocated £7 million within the Capital Programme towards schemes meeting the relevant criteria for funding. To date £6.273 million has been allocated, leaving £0.727 million available. This report recommends the use of this remaining allocation towards the Business Worcestershire Scheme. A breakdown of commitments to date are included in Appendix 2.

38. A total of £9 million has been made available since April 2020 in the form of the Open for Business revenue reserve. £2.490 million of this has been allocated to date towards schemes, leaving £6.511 million of the reserve funding available for allocation. A breakdown of commitments to date are included in Appendix 3.

39. The three schemes in this report are requesting allocation of a total of £6.121 million, with £3.364 million towards Business Worcestershire, £1.460 million for Visit Worcestershire and £1.297 million for Workforce Planning.

## Risk Implications

1. All previous schemes have been or are being delivered successfully and within the timeframe therefore, there is a low level of risk.
2. If approved, there are normal risks regarding ensuring that appropriate qualifying expenditure is incurred, and that spending is within the cash limited for budgets. These risks are mitigated through the regular budget monitoring process
3. There is a reputational risk to the council if the proposed schemes fail to deliver against the criteria. The approach highlighted in the paper ensures that there will be a wide reach to the scheme, engaging multiple partners and service users to enable access to the support / service for the scheme to be successfully delivered.

## Joint Equality, Public Health, Data Protection and Sustainability Impact Assessments

A **joint impact assessment (JIA)** screening (and any full impact assessments – if screening indicates that they are required) **must** have been completed before the cabinet report is submitted.

The JIA screening has been carried out in respect of these recommendations. It identified that further impact analysis will be required in respect of: Equality and Public Health, Data Protection

## Supporting Information

- Appendix 1 – Terms of Reference for the Open For Business Board
- Appendix 2 – Capital Programme Allocations
- Appendix 3 – Allocations from the Revenue Reserve

- Appendix 4 – Joint Impact Assessment

## **Contact Points**

Specific Contact Points for this report

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## **Background Papers**

In the opinion of the proper officer (in this case the Strategic Director for Economy and Infrastructure) there are no background papers relating to the subject matter of this report.



## **Open for Business Board – Terms of Reference**

### **1. Vision and Objective:**

*The 2022 – 2027 Corporate Plan has identified 'Open for Business' as its key area of focus. The local economy is on course to have grown by one third by 2025 from 2015 levels. We've seen significant growth across key sectors with the County Council working more closely with the private sector than ever before and alongside our Local Enterprise Partnership. Being Open for Business is a key priority for the Council to continue this growth. Ensuring people and places are connected, physically and digitally, is vital to supporting continued economic growth, and unlock a further expansion in high-tech and knowledge intensive industries.*

*WCC Corporate Plan*

The Open for Business Board will provide leadership and direction across the council to drive policy and service integration which enables and supports the successful delivery of the Council's Open for Business agenda and the ambitions of Worcestershire's Economic Strategy. In Constitutional terms, the Board is advisory in nature, and formal decisions will be made by the CMR for Economy and Infrastructure (or Cabinet where relevant), as agreed by September 2022 Cabinet.

### **2. The Open for Business Board will have oversight and responsibility for the following investment programmes:**

The OFB Investment Programme will make investments in projects that will unlock viable economic development schemes to assist business, job growth and regenerate the County.

The Investment Programme will provide an opportunity to deliver the Corporate Plan priority of Open for Business through:

- Enable high growth start-ups to expand and remain in the County in addition to providing direct support, advice and guidance to businesses seeking to grow / inward investment.
- Raise the profile of the County and provide a clear demonstration to funders, developers and companies that the County is a proactive and positive place to do business.
- Provide a structure that is consistent with emerging Government policy, resulting in a better chance of securing more central government allocations aligned to the County Council priorities.
- Continue to champion Worcestershire in the region and on the national stage, through Midlands Engine and Midlands Connect

### **Which investments will the fund focus on?**

The fund is expected to focus on seven priority themes that are consistent with the Economic Strategies of both the County Council and the Local Enterprise Partnership and will invite projects which can support and drive growth in these areas:

- Support to key Sectors including; Advanced Manufacturing, IT & Defence & Security, Construction, Business and Professional Service, Tourism and Creative, and Health.
- The exploitation of digital infrastructure e.g., Superfast Broadband, improved mobile signal coverage and 5G
- Business creation and scale-up
- Improve the level of skills across the County and ensure that they match the future requirements of the economy
- The transformation of key transport gateways in Worcestershire to unlock significant economic opportunity
- The identification and delivery of the next major employment sites
- Identify and address where appropriate the market failure within supply of industrial and wider commercial buildings
- Promotion and positioning of Worcestershire as a place to invest and visit.

The fund could also support strategic land acquisition to assist in the above priorities which may provide a first phase of project investment for the fund.

### **3. Terms of Reference**

- 3.1 Open for Business Project Board is not a decision-making body but in constitutional terms is an advisory group to Cabinet. The Chair as Cabinet Member with Responsibility (CMR) for Economy and Infrastructure has powers delegated to take decisions up to £0.5 million following the full advice and consideration of this Board.
- 3.2 The Open for Business Project Board will recommend for approval individual project business cases greater than £0.5 million to Cabinet including investment decisions by the County Council, in line with priorities.
- 3.3 To promote and provide corporate leadership, direction and challenge for the Open for Business priority across Worcestershire County Council and will include representatives from Cabinet, SLT and at Assistant Director level.
- 3.4 To enable full and open decision making the Open for Business Board will receive business cases in support of all options considered. These business cases will include:
- 3.4.1 Demonstration that officers have actively engaged and communicated with the business community to ensure customer engagement, feedback and buy-in for the Open for Business programme across key service areas.
- 3.4.2 Demonstrated how the proposal ensures the joint alignment of vision and objectives across the Worcestershire County Council Corporate Plan, Worcestershire Local Enterprise Partnership Economic Strategy and emerging Government policy,
- 3.4.3 Clearly evidences how the proposal(s) proactively manage risks and issues relating to the delivery of the Open for Business programme.
- 3.4.4 Clearly set out an economic and financial case for action / approval that includes factors pertinent to the Levelling Up agenda and format applied by DLUHC and best practice, including return on investment.

3.4.5 Clearly sets out the proposed outputs / outcomes of the project and advice demonstrates the ability to deliver, with supporting information and evidenced reasoning.

3.4.6 Is affordable within the existing Open for Business Reserve or capital programme.

3.5 To monitor and review the delivery of project outcomes and performance indicators, in line with the priorities set out in the Corporate Plan and detailed in the work programme.

3.6 To monitor the performance of the Worcestershire economy, utilising the indicators below:

- The increase in overall employment rate of the County
- Average increase in Weekly Earnings
- Increase Worcestershire's productivity - gross value added (GVA)
- Increase qualifications, training, and apprenticeships
- The amount of private sector investment levered and attracted into the County via Inward Investment and relocation
- Business Formation Rates

3.7 The Board may entrust a time limited task and finish group as required which will undertake a specific work-stream (which may include cross organisational / partnership working). The Task and Finish will be required to report back to the OFB Board on its findings.

#### 4. Membership

Member	Job Title
Paul Robinson	Chief Executive, <b>Deputy Chair</b>
Simon Geraghty	Leader of WCC
Marc Bayliss	<b>OfB Chair</b> , and CMR for Economy and Infrastructure
Sue Crow	Growth and Investment Manager
Andrew Spice	Strategic Director of Commercial and Change
Jo Dalton	Communications Lead
Michael Hudson	Chief Finance Officer
Mark Fitton	Strategic Director for People
Hannah Perrott	Assistant Director Communities and People
Gary Woodman	Assistant Director, Economy & Infrastructure

#### 5. Format of Meetings

5.1 Meetings will be held quarterly.

5.2 The meeting will be deemed quorate when there are 3 or more members in attendance.

- 5.3 Board members may be represented by named deputies, subject to the agreement by the Chair
- 5.4 When the board cannot reach a majority decision, the decision will be made by the chair of the meeting.

## **6. Interdependencies and Reporting**

- 6.1 There are key links and interdependencies with the following groups and programmes:
- Cabinet
  - Worcestershire County Council Strategic Leadership Team
  - Corporate Business Board
  - Worcestershire Local Enterprise Partnership (WLEP)
- 6.2 Annual progress reports will be produced for SLT and Corporate Business Board.

## **7. Standing Agenda Items**

- Progress Report
  - By funding stream
  - Outputs/Impact
- Funding allocated and financial update
- Government Policy announcements
- Business Barometer
- Action List

## **8. Responsibilities.**

### **8.1 Members will be expected:**

- To adopt a fair and objective approach to assessing all project applications on their individual merit.
- To treat circulated information and discussions held in a confidential manner.
- Not to discuss decisions outside of the meeting until such time as all applicants have been informed of decisions and these have been made publicly available.
- Appointed substitute member(s) may be invited to attend in order for the Panel to remain quorate and to support the discussions and decisions to be made by the Board.
- To declare any actual or potential conflicts of interest

### **8.2 Conflict of Interest:**

Any member having an interest in an organisation/project whose application for grant support is before the Panel shall declare their connection and not vote.

## **9. Governance**

- 9.1 All Open for Business proposals will be assessed in line with the priorities set out as above together with a financial assessment undertaken by WCC finance.
- 9.2 Oversight of the programme will be through the Open for Business Programme Board and Cabinet. Key decisions will fully comply with the WCC constitution and be added to the forward plan, with decision notices published.

9.3 Cabinet Member with Responsibility for Economy, Infrastructure and Skills to oversee the implementation of the Open for Business programme and have the formal decision-making authority to approve business cases up to and including £0.5m against set agreed criteria.

9.3 The Cabinet Member to seek Cabinet approval on business cases over £0.5m

## Allocations from the Capital Programme

	£
<b>Capital Programme Allocation</b>	<b>7,000,000</b>
<b>Committed to date</b>	<b>5,273,000</b>
Projects include:	
<ul style="list-style-type: none"> <li>• Malvern Hills Technology Park (1)</li> <li>• Malvern Hills Technology Park (2)</li> <li>• Redditch Rail Feasibility / Quarter</li> <li>• Shrub Hill Estate</li> <li>• Worcester Six Expansion</li> <li>• Worcester Transport model</li> <li>• Here2Help Businesses</li> </ul>	
Proposed in this report:	
Business Worcestershire	727,000
<b>Total commitments</b>	<b>6,000,000</b>
<b>Balance Remaining</b>	<b>1,000,000</b>

## Allocations from the Revenue Reserve

	£
<b>Reserve total allocation from 1 April 2020 to 31 March 2022</b>	<b>9,000,000</b>
<b>Committed to date</b>	<b>2,489,783</b>
Projects include:	
<ul style="list-style-type: none"> <li>• Energy Strategy</li> <li>• Midlands Engine (contribution for 2 years)</li> <li>• Visit Worcestershire</li> <li>• One Worcestershire</li> <li>• Inspiring Worcestershire</li> <li>• One Worcestershire - Tourism</li> <li>• 5G Contribution</li> <li>• Moving Evesham Forward (Evesham Traffic)</li> <li>• Gamechanger delivery fund</li> <li>• Here2Help Businesses</li> <li>• Malvern College</li> </ul>	
Proposed in this report:	
Business Worcestershire	3,364,071
Visit Worcestershire	1,459,500
Workforce Planning	1,297,079
<b>Total commitments</b>	<b>8,610,433</b>
<b>Balance Remaining</b>	<b>389,567</b>