

## RURAL, ECONOMIC & ENVIRONMENTAL AFFAIRS

4th JUNE 2014

### REPORT OF HEAD OF COMMUNITIES & NEIGHBOURHOODS

#### ECONOMIC DEVELOPMENT PROGRESS

##### 1.0 PURPOSE OF REPORT

- 1.1 To provide Members with an update on the performance, improvements and the progress of Melton Borough Council's Economic Development activities.

##### 2.0 RECOMMENDATIONS

- 2.1 **Members note and comment on the performance, improvements and progress made in relation to Economic Development activities during 2013/14 and 2014/15.**

##### 3.0 BACKGROUND AND KEY ISSUES

- 3.1 In September 2012 Members approved the Economic Development Strategy to coordinate and deliver many of the actions identified within MBC's Economic Development Strategy (2012-2015).
- 3.2 The Economic Development Strategy provides a framework for partners from all sectors- public, private, voluntary and community- to respond to the economic challenges facing Melton.
- 3.3 This strategy has been developed from a robust evidence base, which has been used to identify the key economic issues currently faced by Melton. It outlines local actions to tackle local issues, set within a wider strategic framework, the successful delivery of which will support the sustainable growth and development of Melton's local economy in line with the Melton Local Plan.
- 3.4 It is important to note that this is a strategy for Melton Borough and not just Melton Borough Council. The strategy provides an overarching framework to improve the local economy, and whilst the council has a key role to lead on, and co-ordinate, this work, it is vital that the strategy has the support and commitment of all local partners engaged in this field.
- 3.5 The 4 strategic Priorities that the Strategy identifies are:
1. **Promoting Innovation and Enterprise-** to develop a strong competitive economy by encouraging emerging technologies and innovation
  2. **Enhancing Aspirations, Skills and Creating Economic Activity-** to develop a workforce to meet the needs of the local marketplace and raise ambition
  3. **Improving the Vitality of the Boroughs Town and Villages-** to create better places for local employment, shopping and entertainment
  4. **Maximising Inward Investment and Tourism-** to work with other agencies to maximise and promote a competitive economy

- 3.6 A key strength in terms of Economic Development has been the ability of the Council to forge relationships with local businesses and agencies providing direct business support, both general and sector specific. Excellent links have also been established with government agencies such as DEFRA, the Department of Work and Pensions, and more locally, the Leicestershire Local Enterprise Partnership (LLEP).
- 3.7 To promote the Council's goal of ensuring the Borough benefits from increased investment, good working relationships have also been forged with all the local property agents and alongside the planning team, the Council are well placed to assist companies to relocate to and/or expand within Melton Borough.
- 3.8 A significant range of events and packages of support are provided by the Council, taken together these initiatives give Melton Borough businesses the best chance of future success.

3.9 Business Engagement

Engagement with local businesses, landowners and developers has been a primary focus, with approximately 80 businesses having received tailored support during the previous year. This engagement has taken the form of meeting with individual businesses to provide information, guidance, advice, discuss proposed projects, ascertain growth aspirations, support to assess funding opportunities and assistance with skills and recruitment.

In recognition of the rural landscape of Melton Borough, measures have been put into place to target those businesses currently operating from home. A link and registration form was uploaded onto MBC's website so that home workers could register their business details. We requested information in relation to where the business is based, the nature of business and when the business was established. These businesses have been added to our distribution list to receive the Business Matters Newsletters, business surveys and regular MBC notifications.

3.10 Business Communication

The 'Business Matters' newsletter was designed in the summer of 2013 and distributed to all local businesses. Amongst other subject matters, it promoted the launch of 'Me and My Business', funding opportunities, social media workshops, training and events. The second edition was distributed at the beginning of 2014 and the third edition is due to be produced in July 2014. Feedback has been very positive with businesses commenting that they find the information beneficial and they value the communication and interaction from MBC.

3.11 Analysis and Evidence

Our Economic Development work is underpinned by thorough research, including a survey of businesses within the borough undertaken in August 2013. The aim of the survey was to build a picture of the local business community. The survey provided both qualitative and quantitative data on a wide variety of business related topics; this has been used to further develop business support initiatives.

In addition members of this Committee were presented with some very interesting Economic Profiles for the Borough at their meeting of 4 September 2013, which examined the following aspects:-

- Economic Performance
- Industrial Structure
- Business and Enterprise
- Skills and Qualifications
- Labour market.

3.12 The report identified a number of key findings when compared to the sub-regional and national figures, some of which include:

- Average gross weekly earnings are very low
- Employment in knowledge-driven production is below the median
- The business density of Melton is high
- 24 month business survival rate in Melton is very high
- Self-employment rate is very low
- Skills and Qualifications levels in the majority are low
- People Claiming job seekers allowance is low

Officers have used this information to develop the project specification for the Melton Me and My Learning Centre, which is now supported by ESF funding until 31 March 2014.

### 3.13 Melton Business Forum

In association with the Rotary Club of Melton Mowbray, we have launched the Melton Business Forum (MBF) in March 2014. The forum provides an opportunity for local business owners to network and obtain information and advice on business related topics. Attendees also receive MBC updates regarding events, training and funding opportunities. A mentoring element has also been introduced to support those businesses that are newly established.

3.14 The Melton Business Forum launch event attracted over 20 businesses, but this number is expected to rise as awareness of the forum increases. Feedback has been encouraging with businesses stating that they found the evening very beneficial and time well spent. The second MBF is due to take place on Thursday 19<sup>th</sup> June 2014.

3.15 With the rise of new technologies and improved digital connectivity, home-based working has grown exponentially. It therefore represents a potentially dynamic yet unsung Cinderella sector within the borough of Melton, generating wealth and employment in rural areas.

### 3.16 Business Support

A Business Support Event was held last year. The full day event covered topics such as business plans, funding, marketing, social media, website design, health and safety and human resources. The event was attended by 35 individuals and the feedback obtained at the end of the event was very positive. Many of the attendees have also taken part in subsequent business related events hosted by MBC.

3.17 Working alongside the Department of Work and Pensions, MBC hosted a Self-Employment Workshop in February 2013. The workshop was designed to support those individuals currently on benefits, but considering becoming self-employment. A total of 15 individuals attended the 3 hour workshop. Contact with some of these individuals has continued and as such, some businesses have already started trading.

- 3.18 MBC is committed to supporting local businesses and therefore we have signed the FSB Small Friendly Business Procurement Charter. This charter is designed to promote positive procurement between small businesses and public sector organisations. Details of the charter have been submitted onto MBC's website, as well as current tender opportunities and information in relation to doing business with MBC.
- 3.19 A Bank of England Event was jointly organised by MBC and the Rotary Club of Melton Mowbray in May 2014. Mr Cunningham, a representative from the Bank of England, presented at the event which was aimed at local businesses interested in current bank policies. The event was a great success, with over 60 individuals attending including teachers and business and economics students from MV16. Feedback has indicated that business owners would like this to become an annual event.
- 3.20 Due to the variety and increase of funding currently available via the LLEP, the decision has been made to host a specific funding event. The event is due to take place on Thursday 12<sup>th</sup> June 2014 at Pera. Details of the event are still being finalised, however Sue Tilley (LLEP Economic Growth and Investment Manager) will inform businesses of the funding streams.
- 3.21 Next Steps

An Economic Growth Plan developed from an Economic Development Strategy was approved by members of this committee at their meeting of 30<sup>th</sup> October 2013 and highlights direct local economic development activities and investment into the short and medium term. The Growth Plan connects into the Governments agenda around Single Local Growth Fund and City Deal.

Members are asked to note progress against the key economic development activities identified within the Growth Plan:-

- *Business Innovation and Enterprise Project-*
  - The Business, Enterprise and Innovation Project will increase the aspirations of young people and adults and actively encourage them to consider business, enterprise and innovation as a future career choice. The Project is working closely with the Learning and Skills Centre by ensuring that individuals are not only work ready, but once in work that they are continually up-skilled so their skills set meets the needs of local employers.
- *Learning and Skills Centre*
  - Project underway, ESF funding approved key posts i.e. business partner recruited, commissioning of services commenced.
- *Enhancing the Council's Brand of Food and Drink/Food enterprise Centre*
  - Members supported the principle of the FEC in Melton Mowbray. Officers are currently investigating into the location, detailed financial implications and potential grant and income opportunities for taking this project forward.
- *Melton Mowbray Town Centre Masterplan*
  - Specification completed awaiting final internal sign off prior to submission to prospective tenderers (expected 2<sup>nd</sup> week of June 2014)

- *Cattle Market development Options*
  - This is a separate item on the agenda for this committee meeting.
- *Commercial and Industrial floor space growth study*
  - Melton Borough Council's Economic Growth Area Delivery Statement (2012) identified that there is a need to further develop its commercial and industrial floorspace offer to businesses. Whilst there are a number of existing sites and development, business feedback is clear that there is a requirement for more and modern premises. Officers progressing this and considering the upgrading of existing businesses premises to ensure that they are fit for purpose.

### Human/Talent Resource Management within SME's

Whilst activities and projects designed to tackle the number of people not in employment are being delivered, there is a clear need to address the wider skills issue. Current employers/businesses with ambitions of growth need to be supported in recognising how up -skilling their current workforce through effective Human Resource Management and Learning and Development Schemes can play a vital role in supporting business growth.

This approach is designed to tackle the deeper rooted economic issues Melton suffers from, which is not specifically the number of people without employment but the skills and training opportunities created across various sectors. The Me and My Learning Centre will assist in this to some extent, however, this is a focus for 2014 and Officers are also developing ways to provide this support for SME's to stimulate business growth.

### Economic Impact

- 3.22 To measure the impact of some of the activities above are difficult in regards to our macro-economic data, however, economic profiles and performance data for 2013 will be collated to compare 2012 and reported back to members in September 2014.

<b>Working-age people claiming one or more key DWP benefit by duration; November 2013</b>									
Area	All benefits				Duration (proportion of all claimants)				
	Number	Rate	Previous year number	Previous year rate	<6mths	6mths - 1yr	1yr - 2yrs	2yrs - 5yrs	+5yrs
Blaby	4,740	8.0	5,090	8.5	18%	9%	10%	18%	46%
Charnwood	9,770	8.8	10,440	9.5	19%	8%	12%	18%	43%
Harborough	3,390	6.3	3,710	6.9	18%	7%	11%	19%	45%
Hinckley & Bosworth	6,230	9.3	6,600	9.8	19%	9%	11%	18%	43%
Melton	2,450	7.7	2,730	8.5	18%	9%	11%	20%	42%
NW Leicestershire	6,280	10.6	6,640	11.1	18%	9%	11%	18%	43%
Oadby and Wigston	3,350	9.6	3,540	10.0	20%	9%	11%	18%	42%
Leicester City	37,020	16.6	39,500	17.7	20%	9%	13%	19%	39%
Leicestershire County	36,200	8.7	38,750	9.3	20%	9%	13%	19%	39%
Rutland	1,350	6.1	1,510	6.6	19%	8%	11%	18%	43%
East Midlands	372,190	12.8	396,950	13.6	19%	9%	11%	18%	43%
Great Britain	5,279,280	13.3	5,621,910	14.1	19%	9%	11%	18%	43%

**Melton Borough - Claimant Count (JSA) Ward Data  
April 2014**

Wardcode	Wards (Resident-based proportion)	JSA Claimant Count			Proportion		
		Total	Last Month	Last Year	% Male	% Female	% Total
31UGFT	Asfordby	29	31	51	1.6	1.2	1.4
31UGFU	Bottesford	16	14	18	1.0	0.6	0.8
31UGFW	Croxton Kerrial	8	7	17	0.7	0.7	0.7
31UGFX	Frisby-on-the-Wreake	4	6	6	0.0	0.7	0.4
31UGFY	Gaddesby	10	10	12	1.4	0.6	1.0
31UGFZ	Long Clawson and Stathern	26	28	40	1.2	0.8	1.0
31UGGA	Melton Craven*	56	60	93	3.4	1.5	2.4
31UGGB	Melton Dorian*	55	59	90	1.8	1.4	1.6
31UGGC	Melton Egerton*	68	75	125	3.4	2.3	2.8
31UGGD	Melton Newport*	44	50	81	2.4	0.5	1.5
31UGGE	Melton Sysonby*	64	58	91	2.3	1.6	1.9
31UGGF	Melton Warwick*	46	47	54	3.0	1.2	2.1
31UGGG	Old Dalby	7	14	12	0.5	0.7	0.6
31UGGH	Somerby	8	9	12	0.5	0.9	0.7
31UGGJ	Waltham-on-the-Wolds	4	9	15	0.6	#	0.4
31UGGK	Wymondham	11	12	21	1.3	0.8	1.1
<b>Melton Borough</b>		<b>456</b>	<b>489</b>	<b>697</b>	<b>1.8</b>	<b>1.1</b>	<b>1.4</b>
Market Town							
*Melton Mowbray		333	349	534	0.6	0.3	2.0

However, the charts below show a significant improvement, which although mirrors regional trends to some degree, certainly reflects some local intervention and activities, e.g. Sainsbury's, local business support and confidence. In addition, Melton has seen the biggest reduction in the number of working age people claiming one or more DWP benefits (0.8% reduction).

#### 4.0 POLICY AND CORPORATE IMPLICATIONS

4.1 The work of economic development is directly aligned with the Economic Development Strategy and has direct links with the Entrepreneurship and Skills Agenda and Melton Town Centre Management.

4.2 There are clear links to priorities within the corporate plan:

- Support people and businesses through the economic downturn
- Improving the well-being of vulnerable people
- Improve quality of life for people living in the most disadvantaged neighbourhoods
- Encourage people to take an active role in their communities.

- Meet the Economic needs of Borough
- Maximise the potential of Melton Mowbray Town centre

**5.0 FINANCIAL AND OTHER RESOURCE IMPLICATIONS**

5.1 Projects that are developed in support of the Economic Development Strategy will be subject to their own assessment in regards to costs and if applicable project mandate and business case will be developed.

**6.0 LEGAL IMPLICATIONS**

6.1 No legal implications/powers have been identified.

**7.0 COMMUNITY SAFETY**

7.1 No community safety issues have been identified.

**8.0 EQUALITIES**

8.1 An Equalities Impact Assessment has not been completed for this report.

**9.0 RISKS**

**9.1 Probability**



Very High A				
High B				
Significant C				
Low D				
Very Low E		2	1	
Almost Impossible F				
	IV Neg- ligible	III Marg- inal	II Critical	I Catast- rophic

→  
Impact

Risk No.	Description
1	Actions taken in response to areas of development in performance report do not result in positive oputcomes
2	Projects within the Economic Growth Plan do not match LLEP and wider priorities

**10.0 CLIMATE CHANGE**

10.1 No impact on climate change.

## **11.0 CONSULTATION**

11.1 Extensive consultation has been undertaken with local entrepreneurs, businesses and other key stakeholders regarding the implementation of the Economic Development Strategy, MBC Business Survey and formation of the Melton Business Forum.

## **12.0 WARDS AFFECTED**

12.1 All wards are affected.

Contact Officer: Maria Ramshaw – Economic Development Officer/H Rai Head of Communities & Neighbourhoods

Appendices None

Date: June 2014

X/Committees/REEA/2014.15/040614/HR- Economic Development Update