

RURAL, ECONOMIC & ENVIRONMENTAL AFFAIRS COMMITTEE

31st AUGUST 2016

REPORT OF HEAD OF COMMUNITIES AND NEIGHBOURHOODS

DEVELOPMENT OF THE GOOD GROWTH BUSINESS HUB

1.0 PURPOSE OF REPORT

1.1 This report to the Committee sets out details for the new strategy supporting economic development and a wider growth programme within the Borough. It includes the creation and launch of the Good Growth Business Hub for Melton and explains the context and aims for implementation.

2.0 RECOMMENDATIONS

2.1 That the Committee:

- (i) Notes the progress and endorses the next steps outlined in sections 3.8.1, 3.8.2, and 3.8.3, and attached in Appendix 1.**
- (ii) Recognises the critical importance of cross-departmental input and cooperation for the hub's and wider programme's success.**
- (iii) Actively supports, endorses and champions the initiative as a business expansion opportunity which will sit alongside the Council's forthcoming Efficiency Plan.**

3.0 BACKGROUND

3.1 Over the last five years many regional Leaders across the country have created 'Growth Hubs' as a response to the demise of the Regional Development Agencies and to maximise the opportunities that are now being provided through Local Enterprise Partnerships.

3.2 In common with other districts across the Leicestershire who are investing in Innovation Centres and Business Hubs, members of this committee approved on 9th March 2016 the development of a 'one-stop shop approach' to delivering the benefits of the Food Enterprise Zone (FEZ), which will support Melton's identity as the "Rural Capital of Food". Specifically this will include the advancement and implementation of the Local Development Order but will also incorporate aspects of business support utilising the 'Better Business for All' tools as well as local delivery partnerships with Brooksby Melton College and Loughborough University, it is anticipated that the FEZ will form a strong and integral part of the proposed 'Good Growth Business Hub'.

3.3 Accelerating and supporting business growth will remain central to boosting economic growth, and to creating high skilled and higher paid jobs. From previous economic assessments and a local growth capacity review undertaken to support both the development of the LLEP's Sector Growth Plans and Melton's Economic Development Strategy, we have identified existing economic specialisms and sectoral clusters as:

- Food and Drink Manufacturing including food producers and farmers;

- Creative and Digital Businesses;
 - Tourism and Hospitality;
 - Professional and Financial Services;
 - Engineering and Advanced Manufacturing; and
 - Sport and Wellbeing (a new priority sector)
- 3.4 The various assessments undertaken have also identified specific barriers to growth across multiple sectors, these have been summarised as:
- Expanding into new markets both domestic and overseas with risks and perceived uncertainty in exporting;
 - Embracing innovation including maximising opportunities associated with low carbon markets and products;
 - Improving productivity and reducing costs;
 - Developing leadership and management skills: in certain cases limited executive/ senior manager time and experience to progress growth plans;
 - Recruitment, retention and development of the right staff: uncertainty with regards to the commercial benefits of staff training and impacts of progression and living wage pay policies.
 - Lack of critical mass to support business-to-business linkages, shared learning/good practice and business networks;
 - Limited access to finance.
 - Limited resources and expertise available to SME's to develop growth and business improvement plans;
- 3.5 These barriers to growth and market failures are specifically addressed in the key sector growth plans. As part of a structured promotional programme Melton's 'Good Growth Business Hub' will work closely with the LLEP Business Gateway to become an established and regular feature amongst Melton's business community. The key aim of the hub in Melton is to ensure our businesses can navigate and access relevant business support services provided through the LLEP and other national growth agencies in order to address their barriers to growth. The Council will establish a working partnership protocol with the LLEP Business Gateway as well as other local delivery partners.
- 3.6 The hub for Melton is not intended to be a single site or institution within Melton, although a key intention is to scope out the potential benefits of Parkside as a building that can offer physical space to support business incubation.. The Business Case will explore this further and will consider the constraints and space utilisation of Parkside and seek to build on existing partnerships secured as part of the FEZ, including Loughborough University and Brooksby Melton College (BMC), the hub will draw together this network, which will act as both a source of support and a pool of expertise that businesses can access.
- 3.7 Taking an innovative approach the 'Good Growth Business Hub' will have at its heart an enabling function, working closely across Central, Communication and Regulatory Services where our intention is to take a proactive approach to drive sustainable growth. This will include a review of programme enablement, working to encourage developers with existing permissions to build as well as encouraging new and existing businesses to invest in the borough and its communities. An important focus will be on how this enabling focus can bring in medium to longer term financial returns through NNDR, the new homes bonus and council tax, which will help underpin the financial viability of the Council over the longer term.

3.8 Next Steps:

- 3.8.1 Over the next 6 months officers will create a detailed business case to explore cost/benefit realisation and determine the best model for delivery, i.e. to appraise options to fund aspects of the hub through a subscription service as well as looking at more targeted campaigns to see how growth can be enabled across key employment sites bringing with it a return on investment. At this early stage a diagram of the proposed services and enablement programme is provided as Appendix 1 to assist discussions.
- 3.8.2 The team will actively seek out collaborations, partnerships and income streams including sponsorship to fund bespoke elements of the hub, for example events such as Innovation Conference that also explores alternative finance and investment solutions and an annual Food and Farming Fellowship Scheme.
- 3.8.3 The 'Good Growth Business Hub' will act as a focal point drawing together expertise across the Council as well as our partner organisation to support start-up businesses and businesses wishing to grow. Providing co-ordinated and cohesive growth programmes, targeted events and conferences, business forums and links to specialist information, advice and services.

4.0 POLICY AND CORPORATE IMPLICATIONS

- 4.1 The Economy is an important Corporate Priority for the Council. This project has clear links with the Corporate Plan including:
- Promoting a vibrant and sustainable economy, focused on growth and prosperity.
 - Developing a thriving Melton Mowbray town centre that is at the heart of the Borough.
 - Helping to provide homes and environments that meet local needs.
 - Creating a well-connected Borough.

5.0 FINANCIAL & OTHER RESOURCE IMPLICATIONS

- 5.1 A full detailed business case will be developed for this project, identifying any additional resources that might be needed. The Business Case will also identify opportunities that bring in inward investment, income opportunities and commercialism. It is anticipated that a Business Apprentice alongside Digital Marketing and Programme Enablement roles will be needed, however the aim is to ensure costs associated with delivering the hub are self-financing or can be achieved within existing budgets.
- 5.2 The FEZ is being carried out with the £50,000 grant from DEFRA, as specified in the Food and Farming Local Development Order report to this Committee for implementation

6.0 LEGAL IMPLICATIONS/POWERS

6.1 At this stage no major legal implications have been identified. However, legal advice will be sought where necessary and any specific legal matters brought to members attention as required. For legal implications of the LDO/FEZ, please see the Food and Farming Local Development Order report written for this Committee.

7.0 **COMMUNITY SAFETY**

7.1 There are no direct links to community safety arising from this report.

8.0 **EQUALITIES**

8.1 There are no equality issues identified

9.0 **RISKS**

L I K E L I H O O D	A	Very High				
	B	High				
	C	Significant				
	D	Low		2	1	
	E	Very Low				
	F	Almost Impossible				
			Negligible 1	Marginal 2	Critical 3	Catastrophic 4
IMPACT						

Risk No	Risk Description
1	Loss of key partners – partnership agreements will be in place and close working relationships maintained.
2	The Good Growth Business Hub does not have the desired impact – close monitoring and adjustment of programmes will be undertaken to stay on track.

10.0 CLIMATE CHANGE

10.1 There are no climate change issues directly arising from this report.

11.0 CONSULTATION

11.1 A series of consultation and engagement events have taken place between October 2015 and April 2016 to support the development and implementation of the FEZ including the Local Development Order (LDO), these events and forums have tested the concept of developing and introducing a one stop shop business hub. One to one engagement with key stakeholders has also been completed including the LLEP BizGateway as well as key local employers,

12.0 WARDS AFFECTED

12.1 All wards are affected.

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Date: 24th May 2016

Appendices Appendix 1 – Indicative Good Growth Programme

Background Documents:

http://www.melton.gov.uk/downloads/file/981/melton_community_partnership_economic_development_strategy_2012-2015

<https://www.llep.org.uk/strategies-and-plans/sector-growth-plans/>

<https://www.gov.uk/government/organisations/department-for-environment-food-rural-affairs>