

Environment, Development and Transport Committee

Item No.

Report title:	Update from Economic Development Sub Committee
Date of meeting:	17 March 2017
Responsible Chief Officer:	Tom McCabe – Executive Director, Community and Environmental Services
Strategic impact <p>The Chair of the Environment, Development and Transport Committee (EDT) requested an update for each meeting on the issues and actions from the Economic Development Sub Committee (EDSC). This report summarises those of the 19 January 2017 EDSC meeting.</p>	

Executive summary

At their November 2016 meeting, the key issues EDSC discussed were:

- Response to January Flooding Issues
- Public Conveniences
- Update from the County Farms Advisory Board
- Update on Scottow Enterprise Park
- Emerging Sectors – the Bioeconomy
- Emerging Sectors – Clean Tech
- Enterprise Zones
- Inward Investment Update
- EU Programmes Update
- Apprenticeships Funding Update
- Finance Monitoring Report
- Forward Plan and Decisions taken under delegated authority

Recommendations:

Members to note the update and actions from the November 2016 Economic Development Sub-Committee

1. Proposal

- 1.1. The topics discussed by Members at the previous Economic Development Sub-Committee are outlined below.

2. Evidence

2.1 Response to January Flooding Issues

Mrs C Walker discussed her observation of the response of emergency services, volunteer services and others during the flooding issues of recent weeks, and congratulated those involved in preparing for the predicted sea surge; she felt that even though the surge did not occur as predicted, Yarmouth and other coastal areas were well protected for the eventuality, meaning local residents were kept safe. The Chairman and the committee supported this view.

2.2 **Public Conveniences**

Mr J Childs spoke of how public toilets were previously funded by Borough Councils but many were now closed. As a key part of Norfolk's tourism, he felt the importance of attracting returning visitors to beaches should be considered and to do this public conveniences invested in. He suggested District and Borough Councils should be approached to revisit the impact of withdrawing public conveniences. Following debate and upon being put to a vote, the motion was duly carried.

The Chairman asked the Acting Assistant Director of Economic Development and Strategy to write to District, Parish and Borough Councils to ask them to look at options regarding provision of toilet facilities and keeping beaches clean.

2.3 **Update on County Farms Advisory Board**

Cllr Beverley Spratt updated the Sub Committee on the recent meeting of the County Farms Advisory Board:

- A tenants meeting had recently been held at Swaffham and a further meeting was due to be held in March 2017;
- The Advisory Board and Officers were due to visit houses on the Eastern end of the estate in February;
- The Advisory Board requested the Economic Development Sub-Committee to look at the potential impact of Brexit on farming;
- The impact of ash dieback appeared to be lower than originally predicted;
- 1900 people were following the County Farms Facebook group;
- Duncan Slade had been welcomed back to the County Farms team;
- County Farms were hoping to make progress with 87 houses to bring profit to Norfolk County Council.

During discussion the following points were noted:

Cllr B Spratt confirmed that through discussions with tenants of the 87 houses and after visits in February, the County Farms team would decide whether to let, keep or restore the houses; they would remain within the County Farms department.

2.4 **Scottow Enterprise Park Update**

The Chairman asked the Managing Director of Hethel Engineering for an update on Scottow Enterprise Park:

- Occupancy was at 72% by units, of 125 units, comprising 505,000 sq ft;
- The primary focus was science, technology, engineering and manufacturing;
- The number of people working at the site was now 236 and growing;
- Superfast broadband was in place at 75Mbps;
- The water project was due to be finished at the end of April 2017;
- They were currently looking at cost cutting initiatives;
 - Overheads had been reduced by £200,000; the target was £300,000;
- Rents of £500,000 were being brought in; the target was £800,000;

Customer enquiries had increased 6 fold, with most demand seen in North Norfolk and Norfolk.

2.5 **Emerging Sectors – The Bioeconomy**

The Sub-Committee received the report providing information on the existing and development of Biotech and bioeconomy in Norfolk and East of England. The Sub-Committee heard a presentation by the Sally Ann Forsyth Chief Executive Officer of the Norwich Research Park and Aaron Hunter, an Innovation Facilitator at Hethel Engineering.

- “Biotech” encompassed sectors such as agriculture, agriculture waste and water management, among others;
- Norfolk contained a complete agritech supply chain;
- One of the 2 centres of excellence for bioinformatics in the UK was in Norfolk the Earlham Institute (formerly the Genome Analysis Centre) at the Norwich Research Park;

The Chairman highlighted the importance of engaging with private sector partners, and was pleased to see engagement with new businesses and sectors.

The Sub-Committee noted the developments of the ‘Bioeconomy’ and the economic opportunities that it provided; and endorsed the work of Hethel Innovation in the delivery of the ‘Innovation New Anglia’ programme and the establishment of ‘Biotech East’ to support and grow the sector.

2.6 **Emerging Sectors - Cleantech**

The Sub-Committee received the report explaining cleantech, and discussing the growth of this sector in Norfolk and Suffolk and heard a presentation by Alice Reeve, an Innovation Facilitator at Hethel Engineering and Mark Aspinall.

The Chairman was pleased to see Norfolk at the forefront of cutting edge work; he highlighted the importance of carrying out research with practical applications and benefits to the local economy, with local companies inputting into what they needed to deliver jobs at a deliverable cost.

The Sub-Committee noted the emerging ‘Cleantech’ sector and the opportunities that it provided, and endorsed the work of Hethel Innovation in the delivery of the ‘Innovation New Anglia’ programme and the establishment of the ‘Cleantech East’ network to support and grow the sector.

2.7 **Enterprise Zones**

The Sub-Committee received the report providing an update on the two Enterprise Zones in Norfolk. The Economic Development Manager gave a brief introduction to the report and invited members to endorse the approach.

Mr Childs and Mrs Walker celebrated the success of the enterprise zones, especially in Gt Yarmouth, referring to the recent announcements at Seajacks who were taking on 75 new staff as part of their expansion linked to the wind energy sector. The Economic Development Manager reported that there would be regular updates regarding the Lowestoft and Yarmouth enterprise zones in bulletins provided in the future.

The Acting Assistant Director of Economic Development and Strategy clarified that Enterprise Zones offered the ability to borrow against future income in order to invest in the sites themselves or in other activity to attract, or enable investment. Decisions on whether to proceed with projects would be based on a number of factors including future projected income for up to 25 years; current performance; and confidence over the longer term development of the site.

The Economic Development Manager reported that lessons had been learned from the first round of enterprise zones in the 1980s where research had found displacement occurred in all areas except for the London Docklands. He reported that the incentives now on offer were more modest and unlikely to cause much, if any displacement from nearby locations.

The Economic Development Manager clarified that a legal agreement would be in place with each Local Authority with an Enterprise Zone site in their area, which

determined the split of funding as outlined in paragraph 1.5 of the report. The Agreement will also determine how funding would be used. He also explained that if issues arose, the agreement could be modified. It was noted that the Government's decision last year to raise the threshold for Small Business Rate relief to £15,000 could impact on how some of the EZ sites operate, but this was being monitored.

The Chairman highlighted the importance of the role of planning authorities to support businesses to grow.

Improvements to the road infrastructure between Norwich and Cambridge / Peterborough were discussed. The Chairman highlighted infrastructure as a high priority, and the duty to hold organisations to account on moving forward in a timely manner for example Highways England.

A discussion was held over plans for complimentary road infrastructure at enterprise zones. He clarified that some site plans included modest road infrastructure improvements, and hoped the plans to improve the A47 would benefit the Nar Ouse Enterprise Zone site and development of the Norwich Distributor Road would benefit Scottow Enterprise Park.

The subcommittee endorsed the approach being taken to support Enterprise Zone Development.

2.8 Inward Investment Update

The Sub-Committee received the report providing an overview of the inward investment function, an update on current performance and proposals for future activity.

The Economic Development Manager pointed out that the "UK offer" to attract inward investment may change in the next few years as a result of the referendum result in June 2016. The number of enquiries from overseas had reduced in recent months and it has highlighted the importance of working even more closely with locally based foreign owned businesses, particularly US owned businesses.

Queries were raised about the "current 2016/17 pipeline", shown in paragraph 2.7 of the report, page 51:

- The Economic Development Manager confirmed that the South Korean Interactive Screen manufacturing company's process could incorporate final assembly of imported components, packaging and storage;
- The Economic Development Manager reported that the enquiry regarding the Japanese Automotive manufacturer came through a tenant at Hethel Engineering Centre. The project had already been logged on the National Pipeline, but Norfolk had been given a chance to present its capabilities as a result of this contact. He was unsure at this stage how much of the manufacturing process would take place in Norfolk if the project was to land here;
- The project described as "expansion of games development company" was in competition with other areas; a good offer had been put in to the company, and the Economic Development Manager would monitor progress;
- The Farm plastics project was not at an advanced project stage; a proposal had been put forward and support had been received from colleagues in the Council's waste team; However, a number of key technical constraints remain to be overcome before the project could hope to establish a facility.
- The "Electric Vehicle Manufacturer" was in the research and

development stage.

The Economic Development Manager confirmed that he had access to data that presented the county's skills base, and included people with experience in automotive engineering.

The Economic Development Manager confirmed he was working with the Chief Executive Officer of the Norwich Research Park to develop a lead generation project to attract start up and other small businesses in the biotech and other science sectors. The initiative would look to link with the Genome 10k event, the largest of its kind in the world, and the first time held in the UK, which is to be held in August 2017 at the John Innes Conference Centre. The aim will be to use the event to showcase Norwich and Norfolk. The Economic Development Manager agreed to circulate the full details to members.

The Sub-Committee commented on current performance and arrangements and supported the efforts of the inward investment team.

2.9 EU Programmes Update following the Referendum

The Sub-Committee received the report providing an update on government announcements made since July which impacted on EU funded programmes managed and delivered by Norfolk County Council.

The Programme Manager for European, national and rural funding programmes updated the Committee that since the report was written, the Prime Minister had indicated the UK may participate in some EU programmes; the level of contribution to the EU budget would however likely be much less than at present.

The Chair asked that the wording of the proposal at section 1.1 be strengthened by inserting the word 'managed' into the ask of central government.

The Sub-Committee supported the government guarantee for funding and the EU project activity that had happened since the referendum; and approved the proposal and principles for any economic based successor schemes to EU funding (post 2020) as the basis for our submission to the Local Government Association Brexit Sounding Board.

2.10 Apprenticeships funding update

The Sub-Committee received the report providing an update on the position of the Apprenticeships Norfolk service in the light of ceasing of existing funding in June 2017, following on from the report presented in November 2016.

The Chairman was keen for the Apprenticeships team to continue to identify further funding to support the programme.

The Employment and Skills Manager reported that internal resources had been secured for approximately 50% of the estimated costs of maintaining a level of service from July 2017 and that efforts continued to secure external funding including potentially European social funding. Following a query related to supporting young people aged 18 and above, the Employment and Skills Manager reported that work was underway with colleges in Norfolk and Suffolk to commit to work together to ensure young people move on successfully.

The Chairman raised his intention to share with Councillors details of secondary schools / academies who were not engaging with Apprenticeships Norfolk; he agreed to email this to the Members with non-participating schools in their division.

The Employment and Skills Manager reported that apprenticeship schemes were working with young people in rural areas to help them to access apprenticeships.

The Sub-Committee noted that it had been possible to identify approximately 50% of the required resource that could be used to support the delivery of Apprenticeship promotion work in schools, the community and to employers from July 2017 and that exploring alternative external sources of funding, including European Social Fund Opportunities (ESF) and social mobility funding continued.

2.11 Finance Monitoring Report

The Sub-Committee received the report providing the financial position for the service as at the end of December, Period 8, 2016-17 financial year, covering the revenue budget, capital programme and balance of reserves.

The Financial Business Partner for Communities and Environmental Services reported that there were no financial issues for the upcoming year, 2017/18.

Protecting the Economic Development budget in the upcoming budget reviews was raised.

The Sub-Committee noted the budgets for Economic Development and Strategy for 2016-17.

2.12 Forward Plan and decisions taken under delegated authority

The Sub-Committee received the report setting out the Forward Plan for the Economic Development Sub-Committee.

The Sub-Committee noted the Forward Plan and requested information from high schools who were supporting apprenticeships was suggested as useful for a future meeting; and the County Farms Advisory Board requested the Economic Development Sub-Committee to look at the possible impact of Brexit on farming in Norfolk.

3. Issues, risks and innovation

3.1. None as a result of this report.

4. Background

4.1. This report has been produced at the request of the EDT Chair

Officer Contact

If you have any questions about matters contained in this paper or want to see copies of any assessments, eg equality impact assessment, please get in touch with:

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