

ECONOMY SCRUTINY COMMITTEE

4 February, 2013

PRESENT: Councillors Beall (in place of Stuchbury), Mrs Bloom, Mrs Glover, Hawkett, Lambert, Miss P Lewis (Vice Chairman), Monger, Mordue, Mrs Phipps, Poll, Mrs Renshell, M Smith, Strachan and Tyndall.

1. **APOLOGIES:** Councillors Mrs Davies and Stuchbury.

2. **ELECTION OF CHAIRMAN**

Proposed by Councillor Mrs Phipps, seconded by Councillor Tyndall that Councillor Miss P Lewis be nominated for the position of Chairman.

There being no other nominations it was:

RESOLVED –

That Councillor Miss P Lewis be elected Chairman of the Committee for the remainder of the Council year.

3. **MINUTES**

RESOLVED –

That the Minutes of the meeting held on 11 December, 2012, be approved as a correct record.

4. **ECONOMIC DEVELOPMENT STRATEGY REFRESH AND PROGRESS UPDATE**

Members received a comprehensive report that provided them with an update of progress against the refreshed Economic Development Strategy and Action Plan and which also gave a forward view for the next 12 months.

Members were asked to consider the report and comment on the activities to date and to provide suggestions on the specific areas of activity they felt might merit more attention or more detailed information for debate.

Progress was reported against the key interconnected themes of the strategy set out below and the action plan update.

- *Enterprise:* the need to sustain the Vale's thriving enterprise culture by encouraging the next generation of start-ups to remain and grow within the Vale.
- *Enabling infrastructure:* the provision of excellent underpinning infrastructure, which, as well as providing excellent road and rail linkages (East/West Rail, Eastern Link Road) needs to include the provision of superfast Broadband of up to 40mbps, as set out in the corporate plan
- *Business retention & growth:* proactively targeting and supporting growth-oriented employers in the Vale through enhanced access to finance, expert advice and

planning for suitable premises and business locations, as part of the Vale of Aylesbury Plan.

- *Inward investment*: better promotion of the 'niche' offer of Aylesbury Vale & proactive targeting of inward investment to support local sector strengths (high performance engineering, telehealth, food, ICT). AVDC is also working with Local Enterprise Partnerships, property developers & agents, Aylesbury Vale Estates (AVE) and UK Trade & Investment (UKTI).
- *Growing our own knowledge economy workforce*: the need to ensure that current and future workforce skills are appropriate for the 21st century global marketplace, as well as offering young people alternative career paths to help retain professionals, graduates, apprentices and qualified technicians in the local economy.

In delivery terms, at the 4th September meeting, it was agreed that closer working with Bucks Business First (BBF) should be pursued, supported by both an MOU and something similar to a Service Level Agreement. AVDC was soon to sign off both the MOU and a 'call off' agreement with BBF, thereafter moving to develop an action plan to jointly progress our ED strategy.

Local Enterprise Partnerships

Significant progress had been made in engaging with both the South East Midlands Local Enterprise Partnership (SEMLEP) and Buckinghamshire Thames Valley Local Enterprise Partnership (BTVLEP). Members had already had the opportunity to scrutinise both these LEPs during autumn 2012. Specific successes arising from the LEP related activity were included within the report.

Following the publication of Lord Heseltine's report at the end of October 2012, the Local Enterprise Partnerships were poised to assume wider responsibilities, with increasing devolution of funding from central Government to LEPs. AVDC had been closely involved in the submission of an Expression of Interest (EOI) for the second wave of City Deals with MK and SEMLEP as part of 'piloting' this process. This had been submitted to Government on 15th January and a decision was expected in February 2013.

Enterprise

Aylesbury Enterprise & Innovation Centre

78 Business Support sessions had been executed over the period Feb 12 to Jan 13. These sessions were now running at a consistent rate of 8-10 per month, starting to assist a significant number of key prospects, resulting in multiple sessions for a number of companies with more promising business plans. From the 78 sessions completed to date, the feedback scores indicated that the AEIC was delivering a satisfaction rating of 87% overall.

Business grants scheme

AVDC continued to hold four quarterly panel meetings to assess applicants for the start up or existing business grants scheme which has proved popular. It still had £69k of LABGI funds which had not yet been allocated.

A survey undertaken of 20 business grants recipients over the last three years had confirmed that the business grant had been a great help. Most of the businesses had increased their staff numbers with at least 17 new jobs created to-date, from a baseline figure of 59. Of the 15 businesses who replied, 11 felt that they had grown in the recession and the other 4 had maintained their turnover and staff levels.

AVDC was reviewing whether there was an opportunity to use some of the LABGI funding to support second growth stage of companies. The panel had reviewed several high potential cases that, if managed correctly, could create many new jobs in the Vale, but may be in need of specialist help in certain core disciplines.

Golden Welcome

During 2012, AVDC awarded a grant of £30k to a company intending to create a £30m plus turnover business with approximately 50-60 employees by 2015. The LABGI pot still unallocated for the Golden Welcome scheme is £65k.

Enabling infrastructure

AVDC is working with both SEMLEP and BTVLEP in developing a priority infrastructure investment plan, being also represented on the infrastructure sub groups of both LEPs.

Discussions had also been held through SEMLEP about priority investments as part of a 'growth conversation' discussion. Such discussions were on-going, as are plans to form part of the SEMLEP/MK City deal programme.

Growing Places Fund

AVDC continued to identify opportunities for proposals to the Growing Places Fund allocated to each of the LEPs.

SEMLEP had already allocated £4.4m of Growing Places Fund towards enabling works related to access road and utility infrastructure to help bring forward the proposals at Silverstone. A further £2m had been allocated from BTVLEP to support public realm works around the Waterside development.

East West Rail

In July 2012, the Government announced that the electrified East West rail route linking Oxford, Milton Keynes, Aylesbury and Bedford would be delivered by Network Rail at a cost of around £500m, with local authorities committed to contributing £30m to £50m through CIL and other local contributions.

Eastern Link Road

AVDC have resolved to grant planning permission, subject to a S106 agreement, for a major development area comprising 2,450 new homes and 10 ha of employment land.

AVDC was working with LEPs and Government officials to examine alternative financing options with the developers. A key feature of the scheme was the early construction of the first phase of the Eastern Link Road which would help meet the strategic objective of improved north/south connectivity, a critical factor in holding back employment growth in Aylesbury.

Broadband

Good progress continued to be made in securing BD(UK) funding across the county, in conjunction with Hertfordshire, to support the roll out of superfast broadband to those areas with limited or slow broadband speeds, largely of a rural nature.

Business retention & growth

Over the last 18 months, some 40 visits had been made to the larger businesses within the Vale. Many of the issues referred to in the 20th March 2012 scrutiny paper about what businesses want and need still held true.

Skills issues

BTVLEP had recently undertaken a skills audit of some 700 businesses within Buckinghamshire.

One area of focus, potentially around workforce development, was to work with businesses to support them in recruiting for their 'hard to fill' vacancies, especially in the manufacturing and engineering sector.

Sector development

High performance engineering, including motorsports

AVDC was part of the SEMLEP High Performance Engineering Group chaired by Richard Phillips of Silverstone to identify the businesses in the sector and understand their issues around skills needs, in addition to marketing the sector to attract inward investment into the SEMLEP sub-region, including Silverstone.

Manufacturing and Advanced Technology

AVDC was also working with SEMLEP on the Manufacturing and Advanced Technology sector development group, having led research into the sector in Bucks which produced a shortlist of 100 key companies in Buckinghamshire. The research methodology had been adopted by other Local Authority areas to produce a comprehensive list of businesses in this sector across SEMLEP which would then enable the chairman to determine what to do next to support the sector's growth.

Food and drink

AVDC was working closely with BTVLEP to identify opportunities within Bucks to progress food and drink sector activity, building on the arrival of Arla, but also

following up on recent business visits to companies in this sector and exploring other opportunities to link in with some of the smaller, rural food businesses across Bucks.

ICT

Following on from the successful announcement of McAfee as a global engineering HQ in the UK and the formal opening of its new offices in November, AVDC was working with the Principal of the University Technical College in the Vale to understand the ICT companies in the Vale and their involvement with the UTC.

Key employment sites

Further to a review by GL Hearn on major employment sites as part of the Vale of Aylesbury Plan, work had started in compiling a comprehensive list of employment sites which AVDC should consider moving forward with agents and developers.

Inward Investment

Since April 2012, 16 Inward Investment enquiries had been received from a number of sources included Bucks Thames Valley Local Enterprise Partnership, South East Midlands Local Enterprise Partnership and direct.

From the overall 16 enquiries, 14 remained live, whereby, investors could come back and ask for further information to make an informed decision and 2 were closed.

In conjunction with UKTI, Aylesbury Vale had confirmation of '100 jobs safeguarded' at one company in Pitstone.

Stoke Mandeville NSIC

Two successful events were held in September in which AVDC played a key role and included the Global Business Summit event in Assistive Medical Technologies in September 2012 with 150 businesses, academics and Paralympic associations in attendance and an additional follow on event held at the Royal Academy of Engineering the following day with the theme of "sports and disability sports driving engineering innovation". Senior UKTI life sciences contacts and the Foreign and Commonwealth Office committed to working with partners in Buckinghamshire to attract investment to the Vale in rehabilitation, telehealth and disability sports technologies to the Vale.

AVDC also worked in partnership with the South East Health Technologies Alliance (SEHTA) to host their third annual 'Meet the Buyer' telehealth event at Stoke Mandeville Stadium, with over 120 different business organisations attending. The event attracted the Technology Strategy Board and buyers and sellers of telehealth products and services from across the South East and overseas.

Since July, Stoke Mandeville NSIC had hosted over 8 individual foreign company visits, all as a result of the work around identifying companies with innovative technology that can assist the NSIC in the use of telehealth to improve the delivery of healthcare services and assist patient care.

Members were supportive of the direction of the work being carried out but made the following comments to be considered as the business engagement work progressed:-

- **Business visits** - consider organising visit to 3-4 businesses (Aylesbury and Buckingham) for members of ED scrutiny committee especially businesses interested in growth – arrange for possibly May/June when weather better and allows better planning of mix of businesses and what trying to achieve
- **Inward Investment annexes** – need to make sure that in future quarterly ED strategy updates communicated via re-instated economy watch (starting April) especially now with BBF MOU in place on research and to plan ahead with Rupert key articles on front page and supplement production of quarterly KPIs and dashboard with illustrated case examples of range of work undertaken.
- Need to ensure that monthly rolling spread sheet from BTVLEP about updates on outstanding enquiries contained the following information - next steps, whether open or closed, reasons for not landing or going elsewhere so that evidence was collated to inform all as to key reasons to do something about policy wise in the future
- **Skills session** - Discussion about proposed restructure of skills session, how run and who else needs to be contacted and raise as AOB under BTVLEP skills group –
- **Growing Places Fund** – would like to know what £2m BTVLEP monies being spent on re public realm in Aylesbury and what other GPF monies going on
- **Broadband** - would like more comprehensive picture on broadband, including programme plan and roll out to villages to avoid villages seeking alternative satellite and other options –
- **Town Centre and contact with Waitrose** and others re employee recruitment – would like to know what partners are doing to support this
- **Site development** – developers to say how they have been marketing the sites in preparation for discussion re key sites info provided by John Byrne in September – progress on database of sites and activity around marketing top 40 sites, including Winslow
- **City Deals** – update on developments to be scheduled or report shared through members info sheets
- **AEIC** – would like to know where companies come from
- **E W Rail** – would like more information on position in development
- **S106 Monies** – would like more information on monies available for investment.

RESOLVED –

1. That the report be noted
2. That the comments of Members, as shown above, be considered as part of the Economic Development activity to support business across the Vale.3.

5. SKILLS PROVISION

Members received a report that set the scene prior to the meeting of 25 March on the subject of Skills Provision following reports that local businesses were finding it difficult to recruit staff with suitable skills. Some had reported that many applicants lacked even the basic literacy skills.

To determine the exact position it was proposed to conduct a review that encompassed the skills needs of Aylesbury businesses whilst scrutinising the level of education, training and skills that were available through local education facilities and training organisations with the overall aim to understand the biggest barriers to future employment growth.

The format of the meeting was to cover the following issues:-

- Current skills trends and issues as applied to Buckinghamshire economy
- What are biggest barriers to growth of Buckinghamshire employers?
- What are providers/trainers currently doing to address any of the issues and how could we do better?
- What are providers doing to up skill the workforce which will lead to further job creation?
- What are the immediate to medium term opportunities and challenges?
- Where might we work alone or across LEP boundaries with others and why?
- What could be done differently?
- What do we do next and what will be achieved in the short term?

Members considered the above proposals and were supportive with the inclusion of the following:-

- There would need to be a company in attendance that was currently experiencing recruitment problems
- Consideration to be given to expanding the scrutiny to include basic education provision
- The attendance of BCC's Cabinet Member responsible for Education
- Information on the National Apprentice Association should be included
- The meeting must establish the facts, proposals to remedy the situation would follow at the next meeting

RESOLVED –

1. That the report be noted
2. That the comments of Members, as shown above, be considered as part of the scoping requirements for the next meeting.

6. ECONOMY SCRUTINY COMMITTEE - WORK PROGRAMME – DEFINING REQUIREMENTS

A Work Programme for the period to end March 2013 was presented for Members approval. Following a short discussion it was

RESOLVED –

That the Work Programme as presented be approved with the following amendments:-

1. The Olympic Legacy report for 25 March 2013 to be moved to 4 June meeting.
2. The Skills Provision topic to be continued at the meeting of 25 March 2013 and then at the meeting of 4 June 2013.
3. A report on Broadband delivery to be presented at the meeting of 25 March 2013
4. Remove the Broadband element from the Rural Economy report scheduled for 3 September 2013.