MINUTES OF INWARD INVESTMENT TASK GROUP

17 DECEMBER 2012

PRESENT:

Members of the Group: Councillors Ms Robbins (Chairman), Ms Edwards, Hazelton and Mrs O’Rourke

Officers: Adam Norburn, Head of Resources; Anna Rose, Head of Planning and Culture; Chryssa Burdett, Revenues Manager; John Dale, Economic Development Officer; Debbie Dawson, Scrutiny Officer; Linn Ashmore, Democratic and Scrutiny Services Officer.

23. MINUTES

The Minutes of the meeting held on 12 November 2012 were approved and signed by the Chairman.

24. APOLOGIES

An apology for absence from the meeting was received from Councillor Roberts.

25. DECLARATIONS OF INTEREST

Councillors Ms Robbins and Hazelton declared general non-pecuniary interests by virtue of being Warwickshire County Councillors.

26. POOLING OF BUSINESS RATES

The task group received a verbal update from the Head of Resources. The main points were as follows:

The final application for a pool of all Coventry and Warwickshire local authorities has been submitted and the outcome is awaited (subsequently the DCLG has confirmed their acceptance of our pooling application and issued a designation letter).

There will be an opportunity after the Local Government Finance Settlement announcement on 19th December to decide whether it is still in the best interests of the council to proceed, and the council will have a 28 day period within which to withdraw from the scheme. The designation letter specifies that the deadline will be 15th January 2013.

The Government has made a change to the business rates arrangements so that the levy collected by government is now capped at 50 per cent. This means that the financial benefits of joining a pool will be less than first anticipated, though it is still expected that the benefit to the council could be around £100,000. Overall it means there is a guarantee that local authorities will retain a minimum of 25 per cent of any growth in the council’s business rate income.
The Head of Resources has delegated authority to decide whether or not to proceed with the pooling scheme, and this will depend on the outcome of calculations to assess the likely level of benefit to the council.

The task group asked that the Head of Resources inform them of the final outcome.

27. ADDITIONAL EVIDENCE

The task group considered additional pieces of evidence and information that had been previously requested.

Copies of feedback from Jobcentre Plus (attached at Annex 1 to the minutes), and a paper in relation to enrolment by students at Warwickshire College, were circulated to members. The college had requested that their information be treated as private.

During discussion the following points were raised:

The response to the survey was very disappointing. The Economic Development Officer undertook to obtain feedback from other businesses in order to strengthen the evidence base.

The additional information supported the previous findings of the task group that companies have difficulty in finding higher skilled employees. The majority of vacancies filled by Jobcentre Plus are for lower skilled type jobs.

Some of the comments from employers suggested that both the Jobcentre Plus and Warwickshire College were not meeting the requirements of local companies. It was acknowledged that only a small sample of responses had been received but the messages were consistent and could be representative of the overall picture.

Warwickshire College often work with individual larger employers to tailor courses to their needs. However, small and medium-sized enterprises make up 85% of the local business base and it was not clear that their needs were always met. It was recognised that the college works on a demand basis and, like all Further Education colleges, is expected to function as a business.

The group requested that the college be asked for a more detailed breakdown of the data, together with comparisons with previous years to provide some trend data. They were interested to know the levels of the courses, and to understand more about the wide variations in the number of enrolments in different areas. They were particularly interested to learn more about the engineering and manufacturing courses, and which of these were part of the Power Academy.

It was clear that some courses were aimed at providing soft skills to prepare students for work. This had been identified as a need at the group’s last meeting.

It was noted that skilled roles are more likely to be filled by university graduates, though apprenticeship courses to level 3 are equivalent to a degree.

Warwickshire County Council (WCC) no longer has a strategic role in education and skills provision and does not fund the college. It was suggested that better joint working was needed between the college and local businesses to ensure the right skills were matched to the recruitment requirements.
**Gap analysis of provision of business land**

Further discussions between officers had taken place since the last meeting that highlighted this would not be the simple exercise suggested and there would be a need to commission a separate piece of work. There was a question over whether the council would be in a position to address any unmet demand that was highlighted by such analysis and it could only offer a snapshot of the current situation.

It was agreed that in these current financial times this would not be a worthwhile value for money exercise.

**Details of the Council’s working relationship with Warwickshire Investment Partnership**

The fee paid to the Warwickshire Investment Partnership (WIP) is £5,500 per annum, which is the same figure for all local authorities across Warwickshire.

Over the past year WIP has changed the way it operates and has become a more reactive type service. Advantage West Midlands would filter international enquiries down to county and district authorities, but since this organisation ceased, this service has been carried out by the Department for Trade and Industry.

The Warwickshire Investment Partnership matches enquiries to land and property opportunities and also works to showcase companies in the niche sectors prioritised by the Local Enterprise Partnership. They provide a valuable service to the council at a relatively low cost.

28. **REVIEW REPORT AND RECOMMENDATIONS**

The task group considered the draft review report and during discussion raised the following points:

Members discussed the economic benefits to the borough derived from businesses operating on the periphery of the borough. It was important to work in partnership with neighbouring authorities and explore any opportunities to promote local businesses.

The Council can encourage development and give planning permission but is not able to force building to take place.

Members requested examples of new renewable energy projects (relating to the 100% local retention of business rates for renewable projects). The group were informed that there was a planning proposal for a solar energy project due in the New Year. It should be possible to retain 100% of growth in business rates even when just part of the valuation assessment related to renewable energy. The Valuation Office has been asked to provide details.

Members suggested that the review report should contain a relevant business case study as an example of where the inward investment process has worked well.

Paragraph 4 on page 15 should be expanded to include a reference to the fact that gap analysis had been considered but would come at a cost and would not represent value for money in the current financial climate.
The review report should reflect the up-to-date employment statistics recently released in the 2011 census.

Members noted that caution was needed with regard to the information contained in the review report on the WCC ‘Going for Growth’ agenda because there was a question over whether funding was being restricted to smaller towns and villages rather than areas like Rugby town centre. This will become clearer after the next WCC Council meeting.

The group felt that the section on the CWLEP needed strengthening as it was pivotal to inward investment in the sub-region, particularly if the pooling proposal goes ahead. It was agreed, though, that it may be too soon to look in detail at the role of the LEP as it has only recently received significant new funding. It would be more appropriate to look at this in the next financial year.

Members also asked about what assurances could be given that Rugby would receive a share of Regional Growth Fund from the LEP. This authority is very vocal in terms of its growth and economic ambition and is ahead of other local authorities by already having plans set out, meaning Rugby is well placed to receive funding, though there is no guarantee this will happen.

Officers were already working on a number of new innovative schemes that may attract funding, including the provision of small incubator industrial units and funding for the pedestrianisation scheme that will incentivise growth.

It was noted that the Leader of the Council would be attending the next meeting of Customer and Partnerships Committee to talk about his role on the board of the LEP.

The group discussed the conclusions and potential recommendations for the review and agreed the following points:

The Council should work with local agents to develop a showcase pack for potential investors, based around a re-designed commercial property guide. This could include a section on ‘life in Rugby’ with information on local schools, housing, transport, and leisure facilities. It would also introduce investors to the business-friendly planning department. This could be produced at a minimal cost.

The Council should better promote the borough through its website. The commercial property guide could be placed on the website in an interactive format (like a commercial agents’ website) and include available shops and units, maps, business rates and contacts. Administrative support for this could be provided by the Business Support team. The main cost would be officer time.

The Economic Development Officer had identified a sub-regional magazine (funded by developers and businesses) which could be used to showcase local land and development sites across the borough at no cost.

The Council should enter awards to raise Rugby’s profile. Work should take place with the Media and Communications team to enter relevant award schemes on a quarterly basis. Care was required to balance the amount of officer resource given to this.

A steering group is currently overseeing the next Rugby World Cup. All economic opportunities should be explored and supported.
Initial talks with Creative England have taken place and any potential for Rugby to be used as a film location should be encouraged.

Members were informed that there was no funding available to support any new form of discretionary rate relief for businesses and significant gains would be needed to justify this. The group agreed to wait until it was clearer whether other authorities were considering the introduction of such relief.

There seems to be a general lack of awareness amongst employers about apprenticeship scheme opportunities, and some negative perceptions about the burdens of taking on an apprentice. This needs to be addressed. WCC have a key role to play and it was agreed they should be sent a copy of the final review report.

There is a need for more effective and formal partnership working between agencies to map and respond to employer skills needs.

29. NEXT STEPS AND DATE OF NEXT MEETING

It was agreed the task group’s next meeting would be held at 5.30pm on Thursday 17th January 2013, subject to the Economy, Development and Culture Portfolio Holder being able to attend.

This will be the final meeting of the task group to consider the draft review report prior to its submission to Customer and Partnerships Committee.

CHAIRMAN
Additional evidence

Feedback from Jobcentre Plus

Jobcentre Plus were asked to provide information to the task group on which vacancies fill quickest, to provide an indication of where demand for skills is being met and where some of the gaps might lie.

They provided the following response:

The Jobcentre vacancies that fill the quickest are: warehouse/picking and packing, retail, administrative, driving (not class 1), cleaning and bar work.

The vacancies that are more difficult to fill are where the Jobcentre customers do not necessarily match the vacancies or do not have the required skills. These are: driving (class 1 and 2), domiciliary care, engineering, Nursing (RGN), chefs, hotel and catering, teachers.