



Committee and Date

Council

24 November 2011

Item

9

Public

**Councillor Mike Owen
Portfolio Holder for Economic Growth and Prosperity
Annual Statement 2010-11**

1. Recommendations

- a. That Council approves the Portfolio Holder Statement.

BUSINESS GROWTH & PROSPERITY

2. Background

- 2.1 Shropshire Council has a corporate priority to deliver: "Enterprise and growth, with strong market towns and rebalanced rural settlements". In 2011 a new group of five services, Business Growth and Prosperity, was established to deliver this priority.

3. ENTERPRISE & BUSINESS

- 3.1 The 2009 –13 Shropshire Council Corporate Plan states that the Council will work with the Shropshire Business Board to ensure our policies and actions are relevant and business friendly. The Business Board came into being as a consequence of a fundamental review of the challenges and opportunities facing the Shropshire economy and was asked to advise on how the economic development service for the county could be developed.
- 3.2 The Shropshire Business Board will continue to advise on the priorities for business development and support within Shropshire as well as being the conduit for private sector involvement into the Marches Local Enterprise Partnership (LEP).
- 3.3 Working across Shropshire, Herefordshire and Telford & Wrekin the LEP is evolving with a private sector led approach. A robust structure has been developed with appointment of an influential private sector chair, Dr Geoff Davies, and a strong and diverse private/public Board. Structure includes a strong executive and a seconded executive co-ordinating officer from Shropshire Council. Its first success has been the securing of an Enterprise Zone being one of only 11 chosen by Government from 29 applications.

Funding of £180,000 for the LEP obtained from Government to allow resilient communications and administrative systems to be set up with a streamlined secretariat. A Tourism Business Plan, (in partnership with Herefordshire and Telford & Wrekin) has been submitted to the Board and is the first business sector to present its vision and plan for jobs and growth to the LEP partnership.

- 3.4 The Council has been working closely with the Business Board to deliver the priorities. Shropshire Business Board has undergone a successful transition with the previous chair taking on chairmanship of the Marches LEP and a new chair and vice chair being unanimously approved by the Board. The Board has been refreshed with three new private sector company representatives. There are also now 25 Shropshire Business Ambassadors. The Board now has its own web site and members their bespoke e-mail addresses. The new Manufacturing Network launched by the previous vice-chair of the Business Board has now got 40 members and has focused on helping businesses with boosting exporting and lean manufacture. The mentoring scheme is now operating with 8 of our Business Ambassadors mentoring local entrepreneurs to set up new businesses. The procurement sub-group of the Business Board now called COGS has expanded to cover Telford and has simplified our Council procurement to allow more local SMEs to benefit from contracts. It has also brought on board all major public and private sector employers many of whom have signed the Procurement Charter. The Employment and Skills sub-group of the Business Board has produced a draft Strategy and Action Plan to deliver on improving skills provision and the skill levels of employees to ensure Shropshire comes out of the recession faster and is more able to take advantage of opportunities in new high growth sectors. In September 2011 Cabinet endorsed the consultation stage of the Plan.
- 3.5 The Council manages and develops a number of land and property projects in order to stimulate economic growth. Recent achievements have included; Sale, development and gap funding of new office building for Derwent Management Services an automotive consultancy on the Ludlow Eco Business Park; Phase II £1.7M Tern Valley Business Park in Market Drayton; The Shropshire Food Enterprise Centre is now operating at 80% let; During the year managed to increase occupancy of our 190 industrial and office units from 76% to 82% where we support over 140 small businesses; Target is 80%. Maintaining income levels from our business units during the recession will remain a challenge.
- 3.6 In order to support economic growth the Council has worked extremely hard in seeking external funding. This year has seen the submission of the highest number of bids for external funding ever. This included a £17M bid to BDUK for Broadband, a £13M bid to the Heritage Lottery Fund for the Ditherington Flax Mill, and a total of 10 bids to the Regional Growth Fund and 5 bids to the European Regional Development Fund some of which are Local Enterprise Partnership (LEP) -wide.
- 3.7 Successes include £8.21M from BDUK for super fast broadband in Shropshire and Telford and Wrekin; £255,000 to support local businesses

to up-skill to secure renewable energy contracts and for local businesses to benefit from the new Feed In Tariffs. A further £1M of European funding has been secured to continue the Shropshire and Hereford Business Enterprise Fund.

- 3.8 The Shropshire Business Enterprise Fund developed by the Business Board has also proved very successful. Over the 18 months it has operated it has committed £310,000 of funding and supported 106 new start-up businesses, 54 existing businesses and resulting in 13 empty shops opening with new businesses. Overall 173 businesses were helped and 21 new jobs created.
- 3.9 The £3.5M Market Towns Revitalisation Programme commenced in October 2010 and has already committed £1.6M to 29 projects. £2.5M has been made available to the 6 larger market towns. Each scheme has outputs to achieve and a full evaluation will be carried out of economic impact.
- 3.10 In relation to Business Support, we have supported companies that have suffered large scale redundancies ensuring many people who are made redundant find new jobs quickly. In the case of Novelis in Bridgnorth we helped to support 300 employees and helped the creation of 105 jobs at newly formed Discovery Foils.
- 3.11 With an increasing focus on key economic sectors evaluation of our support for Environmental Technology businesses through the Marches Environmental Technologies Network has been very positive and new European funding to extend its operation has been successful.
- 3.12 We are still holding very successful business clinics in every Market Town with excellent attendance by businesses who obtain free business advice. Due to their popularity similar start-up clinics are also now being run in each town.
- 3.13 With no sign of the recession ending, increased business closures are threat. With the closure of a regional Business Link, the demand on the team to support businesses has grown enormously and the challenge is to keep focussed on what really makes a difference. The abolition of the Regional Development Agency has also removed funding for joint venture capital schemes.

4. VISITOR ECONOMY

Following the management reorganisation the new Visitor Economy service area, amalgamating the Museum Service, Shropshire Archives and the Tourism Service, began to operate as a new service in June 2011.

- 4.1 The new tourism structures approved by Cabinet during May 2010 are now in place with Shropshire and Telford & Wrekin Tourism Strategy Board continuing to provide the overarching strategic lead for the sector and has

been strengthened with representation from the National Trust, Destination Shrewsbury and Ironbridge Gorge Museum Trust.

- 4.2 The Government's new Tourism Policy supports and endorses our new approach to supporting the sector with private and public partnerships: Destination Shrewsbury – final draft of the Visitor Economy Strategy now with partners; Ludlow and Shropshire Hills – draft of the Visitor Economy Strategy out for final consultation; Oswestry and North Shropshire – individual stakeholder consultations currently being undertaken. On completion of the Destination Partnership strategies the Tourism Strategy Board will be developing an overarching countywide strategic framework.
- 4.3 The London 2012 Olympic Games is a key priority and opportunity for the tourism sector with the Dr. William Penny Brookes and Much Wenlock connection. The Council has led on this work in close partnership with Much Wenlock. Continued delivery of the RDPE £150,000 project to provide coordinated marketing and PR. As a result of the project a number of products have been developed in order to benefit visitors. £300,000 from the Market Towns Revitalisation Programme and Capital Programme has been utilised to improve the visitor infrastructure in Much Wenlock including additional car parking and visitor signage. Over forty international journalists have visited Shropshire to cover the story. In addition to these activities the Museum service secured a £520,000 HLF grant towards the redevelopment of Much Wenlock Museum. The grant covers refurbishment costs for the Museum along with a disabled access trail for the town.
- 4.4 The Music Hall project continues to progress well with an anticipated opening in Spring 2013. A £99,000 Arts Council England award was recently made to the service to support the project.
- 4.5 The merger of the Borough and County collections database to create a unified system to inform collection management and to provide collections based data to support on-line initiatives such as Discovering Shropshire's History have been completed.
- 4.6 Shropshire Archives and Shropshire Museums Service have been awarded a grant of £206,000 from the Heritage Lottery Fund for the Volunteering for Heritage project. 250 volunteers, including 3 apprentices, will have the opportunity to work on Shropshire's outstanding heritage collections, and develop their skills and experience, during the 3 year project. Shropshire Archives has a unique opportunity to engage with the recently emerged market for online genealogy in order to improve access to resources and to secure significant additional income.

5. THEATRE SERVICES

- 5.1 Theatre Severn and The Old Market Hall continue to increase numbers at performances.

6. OUTDOOR RECREATION

- 6.1 The Outdoor Recreation Service is currently managing externally funded projects in excess of £800,000. These projects include support for increased physical activity opportunities, such as Walking for Health and also support for the Tourism sector, through increased promotion of Shropshire as a walking destination through the various Shropshire Way projects. Local community projects also include the improvement of play facilities and local countryside sites and Parks. In addition the service is currently developing and bidding for funds in excess of £900,000 to support future play, access and site improvements for local communities.
- 6.2 Severn Valley Country Park has gained 'Green Flag' status for the 8th year. Green Flag Award recognises well managed, high quality green spaces. Severn Valley Country Park now welcomes well over 130,000 visitors a year.
- 6.3 Ahead of the Olympics, the service has now finished a major upgrade of the Shropshire Way into Much Wenlock and worked with the local community and volunteers to provide 6 new circular walks. We have also provided support to Much Wenlock to achieve 'Walkers are welcome' status and provided support to local businesses to help them fully take advantage of the local walking offer to visitors.
- 6.4 A major Staffing re-structure is underway to meet savings targets and provide a budget for essential maintenance of the Rights of way network and Parks and Countryside Sites.

7. INFRASTRUCTURE & GROWTH

- 7.1 The Shrewsbury Growth Point continues to progress its 3 key projects of Shrewsbury Vision, Northern Corridor and Flax Mill. The Shrewsbury Vision regeneration framework has been completed and is being implemented. The Council is working towards the development of the New Riverside area together with UK Commercial Property Trust and The Shearer Property Group to provide a major new retail and leisure led town centre scheme. Other developments include funding contributions towards the development of the Old Music Hall and funding towards the development of the Old Abbey Station to build on the industrial tourism element of local visitor economy.
- 7.2 On the Northern Corridor, the Heathgates Island scheme was completed in March 2011.
- 7.3 The Ditherington Flax Mill project continues to move forward with the completed acquisitions of the Arriva Bus Depot and Midland Red Social Club, thus completing the work to bring the whole of the Flax Mill and surrounding sites into single ownership. The new bus depot is currently being constructed in Harlescott. The site has also obtained planning approval and listed building consent for the conversion, re-use and

development of the Ditherington Flax Mill including detailed design. This work supports the development of a major Heritage Lottery Fund bid for the regeneration of the Ditherington Flax Mill

COMMISSIONING & PROCUREMENT

8. PROCUREMENT

- 8.1 The Procurement Section continues to support procurement activity within the Council by providing expert advice, taking an active role in procurement project teams and also managing procurement processes. For example recent procurement support provided to the project to externalise Bereavement Services now completed, ongoing Leisure Services work, the Highway and Environment Services term maintenance contract jointly with Cheshire West and Chester and the Solar Panel supply and installation project.
- 8.2 The Procurement Section is also undertaking procurement work on behalf of Shropshire and Wrekin Fire Authority and Oswestry Town Council.
- 8.3 In addition work continues to meet the specific procurement savings targets that have been set as part of the Council's overall saving requirements. Currently £847,000 of the required £1M savings have been identified for 2011/2012 and work continues to ensure these and further savings are achieved and captured. The areas covered by these savings include IT equipment and Software, Passenger Transport, Agency Staff, and Stationary. Also the section is supporting the achievement of required savings by other Groups in the Council where this involves procurement.
- 8.4 Procurement Savings work identified for 2012/13, 2013/14 and 2014/15 include:-
- The renegotiation of the Council's two PFI projects
 - Reducing spend on agency staff through tighter approval and control mechanisms applied by Group Managers to any future agency commitments.
 - Re-tendering community alarms services to replace existing equipment with new 'plug and play' moveable equipment
 - The imposition of stricter centralised control over all aspects of IT expenditure and Procurement.
 - Renegotiate the cost of mobile phone charges and equipment

9. SUPPORTING PEOPLE RECOMMISSIONING

- 9.1 Supporting People funding provides housing-related support to help vulnerable people to live independent lives in their own homes. For people of working age this is achieved through helping them to find and maintain suitable accommodation and supporting access to training, education and employment in order to minimise dependence on welfare benefits. For older people and those unable to work this is achieved through maintaining safe

and suitable accommodation, supporting access to other services and supporting involvement in community networks.

- 9.2 Housing support is delivered by a range of contracted organisations across Shropshire including Registered Social Landlords, voluntary sector organisations and Shropshire Council. We are currently recommissioning all housing support services except those delivered internally by Shropshire Council which are closely linked to adult social care services and which will be subject to a more appropriate and joined-up commissioning process.
- 9.3 This recommissioning process aims to provide more flexible ways of delivering services and therefore more choice for the customer and aims to reach more people through a clear target of ensuring that at least 40% of all customers live in private sector accommodation, as opposed to a clear and large majority of customers at present living in social housing.
- 9.4 Tenders have now closed and we are in the process of evaluating all tenders through a number of evaluation panels involving a core group from the Care & Well-Being Group, service users providing input from the customer viewpoint, and other relevant professionals.
- 9.5 Results of the tendering exercise will be notified by 9th December 2011 in order that contracts can be prepared and new services ready to begin by 1st April 2011.

10. CONTRACTS TEAM

- 10.1 The Contracts Team continues to support the tendering, contract and monitoring processes within the Council. Officer of the contracts team will be:
- assisting managers to review existing contracts (to help managers realise savings)advise on the councils' contract rules
 - supporting officers through the tender process
 - negotiating and drafting contracts
 - advising officers and organisations on any contract queries.
 - assisting in the Adult Protection Process
 - undertaking monitoring of older people social care contracts
 - liaising with legal, CQC, SPIC and other local authorities
- 10.2 In 2012/13 the Contracts Team will:
- assist in the renegotiation of the Council's Qics PFI project
 - lead on the renewal of all Shropshire Residential and Nursing home pre – placement contracts.
 - re-tender Frozen Meals Service and other services
 - carry out themed monitoring inspections of Older People residential social care providers

- continue to realise savings through active monitoring of transport arrangements
- assist in providing the Voluntary Sector and Group Managers with clearer guidance on contracting

11. LEISURE PROCUREMENT

11.1 Key elements of this project are the inclusion of the following leisure centres and services within the development of a leisure trust:

- Shrewsbury Sports Village & Bowls Centre
- Oswestry Leisure Centre
- Market Drayton Swimming Centre
- Whitchurch Swimming Centre
- Quarry Swimming Fitness Centre

11.2 This project will contribute to a number of high level outcomes, particularly

- Maximising leisure's contribution to Shropshire community and individual outcomes, notably around:
 - a. A more active society
 - b. A more prosperous society
 - c. Safer and stronger communities
- Providing high quality leisure services that are affordable, accessible and appropriate and respond to the needs of the local community
- Adopting a "commissioning approach" in support of a long term sustainable approach (at a reduced revenue cost) to service delivery in which Shropshire Council's role is as an enabler and facilitator, not necessarily the direct deliverer

12. MARKET DEVELOPMENT

12.1 The work of Market Development is focussed on developing ways of working with new providers and changing relationships with existing ones. The main areas of work are

- Supporting the Ludlow Assembly Rooms. Following the loss of Arts Council funding from April 2012 the Assembly Rooms has been working to develop a sustainable business model. The Council is the Assembly Rooms' main funder and landlord. Support has been provided with the development of options which will enable the Assembly Rooms to generate more of their own income.
- Commissioning positive activities for young people. This work is implementing Cabinet's decision to commission positive activities provision. In particular it is designing new ways of involving young people and members in the commissioning process.

- Developing a new commissioning methodology. To support the commissioning of services a new approach to commissioning is being developed. Market development is drafting advice on working with stakeholders prior to commissioning a service and the overall approach to commissioning.

ENVIRONMENT

13. WASTE MANAGEMENT SERVICES

13.1 The Waste Management Service has delivered on several key initiatives and has been instrumental in shaping the service for the future since the letting of the Council's 27-year Integrated Waste PFI contract with Veolia Environmental Services (VES) in September 2007. Together with VES as part of the post closure PFI programme the following service changes have been successfully implemented which include:

- Successful review of Community Skips serving the north and south areas of Shropshire – May 2010 reducing over 1,000 tonnes sent to landfill.
- Implementation of end of lane collection rationalisation programme – which affects over 3,000 properties on a county-wide basis
- Completion of the South Shropshire Food Waste Collection trial and completion of sign off of the Biocycle project with Defra recovering £80,000 of funding.
- Review of Recycling Credit scheme in line with actions taken by other local authorities and resulting in annual savings of £75,000
- Implementation of revised bad weather waste collection protocol Winter 2010/11 resulting in a substantial reduction in complaints compared with previous year.
- Introduction of major service change involving the kerbside collection of plastic bottles commencing with Oswestry followed by North Shropshire, Shrewsbury, South Shropshire and finally Bridgnorth (collections commenced October 2011). This has so far resulted in approximately 2,000 tonnes of plastic diverted from the residual waste stream
- Exceeding 2020 National target of 50% for Recycling & Composting with 51.4% achieved in 2010/11 and a projected 52.5% for 2011/12.

13.2 In addition to the above service changes there have been a number of improvements to waste management infrastructure and policy development, which include:

- Improvements to Craven Arms Integrated Waste Management Facility (IWMF) - June 2010 involving official opening by the Leader of the Council and Chief Executive Officer of VES.
- Successful purchase of Faraday Drive facility with planning permission obtained in April 2011 and opening as an IWMF serving the Bridgnorth area scheduled for early Spring 2012. This will

replace the current Barnsley Lane HRC. The facility is currently being used for reception and bulking of kerbside collected cans and plastic bottles from the Bridgnorth area.

- Implementation of the Love Food Hate Waste programme operating in Shropshire – with Shropshire Council leading the West Midlands LFHW campaign involving 33 local authorities focussing on advertising and community engagement and funded through the West Midlands Waste Alliance.
- Oak Farm composting project resulting in significant positive media coverage with 11 radio interviews to date
- Introduction of the Council's Waste Prevention Plan this is a 5-year strategic programme designed to reduce waste arisings by 60kg per household.

15. BEREAVEMENT SERVICES

- 15.1 The provision of Bereavement Services by the Council has always been on a semi-commercial basis rather than a subsidised social service. In November 2010 Cabinet approved the preparation and submission of an invitation to tender for a long-term agreement for the operation and management of the Council's Bereavement Services including the crematorium and cemeteries.
- 15.2 This process was undertaken to ensure the upgrade of the Emstrey crematorium including cremators and buildings is completed to meet future demand and to comply with Government requirements for abatement of emissions. The outsourcing of this service also provides for further investment in crematoria and cemeteries to increase capacity and meet future demand. within the deadline cemetery phased burial closure
- 15.3 The procurement process involved a commissioning approach providing a 30-year concession contract and lease for bereavement services. The successful tenderer for this project was Co-operative Funeral Services Ltd with commencement of the service on September 12th 2011.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Shrewsbury Growth Point Programme of Development

Shrewsbury Growth Point Delivery Plan 2011-2013

Shrewsbury Vision Regeneration Framework

Northern Corridor Regeneration Framework

Waste Prevention Plan 2011-2016

Cabinet Member (Portfolio Holder)

Councillor Mike Owen

Local Member

All

Appendices

None