



CABINET

Report of: Councillor Matthew Lee The Leader of the Council

Report to:	Cabinet
Date:	9th November 2017
Subject:	InvestSK (iSK001)

Decision Proposal:	Key decision for approval and recommendation on to Council
Relevant Cabinet Member:	Councillor Matthew Lee The Leader of the Council
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Approved for publication:	Councillor Matthew Lee, The Leader of the Council Date: 26 th October 2017

SUMMARY

This report sets out the resources required to establish InvestSK, so that it can drive significant growth into our economy through a number of key activities that encompass tourism, culture, heritage, business support and inward investment, skills, marketing, procurement, finance, programme management and masterplanning.

These activities will support the delivery of a £40m programme of projects which has the potential to grow the South Kesteven economy by £400m per year.

RECOMMENDATION

1. That Cabinet recommends to Council that the 2017/18 budget is amended to include the investment of £321,500 revenue to establish InvestSK.

1. BACKGROUND TO REPORT

- 1.1. The Council's number 1 priority is to drive the economy and, with it, the growth of the District.
- 1.2. South Kesteven's economy is currently worth around £2.7 billion pounds per year and through a number of economic initiatives and regeneration and development schemes the Council will be seeking to add a further £1.2 billion pounds to this.
- 1.3. The Leader of the Council has announced a series of strategic projects across the District that will aim to achieve the first £400 million of this growth target by investing £40 million pounds. The ambition will be to commence delivery of these projects by 2020.
- 1.4. Invest SK has been set up to deliver these projects and to drive significant growth into our economy through a number of key activities:
 - 1.4.1. Developing a strategy which makes the most out of the District's fine visitor attractions and encourages visitors to stay longer, and see more.
 - 1.4.2. Exploring and optimising access to external funding opportunities for both our local communities, businesses and for the Council in order to increase local investment and maximise the beneficial outputs from important projects and initiatives.
 - 1.4.3. Developing policies to ensure the ongoing protection of Stamford, the first conservation town in England, whilst ensuring that it remains a vibrant, growing community.
 - 1.4.4. Working with partners to develop a Heritage Quarter for Grantham; celebrating its fine heritage, in the heart of the town, from St Wulfram's church to the railway arches.
 - 1.4.5. Engaging with businesses to maximise growth and inward investment; utilising business intelligence in order to inform future strategies; and accelerating the growth of indigenous businesses.
 - 1.4.6. Leading on a collaborative approach to skills development alongside businesses and education establishments; putting the right infrastructure in place to maximise skills development in our communities.
 - 1.4.7. Marketing InvestSK to indigenous and potential new businesses and business networks, maximising knowledge of the Council's new inward investment team in order to optimise its impact.

- 1.4.8. Developing and implementing an approach to procurement that facilitates local participation and builds strategic partnerships and resourcing appropriate financial advice to ensure that the right funding is in place to enable project delivery.
- 1.4.9. Establishment of a programme delivery office to manage the delivery of the proposed programme of projects; managing risk, budgets and timescales to ensure the most efficient delivery of high quality outcomes.
- 1.4.10. Leading on the masterplanning of Grantham in order to develop it as a place where people want to come to and stay, growing the population to sustain vital services; creating a town where businesses invest and grow, where skills flourish, and where its culture, heritage and townscape make it a regional destination town.

The masterplan will focus on nine economic elements: Commercial, Heritage and The Arts, Leisure and the Visitor Economy, Retail and the Markets, Public Realm, Living, Gateways, Transport and Skills. These elements will also form the basis for future masterplans across the district.

- 1.5. The commencement of these projects and initiatives will require new roles to be established, and targeted support to be procured.

2. OTHER OPTIONS CONSIDERED

- 2.1. Three alternative options have been considered:

	Description	Reason for option being discounted
1	Continue to resource InvestSK with current Economic Development budget	Service investment of this level will significantly reduce the impact that the Council can have in driving the South Kesteven economy. Failure to properly assess and manage business need may see businesses leaving the district and growth rates reduce.
2	Rely on bids made through revenue budget-setting to fully establish InvestSK from 1 st April 2018	The start of the next financial year is five months away. These five months should be being spent actively gathering business intelligence, supporting communities bidding into finite European funds, promoting our visitor attractions, marketing the district and putting the appropriate due diligence in place to deliver the ambitious first stage of our investment programme.
3	Seek additional resource in order to expedite the growth of the district	This report focuses on what is considered to be the bare minimum resource required to establish InvestSK and to start making an impact on the local economy. Further resources will be bid for

	through the Council's budget-setting process. Consideration is also being given to future expansion of the team, potentially funded through business rates retention.
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3. RESOURCE IMPLICATIONS

- 3.1. The initial establishment of InvestSK will involve the creation of 5 new roles that will work alongside existing team members. The new roles are referenced in Appendix 1, and the overall costs for those roles (for the remainder of 2017/18, and from 2018/19 onwards) are set out below.
- 3.2. The establishment of InvestSK will also require specific work to be commissioned. The commissions will involve measures to assess and respond to business needs, the setting up a programme office (to manage project delivery) and advice on project procurement and finance support. Funds are also included for carrying out masterplanning work for Grantham and to provide marketing and skills support for South Kesteven's economy.
- 3.3. A bid for additional funding will also be submitted through the Council's budget-setting process. The bid will include additional roles and additional funding for commissions, which together will enable the continued focus of InvestSK.
- 3.4. Revenue Estimates

	Remainder of 17/18	18/19 onwards
New Roles	£51,500	£205,000
Commissions	£270,000	
	£321,500	£205,000

4. RISK AND MITIGATION

- 4.1. There are not considered to be any high level risks associated with the establishment of the InvestSK team.
- 4.2. The establishment of an appropriately resourced economic development and regeneration function, with qualified programme and project management support, will reduce the risk of project failure.

5. ISSUES ARISING FROM IMPACT ANALYSIS (EQUALITY, SAFEGUARDING etc.)

- 5.1. Impact analysis will be considered as part of the formal project delivery and policy development processes.

6. CRIME AND DISORDER IMPLICATIONS

- 6.1. Crime and disorder implications will be considered on a project-by-project basis.

7. COMMENTS OF FINANCIAL SERVICES

- 7.1. The financial implications of the proposal constitute a variation to the current budget framework agree for 2017/18. As a balanced budget has been achieved for the current year, the only short-term option is to fund the proposal from revenue reserves. Members have previously agreed to increase the use of the revenue reserve for the current year to £1.705M consisting of Big Clean £887K, St Peter's Hill office re-modelling feasibility and ICT investment £500K and InvestSK £321.5K.
- 7.2. However, using reserves is a short term funding solution. Therefore, the growth will need to be included in the 2018/19 budget proposals alongside other capacity bid proposals. As an element of this proposal relates to the establishment of staffing contractual arrangements (shown at paragraph 3.4), there will be cost implications should the budget growth for 2018/19 not be approved.

8. COMMENTS OF LEGAL AND DEMOCRATIC SERVICES

- 8.1. InvestSK is an initiative which will involve a team of officers of the Council and external advisors to support and deliver economic development and Investsk projects. Funding is required in the current financial year to recruit permanent employees of the Council and procure external advisors. This funding will be a consideration for future budgeting requirement beyond the current financial year.
- 8.2. The responsibility for agreeing the budget and changes to the budget lies with the Council

9. APPENDICES

Appendix 1: Detailed costs

10. BACKGROUND PAPERS

- 10.1. None

Appendix 1: Detailed costs (1st December 2017 to 31st March 2018)

	£	£	note
Tourism Lead	15,000		1 new post
Community Support for funding bids	20,000		2 new posts
Administration Support	6,500		1 new post
Heritage Regeneration Officer	10,000		1 new post
Sub total		51,500	
Economic Development	65,000		Commissioned support
Skills	10,000		Commissioned support
Marketing	10,000		Commissioned support
Programme Procurement and Finance	50,000		Commissioned support
			Commissioned Programme and Project Management
Programme office set-up costs	65,000		Commissioned Programme and Project Management
Masterplanning for Grantham	70,000		Commissioned
Sub total		270,000	
Total		321,500	