[The Committee will receive a presentation from Doug Perkins, Economic Development Officer.

The ‘Elmbridge Enterprise Action Plan 2017-2019’ report that was considered by Cabinet at the meeting held on 11 January 2017 has been included within these agenda papers to provide some background information.]

Committee: Cabinet
Date of meeting: 11 January 2017

<table>
<thead>
<tr>
<th>Subject:</th>
<th>Enterprise Elmbridge Action Plan 2017-2019</th>
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<tbody>
<tr>
<td>Lead Officer:</td>
<td>Natalie Anderson, Head of Organisational Development</td>
</tr>
<tr>
<td>Portfolio Holder:</td>
<td>Councillor Mary Marshall, Portfolio Holder for Community and Corporate Development</td>
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<tr>
<td>Link to Council Priorities:</td>
<td>All</td>
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<tr>
<td>Exempt information:</td>
<td>None</td>
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<tr>
<td>Delegated status:</td>
<td>For resolution</td>
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<tr>
<td>Key Decision:</td>
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EXECUTIVE SUMMARY:

The Council is committed to supporting our local economy, businesses and town centres through the Enterprise Elmbridge programme and the Elmbridge Civic Improvement Fund (ECIF).

The Enterprise Elmbridge Action Plan and ECIF support for businesses help to ensure that Elmbridge remains an attractive place to invest, work and do business.

This report outlines the progress and successes from the Enterprise Elmbridge Action Plan 2015 – 2017 and sets out proposals to meet local economic challenges and opportunities with an updated action plan to March 2019.

RECOMMENDED: THAT

(A) THE WORK PROGRAMME AS SET OUT IN APPENDIX A BE APPROVED; AND

(B) CABINET SUPPORTS THE CREATION OF AN ELMBRIDGE ENTERPRISE FUND, WITH £100,000 TO BE ALLOCATED FROM THE STRATEGIC RESERVE (LABGI).

REPORT:

1.0 Background and context

1.1 Elmbridge sits within the London economic eco-system and is a hot-bed of knowledge based, high value businesses. Linking the best of the Enterprise M3 sci-tech corridor with the capital, our economic success has been driven by locational and transport advantages, which have helped facilitate the largest business base across the LEP and attract international investment from the likes of Sony, Proctor & Gamble and LG Electronics.
The Elmbridge economy has shown considerable resilience as the UK continues to show signs of recovery despite an uncertain economic future with the referendum decision to leave the European Union and a stagnant Eurozone providing the potential to cause further economic shocks.

However, our businesses tell us that without increased investment in transport, housing, schools and infrastructure we risk losing key employers from the Borough. In the longer term, private sector investment could be affected if key issues such as Brooklands Business Park accessibility are not addressed.

The move by central Government to devolve 100% of business rates to local authorities by 2020 signals a fundamental change in the funding of local government and establishes the link between economic growth (or decline) and future local finance.

Enterprise Elmbridge 2015 – 2017

The Council made a commitment to prioritise this area of work in 2012 with the agreement of the first Enterprise Elmbridge Action Plan that helped build on the funding providing by the Elmbridge Civic Improvement Fund and reposition the Council’s relationship with local businesses.

The subsequent adoption of the Enterprise Elmbridge Action Plan 2015 – 2017 recognised that the Elmbridge economy faced some key challenges in terms of the uncertain national economic picture as the UK emerged from the downturn, online and offline competition to our high streets, a year 1 & 2 business survival rate behind the Surrey average and vacancy rates of around 15% for commercial property. The plan has supported a range of targeted initiatives including:

Town Centres

- Celebrated and promoted our independent traders with a record number of votes and nominations in the Elmbridge Independent Retailer of the Year Awards
- Encouraged residents to shop local with a range of campaigns including: Did you know, 72 hrs shop local pledge, your local favourites and Small Business Saturday initiatives
- Piloted Elmbridge Street Live adding interest and life to Weybridge town centre with live music and street dance
- Supported Thames Ditton to launch a new farmers market attracting 1,200 people to the inaugural event
- Launched a new retail welcome pack to provide a simple guide for new entrants to our town centres
- Successfully bid for £100,000 over 2 years from the Surrey County Council Town Centres Fund to support the Elmbridge Civic Improvement Fund business grants
- Supported our local business groups to bid for funding with over £24,000 from the Surrey Community Improvement Fund awarded to Molesey and Walton-on-Thames for High Street improvements
- Developed a Great British High Street awards entry in partnership with the Claygate Traders that was runner up in the Best Local Parade in Great Britain category
- Launched ‘Enjoy Elmbridge’ Day with six town centres working together on a day of activities to drive footfall and promote independent retail month
- Developed proposals with the Weybridge Town Business Group to deliver an improved flexible streetscene for events and markets
- Supported the start-up and development of the Walton-on-Thames Traders Alliance

2.4 Business support

- Elmbridge businesses awarded £350,000 in Enterprise M3 LEP funding escalator loans to support growth and new jobs (£150,000 for Green Biofuels to implement research for off road diesel engine applications and £200,000 loan funding for a digital media/ICT business looking to grow in Weybridge)
- Supported over 120 businesses with private sector led business masterclasses in leadership, start-up marketing, exporting, video marketing, selling and business continuity
- Launched Start-up Elmbridge with the Elmbridge Business Network and Surrey Chambers of Commerce to deliver 36 free 1-2-1 advice sessions for new businesses
- Developed and supported three Local Growth Fund bids that formed part of the Enterprise M3 Local Enterprise Partnership £160 million Growth Deal submitted to government to tackle issues around access to Brooklands Business Park, STEM skills and commercial space (Feedback from Government on the Enterprise M3 Growth Deal is expected in the new year)
- £262,613 in ECIF grants awarded to 66 businesses leveraging over £26,200 of private sector investment in our town centres since April 2015
- £15,171 in start-up grants awarded to 18 new businesses since April 2015
- Over 100 businesses supported directly with advice and signposting
- Generated over 2,500 clicks through to business funding, events and opportunities from our social media, LinkedIn group and newsletter
- Engaged our large and strategically important businesses through the Elmbridge Business Leaders Board
- Increased membership and implemented an Elmbridge Business Network improvement plan to ensure the network continues to deliver for our towns and businesses
- Promoted an open for business approach by supporting the Better Business for All initiative and developing new social media video clips to highlight available services to business
2.5 Tourism

- Attracted over 11,000 people to the 2015 Elmbridge Food Festival
- 41 out of 67 business and community groups involved in the food festival were from within Elmbridge

- @DiscoverElmb social media feed helped to generate over 66,000 twitter impressions and over 2,000 profile visits during the food festival
- Approx £7,000 of free print publicity generated for the food festival and Painshill
- Developed a borough wide heritage strategy
- Highlighted the ‘Hidden Gems’ in Elmbridge through social media video clips to encourage residents and visitors to explore the Borough
- Developed a range of themed itineraries to support the Discover Elmbridge social media

2.6 The targeted support from the Enterprise Elmbridge programme has helped to ensure we remain a borough people aspire to belong to with strong connectivity, world-class businesses and high quality town centres and amenities with the latest economic stats showing:

- 9,450 active businesses in 2016 (1,275 additional businesses since the first Enterprise Elmbridge Action plan in 2012)
- 36% of businesses are knowledge based
- 60,000 employees in 2015 (5,000 new jobs since 2012)
- 59% of working age population educated to NVQ level 4 compared to 40% for the South East
- Ranked 16th out of 370 in the UK competitiveness index 2016 (up from 20th in 2015)
- 435 (0.5%) JSA claimants for October 2016 compared to 1.1% for the South East
- Comparison (non-food) spending retention rate of 29% in 2015 (up from 15.5% in 2005)
- 880+ independent retailers with town centre vacancy rates below the national average
- 1,415 start-ups in 2015 (up from 975 business starts in 2012)

3.0 Enterprise Elmbridge 2017 - 2019

3.1 In partnership with our private sector business leaders we have developed a clear understanding and evidence of the role Elmbridge plays in the Surrey and Local Enterprise Partnership economy. It recognises the linkages and drivers that support start-ups, high growth knowledge firms and our highly productive economy to continue to deliver for Elmbridge and UK PLC.

3.2 Our economy is successful but we cannot be complacent and need to continue to plan and invest in the local economy to maintain our competitive edge and sustain our economic potential.
3.3 Nationally the uncertainty caused by the referendum decision to leave the European Union has added to local constraints on business investment which is being affected by significant transport congestion on key routes, infrastructure deficits and housing affordability. Our town centres face threats from online shopping and increasing competition from local and regional centres.

3.4 The Enterprise Elmbridge Action Plan 2017-2019 aims to support sustainable economic prosperity in Elmbridge as we seek to balance enterprise, the environment and quality of life.

3.5 The action plan aims to get the maximum return on investment by focussing on the key strategic objectives below.

- To facilitate the economic conditions to create, retain and attract knowledge based businesses
- To attract and retain more skilled people by maintaining a good quality of life, thriving town centres, affordable housing and supportive amenities
- To improve connectivity and networks between our employment hubs, stations, towns and businesses
- To target investments to the needs of the Elmbridge economy

3.6 The targeted support through the Enterprise Elmbridge programme outlined in Appendix A will ensure our town centres, businesses, networks and attractions can continue to develop and thrive.

4.0 Elmbridge Enterprise Fund

4.1 A central part of the Council’s commitment to the local economy has been its investment in the Elmbridge Civic Improvement Fund (ECIF). Since its launch in 2009, ECIF has supported 232 businesses across our town and village centres with £847,947 funding.

4.2 In March 2015 Cabinet supported the creation of an Elmbridge start-up fund for local businesses, with £50,000 allocated from ECIF. To date 18 start ups have been supported with funding to help support new businesses in the crucial first 12-18 months.

4.3 The Elmbridge Civic Improvement Fund has helped to invest over £1,300,000 into our towns, villages and retailers. It has helped to adapt, retain and grow our high streets and businesses.

4.4 However, feedback from the private sector is that we need to continue to invest and innovate in supporting the local economy. It is proposed that £100,000 from the Strategic Reserve (LABGI Fund historically received for growth in Business Rates used to reinvest in business related improvement) be allocated to create a separate scheme known as the Elmbridge Enterprise Fund.
4.5 The aim of the scheme would be to support innovative pilot programmes to address key economic development priorities with funding available to help seed new projects to become self-sustaining.

4.6 The fund would be open to people or organisations with the brightest new ideas that will help to create new businesses and jobs, offer new opportunities for local residents and enhance the vibrancy of our town and village centres.

4.7 The enterprise fund would seek to:

   - Take an entrepreneurial approach to project development
   - Proactively seek opportunities to support economic development in collaboration with others
   - Help facilitate projects to link with the most appropriate partners

4.8 Proposed priority areas include:

<table>
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<tr>
<th><strong>Adapting and enhancing our town centres</strong></th>
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<tr>
<td><strong>Outline</strong></td>
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<tr>
<td>We want our town centres to be vibrant and attractive spaces that work for residents, visitors and businesses.</td>
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<table>
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<tr>
<th><strong>Enterprise, co-working and incubator space</strong></th>
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<tr>
<td><strong>Outline</strong></td>
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<tr>
<td>We want to help enable a Borough wide network of flexible workspace across Elmbridge. The workspace will help support our aim to help enable a new wave of business growth and innovation.</td>
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<tr>
<th><strong>Support for clusters and sectors</strong></th>
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<tbody>
<tr>
<td><strong>Outline</strong></td>
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<tr>
<td>We are looking to support ideas that help local economic clusters and business come together to support their sectors.</td>
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</tbody>
</table>
4.9 Projects must demonstrate how they meet the funds five investment criteria:

1. Alignment to priority themes
2. Self-sustaining
3. Early stage
4. Innovative
5. Supported by driven, talented people

4.10 To be eligible to apply projects must:
- Expressions of Interest can be submitted from individuals, charities, social enterprise and for-profit and not-for-profit companies, so long as the proposal aligns with our Priority Themes and meets the investment criteria set out in the expression of interest form
- To be eligible applicants will have to deliver the project within the administrative boundaries of Elmbridge Borough Council
- Up to £10,000 is available to support innovative economic development projects under our priority themes as a one-off grant to support pilot projects (any exceptional projects requesting more than £10,000 approved by Council Management Board would require a report to Cabinet)
- Initial expressions of interest will be accepted at any time with successful projects invited to submit detailed business plans
- Projects providing a business plan will need to show evidence of match funding, outcomes and longer-term financial sustainability
- All projects should deliver a social return on investment. Projects that also show a potential financial return on investment to ensure longer term sustainability will be favoured.
- All projects must operate within the Borough of Elmbridge

4.11 The following would not be supported by the fund:
- Community groups, statutory bodies e.g. Parish Councils are not eligible to apply into this funding scheme
- The scheme will not fund the ‘running costs’ of any project including: rent, utilities, travel costs or salaries
- Grants are not awarded retrospectively and therefore no previous purchases or existing projects can be supported
- The Elmbridge Enterprise Fund does not invest directly in businesses. Individual businesses within the borough will be directed to apply for support via our business or start up grant.

4.12 A limit of £10,000 has been applied in recognition of the higher levels of risk associated with pilot projects. It is proposed that a sum of £100,000 be allocated from the existing Strategic Reserve (LAGBI) for the Elmbridge Enterprise Fund.

Financial implications:
It is proposed that a sum of £100,000 be allocated from the existing Strategic Reserve (LABGI). The Local Authority Business Growth Incentive (LABGI) grants were awarded to local authorities for growth in Business Rates achieved in their local areas. This was set up as a reserve to fund business related improvements, including funding the Elmbridge Civic Improvement Fund. The LABGI reserve will have a balance of one million after the allocation.
**Environmental/Sustainability Implications:**
Economic development contributes to sustainable communities. Specific projects to support our town centres and businesses can contribute to customers buying goods and services locally, reducing vehicle trips.

**Legal Implications:**
None

**Equality Implications:**
None

**Risk Implications:**
Failure to promote economic growth could result in a reduction in business rate revenues, which under new legislative proposals could affect Council income.

**Community Safety Implications:**
None

**Principal Consultees:**

**Background papers:**
None

**Enclosures/Appendices:**
Appendix A: Enterprise Elmbridge Action Plan 2017 - 2019

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