



## Report of the Cabinet Member for Cabinet Member for Commercial Opportunities & Innovation

Scrutiny Programme Committee – 14 May 2018

### Key Headlines: for Cabinet Member for Commercial Opportunities & Innovation

**Purpose:** This report outlines notable activities and achievements in terms of delivering the key priorities within the Commercial Opportunities and Innovation portfolio. It also describes some of the improvements made and the impact of these activities in terms of delivering key priorities within this portfolio. The report also seeks to identify anticipated achievements in the near future, key challenges and key decisions which are anticipated for Cabinet over the next 12 months.

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#### **For Information**

### **1.0 The Portfolio for Commercial Opportunities and Innovation**

1.1 The key responsibilities within the portfolio for Commercial Opportunities and Innovation include;

- Business promotion,
- Commercial Services,
- Delivery of new income streams from Commercial opportunities,
- Identification & implementation of new Commercial Models,
- New Commercial partnerships,
- Economic Twinning,
- Factory of the Future (City Deal),
- Funding strategies,

- Licensing & Trading Standards,
- Local and regional investment strategy (Regional bank),
- Local business engagement,
- New Local & Regional business opportunities,
- Planning Policy & Local Development Plan (LDP),
- Procurement Frameworks,
- Procurement policy revisions (City Deal),
- Regional Workforce & Skills development,

### **2.0 Business Promotion**

- 2.1 Swansea Council are continuing to work with regional partners and the business community to deliver the City Deal, 35,000 associated regional jobs, and promote the Swansea Bay City region. A detailed 5 case business model has been submitted to UK & Welsh Governments and feedback has been received. The shadow Joint Committee continues to meet to progress the City Deal and the chairman of the Economic Strategy Board has been appointed. An Economic Impact Assessment has been produced for Swansea's City Deal Project. Meanwhile, project development work continues for all aspects of the Swansea City & Waterfront Digital District.
- 2.2 In order to strengthen and sustain the Council's role in relation to local business promotion, the Economic Development Team has been reviewed and re-structured. A proposal for a dedicated Inward Investment Resource is currently being prepared. The Swansea Economic Regeneration Partnership (SERP) has also been reviewed and was relaunched on the 2nd May 2018. The SERP has been reviewed in order to include a focus on project management and implementation, aiming to maximize the benefits of regeneration projects for local people and businesses.
- 2.3 Opportunities for local business promotion, continue to be supported in the city centre through the work of Swansea BID with a focus on the regeneration of the city centre, special events and the promotion of Swansea market. Activities have also been undertaken to promote business opportunities in local communities such as the Uplands market and the recently established markets in the Marina and Morriston.

### **3.0 Commercial Services**

- 3.1 The Commercial Services work area encompasses two main strands of activity - to support all parts of the Council to generate income and to support all parts of the Council buy its products and services and the best possible price (without affecting any loss of quality). The team works across the Council and is involved in a multitude of projects, seeking to embed commercialism throughout the Council. Specific strands of work include; the delivery of new income streams from Commercial opportunities and the identification and implementation of

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new Commercial models and partnerships. The team are also developing new Procurement Frameworks and are revising Procurement policies, aiming to maximize the potential benefits offered by the City Deal.

- 3.2 In terms of the delivery of new income streams from Commercial opportunities, income and contract savings in the past year have been tracked at approximately £1 million and a further target has been set for the forthcoming financial period. Examples of commercial activities undertaken, include the provision of corporate car parking permits in Swansea and using underutilised infrastructure such as the High Street multi-storey car park and reviewing Council contracts.
- 3.3 The Council has reviewed more than 200 hundred contract reviews in the past year including; the regeneration of the city centre and its associated design and construction; contracts related to the maintenance / upgrading of housing stock and its compliance with the Welsh Housing Quality Standard; the supply and installation of various systems including sprinklers, dry lining and CCTV; mobile phone services for the Council and ICT hardware maintenance, education management information systems, antivirus solutions and library management.
- 3.4 Other commercial activities have included the collation of a cross Council fees and charges register (which will be brought to the Council's' Service Improvement and Finance Scrutiny Performance Panel in May 2018) and exploring how the Council can develop Commercial partnerships. For example, the Mansion House – is currently subject to review and a private sector partner is being sought to develop its new commercial model. An initial market testing exercise yielded private sector interest, so the next step will be a formal tender for a partner with an associated commercial agreement. This work will be conducted in parallel to the Cultural Services procurement exercise currently ongoing, reviewing the commercial model in this area.
- 3.5 The Commercial team have also developed new and innovative Procurement Frameworks. The Commercial team and Adult Services were acknowledged for their work at the 'Go Wales' procurement awards in the category of innovation in health and social care in relation to a tender for the 'provision of tenancy based care and support for people with a learning disability or physical disability.' The contract approach was deemed innovative in two main ways - it was 'co-produced' with users of the service - looking at the planning, evaluation and monitoring of the agreement, and secondly 'community benefits' (working with the Council's beyond bricks and mortar team) were included in the agreement for the first time and committed to extra benefits for the local community.

- 3.6 Over the next 12 months, the Commercial team are planning to increase commercial opportunities and income for the Council in a number of different ways including; the development of opportunities to advertise on Council vehicles, an early payment discount scheme and a new commercial brochure advertising the broad range of services that the Council can offer both residents and businesses.
- 3.7 Another key strategy which will be undertaken by the Commercial team will be to engage as many staff as possible in the Commercial agenda to ensure all commercial opportunities are captured and acted upon. From April 2018 onwards, all Council departments have been requested to provide details of their commercial planning and aiming to further integrate commercial actions in all aspects of the Council's operations. Other key activities will include the continuation support to the Council Transformation PDDC and exploring how the Council can enhance the access of local companies to the numerous Council procurement opportunities. The Commercial team plans to support the revision of the Council Constitution (specifically the element relating to our contract procedure rules) to further drive engagement with local suppliers.
- 3.8 In addition to activities designed to increase income and commercial opportunities for the Council, the Commercial team are committed to developing ethical employment practices. The Commercial team are committed to continuing to work with a cross -Council team and trade union representatives to assess the development and delivery of the Welsh Government initiative the *Code of practice: Ethical employment in supply chains*. This initiative is in part a response to issues of modern slavery which have become apparent across the United Kingdom and Swansea has been one of the first in Wales to sign up to this initiative and has subsequently amended our contract documentation to ensure any company that breaches laws in this area is stopped from working with the Council. Swansea Council have also instituted new procedures relating to 'false self-employment', which link to the ethical component of the Code.

#### **4.0 Economic Twinning**

- 4.1 Swansea Council have been working to develop new economic twinning arrangements and economic partnerships overseas, especially in China. Swansea Council and Wuhan signed a 'sister city' and twinning agreement in January 2018. The agreement builds upon the signing of the Memorandum on the Establishment of Friendly Exchange Cities Relationship during Wuhan's official visit of Swansea in 2016. The agreement aims to promote common economic, educational, cultural and social interests. Swansea Council and Wuhan are currently in the early stages of developing a co-operation action plan for 2018 which aims to build on common interests in relation to the co-operation of local governments, trade and investment, education, sports and tourism. Swansea University and local

business partners such as River Simple (a hydrogen fuel cell car manufacturer) have also played key roles in developing partnerships with cities in China. In order to build upon the special links with China and other economic partnerships, Swansea Council are currently preparing a proposal for dedicated resources and a work programme will be established to build upon enquiries.

### **5.0 Factory of the Future**

- 5.1 The Factory of the Future is one of the 11 projects which forms part of the Swansea Bay City Deal. The Factory of the Future is part of the smart and advanced manufacturing strand within the City Deal, which together with the Steel Science centre, aims to develop and commercialise new innovations in smart manufacturing. It is anticipated that the Factory of the Future will support inward investment in leading edge technologies and harness the opportunities associated with digital manufacturing.
- 5.2 The City Deal represents a total investment of £1.3 billion over a period of 15 years from UK and Welsh Governments, other public sector bodies and funding from the private sector. The Factory of the Future will attract £10 million of funding under the umbrella of the City Deal. Swansea University is the delivery lead.
- 5.3 The implementation of the project is at an early stage. A review of revenue and capital expenditure has been undertaken and 15 and 30 year snap shots of economic models have been developed. Discussions are ongoing with Neath Port Talbot Council in relation to finalising a site location. The formulation of more detailed building requirements and site feasibility have been completed and the specification and detailed requirements are currently being refined. The UK Government and Welsh Government have fed back on the draft business case and it is anticipated that a revised business case will be submitted to the Regional Office in September 2018. Discussions with first potential industrial partner are progressing.

### **6.0 Funding Strategies**

- 6.1 Swansea Council has been exploring innovative funding and investment strategies and options to borrow prudently to support the City Deal (but only when it is right to do so). The budget round being considered makes provision for substantial capital investment to support the City Deal. Work continues with regional partners to continue dialogue with Welsh Government over funding flexibilities including Capitalisation Directions. The budget round being considered continues to anticipate substantial capital investment to support the City Deal, but has not yet been formally included pending wider agreement of the Joint Working Agreement and receipt of City Deal funding terms and conditions. Work continues with regional partners to

continue dialogue with Welsh Government over funding flexibilities including Capitalisation Directions

- 6.2 Work is ongoing with Welsh Ministers over the retention of local business rates in order to re-invest in the local economy in both a City Deal context and on an all-Wales basis. Ministerial agreement in principle has been reached and the quanta of potential for business rates retention modelled on an all Wales basis and on a City Deal basis.
- 6.3 Swansea Council are continuing to explore collaborative and innovative ways in which local services can be financed and delivered most efficiently, and how the value of council assets can be maximised. A cross cutting review of Council services has commenced to identify the delivery of services in the community and links to public assets, with significant engagement from users and partners. Work on a pilot hub is currently underway, with the aim to open in September 2018.
- 6.4 Inevitably future funding strategies will also have to prepare for the loss of European funding post Brexit.

### **7.0 Licensing & Trading Standards**

- 7.1 The Licensing team is responsible for safeguarding the public through processing a wide range of applications, ensuring compliance with the various licensing regimes and by taking enforcement action where necessary.
- 7.2 The team has adopted a risk-based approach to inspection of licensed premises and proactively inspects those premises in the high-risk category (Category A) on an annual basis. A premises investigated for the unauthorised sale of alcohol resulted in a successful prosecution, the seizure/forfeiture of £900 worth of alcohol and the forfeiture of the business owner's personal licence (this licence allow a person to sell/authorise the sale of alcohol). Regular joint enforcement is undertaken with other agencies including, the police, the fire service, immigration and the gambling commission.
- 7.3 A programme of safeguarding training is currently being rolled out to licensed drivers (as eyes and ears of the community).The licensing team is also working closely with other agencies and the event organisers to ensure the safe running of the forthcoming 2 day event "The Biggest Weekend" in Singleton Park.
- 7.4 The service will continue to provide core services to safeguard the public. The majority of licensing is a Council function, delegated to the Statutory and General Licensing Committees, Sub-Committees and officers. In relation to Executive functions the Council's Statement of Licensing Policy and the policy on the "Licensing of Sex

Establishments” are currently being reviewed to be issued for consultation prior to adoption. These are due to be reported to Cabinet on the 17<sup>th</sup> May 2018 for approval and for the reviewed policies to be issued for consultation. Following consultation they will be reported to Council for adoption.

- 7.5 The Trading Standards team is responsible for ensuring the safety of consumer goods, monitoring the description of goods/services, providing consumer and trade advice, control of street trading, the promotion of the proof of age scheme, regulating the sale of age restricted products, animal health and welfare protection.
- 7.6 The division has adopted an approach to deal with the most serious matters affecting communities within Swansea. These include prompt and direct action against rogue doorstep traders and irresponsible call centre business operating from Swansea but dealing across the UK and mail scams, which are directed at the most vulnerable groups of society. Two recent successful prosecutions followed detailed investigations into Cancer causing muscle building supplements and illegal motor trading which resulted in lengthy prison sentences for both offenders. A number of public campaigns have also been launched to promote Health and wellbeing and to encourage the citizens of Swansea to lead a healthy lifestyle, i.e. Smoke Free Beaches, Smoking at school gates and Don't be a Lobster, which is a campaigns to protect and advise people of the harmful effects of the sun.
- 7.7 In terms of future activities, Trading Standards plans to continue with activities which safeguard the residents of Swansea by demonstrating that good regulatory activity safeguard people and protects responsible business operators from unfair competition. The service also plans to continue regulatory interventions using advice, education and enforcement methods which make a positive contribution to the Healthy City Network. Other future plans include the provision of training to raise business awareness and assist customer compliance with regulation and to explore opportunities to improve the source of information to business operators to improve regulatory compliance and making improvements in technology to enhance service delivery and accessibility of the service.

### **8.0 Local Business Engagement**

- 8.1 Engagement with local businesses is an integral part of Swansea Council's approach to business promotion, which ranges from supporting economic activity within local communities to the regeneration of the city centre and to the implementation of the City Deal. The recently re-focused Swansea Economic Regeneration Partnership provides a new mechanism for local businesses to be engaged and play a key role in the delivery of a range regeneration and new business opportunities within the local area. A number of

working groups, as part of the Partnership will begin to deliver new grant/local business support opportunities. There are plans to host a Pop-up Business School event and link to Business Wales and related opportunities and secure pop-up business school event in partnership with COASTAL housing in the near future.

- 8.2 In addition, Swansea Council have played an active role in local business clubs and networks such as Swansea Bay Business club, Swansea BID and the Federation of Small Businesses in order to engage local business in the plan for the City Deal and other regeneration programmes and projects. Representative from local business organisation have played a key role in the Development Advisory Group shaping both the City Deal and future investment opportunities.

### **9.0 New local and regional business (grants)**

- 9.1 In terms of new local and regional business opportunities and grants, Swansea Council have secured the regional lead role for South West Wales in relation to the Welsh Government's Targeted Regeneration and Investment programme and has secured the Town Centre Loan Fund. Business Wales have agreed to provide enhanced business support arrangements for Swansea area which will be supported by new working arrangements through the revised SERP. Future activities will include the finalisation of the Targeted Regeneration and Investment grant programme, the initiation of grant schemes and the finalisation of processes for the Town Centre Loan Fund.

### **10.0 Planning Policy and Local Plan Development**

- 10.1 The Swansea LDP Examination has been undertaken over the Feb to March 2018 period with two supplementary Hearing Sessions arranged for July 2018 to complete the Examination. All those who responded to the LDP public consultation have been able to attend and participate at the various Hearing Sessions to make their views known to the Planning Inspectors who have been independently examining the plan.
- 10.2 The next stage of the process is the Council's agreement of, and public consultation on, the 'Matters Arising Changes' (MACs) to the Swansea LDP following the Examination. Following receipt of the Planning Inspector's report and the consideration of the responses to the MACs, the LDP can be amended, confirmed as sound and then be adopted. The Supplementary Planning Guidance (SPG) in support of the LDP, including consultation on revised draft HMO SPG reflecting Matters Arising Changes from the LDP HMO Hearing Sessions will be reviewed.



### **11. Regional Workforce & Skills development**

- 11.1 Swansea Council has been supporting the development of a regional workforce through its regional economic regeneration strategy, its apprenticeships strategy, Workways, Communities For Work, Cynydd and Cam Nesa and its City Deals submissions. A wide range of programmes and projects have been designed to target people and communities at risk of long term unemployment and economic activity and to ensure that wider skill development within the region is high skilled and meets the future skill requirements of the region.
- 11.2 In terms of the City Deal, a Business Plan on a regional workforce and skill development has been submitted to both the UK and Welsh Governments. Work is continuing with schools across the Region to increase awareness of the City Deal and the opportunities that will be generated through the 11 projects and a number of the schools have developed specific proposals to trial on a county basis with a view to rolling out across the region. A Training Solutions lead Committee has been established and will work with the Regional Learning Skills Partnership team and the project leads to identify solutions for the skills gaps within the Region.

### **12.0 Legal Implications**

- 12.1 There are no specific legal implications contained in this report.

### **13.0 Financial Implications**

- 13.1 There are no financial implications.