

The Forward Strategy for Delivering Economic Development and Regeneration in Swindon

Cabinet

Date: 9th December 2009

Author: The Cabinet Member for Culture, Regeneration and Economic Development and The Chief Executive

Parish / Wards Affected: All

Purpose

- To consider and approve new arrangements for the delivery of regeneration, place marketing, economic development, inward investment and cultural development in Swindon through the creation of a new Borough-wide delivery vehicle.

Recommendation

Cabinet is requested:

- To authorise the Chief Executive, in consultation with the Cabinet Member for Culture, Regeneration and Economic Development to continue to work and negotiate with the Homes and Communities Agency (HCA) and the South West of England Regional Development Agency (SWRDA) as co investors to establish a new arms length Borough-wide delivery vehicle responsible for inward investment, economic projects, cultural development, regeneration and place marketing that is better able to deliver the agenda for Swindon Town Centre and the Borough as a whole;
- To note that any outcome from discussion will require the approval of all co investors;
- To authorise hat the Chief Executive, in conjunction with the Director of Human Resources and Change and the Director of Law and Democratic Services to implement the proposals as set out in paragraphs 2.2.5 to 2.2.8 to establish a new delivery vehicle for regeneration, growth, place marketing and economic and cultural development in Swindon that replaces the current remit of The New Swindon Company, and to commence the recruitment process for a new Chief Executive to this company, in consultation with the Director of Finance and the Cabinet Member for Culture, Regeneration and Economic Development.

1. Reasons

- 1.1 Swindon Borough Council has an ambitious agenda to improve the quality of life for all people in Swindon. We want to develop a dynamic and thriving Borough by stimulating business innovation, learning, regeneration, and inward investment for the benefit of existing

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communities and in developing new areas of growth. The recent economic downturn and its impact on growth, employment and Swindon town centre plans require a review of approach of how we deliver our objectives and the importance of attracting new inward investment into Swindon.

- 1.2 As the funding for the New Swindon Company (TNSC) comes to an end at the close of the current financial year, there is a need to refocus and maximise the impact of the limited resources currently invested in the Council's economic development service and TNSC to meet our wider objectives for Swindon. There is a requirement for a Borough-wide delivery vehicle that pulls together Swindon's objectives for the 'delivery' of regeneration, growth, economic and cultural development.
- 1.3 The formation of the Homes and Communities Agency (HCA) from combining the former Housing Corporation and English Partnerships from December 2008 has brought with it a changing policy from HCA and the South West of England Regional Development Agency (SWRDA) with greater emphasis on project based investment and service level agreements.

2. Detail

2.1 Background – The New Swindon Company (TNSC)

- 2.1.1 TNSC was formed in late 2002 as one of the Government's Urban Regeneration Companies. The purpose of TNSC has been to stimulate investment and co-ordinate plans for the revitalisation and regeneration of Swindon's town centre. Its area of responsibility was tightly drawn on the core of the central area. The core roles of TNSC can be defined as:
- To raise the profile of the town
 - To engage the private sector
 - To develop a sustainable regeneration strategy
 - To drive and co-ordinate major projects within the town centre
 - Harnessing public sector powers and resources to assist the private sector in delivery and attracting new investment to the town centre.
- 2.1.2 Since the company's formation TNSC has helped to stimulate regeneration and investment in Swindon's central area. TNSC has put together exciting development packages that have stimulated considerable interest in Swindon's regeneration plans. The company's most notable success has been in attracting Muse as the developer for the Union Square scheme. The company has project managed the delivery of improved public spaces at Wharf Green, is in the progress of

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delivering the Canal Walk scheme, and is involved with future schemes at Regent Street and Station Forecourt.

2.1.3 TNSC has been jointly funded by the HCA, SWRDA and SBC. The current agreed annual revenue funding arrangements between the co investors concludes in March 2010. The current annual revenue contributions to TNSC from the three investors is approximately £750,000 in total.

2.1.4 It is an opportune time to review TNSC for a number of reasons: -

- The funding agreement between the three funding partners, HCA, SWRDA and SBC, comes to an end at the close of the current financial year
- The impact of the global recession on Swindon's plans for central regeneration and the opportunities that the recovering economy brings
- An opportunity to engage with private investors in a way not seen before
- The requirement for town centre regeneration to link in a more integrated way with plans for the rest of the Borough to ensure Swindon's existing communities benefit from regeneration and growth
- Deployment of limited resources for maximum impact and for best value. There is a duplication in some work areas between the Council and TNSC especially with regards to place marketing activities
- The HCA and SWRDA wish to direct their funding towards project based investment and service level agreements and operate in a more arms length way in relation to delivery vehicles such as TNSC.

2.2 The Way Forward

2.2.1 Swindon has an ambitious aspiration for its future, as set out in the Community Strategy for Swindon, 'A Shared Vision for Swindon 2008 – 2030'. Economic well being and its development will be critical issues for the Council to deliver on its aspirations for the next 20 years.

2.2.2 The Borough Council has made Economic Development a priority work area over the past few years, as a way of stimulating investment in Swindon. The Economic Development team have been involved in a number of high profile initiatives and programmes including ranging from attracting a university to Swindon, initiatives to improve skills to match local company requirements and inward investment projects.

2.2.3 Since the formation of TNSC there has been a split in roles between the delivery of town centre regeneration and delivering projects for the

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remaining part of the Borough, which sits outside of the remit of TNSC. Plans for the central area need to link and draw on plans for the rest of Swindon. The Council and TNSC have worked together effectively on bringing these work areas together, but it is clear that the workstreams could be more joined up in approach to increase effectiveness for the benefit of Swindon as a whole.

- 2.2.4 Therefore, it is proposed that a new delivery vehicle for Swindon be created. The benefits include commercial flexibility, the ability to achieve balance between best value and making things happen and attracting businesses into the area through people and structures more able to communicate to commercial operators. There is also a critical element around perception and the usefulness that a company, by being independent to the Council, can serve in bridging the gap between the public and the private sectors especially in relations with the development industry and in attracting private sector funding.
- 2.2.5 The proposed delivery vehicle would have geographic scope that is Borough-wide. Town Centre responsibilities will coincide with the adopted town centre action area, which includes Old Town for a more holistic approach to ensure the development of a sustainable town centre. The new company would also take the lead on place marketing for the whole Borough. Place Marketing is primarily about local economic development, its main purpose is to encourage more investment in Swindon. There is a need to move to a new model of delivering Swindon's place marketing activity because place marketing delivery is fragmented across different organisations and agencies, inefficient in as much as we fail to join up our efforts consistently and broadly speaking it lacks a common purpose and direction.
- 2.2.6 A new Board and non-executive Chairman would accompany the new structure. A new Chief Executive will need to be appointed and a company structure adopted with the objective of the new company being fully operational by April 2010.
- 2.2.7 The existing Council based economic development staff will be seconded to the new company. Staff affected are being consulted on the proposal and further work is underway on how this is to be arranged with effect from January 2010.
- 2.2.8 The proposals contained in this report have no impact on Borough Council staff employed in the Culture division of the Council. It is proposed that the Swindon Cultural Partnership forms a part of a new delivery vehicle for Swindon. The companies remit for culture would be set out in a business plan agreed between the Council and the new company. Cultural development activities delivered by a new delivery vehicle would include assisting with the delivery of a major event

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programme for Swindon, sustainable community based activities, and the development of a new cultural quarter in the town centre that links with the companies responsibilities for town centre regeneration.

- 2.2.9 Alongside the review and improvement in the way in which the investors and the company work there is also the opportunity to refine how the investors support the dialogue with the Company in agreeing policy, strategic milestones and reviewing performance. The proposal include developing new client side relationships with the Borough Council acting as lead on behalf of and with the support of co investors. The Council will be rationalising existing mechanisms.
- 2.2.10 The relationship with a new Borough-wide delivery company will be captured in a rolling 5 year business plan agreed with the company annually as part of the funding negotiations. The agreed business plan will be a crucial basis for setting the companies outcomes and deliverables. The new company will not deliver on any areas that have not been referred to in this report, for example the Housing Revenue Account will continue to managed by the Council's Housing department.
- 2.2.11 As part of the new arrangement, the aim is to reduce company funding over the period to 2015 so as to remove the equivalent of the current partner contributions to TNSC of some £750,000 per annum. Recognising the current economic challenges and the importance of an effective response, SBC aims to continue with its existing level of funding of £250k per annum plus the financing of the transferred economic development team and related project budgets. Funding with co investors is ongoing in dialogue.
- 2.2.12 The Council has supported both the Swindon Strategic Economic Partnership and the Swindon Cultural Partnership as part of the wider effort to promote the economic and cultural development of Swindon. Proposals to change the Councils relationship with these organisations and foster an integrated approach with a new delivery vehicle for Swindon are currently being discussed with partners. Closer collaboration and joint working with the proposed delivery vehicle will be encouraged between InSwindon, the Business Improvement District Company that manages the Town Centre environment on behalf of retailers, other town centre investors, and the Council
- 2.3.14 At Annex 1 the principles for the new company are attached, and at Annex 2 there is a draft diagram. The diagram outlines the potential programme areas within the Borough wide geographic scope for the new company. It is recognised that the Company should have the opportunity to influence and shape the approach in these areas through constructive dialogue.

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Alternative Options

- To continue with the current The New Swindon Company format. This option would not allow for the extension of the scope and geographical remit of the company, neither would it provide the opportunity to address governance issues. This option is unlikely to deliver the desired outcomes for Swindon and it is unlikely that the HCA and SWRDA would continue to fund the existing model.
- To bring all activity in house. By bringing the company in-house it is likely that the 'delivery' element would become diluted and we would be unable to attract the external resources that the company has the capability of attracting, especially from the private sector. There is also a critical element around perception and the usefulness that a company can serve in bridging the gap between the public and the private sectors.

Risk Management

Financial and Procurement Implications

- The opportunity for an enhanced economic development presence in bidding for available funds and promoting Swindon's case for attracting employers and employment will be increased.
- The impact of funding the economic development service will have limited financial implications because it is proposed that staff will be seconded.
- Negotiations with SWRDA and HCA are on-going and are crucial if the proposed delivery vehicle is to meet our aspirations, without their investment we could be in a position of significant funding problems. Negotiations to date have been successful, and will continue over the coming weeks.

Legal / Human Rights Implications

- Legal and Human Rights considerations have been taken fully into account in compiling this report. It is considered that the recommendations of this report are compatible with human rights.

Links to Corporate Plans and Policies (in particular to Swindon 2010 Promises)

- The proposals complement the current work on Destination Swindon, and support the delivery of the Swindon Community Strategy 'A Shared Vision for Swindon 2030'.
- The proposals help the delivery of Promise 35 – Town Centre Regeneration.

Consultees

- The Director of Finance (Section 151 Officer) and the Director of Law and Democratic Services (Monitoring Officer) are consulted in respect of all reports.

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Background Papers and Appendices

- Annex 1 - Principles for a new Borough-wide Delivery Vehicle
- Annex 2 - Company Diagram

Key Decision / Decision in Forward Plan

- This is a key decision and is included in the Cabinet Forward Plan for December 2009.