

# Annual Report of the Portfolio Holder for Sustainable Economic Prosperity

## (1) Introduction

As other exec. annual reports will be highlighting, the pandemic has continued to show the Council at its best and I must express my appreciation for the work that officers have invested in responding to the impact of the pandemic on local businesses. Given the imperative to prioritise business grant distribution, this has necessarily impacted on other work in the economic development portfolios. More than 30,000 enquires have come into the business support hub during the course of the pandemic, with the bulk of the enquiries around grant funding support and business advice.

The Council's £15k per year investment in Growth Lancashire Ltd leverages considerable further in-depth business support – to 214 local companies over the past 3 years.

The shape of the SEP portfolio changed over the course of the year but the following is a fair reflection of the breadth of activity.

## (2) Asset and property management

### 2.1 Commercial property management

An interim statement for 21-22 shows that very nearly 100% of budgeted gross commercial rental income is expected to be received. Over the past 12 months there has been a significant decrease in rent and service charge arrears. Occupancy levels remain very good at around 97% of tenable property. Key highlights are:

Gateway, White Lund. A fire in one unit in January 2022 caused wider damage. But the report to cabinet on 12<sup>th</sup> April confirms that all income losses and cost of repairs are expected to be met by the insurance cover. One tenant issue is being worked through presently. Significant additional investment is being planned for the site in 22/23.

Hilmore Way Several expressions of interest are currently being discussed with a view to seeking formal bids this month for the former Frankie&Benny's unit.

The Storey is reporting its best ever financial operating performance (excluding capital charges) at subsidy of just over £29k despite the impact of pandemic earlier in the FY; and the financial forecast for 22/23 is for the Storey to generate an operating profit.

### 2.2 Asset management and development

1 Lodge Street Revised tenders for refurbishment work were received in the week of writing this report; with new slates having already been ordered because of lead times.

Heysham Gateway Consultants WSP have been appointed to take forward a masterplan and delivery strategy for both the city and county council's land interests on Imperial Road following approval of match funding from Lancashire county council's LERG fund.

Co-op building at Regent Rd., Morecambe The council's partner, the Good Things Collective, has submitted a series of grant bids to the Arts Council and other bodies. An outcome is expected imminently on these.

The Frontierland site has been subject to expressions of interest from a number of commercial developers.

In the face of the structural deficit, the most efficient and effective use of municipal buildings has come back in to focus as pandemic-related uses withdraw.

## (3) Digital operations

### 3.1 Local Full Fibre Network (LFFN) project

My 2021 report on the Local Full Fibre Network project stated that a business case was expected in July. But the business case proved to be elusive and there was a hiatus awaiting replacement ICT management, which has led to a shared arrangement with Blackpool BC. Work remains, but is underway in robust fashion, on the cost and revenue models and to ensure that the project is legally sound. The detailed business case is now expected to be brought for formal decision-making in July 2022.

### **3.2 ICT operations**

In 2020/21 the ICT Service provided superb support to the Council, flexing its services to provide remote and digital working more rapidly than most other public sector organisations. In 2021/22 work to consolidate these new ways of working and strengthen the council's systems and security in the light of a significant increase in cyber-security risks have been a focus. The service secured one of the largest cyber-security grants in local government, enabling significant, additional, systems security work to be undertaken.

A session is being planned to explore a range of options including further collaboration, working with peer organisations, to ensure that the Council maintains resilient services in the face of strong competition for ICT skills.

#### **(4) Community Wealth Building**

The Morecambe Bay Anchor Collaborative is established and being coordinated by the Clinical Commissioning Group. Network members have signed up to the Anchor Charter, which sets out how members will realise aspirations to reduce environmental impact and increase local procurement, and social value more widely. To give one example of the Council's work, the Green Skills and Construction event on 26<sup>th</sup> April at LMC will be an opportunity for local businesses to learn how to bid for the Council's housing retrofit contracts.

#### **(5) 'Green' skills development**

The 'developing green skills' group is a subsidiary of the Housing Advisory Group, with the intention of bringing key organisations from across the sector together to increase the skills in the district needed to address the energy efficiency of the district's housing stock. (The increase in domestic fuel prices has further to go and is not predicted to reverse significantly.). The key development of the past year has been the involvement of LMC as it builds capacity to support businesses looking to upskill their workforces to undertake sustainable construction and retrofit opportunities. See the upcoming event at LMC above. It's important to note that 'green' skills is one subset of the skills development support that the council is providing in partnership in order to address local skills shortages – from cyber security to Network Rail staff.

#### **(6) Sustainable business and innovation support**

Lancaster City Council is represented on the following initiatives: the Electech cluster, the Lancashire Cyber Force, and the Lancaster University – Innovation Catalyst for manufacturing. The strength of the district's innovating, high value-added businesses is reflected in growing numbers of well-paid jobs and many are particularly important in moving towards a more sustainable low-carbon economy. Most are not direct consumer-facing businesses so lack a public profile but it's difficult to overstate their potential for the district's future prosperity.

#### **(7) Lancaster markets**

The Charter market moved back to city centre pitches in October 2021. This was driven by the decision of the majority of traders who felt that footfall in Dalton Square suffered relative to the city centre, particularly once High St. re-opening started from April 2021. Numbers of stalls have declined, resuming the trend pre-pandemic, and the Council is undertaking a review of the market in the spring.

Assembly Rooms traders resumed in April 2021 and report a resurgence of footfall and spend.