

NORTH LINCOLNSHIRE COUNCIL

CABINET

REGIONAL GROWTH FUND

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1 The purpose of this report is to update Cabinet on developments linked to the North Lincolnshire Regional Growth Fund programme.

2. BACKGROUND INFORMATION

- 2.1 The council submitted a bid for Regional Growth Fund (RGF) monies in June 2011. RGF was introduced by the Government to encourage enterprise through economic growth and new employment opportunities in the private sector in response to the economic downturn, with a particular emphasis on areas that were overly dependent on employment in the public sector.
- 2.2 The council's RGF bid was submitted along with the TaTa Taskforce following the announcement of job losses at Tata in May 2011. The bid focussed on helping new businesses start up, existing businesses to grow and diversify and attracting new inward investment into the area.
- 2.3 The North Lincolnshire Regional Growth Fund allocation totals £10m. The programme has proven extremely successful. To date, over £9m is already committed to projects aimed at creating 716 jobs and securing additional private sector investment into the local economy exceeding £71m.
- 2.4 Further pipeline projects amounting to £1.7m are currently in the approval process. The Department for Business, Innovation and Skills have suggested that subject to formal approval, we can access a further £2.5m of funding in addition to the £10m already provided to support pipeline schemes with a deadline of March 2015 for commitment.
- 2.5 RGF funding has assisted the start-up of a number of new businesses as well as investing in the development and growth of existing North Lincolnshire based companies looking to expand. It has further attracted new companies into the area that were looking to start-up or expand their existing business. Some examples include:
- **The Pink Pig Farm** in Holme received £49,332 of RGF funding that will help to create 4 new jobs. The money is also being used to build a new indoor play barn that will open in 2014.

- **Groveport Logistics**, a privately owned inland port complex, were given £169,120 that will help with creating 12 new jobs. The funding was also used for building a new warehouse and purchasing cranes to help with the transportation of steel railway tracks, before shipping them across the world.
- **Yellowbelly Woodwork**, a one-man business was set up after securing a micro-grant from the RGF pot of £3,000. The business manufactures bespoke furniture, hand crafted furniture and collector cases and cabinets. The business has recently located to Goxhill Airfield, after flooding affected The Old Tileworks in Barton where the business was originally based.
- **Pipers Crisps** are based in Elsham and produce crisps in their own factory from locally sourced potatoes using the finest seasoning to create their eight flavours. They received £325,000 of RGF funding which will help them create a further 23 jobs, 8 of which they are already employing.
- **San Pietro**, an award-winning restaurant set within a grade 2 listed windmill in Scunthorpe, has received £196,000 of RGF funding. This has enabled them to expand and build a 14 bed hotel, as well as helping them create 12 new jobs.
- **Alan Dick Communications**, a privately owned company that specialises in providing end-to-end telecoms-based services across a range of infrastructure and applications, has received £254,000 of RGF funding. The funding was to help them move to a new premises and to provide training, as well as creating 21 new jobs.
- **SC4 (Steel Centre 4)**, a family-run quality critical supplier to the steel industry has received £8,000 of RGF funding. This has helped create 2 new jobs and enabled them to buy a Kaltenbach plasma profiling and drilling machine.
- **Bradbury Group Ltd** based in Scunthorpe, the UK's leading manufacturer of steel security products received £262,000 funding that will help create 25 new jobs. It will also go towards funding a new production facility.
- **LKAB Minerals Ltd** based in Flixborough, an international company that mines, processes and manufactures minerals received £120,000 of RGF funding to help create 12 new jobs. The funding will also be used for phase two of their warehouse expansion on Jubilee Works.

3. OPTIONS FOR CONSIDERATION

3.1 Cabinet is asked to:

3.1.1 Welcome the success of the North Lincolnshire Growth Fund programme that has to date allocated over £9m of funding to businesses towards securing a total of 716 new jobs in North Lincolnshire and leveraging in additional private sector investment in excess of £71m.

3.1.2 Agree that the council should take steps to secure additional Regional Growth Funding of £2.5m potentially available to continue the work in hand to support enterprise and job creation in North Lincolnshire.

4. ANALYSIS OF OPTIONS

4.1 Adopting the recommendation will allow the council to continue the successful work achieved to date with partners to secure economic growth and job creation in North Lincolnshire. This work has been well received by local businesses and by the Department of Business, Innovation and Skills.

5. RESOURCE IMPLICATIONS (FINANCIAL, STAFFING, PROPERTY, IT)

5.1 Funding will come from Department of Business, Innovation and Skills and will be managed through existing processes and resources.

6. OUTCOMES OF INTEGRATED IMPACT ASSESSMENT (IF APPLICABLE)

6.1 Officers have completed an Integrated Impact Assessment. No issues of concern were apparent.

7. OUTCOMES OF CONSULTATION AND CONFLICTS OF INTERESTS DECLARED

7.1 Consultation with key stakeholders including the Department of Business, Innovation and Skills and local business would indicate support for continuing the North Lincolnshire Regional Growth Fund programme administered by the council.

8. RECOMMENDATIONS

8.1 That Cabinet welcomes the success of the North Lincolnshire Growth Fund programme that has to date allocated over £9m of funding to businesses towards securing a total of 716 new jobs in North Lincolnshire and leveraging in additional private sector investment in excess of £71m.

8.2 That Cabinet agrees that the council should take steps to secure additional Regional Growth Funding of £2.5m potentially available to continue the work in hand to support enterprise and job creation in North Lincolnshire.

DIRECTOR OF PLACES

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Background Papers used in the preparation of this report:
RGF Programme Data.

North Lincolnshire Regional Growth Fund (RGF) Programme - Examples of Feedback and Comments from Businesses in Receipt of RGF Funding

- “This is an exciting opportunity for us and would not have been possible without the help of the RGF. The Regional Growth Fund concentrates on job creation; a further four full time jobs is a positive boost for the local economy and hopefully will eventually lead to more jobs becoming available as we attract visitors from further afield. The Pink Pig Farm already employs 30 full and part time staff, all of whom, bar one, come from the Scunthorpe area. We are amazed at how this business has grown, as only thirteen years ago the farm employed only one person. We are delighted that we can continue to expand and secure more jobs for local people.”
- “Groveport has long been a major source of employment in the local community, via our own employees and the many businesses that rely on the port as a source of revenue. This project required a capital investment in excess of £1million, which is a significant sum for any business in the current financial climate. However, we felt that this was an excellent opportunity with the prospect of a long term contract which would immediately create 12 new permanent positions within our own workforce and would also provide additional throughput at Groveport, resulting in further benefit to the local economy. The support of the Regional Growth Fund was essential to the viability of this project and we are very appreciative of that.”
- “As a new business starting up in difficult economic times, the RGF has given me a very welcome cash boost, meaning I can invest in further woodworking machinery much sooner than I originally planned. The team at the council who have worked on my claim have been very helpful throughout the whole process meaning I can concentrate my time on woodwork rather than filling out paperwork.”
- “We have used the RGF grant to increase production capacity at our Elsham Wold facility. A new fryer and packing line have helped create manufacturing and warehouse roles across all shifts. The business currently employs over 50 staff and is recruiting for eight roles across sales and finance as part of our expansion plans and continues to look for talented individuals to drive our growth.”
- “We are thrilled that the Regional Growth Fund has invested in our project. Without this support we could not have fulfilled the full potential of the expansion. The building is to programme and the first phase will be completed and open from 7 December with bookings already in place. The second phase which will be the 14 bedroom will open in March 2014. The new services on offer will establish San Pietro as a boutique destination for Scunthorpe and surrounding areas and we are very excited about the future possibilities and growth for the restaurant. We are very proud of the new jobs we will be creating, and will be investing heavily in staff training over the next three

years; offering real opportunities for careers in the hospitality and catering industry.”

- “Since the change in ownership in 2011, we have set out to develop the telecommunications offering of this long standing business, to keep pace with new technologies and to adapt to the changing market place. There is still plenty for us to do but with 23 new jobs created we are pleased to advise that we have now exceeded our RGF target of 21. RGF has been important to us in this process enabling us to accelerate our investment in training, equipping our staff, and developing new intellectual property. We see the continuing support from RGF to help give us flexibility not only to re-skill new and existing staff, but also to develop our training centre which replicates Network Rail’s telecommunications infrastructure. This will help deliver training not only to our own staff but also to their parties, and underlines our determination to equip our staff to work effectively and safely on all aspects of the UK rail infrastructure.”
- “The RGF aided us in the acquisition of a Kaltanback plasma profiling and drilling machine to produce steel plate profiles. The main benefit of this new machine is that we are now able to produce these profiles in-house, using just in time production. Previously we had to source these from a supplier outside of the area. This meant having to place a minimum order and receipt of material could take anything from seven to 10 days. Now, stocks are kept to a minimum and we have increased productivity and efficiency. It has enabled us to diversify our services and our product range, as we also sell these profiled fittings to customers as a stand-alone product. Two new jobs have also been created.”
- “The RGF grant has enabled us to expand more quickly and comprehensively than we would otherwise have been able to do. Bradbury Group has created 22 jobs in Scunthorpe since RGF was awarded in April this year and is on track for the opening of our new production facility in January 2014. Bradbury Group employs over 150 people with the vast majority living locally. A significant number of the business’s key suppliers are also based in Scunthorpe and the surrounding area.”
- “The award from the Regional Growth Fund has enabled LKAB Minerals to continue our expansion, bringing this storage and distribution facility into operation earlier than would otherwise have been possible. From here we are manufacturing refractory products that are exported around the globe. This award has not only benefited our company though, the construction project being awarded to local Civil Engineering company Barkers, generating employment, maintaining expertise and contributing to the local economy.”