

**TITLE OF REPORT: ECONOMIC DEVELOPMENT STRATEGY**

REPORT OF THE STRATEGIC DIRECTOR OF PLANNING, HOUSING AND ENTERPRISE

EXECUTIVE MEMBER: COUNCILLOR DAVID LEVETT

**1. SUMMARY**

- 1.1 This report seeks approval of the Council's Economic Development Strategy, as well as agreement of the associated Action Plan and noting of the document's evidence base.

**2. RECOMMENDATIONS**

- 2.1 That Cabinet adopt the Economic Development Strategy attached as Appendix A.
- 2.2 That Cabinet agree the Economic Development Action Plan attached as Appendix B.
- 2.3 That Cabinet note the Economic Development Strategy Evidence Base document attached as Appendix C.
- 2.4 That Cabinet recommends that delegated authority is given to the Head of Development and Building Control to approve minor amendments and format changes in conjunction with the Executive Member for Planning and Enterprise for typographical corrections to the documents as may be necessary.

**3. REASONS FOR RECOMMENDATIONS**

- 3.1 The Economic Development Strategy will provide strategic guidance for economic development activities across North Hertfordshire. The Action Plan provides the projects to deliver the vision and priorities contained in the strategy.

**4. ALTERNATIVE OPTIONS CONSIDERED**

- 4.1 None considered.

**5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS**

- 5.1 Regular meetings have been held with the Executive Member for Planning and Enterprise and the Shadow Executive Members to ensure that the Strategy, Action Plan and Evidence Base documents are representative of the Council. The Members have also been involved in the development of other economic development initiatives and in agreeing the way forward for the provision of an Economic Development Officer(s) for the Council.

- 5.2 Public consultation took place on the draft strategy between 16 February and 30 March 2015. The document was widely publicised through a number of different avenues but not limited to Outlook, Facebook, Twitter, LinkedIn, Hertfordshire Chamber of Commerce magazine, Federation of Small Business (FSB) newsletter and through Town Centre Managers.
- 5.3 Following the public consultation a key stakeholder workshop took place on 16 July 2015 which included those who responded to the strategy as well as additional key stakeholders and the Executive and Shadow Executive Members. This list included local businesses, the FSB, North Herts College, Greater Cambridge Greater Peterborough (GCGP) LEP, Letchworth Heritage Foundation, Wenta, Hertfordshire Growth Hub, and all 3 Business Improvement District (BID) managers (full attendee list is available in Appendix 2 of the evidence base document).

## **6. FORWARD PLAN**

- 6.1 The report contains recommendations on key decisions that were first notified to the public on the Forward Plan on 19 June 2015.

## **7. BACKGROUND**

- 7.1 An economic development strategy guides economic activities, but also provides the basis for greater connection with the business community and key stakeholders.
- 7.2 There is no formal requirement for the Council to take forward an economic development strategy, however, it has been a number of years since an economic development strategy has been in place and as a result economic development activities have not been co-ordinated and relationships with businesses and the business community have largely dissolved.
- 7.3 With regards to Economic Development in North Hertfordshire In recent years the Council has supported town centres and town centre management as well as supporting projects such as the Eastern Plateau Leader project which provides grant funding to small businesses in the rural area. There are also activities that we need to undertake for the evidence base of the local plan such as employment monitoring and the production of an Employment Land Review. In general these projects and initiatives have largely been in line with corporate priorities or external requirements and not necessarily the good of the economic environment and the business community. An economic development strategy will provide a more coordinated and focussed approach to the needs of the local economy, and at the same time link to the Council's corporate priority to promote sustainable growth within our district to ensure economic and social opportunities exist for our communities, whilst remaining mindful of our cultural and physical heritage.

## **8. ISSUES**

### *Draft Strategy*

- 8.1 Consultation on the draft economic development strategy, Productive North Herts, took place between 16 February and 30 March 2015. The consultation document asked a series of questions around the vision, the priorities and barriers to growth. It also provided a method of identifying businesses and stakeholders who wished to be part of the action plan development process. The specifics of the responses received are detailed in Appendix 1 of the evidence base document attached as Appendix C to this report.

8.2 In summary, there was strong support for the strategy and the priorities within it. From the list of possible priorities identified in Question 2; the creation of business incubation space, increased business engagement and environmental improvements to existing employment areas scored the highest. Additionally a number of different priorities were also suggested, including:

- Showcasing of products;
- Upskilling of residents; and
- Business rates relief.

8.3 In terms of barriers to economic growth the consultation again generated a long list, which included

- Infrastructure – including transport and broadband;
- Skills shortage;
- High house prices; and
- Lack of high-end offices.

8.4 Additional comments were also provided from a number of respondents around the need for more detailed evidence about the North Hertfordshire economy and the sectors that exist but also the need for more detailed links to the LEPs work and a need to consider the East Coast mainline project.

#### *Stakeholder Workshop*

8.5 On the 16 July 2015, a workshop was held at North Hertfordshire College to discuss the strategy and proposed action plan in more detail. The intention was to supplement the responses received to the consultation draft, but also start to identify potential priorities and projects that could be taken forward into the action plan.

8.6 A wide range of organisations and interests groups took part totalling 25 individuals. The group included those who had responded to the draft strategy as well as additional key stakeholders. The attendance list is located in Appendix 2 of the evidence base document.

8.7 Attendees were split into 3 facilitated groups and 2 separate workshops took place. The key outcomes of discussions are included in Appendix 3 of the evidence base document. This gives some clear indications about where the business community and key stakeholders think we should be focussing on as there are clear similarities between the outcomes of each of the group discussions.

8.8 Group discussions in the first workshop on constraints and opportunities largely mirrored what was raised during the strategy consultation, identifying issues such as:

- Infrastructure constraints
- High level of out-commuting
- Lack of appropriate business premises
- Poor broadband coverage
- No local brand/economic identity

- 8.9 However, in the second workshop about future priorities and projects, there seemed to be a focus around specific topics and most groups focussed on the following priorities, namely:
- Identity
  - Premises
  - Infrastructure
  - Skills
  - Business support
- 8.10 When these priorities were developed into possible projects there were also some key similarities between the group discussions around:
- The need to develop more of an identity for the business community;
  - The need to plug the skills gap, upskill the local population and retain skilled workers;
  - The need to improve existing business premises and associated access;
  - The need for incubation space possibly around manufacturing;
  - Simplification of business support that exists; and
  - Improvement of infrastructure and connectivity

#### *Final Strategy*

- 8.11 Based on these priorities and projects (among a number of others) and in addition to those raised through the strategy consultation, it has enabled the Council to develop the final strategy and the action plan that sits alongside it.
- 8.12 In preparing the Action Plan (attached as appendix B), the Council has had to consider what it believes to be deliverable within the timescales identified and budgets available, but most projects identified in the group discussions have been taken forward in some way. As is evident in the final strategy the structure of the strategic priorities section is based around those identified in paragraph 8.9 above. In essence the workshop was a very useful tool to help write the final version of the strategy and develop the associated action plan.
- 8.13 The action plan is structured so that projects that can be delivered immediately or within the first year are listed first. Projects that are post 2016 or require additional work before they can commence come second. The Action Plan details projects for the period 2015-2020, although it is likely to be reviewed after 2 years as circumstances and funding streams will constantly change as will the economic landscape.

#### *Employment Partnerships*

- 8.14 The list of projects in the action plan includes relevant recommendations from the Employment Partnerships Task and Finish Group Report as agreed by Cabinet, where:
- Recommendation 8 regarding an economic forum is covered by Project 3,
  - Recommendation 10 regarding brokering between the private and voluntary/community sector is covered by Project 17,
  - Recommendation 9 with regard to encouraging the Hertfordshire LEP to work more with the voluntary sector is happening as a result of European Social Fund projects, and
  - Recommendation 4 regarding the appointment of an Economic Development Officer is covered by Section 14 of this report below.

## **9. LEGAL IMPLICATIONS**

- 9.1 Under the Terms of Reference for Cabinet Paragraph 5.6.1 of the Constitution states that the Cabinet can prepare and agree to implement policies and strategies other than those reserved to Council.
- 9.2 Under the Paragraph 14.3 of the Constitution decisions on executive functions may be taken by Officers.
- 9.3 Specific legal implications of the projects on the Action Plan will need to be considered as the projects commence.

## **10. FINANCIAL IMPLICATIONS**

- 10.1 The strategy, action plan and evidence base have been completed in house. Costs involved in the design of the document and the running of consultation events have been funded through existing budgets. Cabinet at its meeting of 28 January 2014 agreed £20,000 annual budget for an Economic Development Officer (EDO).

## **11. RISK IMPLICATIONS**

- 11.1 No direct risk implications from this report but Sustainable Development is a Cabinet Top Risk.
- 11.2 The implementation of an Economic Development Strategy, along with appointment of an EDO provides an opportunity to facilitate economic growth in the District. This would lead to increased employment opportunities and growth in the business rates base.

## **12. EQUALITIES IMPLICATIONS**

- 12.1 The Equality Act 2010 came into force on the 1<sup>st</sup> October 2010, a major piece of legislation. The Act also created a new Public Sector Equality Duty, which came into force on the 5<sup>th</sup> April 2011. There is a General duty, described in 12.2, that public bodies must meet, underpinned by more specific duties which are designed to help meet them.
- 12.2 In line with the Public Sector Equality Duty, public bodies must, in the exercise of its functions, give **due regard** to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.3 There are not considered to be any direct equality issues arising from this report although individual schemes or considerations hereafter will be subject to appropriate review to ensure they comply with latest equality legislative need.

## **13. SOCIAL VALUE IMPLICATIONS**

- 13.1 As the recommendations made in this report do not constitute a public service contract, the measurement of 'social value' as required by the Public Services (Social Value) Act 2012 need not be applied, although equalities implications and opportunities are identified in the relevant section at paragraphs 12.

## **14. HUMAN RESOURCE IMPLICATIONS**

- 14.1 There are limited resources available within the Strategic Planning and Enterprise Team to be able to deliver the Strategy and Action Plan. Therefore, there is a need for additional resource. Funding has been set aside for an Economic Development Officer whose primary focus will be delivery of this process.
- 14.2 Arrangements for appointment of an Economic Development Officer will be progressed following adoption of the Strategy. This will include investigating options for job-sharing with other authorities and organisations.

## **15. APPENDICES**

- 15.1 Appendix A – Productive North Herts: Economic Development Strategy.
- 15.2 Appendix B – North Hertfordshire Economic Development Strategy Action Plan.
- 15.3 Appendix C – Productive North Herts: Evidence to Support Economic Development Strategy.

## **16. CONTACT OFFICERS**

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## **17. BACKGROUND PAPERS**

- 17.1 Cabinet Report 23 Sept 2014 – Task and Finish Group Report On Employment Partnerships In North Hertfordshire
- 17.2 Cabinet Report 16 December 2014 – Strategic Planning Matters including agreement to consult on Draft Economic Development Strategy.