

<b>Subject:</b>	<b>UPDATE ON THE REFRESHED ECONOMIC STRATEGY AND ACTION PLAN</b>		
<b>Date of Meeting:</b>	<b>20 June 2013</b>		
<b>Report of:</b>	<b>Executive Director Environment, Development &amp; Housing</b>		
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<b>Wards Affected:</b>	All		

### **FOR GENERAL RELEASE**

1. **SUMMARY AND POLICY CONTEXT:** This report provides an update on the Refresh of the Economic Strategy and Action Plan 2013 - 2018
2. **RECOMMENDATIONS:**

That the Committee:

  - 2.1 Note and comment upon the progress made in developing the strategy and action plan
  - 2.2 Note the revised timeline for project sign off to ensure the alignment of the Refreshed Economic Strategy with the City Deal proposal.
3. **BACKGROUND INFORMATION**
  - 3.1 In June 2012 a project working group was established by the Programme Management team to oversee the commissioning of the strategy.
  - 3.2 Chaired by Geoff Raw, Executive Director Environment, Development & Housing the working group set up regular meetings with the Economic Partnership to co-commission the work and oversee the progress of the refresh of the strategy. The group has continued to meet regularly to steer the work and the consultation process.
  - 3.3 The EDCC has received regular verbal updates on the progress of the economic strategy. A committee report in June 2012 outlined the approach and further reports in and November 2012 and January 2013 provided details of the consultation process and progress on the strategic priorities.

- 3.4 Since reporting to EDDC in January 2013 there have been three further meetings of the working group; two consultation events hosted by the Economic Partnership for the business community, partnership representatives and stakeholders and a follow-up presentation to the City Sustainability Partnership.

### **Purpose of the Strategy**

- 3.5 In October 2012 Roger Tym & Partners, (part of Peter Brett associates) in collaboration with Bio-Regional were commissioned to undertake the economic strategy refresh. The consultants were selected through competitive tender and interviewed by a panel comprising representatives from the City Council, the Local Strategic Partnership, the Coast to Capital LEP and the City Sustainability Partnership
- 3.6 Drawing on a robust evidence base for the local functional economic area along with national and international economic trends and forecasts the refreshed strategy seeks to articulate a compelling case to civic and business leaders and voluntary sector representatives for a new approach to economic development; one that ensures that the city uses its fair share of the world's resources and reduces its carbon emissions.
- 3.7 The strategy will focus on how the city can adopt measures that lead to a sustainable economy, taking into account the wider social, environmental impacts of economic development.
- 3.8 The strategy will cover the period 2013 – 2018 and will bring together a range of policies, strategic documents and initiatives both current and in development. The accompanying five-year action plan of transformative projects and investment initiatives will enhance the economy of the Brighton & Hove sub-region. The action plan will provide a clear link to the strategy and demonstrate how the actions proposed will move the city towards its stated aspirations.

### **Initial findings and emerging themes**

- 3.9 The desk research reveals that Brighton & Hove has weathered the world economic crisis relatively well. It is considered to be the third fastest 'recovering city' in the country (source: Centre for Cities) driven by the strong performance of the tourism and cultural offer as well as the maturing of the Computing Digital media and IT (CDIT) businesses. Other sectors such as business and finance have also held up well.

- 3.10 Brighton & Hove has a growing reputation for the entrepreneurialism of its residents, the high skills base and alternative economy and it has been cited by several sources as a good place in which to invest.
- 3.11 The geographical constraints of the city; nestled between the sea and the South Downs National Park are seen as very physical constraints on expansion and a case is made for recognising that the functional economic area of the city expands beyond local authority boundaries encompassing Lewes, Adur and Worthing.
- 3.12 The city's assets including its highly qualified workforce, university specialisms, and the recent growth in knowledge intensive sectors such as Computing Digital Media & IT (CDIT) along with emerging sectors such as the environmental industries are cited as areas that, with the right intervention could yield significant jobs and business growth in the city region.
- 3.13 A review of government policy drivers highlights the changing nature of central government intervention in regeneration and an expectation from government that local authorities will work with private sector investors and their Local Enterprise Partnerships to regenerate their local areas and achieve private sector business growth

### **Consultation on the Economic Strategy**

- 3.14 The Economic Partnership hosted two consultation events in January and March 2013 to which representatives from the business community, the City Sustainability Partnerships, the voluntary and community sector and other stakeholders were invited.
- 3.15 The aim of the event was to brief participants on the aims of the strategy and obtain their views on the general approach along with feedback on whether the proposed projects within the action plan will lead to the transformational change needed to achieve sustainability economic regeneration in the city region.
- 3.16 Feedback from the first event included: -
- support for the city region approach
  - a general desire for sustainable economic growth
  - a desire to profile the city's assets such as its tourism and cultural offer
  - a need to ensure equity in the economy

- the need to help businesses understand the implications of sustainable economic development; and,
- further work needed on the action plan list of projects

3.17 The second follow up event to which the same group were invited provided an opportunity to look more closely at some of the proposed projects within the action plan and prioritise those they felt would make a significant contribution to the city economy. The full project list was not considered due to time constraints but participants were sent the full list which forms part of the Executive summary prior to the meeting. Feedback from the event highlighted the need to address educational attainment in schools; tackle housing and commercial premises and secure investment for business and job growth.

### **Strategic Objectives**

3.18 The Economic Strategy sets out five strategic objectives that provide the overarching framework for taking forward the strategy:-

- SO1** To maintain Brighton & Hove's distinctive offer
- SO2** To grow jobs in high value and low carbon sectors in a resource efficient way
- SO3** To develop a highly skilled workforce and ensure that resident are able to access jobs suited to their skills
- SO4** To tackle barriers to employment and to create employment opportunities for all
- SO5** To create a strong and influential City Region

3.19 These strategic objectives reflect a desire to ensure that the city maintains its uniqueness and its particular strengths such as quality of life, culture, tourism while broadening its offer through building on strengths in the knowledge economy. The objectives also recognise the need to grow jobs in sectors that require graduate skills while at the same time ensuring that those with lower skills are able to access the labour market.

3.20 The final strategic objective relates to the need for closer working across the city region to help address issues of housing and commercial premises supply and encourage joint investment across local authority boundaries in infrastructure projects that will unlock stalled development and generate jobs.

3.21 The executive summary to the strategy contains a long list of projects related to these strategic objectives; the projects have been tested

against a number of criteria to determine their viability and their contribution to the strategic objectives. Bio-Regional have considered the long list and have made suggestions for additional projects that would align with the city's One Planet Living objectives, particularly in regard to Equity in the Economy.

- 3.22 One significant project has been identified for each strategic objective based on a prioritisation framework which took into consideration the impact on the projects in areas such as its fit with the strategic objectives including sustainable development. A wider list of projects were identified and assessed and have been included within the strategy as projects that could also make a positive contribution to the City's economy
- 3.23 The Economic Strategy Refresh provides the overarching framework for the economy of the city; it does not seek to replicate activities that are already happening elsewhere but aims to compliment them. Similarly the action plan does not replicate projects and activities that are being addressed in other strategies, for example: -

Employment and Skills	The City Employment & Skills Plan
Reducing environmental impact	Sustainability Strategy
Maintaining the cultural and creative sector	Culture Strategy

- 3.24 The original timeline for the completion of the strategy was set before the Council and its partners secured the invitation to develop a City Deal and before the Coast to Capital Local Enterprise Partnership (LEP) was asked by Government to prepare a LEP wide plan to drive business and jobs growth, lever private sector investment, and in particular steer the allocation of the new EU funding programme for regeneration from 2014 – 2020.

**City Deal**

- 4.0 Brighton & Hove partnered with three neighbouring authorities – Adur, Lewes and Worthing – to develop an expression of interest for a combined 'City Region', and this was submitted to the Cabinet Office and Minister for Cities on January 15 2013.
- 4.1 All of the Round Two City Deal expressions of interest were approved. The next stage of the process is to develop the expression of interest

into a robust proposal via a 'Negotiation Document', supplied by government that sets out the opportunities for growth in the sub-region and the flexibilities required from government to unlock the city's potential as a generator of new business and high quality employment

- 4.2 An update on the City Deal is contained within a separate report to this committee.

### **LEP Strategic Plan for Local growth**

- 4.3 The strategy is being developed at a time when the Local Employment Partnerships are being given more powers and responsibilities including a requirement to produce a Local Growth Plan that will set out priorities for investment across their local areas. The Coast to Capital (C2C) growth plan is being developed in consultation with area representatives in the public and private sector. The timing of the Economic Strategy Refresh has facilitated discussions with the LEP and is helping to ensure that the city's priorities are helping to frame the growth plan
- 4.4 The role of Local Enterprise Partnerships is being redefined as a consequence of recommendations set out in the Heseltine report, '*No Stone Unturned*'. Among the significant recommendations taken forward by the coalition government is a requirement that all LEP's produce a multi-year strategic plan for local growth.
- 4.5 Strategic plans that secure approval from central government will have access to funding for their local areas in the form of a Single Local Growth Fund. Further guidance is expected on how the plans will be developed but initial guidance makes clear that LEP's will be expected to include a range of factors that impact on the local economy including: -
- § LEP vision and priorities
  - § Economic analysis
  - § Investment plan: local leverage and pooling: aligned with EU investment Plan
  - § Skills Strategy
  - § Monitoring evaluation & transparency
- 4.6 The LEP growth plan will include an EU Investment strategy which will determine the allocation of EU funds for regeneration. The national allocation will be £6.2 billion for next programme which if divided equally between all LEPs would mean £20million pa for each LEP. However, it will not be an equal split and money will be held back at national level for European Regional Development Framework finance for small businesses.

- 4.7 The first draft of Structural Funds Investment Strategy has to be submitted by the end of September and will need to be agreed with Government by January 2014.

LEP's are expected to consult very widely including discussion with various communities of interest; for Coast to Capital this will mean including the needs of the constituent parts of the LEP, rural, urban, coastal along with those that impact across the area such as transport, housing and skill. They will also be expected to work with any City Deal propositions being developed in their areas. Other LEPs will also be consulted including Solent and Enterprise M3, and LEP's are being encouraged to work collaboratively (not just with neighbouring LEP's) where there are similar economic challenges.

- 4.8 The LEP has made clear its support for the 'Greater Brighton' City Deal and is keen to ensure that the emerging Growth Plan supports the actions and aspirations agreed in the City Deal proposal.
- 4.9 Initial scoping work is underway on the LEP Growth Plan. Working groups are being established to take the various work streams forward and manage the consultation; a final draft is scheduled for LEP Board Approval in January 2014.
- 4.10 City Deal, the new Economic Strategy and the emerging Coast to Capital LEP Growth plan will be the main strategic documents for the economic development of the city region; it is therefore vital that the three documents are in alignment and working towards the same goals. That is not to say that there cannot be differences within the documents; some aspects of the economic strategy are very specific to Brighton & Hove and will not therefore be reflected in the City Deal or the LEP Growth Plan. However it is clear that the three documents must be mutually reinforcing and provide a clear and coherent narrative for the city's direction of travel towards a sustainable economy.

### **Revised timeline for the Economic Strategy Refresh**

- 4.11 The Economic Strategy work was extended from its original end date of March 2013 to July 2013 to facilitate alignment with the City Deal proposal and the LEP growth plan. The strategy will go to Policy & Resources Committee for sign off in July and will be presented to the Economic Partnership for ratification in September 2013.

## **5. CONSULTATION**

- 5.1 Consultation on the refresh of the economic strategy has been extensive and has included one-to-one meetings and group consultations with city leaders, the LEP, public sector agencies, the City Sustainability partnerships, businesses and representatives from the voluntary and community sector. The views of the various groups

have been considered by the Economic Strategy Refresh Working Group and have been fed into the strategy as appropriate.

## **6. FINANCIAL & OTHER IMPLICATIONS:**

### Financial Implications:

- 6.1 There are no immediate financial implications arising from this report. The costs associated with production of the Economic Strategy Refresh are being met from within the Economic Development initiatives budget for 2013-14 along with a contribution of £10,000 from the Local Strategic Partnership. Work relating to the implementation of projects included within the action plan will be subject to further reports.

The financial implications of the City Deal will be subject to a separate report.

*Finance Officer Consulted: Jeff Coates*

*Date: 21/05/13*

### Legal Implications:

- 6.2 There are no immediate legal implications arising from this report. Work arising from the Economic Strategy that impact on council services and resources will be subject to separate reports.

The legal implications for City Deal in terms of governance, decision making and investment will be subject to another report.

*Lawyer Consulted: Bob Bruce*

*Date: 21/05/13*

### Equalities Implications:

- 6.3 The Economic Strategy will be accompanied by an Equalities Impact Assessment which will consider whether there are any negative impacts arising from the agreed priorities and will seek to mitigate them.

### Sustainability Implications:

- 6.4 The new Economic Strategy will contribute to Brighton & Hove becoming a 'sustainable city' taking forward projects that accord with the One Planet Living framework. In seeking to reduce the carbon footprint of the city the Economic Strategy will take into account the recommendations of the Climate Change Strategy, the Sustainable Community strategy and the city's bid to attain UN Biosphere status.

### Crime & Disorder Implications:

- 6.5 Improving the economic prospects of the city's residents may contribute to reducing and anti social behaviour.

Risk and Opportunity Management Implications:

- 6.6 There are no risk & opportunity management implications arising from this report.

Corporate / Citywide Implications:

- 6.7 It is expected that the creation of the Economic Strategy will have a positive impact on the economic performance of the city in terms of support for existing and new businesses, support for job creation and training and investment in commercial premises that have stalled due to the recession. The strategy will also contribute to the development of the City Deal proposal and help facilitate joint working with other public sector agencies.

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

Economic Strategy Refresh 2013 -2018 (draft)

### **Documents in Members' Rooms:**

None

### **Background Documents:**

None