

Bath & North East Somerset Council

MEETING	Cabinet	
MEETING DATE:	10TH September 2014	EXECUTIVE FORWARD PLAN REFERENCE:
		E 2661
TITLE:	Economic Strategy Review	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report: Appendix 1: Draft Economic Strategy Appendix 2 : Draft Action Plan Appendix 3 : Economic Partnership Group		

1 THE ISSUE

- 1.1 In 2010 B&NES Council approved its current Economic Strategy, developed in conjunction with the B&NES Sustainable Growth Alliance (now called the B&NES Economic Partnership). The Strategy contains a commitment to review and refresh the document after a period of three years.
- 1.2 The work on the Review has been progressed in conjunction with a cross-service Officer Group from the Council and an external Partnership Group. It is intended that the Strategy is seen as a Partnership document, rather than one owned by the Council, and that partners will take a lead in delivering some of the actions and reviewing progress.
- 1.3 In conjunction with key partners it is proposed to publish the Strategy & Action Plan in October.

2 RECOMMENDATION

- 2.1 That Cabinet endorse the objectives and priorities set out in the Economic Strategy Review and agree the Action Plan as a framework for partnership action in the period 2014 – 2020.
- 2.2 That delegated authority be granted to the Strategic Director for Place, in consultation with the Cabinet Member for Sustainable Development, to :

- (i) agree a framework for measuring and monitoring progress against the key priorities in the Economic Strategy.
- (ii) agree minor amendments to the Strategy & Action Plan in conjunction with the Economic Partnership Group prior to publication of the documents.

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 3.1 There are no direct financial implications arising from this report. The Economic Strategy Action Plan sets out a number of proposals for future action based on opportunities identified in the Strategy which will be the subject of detailed evaluation as they are progressed.
- 3.2 Any proposals which could have resource implications for the Council will be subject to the Council's corporate financial approval processes.

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

- 4.1 Councils have the power to address the economic, environmental and social wellbeing of their area. The Economic Strategy Review addresses a number of considerations including : economic prosperity : equalities : sustainability : planning : public health and inequalities.

5 THE REPORT

BACKGROUND

- 5.1 The Economic Strategy Review and Action Plan have been developed through discussion and consultation with an external Economic Partnership Group and a cross-service Officer Group. The Review seeks to :
 - support the work of the Public Services Board in promoting the closer integration of key strategies for the delivery of sustainable communities;
 - widen the scope of the Strategy to embrace the whole economy and ensure that the impact and potential of the wider visitor and cultural sectors and their contribution to the quality of 'place' and the economy are fully understood;
 - respond to the socio economic impacts of the 2008 recession, changes to the Welfare System and Universal Credit, the increase in the age of retirement and the raising of the participation age;
 - update the evidence base for the Economic Strategy and review the main objectives in the 2010 strategy document;
 - respond to the changes to external partnership relations with the demise of the Regional Development Agencies and Business Links and the creation of Local Enterprise Partnerships (LEP'S);
 - ensure linkages with the LEP Strategic Economic Plan and the potential to attract further funding for key infrastructure and development projects, business support and skills initiatives; and
 - take into account changes in government legislation, the need for cross-boundary liaison and in particular the opportunity to retain business rate income under the West of England City Deal.

APPROACH & ISSUES

5.2 The resulting draft Economic Strategy document is structured around :

- Three strategic themes Business ; Place ; People.
- Two cross-cutting Core Values : Sustainability & Health and Wellbeing
- Nine key priorities
 - business growth & investment : business space : business support
 - successful city : vibrant market towns : sustainable connected communities : housing
 - employment & skills : leisure & culture
- An assessment of the Issues / Challenges / Opportunities under each priority
- An Action Plan that addresses the identified opportunities

5.3 In summary the over-arching issues emerging from the Review and informed by the evidence base are outlined below.

- The B&NES economy has survived the economic recession relatively well. Resident unemployment has remained low and youth unemployment is now falling. Key sectors such as creative and digital, ICT and retail have out-performed sub-regional and national trends in relation to employment
- The wider economy has performed less well in relation to workplace employment, output and productivity. A further key issue is the relatively low rate of entrepreneurship. The area has, historically, had a lower 'business birth rate', but also a relatively high 'business death rate'
- Moving forward the Economic Strategy is seeking, in line with the LEP's growth plans and the Council's Core Strategy, to increase the number of jobs in B&NES by 11,500 by 2030 which, taking into account job losses, will require some 16,900 new jobs to be created.

5.4 The Review indicates that the local economy has the potential to realise this growth :

- The Bristol and Bath region is highlighted as having an internationally-significant and fast-growing high tech sector in an influential Centre for Cities report.
- Bath has more than double the national average employment representation in the Creative & Digital sector and over 1.5 times average representation in ICT and the Environmental & Low Carbon sectors

5.5 The Review proposes that by building on the areas business strengths and business specialisms it will be possible to :

- raise the proportion of employment in private sector businesses, particularly in the knowledge economy and higher value added sectors and businesses;
- raise the productivity of private sector businesses, particularly in retail and tourism and the wider visitor economy;

- raise the level of business start-up, particularly in higher value added private sector business activities; whilst at the same time reducing business failure, and thus improving business survival rates and growing the stock of businesses.

PRIORITIES

5.6 The Review puts forward a number of priorities to be addressed in order to achieve the above objectives :

- **Business support & business engagement** : focussed on the priority sectors working in conjunction with the LEP and Business West
- **Destination management & marketing** : to promote a more sustainable, higher value Visitor Economy and attract new business investment through the development of specific investment propositions
- **Delivery of the Bath City Riverside Enterprise Area** : Bath is the economic driver for the wider area providing nearly 70% of overall employment and GVA output and 75% of priority sector employment : a lack of appropriate business space is a constraint to future employment growth in the city.
- **Promotion of employment in the market towns** : the towns of Keynsham and the Somer Valley provide two-thirds of the employment outside the city with a total of 16,600 jobs but need new employment opportunities to be brought forward, to balance planned housing expansion, following major factory closures.
- **Support for the delivery of housing & key transport projects** : housing affordability is an issue and the balance of the housing market needs to be adjusted whilst connectivity to key employment areas is vital for residents and businesses.
- **Encouraging local procurement and energy efficiency** : assisting residents and businesses to reduce their energy costs and “thinking local” on procurement will improve the social, economic, environmental and social wellbeing of the communities we serve.
- **Improving employability & skills** : people and their skills are a major factor in achieving local economic growth and action is needed to:
 - Address the needs of specific priority resident groups
 - Improving access to employment & training in core business sectors
 - Improving the links between businesses and education
 - Skills support to promote growth in the Priority Sectors

5.7. The Economic Strategy Review and Action Plan are attached as Appendices 1 and 2 to this report. It is intended that the Strategy is seen as a Partnership document, rather than one owned by the Council, and that partners will take a lead in delivering some of the actions and reviewing progress. It is hoped to publish the Strategy & Action Plan in October.

MONITORING & REVIEW

5.8. It is proposed to develop a framework for measuring progress against the key priorities in the Strategy through a number of “Measures of Success” which will be developed and agreed in conjunction with the external Economic Partnership Group

5.9. It is intended that these will be monitored on an ongoing basis by the Economic Partnership, reported to Cabinet on an annual basis and covered at an Annual Economic Partnership Conference.

6 RATIONALE

6.1 The Council’s Economic Strategy has provided the strategic context for :

- Bath City Riverside being established as one of five Enterprise Areas across the West of England
- £111m of funding being secured for enabling infrastructure in E.A. and a further £50m of funding being earmarked for a further five priority projects
- 1,600 existing & potential new start businesses supported through Council SLA’s and joint working with the LEP and Business West

6.2 It is important that the Strategy is now reviewed and refreshed to take into account the Strategic Economic Plan for the sub-region, the West of England Strategic Investment Framework for EU funds and the development of business support Growth Hubs to ensure that the Council and it’s partners can continue to realise benefits for the B&NES area.

7 OTHER OPTIONS CONSIDERED

7.1 None

8 CONSULTATION

8.1 The Economic Strategy Review and Action Plan framework have been developed in conjunction with a cross-service Officer Working Group from the Council and with an external Partnership Group drawn for the B&NES Economic Partnership. Appendix 3 sets out the representatives on the partnership group.

9 RISK MANAGEMENT

9.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.

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Background papers	
Please contact the report author if you need to access this report in an alternative format	