

Cabinet Meeting Resolution

Executive
Forward Plan
Reference

E2297

Delivering Sustainable Economic Growth in Bath and North East Somerset

Date of Meeting	9-Nov-11
The Issue	<i>This report sets out changes in the local and national economy, and in Government policy, on supporting economic growth since an update was last given to Cabinet, November 2010. It proposes the priority actions to enable delivery of sustainable economic growth in the District over the next 4 years.</i>
The decision	<p>(1) To AGREE that while the thrust of the Economic Strategy, launched in April 2010, remains valid and the basis for action, strengthened actions will be required to ensure it meets the current economic challenges faced by the District. These will include re-invigorated actions on business support, delivering regeneration schemes and promoting the District as a business location to promote local business and jobs growth.</p> <p>(2) To NOTE the changes in National Government Economic Policy which led to the creation of the West of England Local Economic Partnership.</p> <p>(3) To AGREE that the Council will actively engage with the West of England Local Enterprise Partnership (LEP) in order to provide a strong voice in the sub region and nationally.</p> <p>(4) To AGREE that following the launch of the LEP and the establishment of an Enterprise Zone at Bristol Temple Quarter and a recommendation for a series of Enterprise Areas in the West of England, that Bath City Riverside be designated as the B&NES Enterprise Area, as a key zone for economic growth, with the ability to deliver 65% of the District's jobs growth by 2026 and therefore play a key role in providing jobs for local people. The Enterprise Area will be resourced through Development and Major Projects to bring forward its development opportunities.</p> <p>(5) To ASK the Director for Development and Major Projects to develop a Plan to support the Council's Placemaking Plan and delivery of the Bath City Riverside 'City of Ideas' Enterprise Area and setting out the options for financing its delivery, called "Planning the Future, Financing the Future", and exploring options for providing incentives to high growth business sectors; and to bring the Plan back to Cabinet in March 2012.</p> <p>(6) To AGREE that the Bath and North East Somerset Sustainable Growth Alliance will be relaunched and re-named the Bath and North East Somerset Economic Partnership. It will mirror the LEP structure and will focus on delivering the District's key developments, including the Bath Enterprise Area. Its effectiveness will be reviewed after one year.</p> <p>(7) To AGREE that in order to maximise the benefits to be gained from the New Homes Bonus, the Council will work with its partners, including the Homes and Communities Agency, to focus strongly on bringing forward the key housing led and mixed use sites in the District, all in accordance</p>

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	with the Core Strategy.
Rationale for decision	<p>The Economic Strategy has been examined to identify whether it remains fit for purpose in the light of changes in Government policy to support economic growth and the current state of the economy. The recommendations result from the above analysis. These are a series of actions which will build on the existing strengths of the economy and tackle any weaknesses, adjust to new Government policies on supporting economic growth and strengthen the financial position of the local authority in the light of the Government's changing approach to financing local government. The basic premise is to strengthen the economic core of the District and the West of England sub region. Internationally Bristol and Bath are the two most well known and economically significant locations in the area and we need to promote these to attract interest from investors. We will then be able to promote opportunities across the District. A very strong Bath brand is vital in order to generate additional revenue that can be redistributed to support growth in other areas</p>
Other options considered	<p>The analysis of the economy shows the potential consequences of not addressing the jobs growth challenge. By not intervening, the Council could fail to benefit from the new local government growth incentives, particularly the new Business Rates Growth regime and the New Homes Bonus and find its resources reduce. Estimates on the Enterprise Area indicate an opportunity for an additional £292 million to be collected over the next 25 years from business rates and £17.3 million from the NHB, both of which could be used locally. A reliance on areas outside Bath and North East Somerset for future jobs for its resident population would result if insufficient jobs are created locally. Bath and North East Somerset could then have an increased dormitory role with higher levels of out commuting and associated environmental impacts and potentially and more severely, an exodus of young people and an overly accelerating ageing population. There may be some evidence that this is already happening, with a rising proportion of 18-24 year olds claiming Job Seekers Allowance as a proportion of all the Working Age Population. Out-commuting of skilled and professional young people to find work, or their exodus over the longer term, could lead to a lack of growth in daytime and early evening 'high street spend' and associated multiplier impacts. This could mean less money circulating in the local economy, impacting on the quality of life of residents.</p>
<p>The Decision is subject to Call-In within 5 working days of publication of the decision</p>	