

CABINET - 15TH MARCH 2018

Report of the Head of Planning and Regeneration Lead Member: Councillor Vardy

Part A

ITEM 11 ECONOMIC DEVELOPMENT STRATEGY 2018 - 2020

Purpose of Report

This report seeks the adoption of the Charnwood Economic Development Strategy 2018-2020 and the endorsement of Cabinet for its implementation through partnership working and its publication and promotion to businesses. The report also explains the process undertaken to produce the draft strategy.

Recommendations

1. That the draft of the Economic Development Strategy 2018 – 2020 be adopted.
2. That the Strategy is implemented in collaboration with the Economy and Skills Group of the Charnwood Together partnership.
3. That a copy of the Strategy is made available on the Council's new inCharnwood.com business website and at business events.

Reasons

1. To provide clear priorities for creating a strong and lasting economy for Charnwood.
2. To provide the framework within which the specific regeneration and economic development actions of the Council and key partner organisations can be developed and delivered.
3. To give confidence to potential investors and funding bodies that Charnwood Borough Council is clear in its approach to local economic development initiatives and that Charnwood is an excellent place in which to do business.

Policy Justification and Previous Decisions

The Council's Corporate Plan commits to "creating a strong and lasting economy". It is important that the Council has a strategy that provides for a clear effective, whole Council focus that is embedded with key external stakeholder partnerships. Adoption of a clear and up to date economic development strategy gives potential investors and funding organisations the confidence that the Council has analysed and clarified which priorities create the conditions for economic and business success.

Implementation Timetable including Future Decisions and Scrutiny

Should Cabinet approve the adoption of the draft strategy, the following action plans will then be updated to reflect its content:

- Charnwood Together Economy and Skills Group Performance and Monitoring Schedule (due to be updated April 2018)

Planning and Regeneration Team Plan (due to be updated March 2018) Monitoring of the delivery of action plans will occur through the Council's scrutiny processes, regular updates to the lead member and the Economy and Skills Group of Charnwood Together.

The strategy will be implemented through to 2020 when it will be reviewed and a refreshed version put before Cabinet.

Report Implications

The following implications have been identified for this report.

Financial Implications

The strategy has no financial implications for the financial year 2018/19. As implementation of the strategy progresses it will be necessary to consider whether a business case is relevant for a request for addition to base budget in 2019/20.

Risk Management

There are no specific risks associated with this decision.

Key Decision:	Yes
Background Papers:	None
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Part B

Background

1. The Planning and Regeneration Service Team Plan identifies the need for the Council to produce an economic development strategy in response to the Corporate Plan objective for creating a strong and lasting economy. The strategy will provide the focus for not only the Regeneration and Economic Development Team but also a whole council approach through partnership.
2. Local economies do not operate in isolation and increasingly are affected by regional, national and international circumstances. Policies and strategy made by the Government and bodies such as the Midlands Engine and the Leicester and Leicestershire Economic Partnership (LLEP) impact upon what happens in Charnwood. The Government has recently published a new Industrial Strategy which will have a major influence upon how funding and other forms of support for the economy, businesses and infrastructure will be provided. It is considered prudent to therefore have a local economic development strategy which takes account of this strategic context and which can ensure that Charnwood is placed to take advantage of opportunities as they arise.
3. Whilst the UK economy has continued to grow at a faster rate than many economists predicted and unemployment is at very low levels there will undoubtedly be both a number of opportunities and challenges in the years ahead as the UK economy re-adjusts to being positioned outside of the European Union. The state of the global economy is likely to be a significant influence on the potential for further economic growth in the UK and locally. Uncertainty and economic cycles will – as ever throughout history – mean that those areas which best plan for economic development are those which can make the most of upturns and be resilient in the downturns; having an economic development strategy in place therefore makes good sense.
4. Having an up to date economic development strategy gives investors, both private and public, confidence that a local area has evaluated its needs and has plans in place to create the conditions that encourage economic success. By adopting an economic development strategy, the Council will be sending a clear signal to investors that Charnwood is 'open for business' and is clear about how it will work with partners to support investment and future economic growth.

Development of the Draft Economic Development Strategy

5. The strategy has been produced by taking into account other relevant Council strategies as well as those of external organisations, Charnwood's economic characteristics, the views of key stakeholders at workshop sessions, and comments submitted via public consultation.
6. The process of producing the strategy began in late 2017 by analysing other strategies which impact upon the economy of Charnwood and evaluating the nature of the local economy. Particular strategic context has been provided by the LLEP's Strategic Economic Plan, the Housing and Economic Development

Needs Assessment (HEDNA) for Leicester and Leicestershire, the economic development strategies/plans of the other local authorities in the city and county, the framework provided by the Midlands Engine and the Government's Industrial Strategy. These various strategies are helpful in identifying sectors which offer the best potential for future economic growth, where infrastructure investment is needed to facilitate growth and the areas of activity towards which funding is most likely to be targeted. Coupled with economic indicators it became possible to start comparing and contrasting external factors with the Council's corporate and community priorities.

7. The strategy context and its relevance and impact on business in Charnwood was explored with key stakeholder organisations through workshops on 27th October 2016 and 27th November 2017. Participants in the workshops included: key Heads of Service, the Strategic Director responsible for economic development from within the Council, the Federation of Small Businesses, Loughborough University, Loughborough Chamber of Commerce, Love Loughborough, Leicestershire Promotions Ltd, Leicestershire County Council, Loughborough College and prominent local business people.
8. A consensus emerged from the workshop sessions that the Charnwood economy is well-placed to continue to develop in future years, but that in doing so the private and public sectors will need to work together in partnership to ensure that the borough can take advantage of its excellent connectivity and clustering of businesses involved in innovation and advanced technologies. The workshop discussions suggested that the key challenges that lie ahead will be to ensure that the whole community can benefit from economic change, that people can access the skills needed to gain employment and further their careers, and that both urban and rural communities maintain a vibrant sense of 'place' amidst the ever quickening pace of 'online' retailing and service provision.

The Draft Economic Development Strategy

9. Following information and data gathering exercises and the two workshops referred to above, a draft of the new economic development strategy has been produced. It is deliberately concise in order to provide focus and to make clear the Council's priorities in relation to the local economy. It addresses challenges and identifies opportunities.
10. Four headline areas of focus are identified for the period through to 2020:
 - i) *Places and infrastructure*
 - ii) *Business environment*
 - iii) *People*
 - iv) *Innovation*
11. Sitting underneath each of the four headline areas of focus are a series of main strategic priorities, each of which is supplemented by key objectives which the Council and its partners will look to achieve.
12. The draft strategy is attached to this report at Appendix 1.

Consultation and Consultation Responses

13. The draft strategy takes into account comments received on an initial consultation draft strategy which was made available to stakeholders and the public. Consultation began in January 2018 and ended on 16th February 2018.
14. Consultation comments were sought through a number of communications channels: the Council website, social media, press release, letter to the Charnwood Together Economy and Skills Group members. Consultees and the public were encouraged to make any comments they thought to be of merit in addition to being asked to think about and respond to the following specific questions:
 - Are the four main strategic priority areas of Places and Infrastructure, Business Environment, People, and Innovation appropriate?
 - Has the Strategy omitted any significant objectives which, in your view, should be included? (If so, what are they and why are they important?)
 - Does the Strategy include too many objectives?
 - Does the strategy provide a useful platform upon which collaborative working and delivery of actions can be developed?
 - What would be your 'Top 3' areas of action from those which are included within the draft Strategy?
 - Is the Strategy relevant to the needs of businesses in Charnwood?
 - Will the Strategy help facilitate an inclusive approach to economic development, for all parts of the borough and for people and businesses of diverse circumstances?
15. A summary of consultation responses is attached to this report at Appendix 2.

Conclusion

16. The draft economic development strategy takes account of macro and micro economic circumstances, other strategies which impact upon Charnwood and comments from stakeholders and the public. It provides the Council and its partners with a framework which, if approved, will enable the development and implementation of specific action plans. This will help strengthen the local economy in future years and make it more robust in the face of international economic cycles. The strategy will help create a strong and lasting economy which encourages business success and in turn facilitates opportunities for a better quality of life for all residents across all parts of Charnwood.

Appendix 1 - Draft Charnwood Economic Development Strategy 2018 – 2020.
Appendix 2 - Summary of consultation responses.

DRAFT CHARNWOOD ECONOMIC DEVELOPMENT STRATEGY

2018 – 2020

“Creating a Strong and Lasting Economy”

This Charnwood Economic Development Strategy provides the strategic direction that our regeneration and economic development initiatives will be aligned to over the next 3 years. The Strategy has been developed by taking in to account the nature of the Charnwood economy, the views of business representation organisations, regional and national economic strategy, and the Council’s Corporate Plan.

The Council identifies ‘Creating a Strong and Lasting Economy’ as one of 3 key elements of its Corporate Plan. This economic development strategy is consistent with that over-arching corporate pledge and identifies these strategic priority areas for the period through to 2020:

-)] **PLACES AND INFRASTRUCTURE**
-)] **BUSINESS ENVIRONMENT**
-)] **PEOPLE**
-)] **INNOVATION**

The strategy will be led by the Council’s Regeneration and Economic Development Team but its implementation will involve collaborative working with a number of other teams and partner organisations.

PLACES AND INFRASTRUCTURE

Creating favourable conditions for economic growth is dependent on the provision of good infrastructure and a built environment in which businesses can thrive. We can play an influential role in this and will focus our activities on the following actions and objectives:

A. RE-IMAGINING OUR TOWN CENTRES

- J Work with partners to improve the public realm and encourage investment in Loughborough town centre.
- J Collaborate with the Business Improvement District to promote events and support businesses under the “Love Loughborough” brand.
- J Identify lead stakeholders and support them in delivering the Shepshed Masterplan and Delivery Framework.

B. DELIVERING INFRASTRUCTURE AND EMPLOYMENT LAND / PREMISES

- J Proactively support and influence power infrastructure providers to deliver capacity which meets the future needs of existing and incoming businesses.
- J Facilitate the supply of major employment sites and enable infrastructure through planning and growth delivery mechanisms.
- J Work with partners to enable the regeneration of the East Loughborough Industrial Heritage Quarter.
- J Review the Council’s ability to use assets and resources for the direct delivery, or enabling of, employment land and premises, facilities for SMEs and regeneration that drives economic growth.
- J Ensure local planning policy documents provide for land and property which encourages the establishment and growth of SMEs.
- J Work with partners to deliver effective connectivity to employment sites.

C. DEVELOPING A STRONG BOROUGH-WIDE ECONOMY AND SUSTAINABLE PRACTICES

- J Work with partners to drive forward delivery of the Watermead regeneration masterplan.
- J Encourage and facilitate the diversification of the rural economy to deliver jobs and business opportunities.
- J Support increased digital connectivity and speed across all parts of Charnwood to help reduce the need to travel and encourage home-working.
- J Promote initiatives which support businesses to make efficient use of resources, reduce waste and improve efficiency so as to reduce environmental impact.

D. MARKETING CHARNWOOD AS A DESTINATION OF CHOICE FOR VISITORS

- J Develop and implement a place marketing strategy.

) Work with partners to enhance further the quality of events and visitor attractions, including natural assets such as Charnwood Forest.

BUSINESS ENVIRONMENT

Businesses drive success in the local economy but we recognise that there are many occasions when businesses can need some support. Locations which encourage and facilitate good interaction amongst business support agencies and which offer a strong 'welcome' to relocating / new businesses are best positioned to create a vibrant environment for businesses which is able to respond to ever-changing economic circumstances. Charnwood has a strong reputation as a business friendly area and we will improve this further through the following actions and objectives:

A. CREATING A FERTILE BUSINESS ENVIRONMENT FOR GROWTH

- J Promote the availability of grant funding through the Council's Growth Support Fund for organisations which deliver services to support businesses and local communities.
- J Provide access to information about programmes and organisations which help our businesses to progress, start-up, survive and access business support / funding opportunities.
- J Work with partner organisations to promote Charnwood as a vibrant area for business activity.
- J Give first class advice about regulatory aspects of running a business and promote the Better Business for All initiative.

B. PROMOTING INWARD INVESTMENT AND ENGAGING WITH BUSINESSES

- J Maximise awareness of the opportunities for business and investment presented by the Enterprise Zone and Life Sciences Opportunity Zone.
- J Attract and support potential investors that could be interested in locating in Charnwood.
- J Adopt an 'aftercare' approach for companies relocating to and active in Charnwood.
- J Increase awareness of the 'inCharnwood' inward investment brand, promoting Charnwood as one of the UK's prime locations for business.

PEOPLE

Sustaining high levels of employment, achieving increased productivity in the local economy and future-proofing business success is best achieved where the local workforce has access to good education and skills training. However, employers identify that there are barriers to recruitment and retention of personnel – not because there are not enough people, but due to the absence of skills training relevant to the opportunities which exist in a modern, changing 21st century economy. We want to work with partners to help ensure that Charnwood residents can have better local jobs prospects and at the same time help our companies to have confidence that skills levels here will give them a competitive edge. In doing this, we will collaborate with partners to focus on the following actions and objectives:

A. BUILDING A SKILLED AND LEARNING WORKFORCE

-) Enable workforce development, apprenticeships and the development of higher level skills across all sections of the community and for people from all types of backgrounds.
-) Bring employers and education / training providers together to identify and address skills gaps in the local economy.
-) Work with partner organisations to provide opportunities which encourage graduates to remain employed or in business within the borough.

B. ENCOURAGING ENTREPRENEURSHIP

-) Deliver an entrepreneurship and enterprise support programme in partnership with a suitable training provider(s).
-) Ensure enterprise and entrepreneurship support programmes are targeted towards helping and encouraging those members of the community who are currently farthest from being in work or business.

INNOVATION

The inCharnwood brand has a strapline of “Be at the Centre of Innovation”. The phrase is more than a marketing slogan, it is a reflection of the fact that across Charnwood and in Loughborough in particular, there is a strong clustering of businesses involved in leading-edge innovative technologies. Innovation is increasingly important across all commercial sectors and can play a major part in the uplift of the value and competitiveness of a local economy. Charnwood has the ability to significantly capitalise on national Government efforts to drive and support innovation because of the presence of Loughborough University, two Enterprise Zone sites and a strong existing base of companies in high-value, innovative sectors. We intend to further enhance this position through the following actions and objectives:

A. STRENGTHEN CHARNWOOD’S EXCELLENCE IN SCIENCE, INNOVATION AND ADVANCED MANUFACTURING

-)] Support innovation and key sectors’ growth partnerships / networks.
-)] Work closely with Loughborough University Science and Enterprise Park (LUSEP) and Charnwood Campus to develop a cluster of high value companies and employment.
-)] Hold events which showcase innovation and bring innovative businesses together.

B. SUPPORT A PROGRESSIVE, KNOWLEDGE BASED ECONOMY WHICH FOSTERS INNOVATIVE APPROACHES TO BUSINESS

-)] Bolster and develop the Council’s relationship with Loughborough University and other regional universities to encourage innovation and the commercialisation of research.
-)] Engage directly with innovation leaders and institutions to secure awareness of Charnwood’s offer and provide the catalyst for investment.

Actions and Monitoring

This Strategy sets out strategic priorities and objectives.

The Council (and its partners) will develop action plans which show how the Strategy will be delivered. It is important that actions are monitored in order to evaluate performance of delivery and to assess how much progress is being made in achieving the objectives of the Strategy.

Monitoring of actions will occur through the Council's scrutiny processes, regular updates to the responsible Lead Member within Cabinet and in consultation with the Economy and Skills Group of Charnwood Together.

SUMMARY OF CONSULTATION COMMENTS

Comments were received from the following:

- Leicestershire County Council
- Loughborough University
- Chair of the Charnwood Together Economy and Skills Group and on behalf of the Loughborough Chamber of Commerce.

This document summarises the comments received and whether or not, after consideration of the comments by officers, the draft strategy has been amended.

Seven questions were posed as part of the consultation exercise and any observations outside of the questions were also welcomed and encouraged.

The 7 questions were:

Q1. Are the four main strategic priority areas of *Places and Infrastructure*, *Business Environment*, *People*, and *Innovation* appropriate?

Q2. Has the Strategy omitted any significant objectives which, in your view, should be included? (If so, what are they and why are they important?)

Q3. Does the Strategy include too many objectives?

Q4. Does the strategy provide a useful platform upon which collaborative working and delivery of actions can be developed?

Q5. What would be your 'Top 3' areas of action from those which are included within the draft Strategy?

Q6. Is the Strategy relevant to the needs of businesses in Charnwood?

Q7. Will the Strategy help facilitate an inclusive approach to economic development, for all parts of the borough and for people and businesses of diverse circumstances?

Comments from Leicestershire County Council

Q1. Yes – but could the 'Innovation' descriptor be changed to 'Ideas' as per the Industrial Strategy?

Response: Innovation has deliberately been used in the strategy in order to be consistent with the inCharnwood branding which heavily features innovation and to reflect the type of activities associated with the clustering of advanced technologies businesses in Charnwood.

Changes made to the strategy: nil.

Q2. No omissions.

Response: noted.

Changes made to the strategy: nil.

Q3. There shouldn't be any more headline objectives.

Response: noted.

Changes made to the strategy: nil.

Q4. Yes.

Response: noted.

Changes made to the strategy: nil.

Q5. Top 3 priority areas would be: a) capitalising on existing assets such as the Enterprise Zone, Charnwood Forest, university and Loughborough town centre; b) infrastructure and business friendly town planning processes; c) workforce and business support.

Response: Noted. These areas were all highlighted or acknowledged in the consultation draft strategy, except for Charnwood Forest, which we acknowledge is a major asset particularly in relation to the visitor economy.

Changes made to the strategy: Charnwood Forest referenced as part of revised text in the Places and Infrastructure section.

Q6. Yes. Further information will soon be available about business views in the outcomes of the 2017 Leicestershire Business Survey undertaken by the LLEP and County Council.

Response: noted.

Changes made to the strategy: nil.

Q7. There should be a stronger emphasis in the People section of the strategy on helping people farthest from being in work.

Response: whilst the consultation version of the strategy did make it clear that achieving higher skills levels is targeted towards "all sections of the community and for people from all types of backgrounds", it is considered that the strategy would benefit from positively recognising a desire to help people farthest from work.

Changes made to the strategy: new text inserted in the People section which references that initiatives should help those people farthest from employment.

Other comments: a) the strategy could have a stronger emphasis on visitors and tourism initiatives b) the County council would welcome discussions about how initiatives link to county wide place marketing c) business support activity could include reference to exporting activity.

Response: a) and b) the strategy specifically refers to tourism and place marketing as a priority area in the Places and Infrastructure section but it is acknowledged that the partnership aspect is perhaps not highlighted clearly enough c) exporting activity is likely to become increasingly crucial as the UK exits the European Union and therefore it is considered that the strategy should reference this area of business support.

Changes made to the strategy: new text inserted in the Places and Infrastructure section where the document refers to marketing Charnwood as a destination of choice for visitors. New text inserted in the Business Environment section which references working with partner organisations to support exporting and trade development initiatives.

Comments from Loughborough University

Q1. Yes, the priorities are appropriate.

Response: noted.

Changes made to the strategy: nil.

Q2. No omissions.

Response: noted.

Changes made to the strategy: nil.

Q3. There shouldn't be any more objectives.

Response: noted.

Changes made to the strategy: nil.

Q4. Yes.

Response: noted.

Changes made to the strategy: nil.

Q5. Top 3 priority areas would be: a) infrastructure supporting employment sites b) securing power supply to employment sites c) enhancing connectivity to employment sites.

Response: all of these important issues are referred to in the strategy.

Changes to the strategy: nil.

Q6. Yes, relevant.

Response: noted.

Changes made to the strategy: nil.

Q7. Yes, the strategy is inclusive.

Response: noted.

Changes made to the strategy: nil.

Other comments: a) there should be a stronger emphasis within the strategy on helping people who are farthest from work b) the 4 headline priority areas should be ranked in order of importance c) sustainability issues should be included in the Business Environment section rather than the Places and Infrastructure section d) a few stylistic suggestions were also made.

Response: a) whilst the consultation version of the strategy did make it clear that achieving higher skills levels is targeted towards "all sections of the community and for people from all types of backgrounds", it is considered that the strategy would benefit from positively recognising a desire to help people farthest from work. b) it is considered that the 4 headline priority sections of the strategy are of equal importance and that a ranking of them would not enhance the strategy. c) The Business Environment section deals with the context within which businesses operate, not an *environmental* context. Therefore, it is considered that the Places and Infrastructure section remains the best section of the strategy in which to deal with issues of sustainable development. d) the style of writing suggestions are appreciated but some of these have also been made by other commentators. If all suggestions from all commentators were taken on board it would create a very

disjointed document in terms of style. However, where a suggestion is considered to enhance the flow and tone of the document then changes have been made.

Changes made to the strategy: New text inserted in the People section which references that initiatives should help those people farthest from employment.

Comments from Chair of the Charnwood Together Economy and Skills Group and on behalf of the Loughborough Chamber of Commerce

Comments provided were not based around the 7 questions posed as part of the consultation exercise.

The stakeholder considered the strategy to be “definitely heading in the right direction”.

Other comments were of a nature that made suggestions about the style of writing used for the strategy document, although it was stressed they were suggestions for enhancement and not of a critical nature.

Response: noted.

Changes made to the strategy: Where a stylistic suggestion is considered to enhance the flow and tone of the document then changes to the text have been made.