

Key Decision Required:	YES	In the Forward Plan:	YES
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CABINET

8 NOVEMBER 2013

REPORT OF THE INWARD INVESTMENT AND GROWTH PORTFOLIO HOLDER

A.6 ECONOMIC DEVELOPMENT STRATEGY AND ACTION PLAN

(Report prepared by Tom Gardiner, Regeneration Manager)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To secure Cabinet approval of the work undertaken by Regeneris Consulting Limited in the preparation of a Socio-Economic Baseline; Economic Development Strategy and Action Plan for the Tendring District.

EXECUTIVE SUMMARY

The documents referenced in this report represent the impartial and professional advice of Regeneris Consulting Limited.

The Economic Development Strategy and Action Plan have been informed by the issues and opportunities identified within the Socio-Economic Baseline. In this regard the strategic themes referenced in the Strategy and the interventions identified in the Action Plan are rooted in an evidence based assessment of the district's economy and its performance against local, regional and national indicators.

The approach promoted within the Strategy seeks to transform the district's economic performance with the aim of securing sustainable and long-term economic growth. The Strategy seeks to achieve this by:

- Promoting diversification within the local business base, recognising the need to target new sector specialisms which can support a more buoyant and resilient economy;
- Promoting Tendring's role in regional and national economies and celebrating the district's contribution;
- Valuing places within Tendring and ensuring that they are able to evolve as modern and effective economic locations;
- Recognising the importance of residents to the district's economic future, ensuring that they are equipped with the skills and aspirations to participate in the area's economic transformation;
- Encouraging growth within new and established sectors;
- Promoting improved partnership working to secure structural change in the district's economy; and
- Recognising that difficult decisions may have to be made and risks taken to ensure the district's economic success.

The Strategy identifies five key objectives:

- Objective 1: Supporting Tendring's Growth Locations - Intervening in areas where the potential for economic growth is highest and where there is a strong case for intervention particularly (but not exclusively) in Harwich, Clacton and West Tendring (developing commercial links with the Severalls Business Park and the University of Essex).
- Objective 2: Targeting Growth Sectors – Targeting the sectors which are best placed to support growth and job creation within Tendring's economy. The Strategy focusses attention upon the opportunities afforded by Offshore Wind Energy and Care & Assisted Living.
- Objective 3: Skills and Information – Recognising that the district has some of the most disadvantaged populations in the country this objective seeks to build a stronger and more competitive economy by equipping local people with the skills and aspiration necessary to participate.
- Objective 4: Supporting Modernisation, Diversification & Growth within the Business Base – Improving business liaison, innovation and inward investment and creating dynamism in the economy that will make Tendring more competitive and resilient to national and international shock.
- Objective 5: Facilitating Population Growth where this Supports the Economy – Recognising that the district has an elderly and shrinking population, this objective seeks to build on the district's positive characteristic of being an attractive place to live and promotes population growth as a means of supporting the long-term future of the economy.

The Strategy is accompanied by a separate Action Plan, which sets out in more detail how the five objectives will be delivered.

The Strategy and Action Plan organise actions and interventions into three distinct phases:

- Enabling: Developing the conditions to support opportunity and growth;
- Delivery: The physical delivery of projects and programmes on the ground; and
- Embedding: Investing in economic development and defining new objectives.

The Strategy and Action Plan envisage that the early stages of implementation will focus on enabling the opportunity and developing the conditions that will support economic growth, whilst delivering projects and programmes on the ground that will release tangible benefits in the form of increased investment, increased employment and jobs and a commensurate improvement in local skills.

Subject to Cabinet approval the Baseline, Strategy and Action Plan will be used to inform the Council's approach to growth and regeneration and will assist the Council in the prioritisation of its interventions necessary to secure the long-term sustainable growth of the district.

Subject to the recommendations referenced in this report, it is proposed that officers prepare a phased and prioritised Delivery Plan identifying the actions and costed interventions to be pursued by the Council over the next three years. The Delivery Plan will draw on the recommendations identified by Regeneris in the Action Plan attached at A.3 Appendix C and build on the work and good practice already being pursued by the

Council's Inward Investment and Growth Service and by other service areas within the authority.

Accordingly the proposed Delivery Plan will focus on the delivery of projects and programmes already in the pipeline and those linked to the opportunities afforded by: the offshore renewables sector in Harwich; the A120; and the coastal defence works at Clacton and Holland Haven. The Delivery Plan will also seek to further develop the Council's approach to supporting local businesses and to harmonise its contribution to inward investment via its continued work with Essex County Council and the Haven Gateway Partnership.

The Socio-Economic Baseline, Economic Development Strategy and Action Plan will form part of the suite of technical documents underpinning the land use policy objectives articulated within the Council's emerging Local Plan.

RECOMMENDATION(S)

It is recommended that Cabinet approve:

- (a) The Socio-Economic Baseline attached at A.1 Appendix A; and**
- (b) The Economic Development Strategy attached at A.2 Appendix B.**

It is also recommended that:

- (c) Cabinet note the Action Plan attached at A.3 Appendix C; and that**
- (d) Cabinet instruct officers to prepare a phased and prioritised Delivery Plan identifying the actions and costed interventions to be pursued by the Council over the next three years and that this document be presented to Cabinet early in the New Year.**

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

The Strategy responds directly to the Council's ambition to improve the lives and opportunities of residents and businesses in the district. Specifically the Strategy responds to:

- Corporate Goal 3: Help children and adults achieve their full potential;
- Corporate Goal 4: Address deprivation; and
- Corporate Goal 6: Coastal opportunities and protection.

The Socio-Economic Baseline, Strategy and Action Plan will (taken together) enable the Council to better prioritise its interventions and focus its Inward Investment and Growth Service (financial and human resource) and wider corporate activity on securing the economic growth and diversification of the district's economy. The Strategy will also strengthen the Council's ability to promote its investment priorities with County (Essex County Council), sub-Regional (Haven Gateway Partnership) and Regional Partners (South East Local Enterprise Partnership) and to compete more effectively for external resources as and when funding streams become available (e.g., Regional Growth Fund, Coastal Communities Fund, Growing Places Fund, European Social Fund & Regional Development Fund, etc.).

FINANCE, OTHER RESOURCES AND RISK

Finance and Other Resources

Whilst there is no direct financial and/or other resource implications arising from the approvals sought in this report, the development and delivery of interventions, projects and programmes will impact upon the Council's financial and corporate resources.

As referenced in the recommendations section of this report, project proposals will be further developed and set within a three year phased Delivery Plan. Each intervention, project and programme within the Delivery Plan will be evaluated and costed and presented for approval on a case by case basis in line with established governance protocols. The financial and corporate resource implications of each intervention, project and programme will be assessed as part of the approvals process.

Risk

The successful implementation of the Strategy is subject to a number of potential risks. These include:

- A shift in corporate priorities and policy following political change (national and local);
- A lack of partner commitment to securing the objectives of the Strategy (in particular that of Essex County Council and the South East Local Enterprise Partnership);
- An inability to successfully engage with the private sector (key businesses) to drive growth within the district;
- An inability to secure third party funding in support of specific interventions, projects and programmes;
- The capacity within the Inward Investment and Growth Team (and other service areas within the organisation) to pursue the broad range of interventions identified.

The Inward Investment and Growth Team will seek to control these risks as part of its operational and management function and will develop a risk register to identify, track and mitigate risks as part of its project and programme management function.

LEGAL

The actions proposed are within the Council's wellbeing powers under Section 2 of the Local Government Act 2000 in that they are considered likely to promote the promotion or improvement of the economic, social or environmental wellbeing of the district and of persons present or resident in the district. The actions also fall within the Council's discretionary general power of competence under Section 1 of the Localism Act 2011.

OTHER IMPLICATIONS

Consideration has been given to the implications of the proposed decision in respect of: Crime and Disorder; Equality and Diversity; Health Inequalities; Area or Ward Affected; Consultation and Public Engagement; and any significant issues are set out below:

Evidence suggests that there is a direct link between economic prosperity and social inequality. The Strategy and Action Plan seek to improve the economic performance and vitality of the district and in so doing will help tackle the broad range of deprivations and inequalities referenced above and those identified within the Socio-Economic Baseline.

Area or Ward Affected

The Strategy and Action Plan seek to strengthen the district's economy and in so doing respond to the challenges and opportunities identified at district, ward and sub-ward level.

Consultation and Public Engagement

Whilst there are no direct consultation or public engagement implications arising from the approvals recommended in this report, on-going communication and participation with private, public and voluntary sector partners and local residents (as appropriate) will be an essential ingredient if the Council is to secure the successful implementation and delivery of the Strategy.

PART 3 – SUPPORTING INFORMATION

BACKGROUND

Background

At its meeting on 7th November 2012 Cabinet approved proposals to prepare an Economic Development Strategy for the district and authorised officers to select and appoint consultants to assist with this work in line with the Council's procurement protocols.

The specification of requirements approved by Cabinet required consultants to prepare a broad ranging strategy and action plan, providing the means through which the Council and its partners could strengthen and diversify the district's economy, and create the conditions necessary to deliver sustainable economic growth.

Regeneris Consulting Limited (Regeneris) was subsequently appointed via a competitive tender process and formally commenced work for the Council in March 2013.

Economic Context

The Tendring economy currently contributes circa £2.1 billion to the UK economy and comprises circa 35,400 jobs, and circa 4,700 businesses. The district is located within a large and diverse economic sub-region. Within the district, employment is concentrated in coastal locations. Clacton and Harwich are the area's major centres of employment.

Tendring's economy is characterised by relatively high levels of employment in sectors which are generally seen as relatively low value adding. Health, Retail and Education are the largest sectors in terms of the number of jobs and together represent 45% of the district's total employment (15,800 jobs). These sectors are also largely focussed upon servicing the needs of the local population. Employment levels in industries which are higher value adding (such as business services) are comparatively low.

The Tendring economy is also characterised by relatively high levels of part-time employment. This accounts for 41% of all jobs in the district, which is much higher than the national average of 32%. This is likely to be linked to a number of factors; including the local sector profile and the nature of the local labour force (Tendring has a relatively high proportion of older workers).

Over the past decade the Tendring economy has performed more sluggishly than comparator areas and employment has fluctuated from year to year and has not risen above the figure of 36,000 jobs recorded in 2003. Employment currently stands at 600 jobs

(2%) below this 2003 benchmark. Performance was particularly weak between 2003 and 2008 relative to national level trends when the national economy was growing strongly.

Relatively low levels of employment growth are projected in the period to 2029. The East of England Forecasting Model (EEFM) predicts potential employment change at a district level and currently forecasts relatively low growth in Tendring, with employment across all sectors projected to increase by 2,000 FTE by 2029.

Consultation

In preparing the Socio-Economic Baseline, Strategy and Action Plan, Regeneris consulted with a wide range of stakeholders from the private and public sectors, including senior representatives of neighbouring authorities, Essex County Council and the South East Local Enterprise Partnership.

As part of the consultation process, Regeneris attended: four meetings with Cabinet; three All Member Briefings (which included external representatives); and two Senior Manager Forums where the issues and priorities emerging from their work were discussed and the opportunities and strategic themes referenced within the Strategy were identified.

In addition Regeneris convened: two Tailored Workshops focussing on Ports & Logistics and Care & Assisted Living; undertook one to one consultations with the Chief Executive, Corporate Directors and appropriate Heads of Department; and met with a wide range of businesses and public sector partners operating within the Tendring district.

CURRENT POSITION

Subject to Cabinet approval of the documents presented in this report, Regeneris Consulting Limited has satisfactorily completed its commission by preparing the required Socio-Economic Baseline, Economic Development Strategy and Action Plan. The approval of these documents will enable officers to conclude the Council's formal contractual relationship with the company.

FURTHER HEADINGS RELEVANT TO THE REPORT

South East Local Enterprise Partnership (SE LEP)

During the development of the Strategy and Action Plan, the South East Local Enterprise Partnership has been preparing its own Economic Plan and EU Structural Investment Funds Strategy in line with Government and European requirements.

Representatives of the Council and Regeneris have engaged with the SE LEP and its appointed consultants (Shared Intelligence) in an effort to ensure that the district's strategic economic priorities align with those of the LEP's emerging Plan and EU Strategy.

Strategic alignment is of critical importance because from 2015 the SE LEP will become the primary source of grant and loan funding and will allocate resources to those areas best positioned to deliver against its strategic objectives.

Essex Plan for Growth

As part of the work being undertaken to prepare an Economic Plan for the SE LEP area, Essex County Council is currently pursuing work to update its existing Economic Growth Plan. The revised document (Economic Plan for Essex) will essentially form the “Essex Chapter” of the SE LEP document. The executive is working with the County and its appointed consultants (Shared Intelligence) to ensure that Tendring’s strategic economic priorities are fully referenced and supported within the revised Essex document.

BACKGROUND PAPERS FOR THE DECISION

None

APPENDICES

- (a) The Socio-Economic Baseline attached at A.1 Appendix A;
- (b) The Economic Development Strategy attached at A.2 Appendix B; and
- (c) The Action Plan attached at A.3 Appendix C.