

Key Decision Required:	Yes	In the Forward Plan:	Yes
-------------------------------	------------	-----------------------------	------------

CABINET

24th JANUARY 2020

REPORT OF THE BUSINESS AND GROWTH PORTFOLIO HOLDER

A.2 NORTH ESSEX ECONOMIC STRATEGY

(Report prepared by Ewan Green, Corporate Director: Planning and Regeneration)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

This report seeks Cabinet approval of the North Essex Economic Strategy. The report presents the future ambition and vision for economic growth across the North Essex area as set out in the strategy, an overview of the partnership through which this has been developed and an outline of the way in which the aims of the strategy will be delivered.

EXECUTIVE SUMMARY

The North Essex Economic Strategy 2040 has been developed through a partnership of Braintree District, Colchester Borough, Essex County, Tendring District and Uttlesford District Councils.

The partners recognise that the challenges and opportunities affecting North Essex will best be addressed through a collaborative approach to achieving inclusive and sustainable economic growth. The shared ambition is to promote, plan and deliver sustainable, strategic growth at scale and over the long-term; providing the housing, employment, necessary supporting infrastructure and innovations required to ensure the best outcomes for current and future communities of North Essex.

The Strategy provides a platform for strategic intervention at a scale which will achieve transformation in the overall economic prosperity of the North Essex area (and compliments local economic activity which the partners deliver). The partnership between the 5 Councils is set within a structure which brings the required leadership from Members and senior officers together with technical input from economic growth teams. The North Essex Economic Board, made up of Portfolio Holders from each the Partners, has led the development of the Strategy.

The ideas and priorities set out in the North Essex Economic Strategy will contribute to both the Essex Prosperity Prospectus and South East Local Enterprise Partnership (SELEP) Local Industrial Strategy. The Strategy will also form the basis for continued promotion of North Essex to Government, key national agencies and industry.

The Strategy has been articulated through an overall Vision and 4 related Missions:

The Vision:

“North Essex is a high-value, productive and sustainable economy. People choose to live and work locally, in new and established communities that are well connected and inspire innovation and creativity”

The Missions:

1. Driving innovation and technology adoption
2. Developing a skilled and resilient workforce
3. Creating a network of distinctive and cohesive places
4. Growing a greener, more sustainable economy

Alongside this Strategy a rolling 'action plan' will be developed, owned by the North Essex Economic Board, through which business cases for interventions can be identified, scoped and further developed. This will enable the Board to consider options in relation to each proposed action, identify lead partners and consider potential risks, with a view to working collectively on shared objectives. The action plan will be subject to annual review and will be monitored and updated over the initial five years of this Strategy. It is proposed that each Partner contribute £20,000 to create a development budget of £100,000 which will be used to undertake feasibility studies and to develop business cases for interventions arising from the Action Plan.

RECOMMENDATION(S)

It is recommended that Cabinet:

- a) **approve the North Essex Economic Strategy;**
- b) **note the strategy's priorities will contribute to the Essex Prosperity Prospectus and the SELEP Local Industrial Strategy;**
- c) **note the partnership structures which are in place to facilitate the strategy;**
- d) **note that an Action Plan will be developed to guide delivery of key actions;**
- e) **agree that the Council contribute £20,000 as development funding; and**
- f) **note that a process for reporting progress will be established by the partners.**

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

The North Essex Economic Strategy will support the Corporate Plan 2020-24 (aligned with the core themes of Tendring4Growth and Community Leadership) through delivery of interventions aimed at:

- Delivering High Quality Services
- Community Leadership Through Partnerships
- Building Sustainable Communities for the future
- Strong Finances and Governance
- A Growing and Inclusive Economy

FINANCE, OTHER RESOURCES AND RISK

It is proposed that the 5 Partners each contribute £20,000 in 2019-20 to create a development fund of £100,000. This will be used to undertake feasibility studies and develop business cases for interventions arising from the Action Plan moving forward.

It is proposed to allocate £20,000 from the Business, Investment and Growth Budget which currently has an unallocated budget of £700,000 which was brought forward into 2019/2020. The allocation of £30,000 (and the proposed allocation of £30,000 for Tendring4Growth) will reduce the unallocated carried forward budget to £650,000.

Arising from this there will be a requirement for Partners to consider funding options for projects to be developed and delivered as part of the Action Plan. This will include

consideration of external funding opportunities (e.g. the Government's Shared Prosperity Fund).

Risk will be assessed at individual project level and addressed at that stage.

LEGAL

Councils are empowered to promote and build greater economic growth through subsidiary powers under Section 111 of the Local Government Act 1972 and 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 this report with respect of: Area or Ward Affected; Consultation and Public Engagement; Crime and Disorder; Equality and Diversity; Health Inequalities; and any significant issues are set out below:

Area or Ward Affected

All Wards.

Consultation and Public Engagement

The strategy has been developed following full consultation with each of the Councils at both Members and officer level. In parallel, a series of wider consultations took place. These included two workshop discussions with business, local authority and further and higher education representatives (held in Harwich and Colchester), as well as bilateral consultations with a small number of Essex businesses. Regional level consultation has also taken place with strategic stakeholders including SELP, the Essex Business Board and North Essex Garden Communities Ltd.

Equality, Diversity and Health Inequalities

A strategic level Equalities Impact Assessment was undertaken by Essex County Council on behalf of the Partners. The assessment results in positive outcomes for residents of Tendring and the wider North Essex area. An overview of the assessment is provided below:

The evidence tells us that North Essex has significant opportunities: a growing workforce and employment base, increasingly important innovation assets and is part of one of Europe's most dynamic regions. But there are challenges which this strategy will address: greater prosperity will only be achieved, if productivity is increased - and we will only be successful if the benefits of greater prosperity are shared across North Essex.

There is evidence that in North Essex, the 'innovation ecosystem' is somewhat under-developed. We have an entrepreneurial economy and a growing business base, but it is dispersed sectorally and spatially. There is also a relative lack of scale, with few leading firms driving local supply chains. On conventional measures of 'innovation', North Essex performs relatively poorly: patent registrations are relatively low and recent analysis of the take-up of Innovate UK grants showed that North Essex was some way behind the rest of the country.

The strategy is designed to overcome these barriers and over the next five years, we will build a closer relationship between innovative businesses, their supply chain and the knowledge base - to drive up the share of higher-value, knowledge intensive employment. Despite improvements in recent years, the North Essex workforce skills profile has not

kept pace with that of the rest of the country - only 33% of the local workforce is qualified to NVQ4+, against the national average of 38%. Strengthening our skills profile is recognised as a high priority across Essex and across the South East LEP many of the measures taken forward will be relevant to North Essex.

North Essex has a 'polycentric' network of towns and communities, with distinctive assets and opportunities creating a better connected 'network' will help demonstrate the compelling shared offer across North Essex to new residents and investors. The strategy aims to increase North Essex's exploitation of new technology, driving long-term growth through innovation. Much of the drive for technology change will come from the need to decarbonise our production, construction and transport systems - North Essex has specific opportunities for this with the planned North Essex Garden Communities, through sustainable design and construction, to renewable energy and environmental sustainability.

PART 3 – SUPPORTING INFORMATION

BACKGROUND

Context

1. In 2017 Government launched its Industrial Strategy aimed at boosting UK productivity by focussing on five key foundations; ideas, people, infrastructure, the business environment and places. The Industrial strategy also identified four 'grand challenges' which the UK will need to address over the coming decades, related to our ageing population, the growing importance of artificial intelligence and the data-driven economy, the need for a new model of environmentally-sustainable 'clean growth' and the changing nature of mobility and transport.

Further details on the Government's Industrial Strategy can be accessed via the following link: <https://www.gov.uk/government/topical-events/the-uks-industrial-strategy>

2. In 2018 Government mandated that every Local Enterprise Partnership should produce a Local Industrial Strategy (LIS). The Government is therefore working with the South East Local Enterprise partnership to prepare its LIS, setting out how it will contribute to productivity growth and respond to the 'grand challenges', and to inform the LEP's approach to any future local growth funding.

3. In order to inform and influence the development of the SELEP LIS, work is underway to prepare a Prosperity Prospectus for Essex to set out Essex's ambitions for long-term sustainable and inclusive prosperity and to outline where we must act in the next two or three years to achieve this.

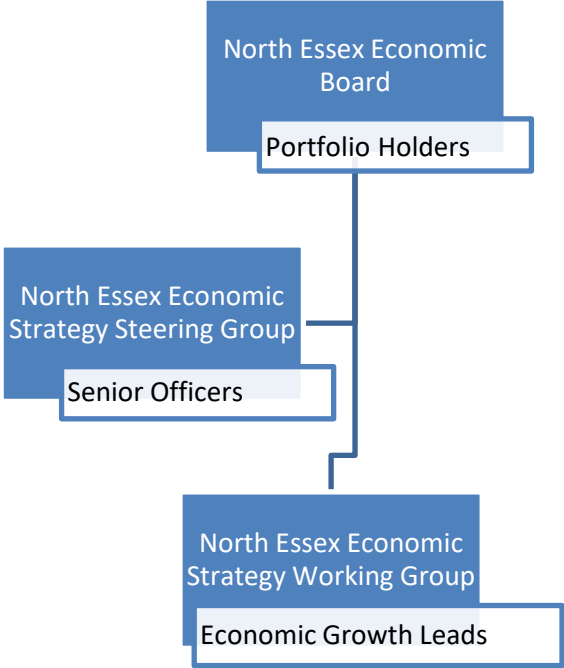
North Essex Approach

4. The North Essex Economic Strategy (NEES) has been developed through a partnership of Braintree District, Colchester Borough, Essex County, Tendring District and Uttlesford District Councils. The NEES provides a platform for strategic intervention at a scale which, through adding value to local economic activity which the partners deliver, will achieve transformation in the overall economic prosperity of the North Essex area as outlined below:



Source: Produced by SQW 2019. Licence 100030994 Contains OS data © Crown copyright [and database right] [2019]

5. The partnership between the 5 partner Councils is set within a structure which brings the required leadership from Members and senior officers together with technical input from economic growth teams as outlined below:



6. The North Essex Economic Strategy drives forward the aspirations of the North Essex Economic Board, its political leaders and individual Local Authorities to come together and drive forward a collective long-term ambition for economic growth across North Essex.

The ideas and priorities set out in the North Essex Economic Strategy will contribute to both the Essex Prosperity Prospectus and SELEP Local Industrial Strategy. The Strategy will also form the basis for continued promotion of North Essex to Government, key national agencies and industry.

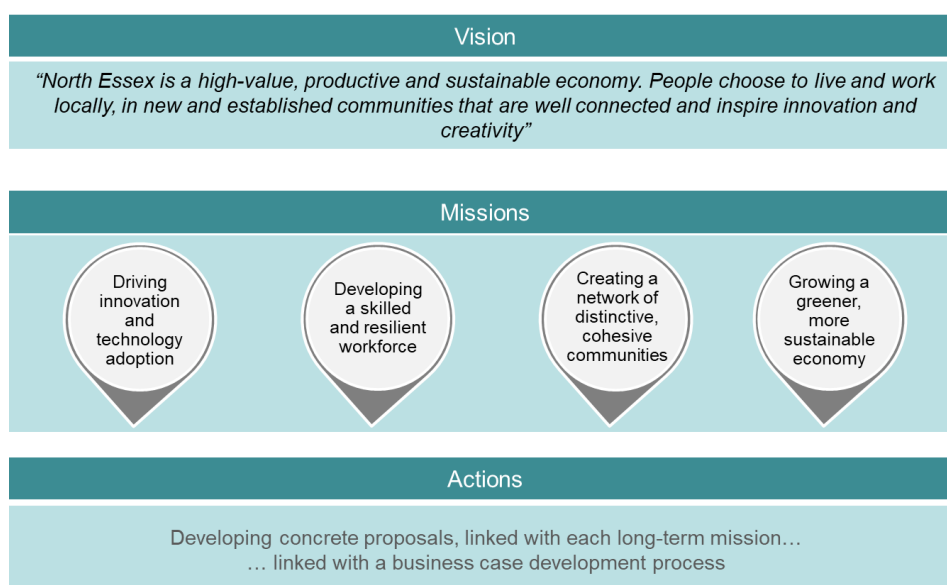
North Essex Economic Strategy

7. The strategy, attached as the Appendix, has been developed with the ambition to achieve transformational in the North Essex by 2040, in recognition that the inherent challenges and opportunities can only be fully addressed through a sustained focus over that time frame.

8. Although this Strategy takes a long-term view, actions taken in the shorter term will shape the direction of future growth. Much is happening already as ‘business as usual’, for example, in land use and infrastructure planning, and the Strategy does not duplicate this. But within a dynamic, changing economy, there should be opportunities to develop new solutions to the challenges faced, and to test out new ideas.

Therefore the Strategy highlights a series of key ‘areas for action’ over the next five years, setting out a framework through which the partners to progress initiatives that will make a difference across the whole of the area.

9. The Strategy has been articulated through an overall Vision and 4 related Missions:



10. The Vision set out in the Strategy is:

"North Essex is a high-value, productive and sustainable economy. People choose to live and work locally, in new and established communities that are well connected and inspire innovation and creativity"

11. To deliver the vision four key ‘missions’ have been identified that will be the focus the partner’s shared activity over the next five years, with each mission providing a framework to consider, and drive forward, new ideas and solutions:

Mission 1: Driving innovation and technology adoption

Our vision seeks an economy that is ‘high value and productive’. To support this, we will develop opportunities for innovative businesses to grow, technology clusters to emerge and

for all businesses to take advantage of measures to increase technology adoption and drive forward productivity.

Mission 2: Developing a skilled and resilient workforce

From an economy-wide perspective, a skilled workforce is essential to productivity growth. From an individual perspective, the ability to adapt and develop new skills is essential in driving opportunity, better pay and progression in work. Looking ahead to 2040, we aim to develop a workforce – of all ages and in all communities – able to contribute fully to North Essex's growth opportunities.

Mission 3: Creating a network of distinctive and cohesive places

North Essex is a diverse place, with strong local identities and a strong 'quality of life' offer. We want to preserve and enhance this, celebrating our unique local characteristics while ensuring that all our towns and communities contribute to and benefit from economic growth within a complementary 'network' of places. This will mean investing to reduce local disparities and strengthening our internal connections and our links with our neighbours, so that people and businesses can access new opportunities

Mission 4: Growing a greener, more sustainable economy

Over the long term, we want to ensure that North Essex is a leading example of sustainable development – within existing communities, through our ambitious proposals for new Garden Communities and through lower carbon, innovative businesses.

Delivery

12. The partners recognise that the economic challenges and opportunities affecting respective areas will best be addressed through a collaborative approach to achieving inclusive and sustainable economic growth. The shared ambition is to promote, plan and deliver sustainable, strategic growth at scale and over the long-term; providing the housing, employment, necessary supporting infrastructure and innovations required to ensure the best outcomes for current and future communities of North Essex.

13. Alongside this Strategy a rolling 'action plan' will be developed, owned by the North Essex Economic Board, through which business cases for interventions can be identified, scoped and further developed. This will enable the Board to consider options in relation to each proposed action, identify lead partners and consider potential risks, with a view to working collectively on shared objectives. The action plan will be subject to annual review and will be monitored and updated over the initial five years of this Strategy.

14. The partnership structure will evolve following approval of the Strategy and this will be in the context of the following key considerations:

- Potential expansion of the North Essex Economic Board to include key stakeholders and business leaders;
- Engagement at national and regional level to promote and lobby for North Essex;
- Effective delivery of the strategy's Action Plan through joint working; and
- Identification of Success Measures.

CURRENT POSITION

The North Essex Economic Strategy (NEES) is currently being taken through respective approval processes by the Partners. Following this the key next steps are:

1. Inclusion of the NEES strategic priorities in the Essex Prosperity Prospectus and the SELEP Local Industrial Strategy;
2. Development of an Action Plan and Success Measures;
3. Development of a Communications Plan; and
4. Consideration of the partnership approach and how this will develop in the future

FURTHER HEADINGS RELEVANT TO THE REPORT

There are none.

BACKGROUND PAPERS FOR THE DECISION

There are none.

APPENDICES

Appendix: The North Essex Economic Strategy