

A NEW ECONOMIC DEVELOPMENT STRATEGY FOR THE BOROUGH

Submitted by: Neale Clifton, Executive Director, Regeneration and Development

Principal author: Simon Smith, Regeneration Manager

Portfolio: Regeneration and Planning

Ward(s) affected: All

Purpose of the Report

To report, for Members' consideration a, first draft, new Economic Development Strategy for the Borough.

Recommendations

(a) That the Draft Economic Development Strategy, subject to modifications suggested by Cabinet and Scrutiny Committee, be used as a basis for consulting with partner organisations, the local business community, LAPs and the Economic Development strand of the Newcastle Partnership.

(b) That comments received are reported back for Cabinet's consideration.

Reasons

To act as a basis for taking action to strengthen the local economy.
To develop consensus amongst local partners about priorities for action.

1. Background

- 1.1 Cabinet approved work on the preparation of a new Economic Development Strategy for the Borough at its meeting in July ('A proposed new Economic Development Strategy for the Borough', Cabinet 20 July 2011). Appended to this report for your consideration is the first draft of that proposed strategy. This was considered by Scrutiny Committee at its meeting on 22nd September. A summary of the Committee's comments is contained in section 4 below.
- 1.2 The strategy is reported here in draft form and this will be Cabinet's first opportunity to comment and shape it. Comments are therefore invited. The level of support given to the broad direction and content of the strategy will clearly have a strong bearing on its success. Similarly, the wider consultation process is designed to:
- (a) inform partners of the Borough Council's draft proposals,
 - (b) allow partners to influence and refine those proposals, and
 - (c) influence the partners' own proposals.

2. Issues

- 2.1 The strategy is designed to form a basis for the Borough Council's intervention and policies to promote the development of the local economy. It is also intended to influence the plans of other bodies also involved in the economic development of the Borough.

- 2.2 It is a common complaint that North Staffordshire has had a plethora of strategies in recent years and while its shortcomings are well enough understood (low incomes, poor skills, poor external image, underdeveloped centres), *what is required is investment and action*. With this in mind, this strategy accepts the thorough and comprehensive analysis of the local economy undertaken by the Work Foundation in its well thought out and highly inclusive study 'Transforming North Staffordshire (TNS)' which was adopted by the three North Staffordshire Councils as the sub-regional economic development strategy in 2008. The key recommendations of that strategy are adopted by this strategy. This strategy goes on to attempt to answer the pragmatic issue of 'what therefore can Newcastle Borough Council and its partners do to take forward the recommendations agreed in TNS?'
- 2.3 The economic and public finance circumstances of the country have altered over the past three years as have organisational structures (e.g. the replacement of the North Staffordshire Regeneration Partnership and AWM and the formation of the Local Economic Partnership (LEP)). This has implications for *how* issues can be tackled but the underlying priorities for action remain as in TNS.
- 2.4 On a point of presentation it is envisaged that any finally approved Strategy will be structured and presented in a more concise format than the draft document attached with much of the current version being contained in a background report. This should ensure that the reader can capture the key messages at a glance whilst being able to delve a little deeper into the supporting document as required.

3. **Options Considered**

- 3.1 Having taken the decision to adopt the key recommendations of TNS the draft strategy then proposes a number of actions in each area of activity. Consultees may offer other more effective or more achievable actions. These will be considered and reported back. This draft document is not the final proposal; it provides the basis for a discussion with our partners.

4. **Comments Received from Scrutiny Committee**

- 4.1 The following comments were made regarding the draft Strategy:
- That it would benefit from the inclusion of a timetable highlighting the aspirations and intent of the Council.
 - That it was vital to liaise with other Borough and District Councils to ensure harmony with their Strategies.
 - That the Council should consider how it provided advice to businesses and shops to help guide them through the current economic climate
 - That the importance of redevelopment to encourage people to visit Newcastle under Lyme and not just the main shopping centres be noted
 - That consideration be given to the mix and use of executive housing as there were concerns that customers looking for executive housing could be dissuaded from buying if the property was in close proximity to affordable housing.
 - That the importance of well paid jobs in the Borough be noted. The Committee cited the fact that many of the young Doctors trained at Keele University then left the Borough for higher salaries elsewhere.
 - That consideration be given to the mix of home owners and those renting properties as it was thought that the balance was moving towards a larger percentage of renters which would have a knock on effect regarding where these people spent their money (home owners were expected to spend money on their properties whilst those who rented spent more of their money on luxury items).

- That it was vitally important to raise the skills level in the Borough.
- That the Strategy must remain as a living document and once agreed be revisited every 6 months if possible.

Resolved: - (a) That the comments of the Committee be fed back to Informal Cabinet at its meeting on Thursday 29 September 2011.

4.2 Most of the above comments will enable practical improvements to the draft strategy and, rather than respond immediately, your officers recommend that they be added to the list of comments and/or additional suggestions which are expected to be received when the draft is consulted on more widely. It is intended that all of these comments will be reported to you with recommendations for modifications as appropriate, later in the year, along with any indications of previously unknown implications for the Borough Council.

5. **Proposal**

5.1 That the Draft Economic Development Strategy, subject to modifications suggested by Cabinet and Scrutiny Committee, be used as a basis for consulting with partner organisations, the local business community, Locality Action Partnerships and the Economic Development group of the Newcastle Partnership. That comments received are reported back for Cabinet's consideration.

6. **Reasons for Preferred Solution**

6.1 The draft strategy appended to this report has been developed with the recommendations of the Work Foundation's report, 'Transforming North Staffordshire' in mind, together with the more specific needs of the Borough (in the context of the wider sub-region) and from initial soundings from four sounding groups which have helped shape and add content. Further refinement (and challenge) will be provided through the consultation process.

7. **Outcomes Linked to Sustainable Community Strategy and Corporate Priorities**

7.1 The preparation of this strategy is in response to the Council's priority of 'Creating a Borough of Opportunity'.

8. **Legal and Statutory Implications**

8.1 There is not a strict requirement on the Council to prepare an economic development strategy though clearly developing policies, committing resources and making investment against a rational set of agreed objectives is good business practice.

9. **Equality Impact Assessment**

No differential impact had been identified.

10. **Financial and Resource Implications**

10.1 There are staff resource implications arising from the preparation of the strategy and these are built into current work programmes. There will be also be a modest financial cost to cover printing costs once the strategy has been agreed and approved (although promotion of the document on the Council's website should reduce demand for hard copies).

11. **Major Risks**

- 11.1 The principal risk of *not* preparing a strategy for the promotion of economic development is that staff resources are committed and financial investment made without reference to the things which the Council and its partners consider to be most important. This would most likely cause the Council's actions to be ineffective (or at best, not as effective as could be).
- 11.2 There is no obvious risk to preparing a strategy in itself, other than perhaps raising expectations from Members, staff and partners that everything in it will be achieved – but this simply reflects the inherent risk of setting objectives and targets. The strategy itself does not commit the Council to specific actions; these will be the subject of more detailed reports.

12. **Key Decision Information**

- 12.1 This strategy will impact on two or more wards and has been included in the Forward Plan.

13. **Earlier Cabinet Resolutions**

- 13.1 'That work on the preparation of a new Economic Development Strategy for the Borough be approved and that arrangements for consultation on this, both with Cabinet and external bodies, be considered at a later meeting of Cabinet'.

'A proposed new Economic Development Strategy for the Borough', Cabinet 20 July 2011.

14. **List of Appendices**

- 14.1 Appendix A - Draft Newcastle-under-Lyme Economic Development Strategy 2012-17