

<b>Meeting:</b>	<b>General overview and scrutiny committee</b>
<b>Meeting date:</b>	<b>27 September 2016</b>
<b>Title of report:</b>	<b>Economic master plan</b>
<b>Report by:</b>	<b>Economic development manager</b>

## Classification

Open

## Key decision

This is not an executive decision.

## Wards affected

Countywide

## Purpose

To seek the committee's views on the draft Economic Master Plan for the period 2017-2031 and consider whether to make any recommendations to inform cabinet's consideration of the master plan.

## Recommendation(s)

**THAT:**

- (a) the committee identify any recommendations to be made to cabinet on:**
- a. The general ambition and objectives of the plan.**
  - b. The scope and scale of the various projects.**
  - c. The mix of projects in terms of location, sector, theme, contribution to the Herefordshire economy.**
  - d. The intended future project development route and opportunities for future projects to be included in the plan.**

## Alternative options

- 1 None; the master plan (replacing the economic development strategy) forms part of the council's budget and policy framework. The constitution requires that the scrutiny committee be given the opportunity to consider making recommendations to cabinet on framework policies.

## Reasons for recommendations

- 2 To inform a future cabinet decision.

## Key considerations

### Background

- 3 The current county economic development strategy has been in place since 2011 and runs until 2016. The 2011-2016 strategy identified a series of aims to boost the county economy and support business growth, accompanying these aims were a set of ten projects that provided supporting infrastructure to the business community's needs.
- 4 The two principle audiences for the current strategy were the local business community and central government. As potential funders of the infrastructure projects it was important that the strategy enabled government to clearly see a vision and strategy for growth within Herefordshire.
- 5 In 2016 the political and economic landscape has changed significantly since the current strategy was drafted. It is recognised that politically and financially Herefordshire needs to target not only public sector partners but increasingly look to the private sector for support and finance to develop its key infrastructure requirements. Developments such as the Old Market and the Enterprise Zone demonstrate that Hereford can be an attractive private sector investment destination if the right opportunities are identified and clearly marketed.
- 6 As a consequence the county economic development strategy for the next period needs to reflect this addition to the interested audience. The development of the economic master plan looks to address this required change and is focused in a different direction to previous version of the economic development strategy.
- 7 The economic master plan is looking to:
  - a. Identify priority projects that can improve conditions for future economic growth and a higher value economy;
  - b. Guide investment to and within the County, illustrating its potential;
  - c. Act as a vehicle to raise the profile of the County regionally, nationally and internationally;
  - d. Inform our negotiations with government, partner Local Authorities and crucially the Marches Local Enterprise Partnership;
  - e. Build upon the statutory policy framework, including the Local Development Framework; and

### Master Plan Purpose and Objectives

- 8 Growing the Herefordshire economy will provide benefit in the form of maintaining, or increasing, living standards, help tackle poverty, increasing wages levels and disposable income, encouraging investment leading to further growth successes. As

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Further information on the subject of this report is available from  
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an enabler of growth the aim of the economic master plan is to:

- a. Create the right conditions for economic growth and;
  - b. To move towards a higher value economy.
- 9 To deliver this vision the master plan will perform a variety of roles and functions. It will:
- a. Focus on a series of interlinked “themes”
  - b. Contain a series of priority projects.
  - c. Act as a mechanism for attracting inward investment.
  - d. Raise the county’s profile and showcase exemplar existing businesses.
  - e. Deliver greater coordination and focus in our discussions with partners such as government and the Marches LEP.

## **Projects**

- 10 A significant proportion of the master plan concentrates on the development of very important projects. These focus on the delivery of economic growth and build upon the core strategy and/or a defined evidence base.
- 11 In the draft version of the master plan (attached at appendix 1 – please note due to the size of the document it is stored on the internet, a link is provided at the end of this report) there are twenty six very important projects proposed. These projects can be split into several sub groups:
- a. A set of projects which demonstrate the council’s investment in economic infrastructure, these include the Hereford bypass, the Enterprise Zone, and others.
  - b. A set of capital projects focused on Hereford city.
  - c. A set of projects focused on the wider Herefordshire and the market towns. Some of these projects will take place across the county – the business incubator programme for example, whilst others will be focused on a specific location – Model Farm enterprise park, Ross on Wye for example.
  - d. A set of projects that aim to engender a change of culture or developing a distinctive identity within the county.
- 12 A presentation attached at appendix 2 will be given to the committee to accompany this report and to gain views on:
- a. The general ambition and objectives of the plan.
  - b. The scope and scale of the various projects.
  - c. The mix of projects in terms of location, sector, theme, contribution to the Herefordshire economy.

- d. The intended future project development route and opportunities for future projects to be included in the plan.
- 13 These projects are intended to “start the conversation” regarding future economic growth and vision for the county. A period of engagement with potential partners will commence in early October with a resulting potential change to the current draft proposals and projects.
- 14 It should also be noted that the master plan is not a statutory document and has no powers on its own to allocate land for a particular purpose. The definitive intention of the master plan is to set out, an emerging, vision, illustrate potential and opportunity, and demonstrate that Herefordshire can deliver economic growth.

### Future Development of Projects

- 15 The master plan will not be a static document, it will evolve over time as projects become implemented and new projects emerge. Developing a pipeline of projects that can be added to the master plan on a regular basis is a defining criteria of the plan.
- 16 It is imperative that communities and localities have regular opportunity to submit potential priority project ideas for consideration within the master plan. Equally it is anticipated that there could be a mechanism within the master plan to record where communities feel there are potential opportunities for investment in economic growth.
- 17 Officers will be developing this process for inclusion within the final draft plan but will likely involve a set of criteria that projects will need to meet to be considered for inclusion – scale, contribution to economic growth, conformity with the Core Strategy, etc. It is proposed that there will be a regular review of new projects so that new and emerging opportunities can be captured within the master plan.
- 18 To ensure genuine involvement with the master plan project it will be of paramount importance to effectively engage with local communities and groups in the city, market towns and across Herefordshire. As elected community representatives, there is a role for councillors in shaping and leading the project development process and forming meaningful communication linkages between the various communities and the development of the master plan.
- 19 It should be noted that the final economic master plan as a budget and policy framework item will be adopted by full council. The provisional timetable for this is currently as follows:

Cabinet	1 <sup>st</sup> December
Full Council	16 <sup>th</sup> December

### Community impact

- 20 The Master Plan includes a suite of very important projects. Each of these projects will be required to make a contribution towards economic growth and a higher value economy. At this draft stage the Master Plan contains a suite of projects but this list has not been finalised so it is impossible to determine the exact community impact. The final version of the Master Plan will include the final list of very important projects,

from this list the broad community impact will be determined.

- 21 Within the Master Plan it is proposed to set out some specific targets to demonstrate contributions to economic growth and to measure success. It is likely that the Economic master Plan will include targets focused on economic benefit such as, but not limited to, :
- a. Increasing average wages;
  - b. Providing new Higher Education places;
  - c. Increasing the number of new business start-ups;
  - d. Reducing carbon dioxide levels;
  - e. Increasing GVA to demonstrate improved productivity.
- 22 The drafting, and approval, of the Economic Master Plan will help guide council and private sector investment through the implementation of the identified priority projects, consequently making a significant contribution to the corporate priority to support the growth of our economy.

## **Equality duty**

- 23 There are no equality or human rights issues arising from the content of this report and there are no equality or human rights issue in the drafting of an Economic Master Plan.
- 24 However the work contained with the production of the Economic Master Plan may draw attention to issues within the implementation of the various priority projects that would have an impact on equalities or human rights.
- 25 Should council approval be required for support towards, or involvement with, any of these priority projects, a decision report will request the appropriate approval and set out the equality and / or human rights issues.

## **Financial implications**

- 26 The cost of drafting an economic master plan is being met within existing service budgets and primarily is a call on officer time.
- 27 There will be a cost to implementing the Economic Master Plan and for supporting or developing priority projects. Should council approval be required for support towards, or involvement with, any of the priority projects, a decision reports will request the appropriate approval.

## **Legal implications**

- 28 There are no legal issues arising from the recommendations. The budget and policy framework rules within the council's constitution provide that scrutiny have the opportunity to make recommendations on such items to inform cabinet's recommendation to Council. .

## **Risk management**

- 29 Should any of the priority projects require council involvement or support there will be a variety of risks associated with their development and implementation, these risks will be identified and mitigated within appropriate project management arrangements put in place for the delivery of successful project proposals.
- 30 The drafting of an Economic Master Plan provides an opportunity to undertake a further stage of delivery of the council's core strategy and to secure investment towards economic growth within Herefordshire.

## **Consultees**

- 31 A number of consultation events have taken place with communities across Herefordshire to gain projects ideas that would significantly contribute towards economic growth and form a priority project within the Economic Master Plan. These project ideas will be considered along with ideas taken from a number of other sources, including General Overview and Scrutiny Committee.

## **Appendices**

- Appendix 1 – Draft Economic Master Plan
- Appendix 2 - Master Plan Presentation GOSC Meeting September 2016

## **Background papers**

- None identified.