

Meeting:	Council
Meeting date:	16 December 2016
Title of report:	Herefordshire economic development strategy
Report by:	Cabinet member economy and corporate services

Classification

Open

Key decision

This is not an executive decision.

Wards affected

Countywide

Purpose

To adopt the Herefordshire economic vision as the county's economic development strategy.

Recommendation(s)

THAT:

- (a) the Herefordshire economic vision attached at appendix 1 be adopted as the county's economic development strategy; and**
- (b) delegated authority be given to the cabinet member economy and corporate services to make technical amendments to the strategy during the period 2017 to 2021 on factual matters such as: updating of statistics, replacing images, and reflection of projects approved by cabinet within each aim of the strategy.**

Alternative options

- 1 That the strategy is amended to reflect different priorities. This is not recommended because consultation with partners was undertaken early within the process of drafting the strategy. The draft strategy reflects priorities and opportunities identified through this consultation. A mechanism is included within the strategy to review the content on a regular basis and to include new priorities if required.

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Nick Webster, Economic Development Manager on Tel (01432) 260601

- 2 That the strategy is not accepted or published. This is not recommended because the draft strategy identifies opportunities and guides investment. Without the strategy there is significant risk that the county would lose out on external investment opportunities and not realise the vision.

Reasons for recommendations

- 3 The draft strategy has been produced to reflect an agreed approach on the actions and priorities to secure the future economic prosperity of the county. As a budget and policy framework document adoption of the strategy is reserved to full council.

Key considerations

- 4 The draft strategy, called Herefordshire's Economic Vision, will provide a key context to regeneration and investment work in the county. In particular it will form a basis for the private sector to plan future investment decisions and identify opportunities.
- 5 The strategy spans fifteen years, split into three blocks each of five years. This allows the strategy to focus on the immediate projects which are already in development whilst also allowing the ambition and vision to be articulated over a longer time period.
- 6 The aim of developing the economic vision is to unlock and drive the full economic potential of the county through a coordinated plan that is at once ambitious and coherent, dynamic and, whilst stretching, is persuasive and achievable.
- 7 The economic vision focuses on a broad investment picture. It recognises that it is neither right nor possible for the council to deliver this vision alone and identifies a series of private sector investment opportunities that would make a significant contribution to the growth of the county.
- 8 The economic vision has four key roles, it;
 - Identifies priority projects that will support economic growth or generate a higher value economy;
 - Attracts investment to Herefordshire and guides it within the county;
 - Raises the profile of Herefordshire and the investment opportunities;
 - Provides Herefordshire with a framework and clear priorities for negotiations with government and crucially the Marches Local Enterprise Partnership;
- 9 The vision recognises that availability of public sector funding is significantly reducing and for the county to advance it will need to perform better in terms of attracting private sector investment. Consequently the focus of the strategy is on a number of large scale capital investment opportunities each a definable project in its own right.
- 10 The strategy identifies these opportunities and brings them into a document to demonstrate a coordinated approach to regeneration across the county. As identified above, one of the primary roles of the strategy is to attract and guide investment to the county. The strategy and a suite of future publicity material will be used to market the county and investment opportunities to the development and investment community.

- 11 Additionally the document will be utilised by the council, and partners, in a lobbying and bidding capacity, specifically, but not restricted to, the Marches Local Enterprise Partnership and government.
- 12 The strategy is visionary and aspirational. The investment opportunities are in various stages of development and it is accepted that not all of them may be realised. It is important to demonstrate what could be achieved within the county and to start the conversation about regeneration with partners, local communities, and prospective investors whilst remaining agile and flexible to respond to challenges and opportunities as they arise.
- 13 A number of agreed council priorities are included within the strategy to demonstrate the alignment of council projects and the capital programme behind the aspirations contained within the strategy.
- 14 The strategy is not a statutory document but it is strongly linked to the local plan and Herefordshire's adopted local transport plan.
- 15 Cabinet considered the Herefordshire economic vision as the draft economic development strategy on 1 December 2016. Cabinet agreed that the Herefordshire economic vision, as the draft economic development strategy, be recommended to council for adoption, and separately approved the investment pitch book (at appendix 2 for information).

Community impact

- 16 The strategy is supported by a suite of investment opportunities. Each of these projects will aim to make a contribution towards economic growth and a higher value economy. These projects are in various stages of development. Consequently some projects have a defined and evidenced set of outcomes and benefits, whilst other projects will need to undertake this work as the project develops.
- 17 The strategy sets out some specific targets to demonstrate contributions to economic growth and to measure success. These targets are aspirational and will be subject to review on a regular basis. Examples of the targets included within the strategy are:
 - 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 Gross Value Added to demonstrate improved productivity.
- 18 The drafting, and approval, of the strategy will help guide council and private sector investment through the implementation of the investment opportunities and other projects, consequently making a significant contribution to the corporate priority to support the growth of our economy.

Equality duty

- 19 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

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development strategy.

- 20 However, the work contained within 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.
- 21 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

- 22 The financing of the individual projects will largely be achieved through private sector investment, however all other funding opportunities will be considered where appropriate and realistic including government grants and other public sector finance. Should a project require the council to make a financial contribution, or provide other support, a decision will be required at the appropriate governance level informed by a business case as necessary.
- 23 Cabinet approved in June 2016 the procurement of a development partner, contract award is currently anticipated within summer 2017. The development partnership is a potential delivery option for the investment opportunities being promoted by the council.
- 24 A suite of additional material will be produced to accompany the strategy from a marketing and promotional perspective. The specific material required has not been defined however costs will be met from within existing department budgets.

Legal implications

- 25 The economic development strategy is not a statutory document and as such there is no requirement to produce one. However the council has deemed it appropriate to have such a plan and it forms part of the policy framework to be approved by council.

Risk management

- 26 There is risk in realising the ambitions of the strategy in uncertain economic times. This will be mitigated by working with partner organisations to deliver effective activities to achieve ambitions.
- 27 There is risk in ensuring funding streams are available to progress key projects, particularly in relation to infrastructure. This will be mitigated by working with the Marches Local Enterprise Partnership (LEP) and other partners to access funding and to encourage private sector led regeneration.
- 28 There is also risk in ensuring engagement from the private sector which is necessary to deliver the strategy. This will be mitigated by working with the Herefordshire Business Board and other key partners such as the Hereford Business Improvement District, Enterprise Zone Board, Chamber of Commerce, Federation of Small Business, and various project partners involved in the production of the strategy.

Consultees

- 29 The draft strategy has been informed by a series of 'planning for real' style events

that took place in the spring of 2016. The events included:

- Leominster – 29 February
- Hereford Business Board – 1 March
- Hereford – 2 March
- Ross-on-Wye - 9 March
- Ledbury - 14 March
- Bromyard - 15 March
- Rural Areas, Withington – 17 March

30 Additionally a number of key local partners have been specifically engaged primarily due to the impact on their operation, asset, or remit. These include:

- a. Herefordshire Nature Trust
- b. Herefordshire Local Nature Partnership
- c. Hereford and Worcester Chamber of Commerce
- d. Herefordshire Federation of Small Business
- e. NMiTE
- f. County of Culture bid
- g. Hereford and Ludlow College
- h. Hereford College of Arts
- i. Hereford Football Club
- j. Hereford Business Improvement District
- k. Ross Rowing Club
- l. Ross Independent Traders Association
- m. Hereford Rugby Club
- n. The Enterprise Zone board
- o. Arena Racing Company

31 Comments from the above partners has informed the development and identification of the investment opportunities.

32 General overview and scrutiny committee have meet to discuss the strategy. A

summary of their recommendations and the response to these is included at appendix 3.

Appendices

Appendix 1: Economic Development Strategy – Herefordshire’s Economic Vision

Appendix 2: Investment Pitchbook

Appendix 3: Response to General Overview and Scrutiny Committee recommendations

Background papers

- None identified.