

BABERGH DISTRICT COUNCIL and MID SUFFOLK DISTRICT COUNCIL

From: Cabinet Member for Economy	Report Number: BCa/17/23
To: SIMULTANEOUS CABINET (MSDC/BDC)	Date of meeting: 13 October 2017

NEW ANGLIA ECONOMIC STRATEGY (2017 to 2036)

1. Purpose of Report

- 1.1 New Anglia Local Enterprise Partnership has since February 2017 been working with local authorities and businesses to develop a new Economic Strategy – providing the blueprint for how the LEP and its partners will work together to deliver economic growth across Suffolk and Norfolk. The partners recognise that by working together, they can create a bigger impact and the Strategy will support this. This is a ‘rebuild’ rather than refresh of the previous Strategic Economic Plan published in April 2014.
- 1.2 Once the Strategy has been adopted, action plans (thematic and place-based) will be produced which will influence a wide range of key decisions. This work, and the emerging Suffolk Framework for Growth, will be reflected in BMSDC’s local district level economic, infrastructure and housing suite of aligned strategies – also due to be considered by each Council later in 2017-18.
- 1.3 New Anglia LEP aim to publish the Economic Strategy during late 2017 after signing it off at board level on 25 October 2017. It is the intention that each Local Authority will own and endorse the Strategy through its own governance arrangements. The purpose of this report is therefore to seek that endorsement of the New Anglia Economic Strategy, and identify to Cabinet its influence and alignment with the forthcoming BMSDC strategies of Housing, Economic and Infrastructure.

2. Recommendations to Cabinet

- 2.1 That the New Anglia Economic Strategy, attached as Appendix A, be endorsed by Babergh/Mid Suffolk District Council.
- 2.2 That the information within this report regarding the forthcoming strategies for Economy, Housing and Infrastructure, in support of the Suffolk Framework for Growth, be noted.

Reason for Decision:

To ensure that BMSDC economic interests are furthered by endorsement of regional strategy, which will also influence local strategic work and actions

3. Financial Implications

- 3.1 The overarching strategic target is more jobs, homes, businesses and increased productivity. All of which make a positive contribution to our national, regional and local economies.
- 3.2 The development costs of the local level work, and the resource necessary to support the regional strategic work, are borne by BMSDC, although where possible costs have been

shared with other Councils – for example the commissioned Ipswich Economic Area Sector Needs Assessment.

3.3 Action plan delivery project work generating beneath the New Anglia Economic Strategy may be funded through collaborations, investment, grants and joint-ventures (including public and private sector working together), successful bids to central government and other channels, including sector-specific, as appropriate. Suffolk Public Sector Leaders have already earmarked £1m from pooled business rates in support of the Suffolk Framework for Growth.

4. Legal Implications

4.1 No significant legal implications at this strategic level. The action plans/specific delivery projects which emerge from the Strategy will be subject to their own individual legal and governance scrutiny. The Economic Strategy is not a statutory document and as such need not follow any set procedures. However to achieve suitable credibility and status, given the breadth of impact and importance of the Strategy, it needs to be developed and influenced by a range of stakeholders and evidence.

5. Risk Management

5.1 It should be noted that BMSDC is not in control of all risks as has not lead the Economic Strategy work. The risks identified below are general to the project but of relevance to BMSDCs interest including its local level strategy development:

Risk	Likelihood x Impact	Mitigation
That the Economic Strategy output is not sufficiently robust or reliable evidentially, is not focused, inclusive or relevant to local place delivery priorities	2 (unlikely) x 3 (bad) MEDIUM	Review, collaboration and response on high level strategic scoping and outcomes - including through Suffolk Public Sector Leaders. Local level data submission and endorsement of the Strategy.
That the Economic Strategy is too focused on the 'big ticket' and that rural needs including infrastructure are underplayed – e.g. micro and SME economy support for sectors/sites, which are vital to BMSDC, are marginalised.	2 (unlikely) x 3 (bad) MEDIUM	The East's business offer needs cohesion and co-ordination in a global investment context. A thematic approach and evidential analysis to support place interventions should support inclusive growth. Alignment with national and local delivery strategies is a crucial part of this. Local strategies to pick up local priorities and more detailed delivery actions which support the contribution our places make to regional economy.

<p>Failure of some Local Authorities to back/endorse the Economic Strategy for Suffolk and Norfolk, resulting in a strategy which carries less weight with central government, communities and business investors and fails to maximise investment and growth opportunities</p>	<p>2 (unlikely) x 3 (bad) MEDIUM</p>	<p>Ensure robust communications, genuine engagement opportunities and collaboration in formulation of the Strategy. Backing and scoping direction by public sector Leaders.</p> <p>Sharing consultation results between stakeholders to ensure issues are adequately addressed. Promotion of the Strategy.</p>
<p>A Strategy which due to its broad coverage and scope attempts to reference too many specific interests, or else omits information of high economic importance to some individual authorities, detracting from its value</p>	<p>2 (unlikely) x 3 (bad) MEDIUM</p>	<p>Pulling through, interpreting and developing the high level strategy references into local strategy and actions.</p>

6. Consultations

- 6.1 Leaders and the New Anglia LEP Board met on 09 February 2017 to kick off the process and agree the strategic approach and scope for the Economic Strategy. The LEP and its commissioned partner Metro Dynamics have examined and analysed the available evidence and facilitated engagement events with key stakeholders. Over 1000 people have been involved in consultation events led by businesses, and individual sector groups have been consulted.
- 6.2 BMSDC is a key stakeholder in the development of the Economic Strategy, and has contributed to its formulation through its leaders, officer and business sector workshops plus supporting evidence and data submissions.
- 6.3 The regional Economic Strategy must fit effectively within a framework which aligns with national (e.g. emerging Industrial Strategy) and local strategies.
- 6.4 A Local Authority Officer summit has taken place which included representatives of every Council in Suffolk and Norfolk. Education (including the University of Suffolk), skills, businesses and support sectors (including Suffolk Chamber of Commerce) and central government Departments have been engaged in the formulation of the Strategy. There have been three stages to this work – *Developing the shared evidence base and economic analytics* (March to June); *Engagement to test evidence, develop ideas and potential priorities* (May to July); and, *Strategy writing and testing* (July to August).
- 6.5 BMSDC economic development team has provided feedback, commentary and local evidence and intelligence on matters such as business rates profiling, employment and unemployment data, GVA per job (labour productivity), business start-up, survival and sectoral information. The Councils had paused their own local strategic work so as to take fuller account of the developing regional Strategy. The Strategy development approach is attached as Appendix B.

7. Shared Service / Partnership Implications

7.1 The New Anglia Strategy is a collaborative regional piece of work encompassing public and private sector partners. Being a strategy for all of Suffolk and Norfolk, many organisations will be involved in delivering different elements. Clear action and investment plans will be developed from this Autumn on major priorities such as Transport and Skills.

8. Links to Joint Strategic Plan

8.1 This item most closely aligns with JSP priorities under the themes of :

- Business growth and increased productivity
- Housing delivery

8.2 The cross-cut nature of the Economic Strategy, and intended cohesion with other strategies, mean that this item impacts upon most JSP outcomes. An example would be a positive impact on 'healthy and active communities' - given the links between being economically active and health and wellbeing.

9. Key Information

9.1 In September 2016, the Strategic Economic Plan (SEP) Impact Report was published outlining progress being made against the SEP ambitions. This identified good impact against some targets – new jobs and businesses – but highlighted that there is more work to do to meet targets covering housing and productivity.

9.2 At the same time, there have been a number of significant changes in the economic and political landscape, which will directly impact on delivery. The current SEP provides strong foundations but the evidence upon which it is based has evolved and expanded. Therefore it was considered timely to develop a new strategy which reflects the evolving economy and changing external factors (for example impact of Brexit).

9.3 The SEP identified the main sectors which drive the New Anglia economy. The new Economic Strategy seeks to examine how we harness the strengths of those sectors and explore new ways of accelerating economic growth. Since the publication of the original SEP, work has been undertaken to identify the region's competitive advantage sectors and our region's vital role in powering, feeding and connecting on a global scale and this has been used to evidence/inform the new strategy.

9.4 The Strategic Economic Plan published in 2014 had targets including jobs and housing. The new Economic Strategy will continue with these. The SEP set ambitious targets for creating:

- 95,000 more jobs by 2026
- 15,000 new businesses by 2026
- 117,000 new homes by 2026
- Increased productivity (added value per job) to equal the national average

9.5 The region is making good progress to reach these targets but where progress is slower than anticipated the new Economic Strategy will strengthen plans to achieve them.

9.6 The new Economic Strategy will cover the period up to 2036, with a nod to 2050 to reflect other relevant strategies which are currently being developed. The Strategy formulation has considered how the ambitions can be scaled up to reflect this new timeframe.

- 9.7 The Strategy draft was reviewed by New Anglia LEP Board/Public Sector Leaders/Business Sector Leads on 11 September 2017. The updated version produced by New Anglia LEP on 19 September 2017 is attached to this report as Appendix A as *being the final version seeking Council endorsement*. Revisions to the Strategy brochure are not therefore anticipated before it goes on for LEP Board sign-off on 25 October 2017, but we have and will continue to feedback comments and observations on it. It was the aspiration that all Local Authorities would have been in a position to endorse/approve the Strategy by the LEP Board meeting, after which time the adopted Strategy will be launched and promoted (including in Whitehall).
- 9.8 It is the intention to report to Cabinet the BMSDC suite of aligned strategies - economic, housing and infrastructure - from the November 2017 meeting cycle onwards to support delivery of the New Anglia Economic Strategy, Suffolk Framework for Growth and BMSDC's own JSP priorities.

10. Appendices

Appendix A: New Anglia Economic Strategy V3

Appendix B: New Anglia Strategy Approach (graphic)

Appendix C: New Anglia Economic Strategy Executive Summary (brochure)

11. Background Documents

None

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