

EAST HERTS COUNCIL

EXECUTIVE – 19TH JUNE 2012

REPORT BY EXECUTIVE MEMBER FOR ECONOMIC DEVELOPMENT

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ECONOMIC DEVELOPMENT STRATEGY REVISION

WARD(S) AFFECTED: ALL

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**Purpose/Summary of Report**

- The report proposes four new strategic themes as a revision of the Council's Economic Development Strategy and identifies specific projects and project funding that will deliver these themes.

<b><u>RECOMMENDATIONS FOR COUNCIL:</u> that:</b>	
<b>(A)</b>	<b>a revision of the Economic Development Strategy to incorporate amended strategic themes that will extend the timeframe of the strategy for another five years, be approved;</b>
<b>(B)</b>	<b>the proposed key activities be noted; and</b>
<b>(C)</b>	<b>the projects to be supported be funded by priority spend from the New Homes Bonus.</b>

1.0 Background and Summary of Key Activities

1.1 The principles of **East Herts Council's current Economic Development Strategy (2007 – 2012)** remain valid although the period covered by the strategy is coming to an end. An economic development action plan has been in place for some time and is informed and guided by the strategy. This represents the mainstream day to day work and contribution of the Council's economic development activities.

- 1.2 There is now an opportunity to adopt strategic themes that are a better reflection of the direction of the economic programme as well as more closely aligned programme with the Local Strategic Partnership Economic Well Being theme.
- 1.3 The Council's approach has been to provide the kinds of support that makes East Herts an environment where existing businesses might grow and new businesses helped through the early stages.
- 1.4 In addition to the business advice network that EHC has funded, it has also bid for, and won European funding which supports the districts wide rural economy by delivering grants intended to help businesses expand. It manages and administers that process for East Herts, North Herts and Uttlesford.
- 1.5 The Council also invests in supporting/running and developing the range of markets that contribute to the footfall and turnover for the retail sector in 3 of our 5 towns
- 1.6 Economic wellbeing was agreed as one of 3 headline priorities by both East Herts Council and East Herts LSP.
- 1.7 EHC has also made a commitment that a portion of New Homes Bonus, (25%) that the Council receives in 2012/13, could be made available for economic development initiatives. The portfolio holder has therefore asked officers to work up same.
- 1.8 East Herts LSP has considered a series of Economic development recommendations with the aim of getting 500 individuals into work placements. The programme is styled to 'Get East Herts Working' and led by Jobcentre Plus, with a commitment and support from all partners.
- 1.9 The work being led by the Leader around Bishop's Stortford 2020 and Hertford Futures also includes strong economic themes relating to support for retail led/leisure/service economy which are so important to the well being of those towns.
- 1.10 It is important that the Local Strategic Partnership and East Herts Council make an active contribution to the Hertfordshire Local Enterprise Partnership. The LEP is currently considering its objectives but has developed a partnership structure around

four programme boards. These are

- Investment and Advocacy
- Strategic Infrastructure
- Skills and Employment
- Enterprise and Innovation

1.11 Councillor Tony Jackson, the Leader of East Herts Council, is a LEP board member with a brief for representing the rural economies of Hertfordshire of which East Herts has a significant profile. Councillor Jackson is also chair of the Strategic Infrastructure Programme Board. Paul Pullin, Economic Development Manager for East Herts Council, is a member of the Enterprise and Innovation Programme Board.

1.12 The Council's connection to the LEP has recently been strengthened through the creation of a separate LEP portfolio responsibility within the Council's Executive that will look after the interests of East Herts. Councillor Mike Carver holds this responsibility as part of a wider strategic planning brief.

1.13 This places the LSP and the Council in a strong position and will help to ensure that our strategy and actions have a close relationship with the wider priorities in the area.

## 2.0 Report

2.1 Examples of the existing East Herts Council economic development programme have been provided in the background to this report. The existing programme was developed prior to the current economic challenges and during its early stages. Four new strategic themes are proposed below which better reflect the new circumstances. The themes are intended to be flexible to enable projects to be completed and new ones delivered within the framework. Members are asked to approve the use of New Homes Bonus (NHB) funding to support the delivery of the projects proposed below. It is proposed that New Homes Bonus is allocated from the 2012/13 budget.

**2.2 Create a more business friendly environment in our towns and town centres and deliver targeted initiatives to support the viability of employment land in the district**

The introduction of an industrial estates modernisation programme targeting some of the key employment land in the district is proposed. The programme will include consultation with landlords, commercial agents and tenant businesses. A simple refresh of chapter six (quality of employment land) of the Employment Land Review (2008) would underpin the programme. Projects developing from this approach could include environmental enhancement, removal of barriers to access or resource efficiency initiatives.

The Hertford Futures Partnership will deliver its work through ideas generated from working groups. It is proposed that a business plan is commissioned that pulls the various partnership ambitions and actions together and provides costings for projects.

### **2.3 Contribute to the competitiveness and survival rates of local business**

2.4 The introduction of the My Incubator project at the Ware Campus will play a key role in delivering this theme by providing intensive support for pre start, start up and early stage business. It is expected that the incubator approach will plant the seeds necessary for growth in the local economy. It is proposed to explore the feasibility of exporting a similar model to Bishops Stortford to provide coverage in the east of the district.

2.5 The Council will also ensure that local business is in a position to take advantage of central government initiatives such as the Mentoring Programme and Business for Growth.

### **2.6 Encourage and support resilience and growth in the rural economy**

2.7 The Eastern Plateau Rural Development Programme (RDPE) has made a significant investment to business in rural areas. The programme will continue to deliver through 2013/14. The Council has acted as accountable body for this programme and has gained some valuable knowledge and experience as a result. This will place the Council in a strong position to make applications for new funding opportunities related to rural economic development.

2.8 The East Herts Economic Development team has successfully secured project funding from the RDPE programme to deliver a rural business advice project. The project will fill the gap left by the cessation of Business Link.

**2.9 Develop a coordinated and targeted approach to the “Get Britain Working” agenda and to skills, training and advice programmes**

2.10 This is a key priority for the East Herts Local Strategic Partnership. The LSP intend to fund a range of projects under this theme through Performance Reward Grant. Adopting this priority for the Council will ensure a key role for East Herts in providing leadership and coordination as well as a close alignment with our key partners.

**3.00 Proposed use of New Homes Bonus funding to support economic development initiatives**

3.1 The Council’s 25% priority spend (see 1.7 above) of NHB for 2012/13 is £200,000. Officers are now pleased to bring forward specific project proposals for approval but to also seek formal confirmation for projects that Members have already indicated support for.

3.2 The tables below set out the status of activities that are considered as appropriate for the New Homes Bonus priority spend.

3.3 Support for this project in table 1 has already been agreed. The project has commenced delivery.

<b>Table 1 - Agreed project</b>	<b>Costs</b>	<b>Comment</b>
My Incubator, Ware Campus of Hertford Regional College	£12,000	Funding already agreed at Executive of 11/10/11. Capital of £35,000 and revenue of £24,000 already spent for 2012/13. There remains spend of £12,000 for 2012/13 and £18,000 for 2013/14.

**3.4** The projects in table 2 are ready to commence. Members have already indicated informal support for the Rural Advice Project and the project application has been approved by the RDPE steering group and by Defra. Formal support is now requested to enable the project to spend and to deliver. A brief has been prepared inviting consultants to provide an estimate for a car parking demand analysis in Bishops Stortford.

<b>Table 2 - Projects ready to deliver</b>	<b>Estimated costs</b>	<b>Comment</b>
Rural Advice Project	£8,900	This is match funding for an RDPE approved project (North Herts Council has confirmed match of £8,900). The Defra grant is £41,600. The project will run for 18 months.
Car Parking demand analysis in Bishops Stortford	£5,000	This project recognises the vital link between car parking strategy and the economic well being of Bishops Stortford.

**3.5** As a necessary condition for the delivery of projects in table 4 it is proposed that an officer is brought in on a temporary basis. The projects will require research and the new role will provide advice and support that will help to establish how positive outcomes might be delivered. The costs for this work are all included within the project development line in the table below.

<b>Table 3 – Development brief</b>	<b>Estimated costs</b>	<b>Comment</b>
Project development officer supporting the whole of the district	£30,000	An external person will be recruited.

**3.6** If the above expenditure is approved then £144,100 of NHB will be available to spend on projects proposed in table 4. It is proposed that the development brief includes work on the three key areas below.

<b>Table 4 - Proposed projects</b>	<b>Estimated costs</b>	<b>Comment</b>
Bishops Stortford 2020 Projects	To be specified as part of the development brief	Specific projects to be identified by 2020 partnership.
Hertford Futures	As above	Specific projects to be identified by Hertford Futures Partnership but as part of the development brief a business plan will be produced.
Industrial Estates Modernisation Projects	As above	Specific projects to be identified by results of Land Review refresh and consultation with landlords and tenant businesses. This programme would the existing plan to remove the large bollard barrier between Caxton Hill Estate and Foxholes Business Park.
General support for the business environment	As above	Projects will be determined by engagement with local business.

<b>Total estimated expenditure/ costs from 2012/13 NHB budget</b>	<b>£200,000</b>	
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#### 4.0 Implications/Consultations

4.1 Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper 'A'**.

#### Background Papers

Local Strategic Partnership Board Report

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