

# Report

## Council

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### Part 1

Date: November 2015

Item No:

**Subject** Newport City Council Economic Growth Strategy 2015-2025

**Purpose** To Endorse Newport City Council's Economic Growth Strategy 2015-2025

**Author** Head of Regeneration, Investment and Housing / European Officer

**Ward** All

**Summary** The Council's current Economic Development Strategy 2011–2015 was approved by the Council in December 2011. However following its adoption, the Council received a critical response from the Welsh Audit Office. The Cabinet therefore endorsed the need to undertake a review of the Strategy in the light of the WAO's findings and requested the Street Scene, Regeneration and Safety Scrutiny to co-ordinate the production of a revised Draft Strategy. In doing so, the following has taken place:

A Policy Review Group made up of Councillors and supported by officers, was tasked with coordinating and delivering a refreshed and robust draft Economic Development Strategy. The group met three times advising, and directing the development of the Strategy, and providing a critical friend to officers.

A new Economic Growth Strategy was developed, taking into account feedback from the Welsh Audit Office, which has greater integration with Newport's Single Integrated Plan Community priorities, and initiatives associated with the Cardiff City Regional initiatives, Great Western Cities and Newport Economic Fora.

The Strategy was endorsed by Scrutiny Committee, following which the Strategy underwent a 6 week consultation period (authorised by Cabinet Member), where overall feedback was positive with stakeholders supportive of the Strategies Aims and Priorities.

The final draft, taking the outcome of the consultation into account, was considered by the Cabinet at its meeting held on 19 October 2015.

At the meeting, The Chair mentioned that Newport would need to work closely with business to achieve growth. He referred to the Friar's Walk as an example of where the Council had successfully worked in partnership with business.

The Cabinet recommended adoption of the Strategy and Delivery Plan to Council for adoption

**Proposal** To adopt the proposed strategy and delivery plan.

**Action by** Council

**Timetable** Immediate

This report was prepared after consultation with:

- Head of Service: Regeneration, Investment and Housing
- Cabinet Member: Regeneration and Development
- Cabinet Member: Skills and Work
- Head of Law and Regulations – Monitoring Officer
- Head of Finance – Finance Officer
- Head of People and Business Change
- Local Service Board
- And through a wider consultation exercise as outlined below

**Signed**

## **1. Background**

- 1.1 The Council's current Economic Development Strategy 2011–2015 was approved by the Council in December 2011 and provided a framework for the Council and its Partners, to drive forward the local economy, through support for business and local employment.
- 1.2 Following its adoption, the Council received a critical response from the Welsh Audit Office and it was decided that the Strategy needed to be reviewed with partners, especially in the light of the challenges posed by the extent of the recession.
- 1.3 The Cabinet therefore endorsed the need to undertake a review of the Strategy in the light of the WAO's findings and requested the Street Scene, Regeneration and Safety Scrutiny to co-ordinate the production of a revised Draft Strategy.
- 1.4 The Committee established a Policy Review Group in April 2015, comprising of Councillors Al-Nuaimi (Chairman), Bond, C Evans, Atwell and Garland and was supported by officers from Regeneration, Investment and Housing and Overview and Scrutiny.
- 1.5 The Group was tasked to undertake the gathering of information and evidence in order to coordinate and deliver a refreshed and robust draft Economic Growth Strategy for Newport that will support the delivery of regeneration in Newport and effectively evaluate the impact of its regeneration initiatives.
- 1.6 Over the course of some months the newly named Economic Growth Strategy has been developed, with feedback and direction from the Group. The strategy was endorsed by the Group in July and by Scrutiny Committee in August.
- 1.7 Formal consultation was subsequently authorised to be undertaken on the draft Strategy by the Cabinet Member. The final draft, taking the outcome of the consultation into account, is now submitted for consideration by the Cabinet before referring the final Draft Document to the Council for adoption and implementation.
- 1.8 Evidence was also sought from stakeholder partners: University of South Wales, Coleg Gwent Centre for Business, Welsh Government, Newport City Homes, Seren Group, Communities First, Newport Economic Network, and the Local Service Board.
- 1.9 Insofar as the Street Scene, Regeneration and Safety Scrutiny Committee is concerned, its ongoing role regarding the approved Strategy will be to monitor, at intervals to be determined, the successful implementation of the Delivery Plan that accompanies the Strategy.
- 1.10 The final draft, taking the outcome of the consultation into account, was considered by the Cabinet at its meeting held on 19 October 2015. At the meeting, The Chair mentioned that Newport would need to work closely with business to achieve growth. He referred to the Friar's Walk as an example of where the Council had successfully worked in partnership with business. The Cabinet recommended adoption of the Strategy and Delivery Plan to Council for adoption

## **2. Economic Growth Strategy**

- 2.4 The new Strategy creates a ten-year vision for the future of Newport. It builds upon, but is more ambitious than its predecessor strategies, taking into account the economic characteristics and priorities of the local area with reference to the sub-region and beyond. The new strategy aims to act as a 'game changer' in Newport's performance by:
  - Delivering positive interventions to address current and forecast economic challenges in the locality

- Complementing and adding value to the existing range of economic development, regeneration and related strategies, defining common goals and priorities
- Providing an economic context to reflect and deliver the priorities contained in the Single Integrated Plan and Local Development Plan
- Providing an integrated framework for effective partnership and joint working not only between local authorities and public bodies but also with stakeholders in the private, community and public sectors

2.5 The new Strategy delivers on three key themes which have been determined through detailed data analysis, and developed taking into account emerging trends, local strengths, and local, regional and national strategies. They place an emphasis on addressing the key needs of both the locality and the region, with each theme having a key Priority through which the strategy seeks to address economic growth. The three Themes and associated Priorities are:

<b>People</b>	<i>Deliver Shared prosperity</i> - growth should benefit all Newport's citizens.
<b>Place</b>	<i>Provide an excellent economic environment</i> - modern cities' economic success relies on aligning physical (including infrastructure), cultural and social improvements to support innovation and growth.
<b>Prosperity</b>	<i>Move Newport up the 'value chain'</i> - successful cities need to become more specialised, innovative, connected and productive.

2.3 Below each Priority the Economic Growth Strategy sets out a number of Aims that are seen as key to achieving economic growth in Newport, and contributing to growth across the South East region.

<b>Theme</b>	<b>Priority</b>	<b>Aims</b>
<b>People</b>	1. <i>Deliver Shared Prosperity</i>	Align physical, social and economic programmes more efficiently – aligning skills development to inward investment and physical growth
		Respond to polarisation in our neighbourhoods
<b>Place</b>	2. <i>Create an excellent economic environment</i>	Improve engagement with education and training providers
		Creating an economic environment to support population growth
		Grow the economy as part of the wider region – collaboration for competition
		Increase connectivity – infrastructure & digital
		Maintain our focus on regenerating the City Centre to become one of the UK's top cities
		Maximise our environmental opportunities
<b>Prosperity</b>	3. <i>Move Newport up 'the value chain'</i>	Specialise in high value business growth
		Promote and innovate for entrepreneurship – support indigenous development

- 2.4 A crucial element of the Economic Growth Strategy has been the development of a Delivery Plan, setting out those activities and actions which we see as key to contributing towards the achievement of our priorities and aims. The Delivery Plan sets out what we are going to do, how we are going to do it, indicative timescales and identifies potential partners and internal responsibility, linking the action back to one of the Strategies key aims and priorities.
- 2.5 The Delivery Plan sets out actions against a 3 year programme, with progress against the strategy being monitored on a continual basis, but with reviews at three, six and nine year intervals. Reviews at these stages will allow Newport to measure success to date, review key areas of concern, any changes in policy at local, regional and national level, and to identify key actions to take forward for the next period.

### 3. Financial Summary:

	Year 1 (Current) £	Year 2 £	Year 3 £	On-going Years 4-7 £	Notes including budgets heads affected
<b>Costs (Income)</b>	0	0	0	0	There are no budgets directly affected through the endorsement of the Strategy. Budget implications may arise through the implementation of any identified activities.
<b>Net Costs (Savings)</b>	0	0	0	0	
<b>Net Impact on Budget</b>	0	0	0	0	

### 4. Risks:

Risk	Impact of Risk if it occurs* (H/M/L)	Probability of risk occurring (H/M/L)	What is the Council doing or what has it done to avoid the risk or reduce its effect	Who is responsible for dealing with the risk?
Council not endorsing the Economic Growth Strategy	H	L	The Strategy has been developed through a Policy Review Group and has therefore been subject to scrutiny by Members. It has since been endorsed by Scrutiny Committee	Head of RIH
Council not delivering on the Strategy	H	L	The Strategy will be continuously monitored to ensure achievement of its Aims. A Delivery Plan has been produced, which will be reviewed and renewed at 3, 6 and 9 year intervals to ensure actions are relevant, timely and appropriate to the current needs and economic climate.	Head of RIH
Lack of buy in from stakeholders	M	L	The Strategy has been developed with/ and received buy in from key	Head of RIH

			stakeholders	
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\* Taking account of proposed mitigation measures

## **5. Links to Council Policies and Priorities**

### **5.1 Local Service Board Single Integrated Plan**

The Economic Growth Strategy will be key to the delivery of the priorities of the Single Integrated Plan (SIP) for Newport, particularly in relation to skills and work, economic regeneration, making the City Centre safer and improving connectivity. All of these areas will, in turn, contribute to the cross-cutting SIP aim of tackling poverty. There are also less direct but still important links with the health and wellbeing agenda. Furthermore the Economic Growth Strategy has been informed and directed by the SIP and the Unified Needs Assessment provides an evidence base for both documents. As such the Economic Growth Strategy has a firm evidence base including reliable data sources, public consultation and partnership buy-in. Whilst the Economic Growth Strategy is primarily Newport City Council led, it makes links with other organisations and will feed in to the performance monitoring arrangements of the SIP through the One Newport Local Service Board ie delivery of the Economic Growth Strategy will also mean delivery of the SIP.

### **5.2 Local Housing Strategy**

The Strategy has been developed in consultation with officers to ensure alignment with the priorities of the Local Housing Strategy.

### **5.3 Destination Management Plan**

The Strategy has been developed in consultation with the lead officer for Newport's Destination Management plan, ensuring alignment with the plan at a local level, and also taking into account regional issues and plans.

### **5.4 Local Development Plan**

The Strategy has been developed in consultation with Planning Officers to ensure it takes account of LDP planning in areas such as projected job and population growth and housing need.

## **6. Options Considered/Available**

6.1 The Cabinet is invited to consider the attached Draft Economic Growth Strategy and accompanying Delivery Plan and decide:-

6.2 To recommend the Draft Strategy and Delivery Plan to the Council for approval and adoption.

6.3 To not support the Draft Strategy and Delivery Plan and consider any further amendments to be made or additional work to be undertaken.

## **7. Preferred choice and reasons**

7.1 The preferred choice would be to recommend the Draft Strategy and Delivery Plan to the Council for approval and adoption.

7.2 By endorsing the Draft Strategy, the Council sets out its support for a ten year plan to grow and develop the economy of Newport securing its place within the greater South East region.

## **8. Comments of Chief Financial Officer**

- 8.1 There are no direct financial implications resulting from this report and the action plan, over and above current budget provision.

## **9. Comments of Monitoring Officer**

- 9.1 There are no specific legal issues arising from the Report or the proposed Strategy. The Economic Regeneration strategy provides a framework for the delivery of future economic growth in Newport. It addresses the shortcomings identified by the WAO in the previous strategy and ensures that development priorities are directly linked to the Single Integrated Plan and Corporate Plan objectives and that there is a transparent process for monitoring and evaluating outcomes. The draft Strategy has been subject to formal consultation and the responses have been generally positive. This final draft takes into account the responses to the consultation, where appropriate. Because *the Economic Development Strategy forms part of the Council's Policy Framework, the approval and adoption of the final Growth strategy will be a matter for full Council. Therefore, Cabinet will need to make a recommendation to full Council regarding the adoption of the Strategy.*

## **10. Staffing Implications:- Comments of Head of People and Transformation**

- 10.1 The proposed Economic Growth Strategy has been developed with a firm evidence base through the Unified Needs Assessment and strategic direction informed by the Single Integrated Plan. The Economic Growth Strategy will in fact play a key role in delivery of the Economy and Skills theme of the Single Integrated Plan and will make a contribution to other themes. The Strategy takes a holistic view of economic growth which includes a focus on skills development, social regeneration, place shaping and infrastructure improvement alongside mainstream economic development. As such this strategy will also play a part in tackling poverty and achieving sustainable development. Whilst the strategy is primarily a Council led document it also emphasises working in partnership e.g. with education providers, the business community, neighbouring authorities and other government agencies. A robust performance framework is included which will help measure success and against key indicators. There are no direct human resources implications in this strategy.

## **11. Comments of Cabinet Member**

- 11.1 CM has approved the report.

## **12. Scrutiny Committees**

- 12.1 The Strategy was subject to detailed scrutiny by a Policy Review Group. The PRG, comprising of Councillors Al-Nuaimi (Chairman), Bond, C Evans, Atwell and Garland was established in April 2015 and was supported by officers from Regeneration, Investment and Housing , and Overview and Scrutiny.

- 12.2 The Group met on three occasions:-

14 May: Scene Setting/ Context/ Data analysis and general structure for the Draft Strategy

11 June: Consideration of the Draft Final Strategy for consultation with Stakeholders.

13 July: Consideration of draft final report, including the Revised Draft Economic Regeneration Strategy and Action Plan for delivery, to be submitted to the Street Scene, Regeneration and Safety Scrutiny.

August 2015: The final Economic Growth Strategy was taken to and endorsed by Street Scene, Regeneration and Safety Scrutiny

### **13. Equalities Impact Assessment**

13.1 N/A

### **14. Children and Families (Wales) Measure**

14.1 N/A

### **15. Consultation**

#### **15.1 Stakeholder Engagement**

During the course of its development an initial draft strategy was subject to stakeholder engagement. Officers met with a number of key stakeholders to discuss the Strategy, and to receive feedback which was fed into the final draft strategy presented to the PRG.

#### **15.2 Consultation**

Following endorsement by Scrutiny Committee formal consultation was subsequently authorised to be undertaken on the draft Strategy by the Cabinet Member. The Strategy underwent a 6 week consultation period, where overall feedback was positive with stakeholders supportive of the Strategies Aims and Priorities.

The final draft, taking the outcome of the consultation into account, is now submitted for consideration by the Cabinet before referring the final Draft Document to the Council for adoption and implementation.

### **16. Background Papers**

- Minutes and Report to Street Scene, Regeneration and Safety Scrutiny Committee dated 29 July 2015.
- Agendas and Minutes of the Economic Development Strategy Policy Review Group:
  - 14 May 2015
  - 11 June 2015
  - 13 July 2015
- Report to Street Scene, Regeneration and Safety Scrutiny Committee - Economic Development Strategy 2011-2015 – Review of Progress.
- Report to Council - Economic Development Strategy 2011-2015 – Approved December 2011
- Economic Growth Strategy 2015-25