

**Council**13<sup>th</sup> December 2018**Agenda Item 49**

Brighton &amp; Hove City Council

<b>Subject:</b>	<b>An Economic Strategy for Brighton &amp; Hove</b>		
<b>Date of Meeting:</b>	<b>13 December 2018</b> Policy, Resources & Growth Committee – 6 December 2018		
<b>Report of:</b>	<b>Executive Director for Economy, Environment &amp; Culture</b>		
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<b>Ward(s) affected:</b>	<b>All</b>		

**FOR GENERAL RELEASE****1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 This report is to seek approval from the Policy, Resources & Growth Committee for the final Economic Strategy for Brighton & Hove and before going to Full Council on 13 December 2018.

**2. RECOMMENDATIONS:**

*That the Policy, Resources & Growth Committee:*

- 2.1 Recommends the Economic Strategy to Full Council for adoption.

*That Full Council:*

- 2.2 Adopts the Economic Strategy as part of its Policy Framework.

**3. CONTEXT/ BACKGROUND INFORMATION**

- 3.1 A report proposing the development of a new Economic Strategy and supporting Action Plan for Brighton & Hove was agreed by the Policy, Resources and Growth Committee in March 2017. The new Economic Strategy for the city was to be jointly commissioned by Brighton & Hove City Council and Brighton & Hove Economic Partnership.
- 3.2 Brighton & Hove City Council funded the strategy while Brighton & Hove Economic Partnership engaged the business community in the development of the strategy.
- 3.3 Following the tender process in the autumn of 2017, Regeneris were appointed as the consultancy that would develop the Economic Strategy. The final draft version of the Economic Strategy can be found at Appendix 1.

- 3.4 The Economic Strategy for Brighton & Hove has been developed for the city as a whole providing a common goal and purpose that all city partners can work towards. The strategy is owned by stakeholders and partners across the City and City Region. The Action Plan proposes a set of actions that can be delivered at a City and City Region level.
- 3.5 To inform the priorities in the Economic Strategy, Regeneris undertook a review of the characteristics and performance of the City and City Region and a detailed Evidence Base was produced. An Equalities Impact Assessment (EIA) has also been completed to accompany the Economic Strategy.
- 3.6 In addition, an Executive Summary of the headline statistics in the Evidence Base was produced.

#### Aligning with Regional and National Priorities

- 3.7 While rooted within the city, the strategy is outward facing and aims to inform activity across Greater Brighton and acknowledge the economic links that we have within the region. It responds directly to priorities set out within Coast to Capital's emerging new Strategic Economic Plan (SEP) and the Government's Industrial Strategy.
- 3.8 Coast to Capital's new SEP and future Local Industrial Strategy will play a key role in shaping the future position of the City and City Region in the UK. Each of the key themes in the SEP and the challenges identified in the Industrial Strategy, have direct relevance to the City and City Region.
- 3.9 The Economic Strategy recognises that Coast to Capital and Government are key delivery partners for this strategy. By aligning with regional and national priorities the strategy aims to help the City and City Region continue its dialogue and collaboration with Coast to Capital and Government on strategic matters and make the case for ongoing investment in the region.

#### Vision for Economic Growth

- 3.10 Following production of the detailed Evidence Base, Regeneris conducted an extensive consultation exercise with stakeholders, comprising two consultation events (with c.200 attendees), over 50 one-to-one/group interviews and submissions, from organisations and individuals in the private, public and third sector. The list of organisations consulted with is included in the 'Summary of Consultation' report which is available in the Members Room along with a letter of support for the strategy from the Brighton & Hove Economic Partnership.
- 3.11 An analysis of the Evidence Base along with the results of the consultation has culminated in the creation of a new Economic Strategy entitled: *Productive, Inclusive, Transformative: An Economic Strategy for Brighton & Hove*. The new strategy aims to develop the City and City Region into one of the UK's most productive and inclusive economies and sets out a new vision for the coming years as detailed below.

Over the next decade, Brighton & Hove will establish itself as one of the UK's most economically vibrant, inclusive and future-facing cities.

The city will be recognised as the economic heart of the City Region, with Brighton & Hove and Greater Brighton partners collaborating to establish the area as a nationally significant hub of growth and productivity.

Disruptive, collaborative and informative ways of working will be embraced to respond to the long-standing challenges facing the city. In doing so, Brighton & Hove will act as a trailblazer for economic and social change and improvement in the UK and globally.

3.12

### Embracing Innovation & Disruption: A Bold New Approach

- 3.13 Despite recent growth and diversification in the City and City Region there is evidence that the scale and pace of change is below that of our competitors. In addition, a number of long-standing socio-economic challenges have remained unchanged over the last decade, such as productivity and competitiveness of the local economy, the supply and affordability of housing and commercial space, quality of the transport infrastructure and levels of inclusion. There is also a challenge around ensuring fair and sustainable business growth that will help improve access to secure well-paid jobs for local people and help reduce levels of in-work poverty.
- 3.14 The strategy acknowledges these challenges and proposes measures to address them through working with City Region partners and by capitalising on Brighton & Hove's reputation for creativity and openness by making the city more widely recognised for innovation.
- 3.15 Brighton & Hove already has a reputation for doing things differently. The city is leading the way in innovation, exemplified by the ground-breaking work of Digital Catapult Brighton and 5G Test Bed, the research strengths of the two universities, investment in EV charging and new living wage housing project.
- 3.16 The theme of innovation cuts across the strategy and is not just about technology. It is also about adopting new approaches and committing to innovation which is the best way to build on the city's strengths and tackle the growth challenges. In practice this means harnessing the innovative talents of the city through the creation of new partnerships, approaches, spaces and ways of doing business to support new behaviours in the city.

### A New Approach to Five Themes

- 3.17 The strategy identifies five themes to support its delivery that are vital to delivering economic growth, creating prosperity and improving quality of life for all, as outlined below.

### A Growing City

- 3.18 The focus of this theme is on homes, business space, infrastructure for growth and the dynamism of our small business and innovation economy. Its purpose is to deliver the space, infrastructure and support needed to achieve balanced growth; unlock and accelerate the delivery of homes, commercial and community infrastructure and support the evolution of a better connected and sustainable small business economy and to work with City Region partners to adopt a mutually beneficial strategy for development, growth and infrastructure delivery across the wider area.
- 3.19 This theme is supported by a priority action which proposes delivery partnerships with Government and regional partners tasked with accelerating the delivery of housing and commercial space across the City Region and with the aim to unlock stalled development sites.

#### An Open City

- 3.20 Focuses on business investment, a thriving visitor, retail, leisure and cultural offer and better places. The purpose of this theme is to reposition and promote Brighton & Hove as the most distinctive city in the UK and to capitalise upon and strengthen the city's identity and reputation for creativity, openness and spirit to attract investors and visitors alike. It is also intended to protect and enhance the city's retail, leisure and cultural distinctiveness and improve the quality of the environment to ensure the experience of residents, visitors and investors matches and exceeds expectations.
- 3.21 Supported by a priority action which sets out to establish a City Region Trade & Invest Team. This priority proposes a new team with dedicated resource to act as a gateway to trade and investment information, enquiries and support.

#### A Talented City

- 3.22 This theme looks at economic participation across all life stages delivering greater labour market productivity and inclusion. The purpose of this theme is to recognise the integral role that skills and the labour market has to play in driving economic productivity and inclusive growth outcomes. It aims to capitalise on the city's pool of talented labour by ensuring that all residents have the competencies they need to access employment, to progress in work and to build careers at any point in their lives. It will also deliver a balanced approach which reflects the diverse and changing workforce requirements across the economy, helping to develop a workforce closely matched to the City and City Region's future needs.
- 3.23 This is supported by a priority action which proposes the establishment of a City Skills for Productivity Commission. Comprised of employer and provider representatives, the Productivity Commission will have a remit to examine the employment and skills provision landscape across the city to explore the links between this and current and future labour market productivity and inclusion.

### A Fair City

- 3.24 This theme focuses on economic and social inclusion, health, civic pride and business and community responsibility. Its purpose is to ensure that Brighton & Hove becomes a more equal city, with the benefits of growth reinvested to support greater levels of inclusion. In addition, to narrow the gap between and within our communities and on engaging proactively with the most marginalised groups; developing new projects to ensure economic, social and environmental resilience across the city.
- 3.25 Supported by a priority action which aims to develop long-term community capacity and citizen leadership to enable community wealth building, including for example local procurement models to be rolled-out across other institutions such as anchor organisations e.g. hospitals, schools etc and to encourage community ownership of assets as a route to community wealth building.

### A Sustainable City

- 3.26 This theme will build upon and strengthen our impact to ensure that Brighton & Hove becomes a more circular and sustainable economy and acts as a leader in developing a robust response to climate change.
- 3.27 The theme is supported by a priority action which promotes the development of a circular and sustainable economy to minimise waste and pollution by reducing, reusing and recycling. Exploring circular economy and sustainability projects which provide a real opportunity for the city to nurture local sectors, skills development and enterprise and contribute to keeping wealth local and prevent flows (materials, skills and investment) from going out of the city at the same time as reducing waste. This priority will build city resilience and security and will involve promoting and supporting sustainable business practices.
- 3.28 The themes are supported by priority actions which are detailed further in Appendix A in the Economic Strategy.
- 3.29 Delivery of this strategy will require collective action and partnership working across the city and draw upon the capacity and expertise of a range of partners across the public and private sectors, social enterprises, the third sector and civil society.
- 3.30 Brighton & Hove already has a range of organisations which have the capacity, commitment and expertise to take a lead in aspects of delivery. Potential roles and responsibilities for these organisations are outlined in the strategy document at Chapter 9 'Delivering the Strategy'.
- 3.31 In addition new and enhanced partnerships and delivery models are proposed within the strategy.
- 3.32 Some of the actions lie within the direct remit of identified partners and can be delivered by leveraging value from a refocusing of existing activity or via strengthened partnership working. Other projects are likely to require the allocation of new funding to proceed and some possible sources of funding to explore include City Region Partners, Coast to Capital and Central Government.

- 3.33 The delivery mechanisms and capacity across the City and City Region will be continually monitored and evaluated to reduce the risk of duplication and potential for 'drift'.

#### Measuring Success

- 3.34 A crucial part of the delivery of this strategy is a robust and committed approach to tracking impact and performance. The strategy is accompanied by a Monitoring Framework which identifies the specific indicators and approaches which can be used to track delivery and understand impact.
- 3.35 Overall responsibility for tracking success of the strategy lies with the council and Brighton & Hove Economic Partnership, drawing in data from a range of delivery partners.

### **4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS**

- 4.1 The Evidence Base makes clear that a 'Do Nothing' approach represents a risk for the city as it is already trailing behind many of its statistical neighbours. It is considered imperative to prepare a new Economic Strategy to reposition the city and remain competitive particularly in the light of the UK leaving the EU and the new opportunities and challenges that may result.
- 4.2 Many of the challenges facing the city have become engrained and have not changed over the last decade. Failure to respond now will constrain the growth potential of the city and the benefits of growth will not be realised.
- 4.3 Three outcomes of the 'Do nothing' approach have been identified in the Economic Strategy and these form the case for action for this strategy.
- 4.4 The impact of 'Doing Nothing':
- Brighton & Hove's competitive position will continue to weaken and growth potential will be constrained.
  - Inequality will persist and the city will become less balanced and diverse.
  - The city will be less well positioned to adapt to and benefit from new technologies and ways of living and working.

### **5. COMMUNITY ENGAGEMENT & CONSULTATION**

- 5.1 It is important the Economic Strategy is owned by partners and stakeholders from across the City and City Region. To help achieve this Regeneris undertook a detailed programme of consultation with representatives from across the public, private and civil society sectors.
- 5.2 Over 50 face-to-face interviews were conducted with key stakeholders in the City and City Region.
- 5.3 There were two major consultation events by Brighton & Hove Economic Partnership. The first consultation event took place in October 2017 to gather insight on the future of the local economy. The second consultation event took

place in January 2018 at which the draft strategy was presented and to gather stakeholders input to develop a set of actions for the strategy.

- 5.4 Each event was attended by around 100 stakeholders from across the City and City Region and across a range of sectors e.g. private sector, public sector and civic sector.

## **6. CONCLUSION**

- 6.1 Committee is asked to recommend the strategy to Full Council for adoption.

## **7. FINANCIAL & OTHER IMPLICATIONS:**

### Financial Implications:

- 7.1 There are no direct financial implications associated to the recommendations in this report.
- 7.2 The cost of developing the Economic Strategy including the consultancy work undertaken was funded from the City Development & Regeneration Funds and existing Economic Development budgets.
- 7.3 Any financial implications associated with the delivery of the actions set out in the Plan will be assessed within relevant future reports or business cases and appropriate approval for funding will be sought where required and reported to the appropriate committee.
- 7.4 It is anticipated that the strategy will assist in making funding applications for external resources and the development of joint funding bids with partners to deliver the identified actions. External funding is potentially an important source of income, but funding conditions need to be carefully considered to ensure that they are compatible with the aims and objectives of the council.

*Finance Officer Consulted: Rob Allen*

*Date: 14/05/18*

### Legal Implications:

- 7.5 The council's Economic Strategy is part of its Policy Framework and must therefore be approved by Full Council.

*Lawyer Consulted: Alice Rowland*

*Date: 14/05/18*

### Equalities Implications:

- 7.6 An EIA has been completed for the Economic Strategy, identifying where work can be effectively focused to maximise benefits to diverse groups. Where the council is the lead partner and/or funder for work areas these EIA actions will be progressed and overseen by relevant staff; where another organisation has lead responsibility, the council will pass on the findings of the EIA and encourage appropriate responses. Responsibility for developing actions to address the issues identified in the EIA, to take these forward and to monitor progress will be

built into the remit of the proposed new delivery mechanisms (e.g. the City Skills for Productivity Commission and Innovation Programme).

Sustainability Implications:

- 7.7 The Economic Strategy will contribute to Brighton & Hove becoming a 'Sustainable City' in accordance with the Environmental Sustainability priority of the City Council's Corporate Plan 2015-2019. In seeking to deliver growth in a sustainable way that meets the City Council's carbon reduction targets, the Economic Strategy includes a theme on 'A Sustainable City' which takes into account the recommendations of the Sustainable Community Strategy and the objectives of the UNESCO Biosphere and its Management Strategy.

Any Other Significant Implications:

Crime & Disorder Implications:

- 7.8 Studies have repeatedly linked unemployment to rising crime and the deterioration of health. Improving the economic prospects of the city's residents through the development of a new Economic Strategy may contribute to reducing crime and anti-social behaviour.

Risk and Opportunity Management Implications:

- 7.9 A robust and committed approach to tracking impact and performance is a crucial part of the delivery of this strategy. This will ensure a real-time understanding delivery progress, and an ongoing understanding of impact on the ground, be it at the micro level or City / City Region wide. The strategy is accompanied by a monitoring and evaluation framework which identifies the specific indicators and approaches which will be used to track delivery and understand impact.

Public Health Implications:

- 7.10 Studies have repeatedly linked unemployment to the deterioration of health. Improving the economic prospects of the city's residents through the development of a new Economic Strategy may contribute to improving the well-being of the city's residents. A key element of the strategy is to promote inclusiveness and reduce inequalities across the city in relation to economic growth.

Corporate / Citywide Implications:

- 7.11 The new strategy will support the delivery of the 'Economy & Jobs' priority of the City Council's Corporate Plan 2015-2019. It is expected that the new Economic Strategy will have a positive impact on the economic performance of the city in terms of support for existing and new businesses, support for job creation and training and investment in commercial premises.

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

1. Productive, Inclusive, Transformative: An Economic Strategy for Brighton & Hove

### **Documents in Members' Rooms**

1. Economic Strategy Full Evidence Base Report
2. Summary of Consultation
3. Letter of support from Brighton & Hove Economic Partnership

### **Background Documents**

1. Evidence Base Summary
2. Equalities Impact Assessment