

ECONOMIC DEVELOPMENT & CULTURE COMMITTEE

**Agenda Item
30**

Brighton & Hove
City Council

Title: Refresh of the Economic Strategy

Author(s): Geoff Raw, Strategic Director Place (BHCC)

Purpose: To inform the Economic Development & Culture Committee of progress with the refresh of the Economic strategy

1. Context

- 1.1 The current Economic Strategy was written in 2007 and published in 2008 prior to the start of the longest and deepest recession since the 1930's which has been followed by a period of slow growth and a return to economic recession earlier this year. As a consequence access to bank finance remains challenging for many local companies, markets are increasingly competitive and business costs, (some related to rising energy prices) are difficult to mitigate. These factors, amongst others, have a significant impact on the prosperity of the local economy and employment opportunities notably for young people.
- 1.2 Over the past 18 months the Government has introduced macro economic policies designed to reduce the structural deficit and encourage private sector growth whilst reducing public sector employment and public sector led investment.
- 1.3 Regional Development Agencies have been superseded by Local Enterprise Partnerships (for Brighton and Hove the Coast to Capital LEP). LEP Boards have a remit to identify regional strategies and investment priorities and work with local authorities to drive forward local economic regeneration.
- 1.4 The Localism Act places a strong onus on the local authority to provide civic leadership in taking forward the economic and

social well being of the area and to use its forward planning, assets, borrowing powers and capital programmes where appropriate. Changes to business rate retention, amongst other government initiatives, creates a strong imperative to engage with the business sector as individual companies, representative organisations and through long standing strategic partnerships to shape this investment.

- 1.5 These factors inform the Council's intent to refresh the city's current economic strategy. This is to better reflect the changed business climate, the emerging national policy landscape and to take forward the strategic policy objective of enabling Brighton and Hove to flourish as a distinctive smart and sustainable city. In so doing the Council is aiming to advance in more deliberate fashion a 'triple bottom line' of economic, social and environmental well being success measures.
- 1.6 It is recognised that to secure additional public funding and thus stimulate private investment, the Council needs to be mindful of the policy and programmes of national government and its agencies as well as the EU. To this end it has actively supported the Coast to Capital LEP. It continues to engage, listen and influence government departments. It is also aware that a new programme of European Regional Development Funding is about to be negotiated for implementation from 2015.
- 1.7 Competitive bidding for government and EU funding and putting compelling business cases which stimulate private sector investment will need to be an important feature of the refreshed strategy. Working with a range of partners and individuals in the city, the Council has already supported successful bids for Growing Places Fund, investment in areas of retail decline (Portas Funding) and transport infrastructure funding amongst others. It is about to submit bids for Ultrafast Broadband funding and has obtained feasibility funding to submit proposals to the government's Technology Strategy Board. Further opportunities are likely to emerge.
- 1.8 Enabling local businesses to flourish and employment opportunities to grow also mean that the strategy will need to develop innovative and investable propositions that stimulate local demand that draw on local and regional assets, resources, supply chains and market sales potential. The Coast to Capital LEP also recognises that many locally based businesses already operate internationally or would like to access export markets. The city already has international profile and working closely with the Economic Partnership, the Council is shortly to sign off a new

City Investment Prospectus. This provides a valuable point of reference for developing a shared understanding of the business and social enterprise sectors and for publicising initiatives emerging from the Strategy refresh.

2. Outcomes

- 2.1 The refresh of the existing strategy will include a:
- Review of the vision and action plan and set out coherent proposals necessary to elevate the status of Brighton and Hove as a nationally distinctive and internationally recognised 'smart' and 'sustainable' city;
 - Set out compelling business cases and attractive investment options for public sector intervention from national, regional partner and local levels over the next 3-8 years to improve the prospect of the city and its functional economic area;
 - Taking into account current economic challenges and opportunities, identify specific mechanisms and initiatives to stimulate investment from private and social enterprise sectors that strengthens local enterprise, raises local employment opportunities and achieves this improving, wherever practical, environmental well being;
 - Define a 'triple bottom line' of economic, social and environmental well being success measures.

3. Governance

- 3.1 The refresh will be 'cliented' by the City Council in conjunction with the Economic Partnership. The initiative will be:
- Commissioned to address the functional economic area of the city;
 - Any consultant advisors will be appointed by panel(s) convened by the Council together with the Economic Partnership;
 - Address an 8+year timeframe (relating to political and possible economic cycles);

4. Key References

National

- Government policy and guidance
- National including EU funding opportunities
- One Planet Living principles
- 2011 Census data

Regional

- Coast to Capital LEP strategies
- Neighbouring authority economic strategies

Local

- Economic Strategy 2008-2016
- City Plan 2014-2030
- City Employment & Skills Plan
- Business Rate Retention guidance
- Local Authority powers under the Localism Act
- Council budget making including capital programme and revenue funding
- Local planning policies
- Employment land study review

5. Provisional Timetable & Resources

- Client team appointed
 - Invitation to tender mid September 2012
 - Appointment of specialist consultants October 2012
 - Stakeholder consultation event November/December 2012
 - Report to Brighton & Hove Local Strategic Partnership in February 2013
 - Report to Economic Development & Culture Committee on 07 March 2013
 - Report to Policy & Resources on 21 March 2013
 - Potential conference opportunity June 2013
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- C. £30K is currently budgeted.

For further information, please contact:

Cheryl Finella
Economic Development Manager, Brighton & Hove City Council
Cheryl.finella@brighton-hove.gov.uk
01273 291095

Geoff Raw
Strategic Director - Place, Brighton & Hove City Council
Geoff.raw@brighton-hove.gov.uk
01273 290726