

Shropshire Economic Growth Strategy 2017 - 2021

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1. Summary

- 1.1 Economic growth is one of the key priorities within the Council's Corporate Plan and the Council recognises that it has a significant role to play in supporting the successful and sustainable growth of Shropshire's economy.
- 1.2 A new draft Economic Growth Strategy was presented to Cabinet on the 1st March 2017. Cabinet noted the progress made in developing the draft document and agreed to issue the strategy for a period of 7 weeks of public consultation.
- 1.3 This consultation has been concluded, feedback has been reviewed and has informed the final strategy that is now presented to Cabinet for agreement. A copy of the consultation summary and ESIIA are appended to this report.
- 1.4 The Economic Growth Strategy 2017 - 2021 sets the strategic direction for economic growth for Shropshire over the next 5 years. An action plan will sit alongside this strategy and will be reviewed annually and the evaluation of achievements and updates will be reported to Cabinet.
- 1.5 Subject to agreement of the final Economic Growth Strategy, a communications plan will be prepared and this will include a formal launch of the final strategy in September 2017.

2. Recommendations

- A** Cabinet agrees the final Economic Growth Strategy 2017 – 2021 following feedback from the public consultation.
- B** Endorses the approach of reviewing the action plan annually and to the preparation of a communications plan to support the dissemination of the strategy.

REPORT

3. Risk Assessment and Opportunities Appraisal

- 3.1 Shropshire's economy is in a good position and has generally been performing well, however it has the potential to develop and expand and in so doing raise its economic productivity. There are a number of current challenges and future trends that, without a strategic economic approach and in the absence of targeted actions to address them, mean that the economy of Shropshire is likely to under-perform.
- 3.2 A key risk is that Shropshire is falling behind regional and national averages in economic output from businesses and employee earnings and this is leading to lower economic productivity compared to the West Midlands and UK as well as some of the surrounding authority areas. There is a declining population of traditional working age (16-64) in Shropshire and a particular lack of younger people staying in the County to work so talent and skills are being lost from the county.
- 3.3 The retention of existing business, the ability to develop and retain skills and talent and successfully attract new inward investment from outside Shropshire are all key objectives to addressing these challenges and supporting a step change in economic performance.
- 3.4 The Council has a key role to play in each of these objectives and a significant opportunity to use its own investment power, services and influences to maximise economic growth. There are six priority actions for the Council that are detailed in the Strategy. These have not changed as a result of the consultation and are as follows:
- Target actions and resources on economic opportunities
 - Enable businesses to grow and succeed
 - Deliver infrastructure to support growth
 - Meet skill's needs of businesses and people's aspirations for work
 - Promote Shropshire to investors
 - Build our reputation as a Council that is 'good to do business with'
- 3.5 The Council cannot deliver growth in isolation and does not have control over all actions and activities that will generate economic growth. Working with the West Midlands Combined Authority and Marches LEP as our key strategic partnerships and with our neighbouring authorities in England and Wales is important for us to deliver our strategy and is an approach that is supported by Government through its Industrial Strategy. Shropshire is a part of a broader economic geography and will increase profile from joining larger investment propositions and campaigns.
- 3.6 Our vision will only be achieved by working collaboratively across the public and private sectors and with our communities. Notably continued work and close collaboration with the Shropshire Business Board, which represents the key sectors in the county, is fundamental to drive the economic prosperity and to champion the area to those within and outside Shropshire. In addition and alongside the Board, continuing to build on collaborative work with our partners in Higher and Further

Education, the Constellation Partnership with Cheshire East relating to High Speed 2, the Growing Mid Wales partnership and Midlands Engine will be a focus.

- 3.7 Now is an important opportunity to communicate the importance of growth and work in partnership with Shropshire Business Board, the Marches LEP and other stakeholders to achieve the best possible outcomes of a growing economy for the benefit of our people and businesses. A clear communications and relationship plan will underpin the delivery of the Strategy.
- 3.8 An ESIIA has been completed alongside the consultation and is attached at Appendix 4. The benefits of growing the local economy are anticipated to positively impact on many societal groups within the county. And whilst this strategy is economically focused there will be many benefits associated with a resilient economy and increased economic productivity such as increased employment opportunity, provision of housing, infrastructure benefits, facilities and utilities.
- 3.9 The strategy is fully intended to be a working document through the annual review of progress and monitoring of changes in the economic, policy and strategic landscape. The Council will seek to engage with people in the Protected Characteristic groupings, particularly where low levels of responses to public consultation have been received to date and with groupings and their advocates where links may usefully be made with specific target groups.
- 3.10 Alongside this the Council will also continue to look at best practice, engage with and encourage comments and ideas from local residents and businesses and actively encourage the participation of local community groups, organisations and networks in the development and delivery of the Economic Growth Strategy. Therefore the ESIIA will be regularly updated over the 5-year term of the strategy.

4. Financial Implications

- 4.1 Increasing the business base of Shropshire is directly related to generating business rates that the Council receives. Retaining businesses and attracting new companies will support and raise the business rate income for the Council. This has become increasingly relevant given Government's changes to business rate retention by 2020.
- 4.2 An investment strategy is being prepared for developing the key employment sites and this will inform an updated and detailed capital investment programme for the Council, which is an integral part of the Financial Strategy.
- 4.3 The Economic Growth Strategy will help to inform how the council makes the best use of the £1m that has been allocated for economic growth from the New Homes Bonus reserve, as set out in the Council's Revenue Monitoring Report of 9th November 2016.

5. Background

5.1 Creating a prosperous economy is one of the three high-level outcomes in the Corporate Plan 2016/17 to 2018/19. Developing a clear economic vision and strategy is a key milestone in setting out the Council's commitment and ambition to grow the local economy and deliver this Corporate Plan outcome.

5.2 As well as taking into account the content of the Council's own Corporate Plan and vision to 'make Shropshire a great place to live, learn and work', there is significant evidence and analysed findings that sit behind the draft Economic Growth Strategy. This includes the commissioned research report with IPPR North (jointly commissioned with University Centre Shrewsbury) to help Shropshire develop a new economic vision and socio-economic research produced by the Council's Policy, Performance and Intelligence team.

5.3 The regional and national economic picture and context has also been considered in the development of the Economic Growth strategy. In particular in the national context, the UK Industrial Strategy green paper and Shropshire's responses to this, and regionally the Marches LEP ambitions for growth in the Strategic Economic Plan as well as the West Midlands Combined Authority (WMCA) Strategic Economic Plan to 2030. Shropshire's role as a Non-constituent Member of the WMCA is an important development in the evolution of partnership arrangements with the wider West Midlands region and the mutual and shared benefits of growth.

5.4 Feedback from Consultation

The draft Economic Growth Strategy 2017 – 2021 (including the background information and research reports) was published on Shropshire Council's consultation portal on 13th March 2017 and the official period of public consultation ran until 28th April 2017. During this period, there were a number of methods of consultation and engagement used; consultation feedback survey, email feedback options for more detailed comments, presentations and discussions at meetings and events and workshops and focus groups.

5.5 Over 4,000 individuals were notified of the opportunity to feedback on the draft Strategy including businesses, stakeholders, town and parish councils, statutory bodies, communities and residents. During the consultation period 25 face to face meetings and presentations were delivered and a further 21 organisations and networks were formally written to alerting them of the consultation.

5.6 The consultation exercise resulted in a response of 46 surveys and 26 written responses. There was a good geographical spread of participants from across the county reflecting both urban and rural areas. Many of these written responses were very thorough and included a number of detailed points. The analysis of the responses from participants showed broad support for the six priorities and vision with common themes emerging, these include;

- Communities and town and parish councils want to be engaged going forward
- The vision should be simpler, punchy and powerful
- Greater emphasis on skills, employment and health linkages

- Historic assets and natural environment should be made clearer and importance of green infrastructure highlighted.
- Add more about business start-ups and their importance to the Shropshire economy
- Impacts and opportunities of Brexit
- Community focused businesses and social enterprises should be referenced
- Greater importance of visitor economy and agricultural sectors
- Ageing demographic as an opportunity for economic activity
- Council needs to communicate more effectively
- The importance of building economic and strategic partnerships
- Balancing investment and growth with protecting natural and rural environment

The full consultation summary is attached to this report at Appendix 2.

- 5.7 Since the end of the consultation period, officers have analysed the consultation responses received and strengthened and added references within the strategy to address a number of the key points that were raised. A table setting out the key comments and responses called 'you said, we did' has been prepared (and is attached at Appendix 3). Those participants who submitted a response and have requested feedback will be sent a report detailing the main findings. This report will also be published on the Shropshire Council website.
- 5.8 There are four targets in the Strategy that have been based on evidence from the current Local Plan together with recent studies and forecasts. None of the comments received from the consultation exercise alter these targets. These are targets for the 5 year period of the study and progress against these will be monitored and reported annually to Cabinet.
- 5.9 An annual review of the action plan, that will contain all of the actions from the strategy, will also be undertaken and progress together with any updates will be reported to Cabinet. These actions are defined as immediate (next 6 months), short term (within the next 2 years), medium term (within 2 to 5 years) and longer term (over 5 years).

6. Additional Information

- 6.1 The UK Industrial Strategy green paper was consulted upon earlier this year and Shropshire Council and its partners including representatives of the Shropshire Business Board submitted responses highlighting specific areas of opportunity and some of the key challenges being faced. This is important for the Economic Growth Strategy as it provides the Central Government and national context and will provide a valuable platform on which to engage with Government departments going forward.
- 6.2 The Midlands Engine Strategy was launched in March 2017 by Government and sets out how the Government wants the Midlands to become the growth engine for the whole of the UK economy. The West Midlands Combined Authority is a key player in the realisation of this Strategy and vision. The key challenge the strategy highlights is that the Midlands lags behind the UK in terms of economic productivity

(by approximately 15%) and the actions that can be implemented to help reverse this trend. This is important because this is also the key challenge for Shropshire and what the Economic Growth Strategy is primarily seeking to address with actions identified being able to contribute to the delivery of the wider Midlands Strategy.

- 6.3 Subject to Cabinet sign off of the final Economic Growth Strategy, there is a proposed launch of the strategy and an opportunity to share with partners, stakeholders and the business and investor community the positive progress being made in Shropshire and the focus on strategic economic activity. A number of key speakers and guests will be involved in the event, which is planned for the 26th September 2017.

7. Conclusions

- 7.1 The new Economic Growth Strategy for Shropshire for 2017 to 2021 presented in this report is setting out a clear ambition and set of actions to increase economic productivity.
- 7.2 The consultation exercise has been valuable in gathering feedback and informing the preparation of the final document. It has engaged a cross section of stakeholders and communities of Shropshire and has generated a number of common themes that have been incorporated into the Strategy.
- 7.3 The final Strategy now presents the opportunity for the Council to be bold, committed and focused in its leadership role to generate growth for the benefit and prosperity of its businesses and residents over the next five years.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Cabinet report 1st March 2017 'Draft Economic Growth Strategy 2017 – 2021'

Corporate Plan 2016/17 to 2018/19

Building an economic vision for Shropshire, IPPR North, February 2017

Shropshire Economic Profile, January 2017

Marches LEP Strategic Economic Plan and Ambitions for Growth

West Midlands Combined Authority Strategic Economic Plan

Midlands Engine Strategy, March 2017

Building our Industrial Strategy Green Paper, January 2017 and Shropshire Council response April 2017

<p>Cabinet Member (Portfolio Holder)</p> <p>Councillor Nic Laurens, Portfolio Holder for Economy and Growth</p>
<p>Local Members</p> <p>All</p>
<p>Appendices</p> <p>Appendix 1 – Shropshire Economic Growth Strategy 2017-2021</p> <p>Appendix 2 – Economic Growth Strategy Consultation 2017 Feedback Report</p> <p>Appendix 3 – ‘You said, we did’</p> <p>Appendix 4 – Equality and Social Inclusion Impact Assessment (ESIIA)</p>