

Economic Development Strategy Update

Summary:

At its meeting on 11th November 2014 the Executive agreed the Council's Economic Development Strategy (the Strategy) and action plans. The Executive further agreed to receive an annual update on progress against the actions. The purpose of this report is to provide the requested update, with the Executive being asked to comment as appropriate, note the content and ask for a further update in 2016.

Portfolio: Transformation

Date Portfolio Holder signed off report: 21 October 2015

Wards Affected: All

Recommendation

The Executive is advised to note the content of the update, comment as appropriate, and ask for a further update in 2016.

1. Resource Implications

- 1.1 Each filled job in Surrey Heath contributes £51,000 to the UK economy, higher than the national average of £39,000. This is known as the employment dividend. The business rates raised from each of the companies mentioned specifically in this report with regard to inward investment will directly benefit the Council under the Business Rates Retention Scheme, as all will occupy new or larger buildings than are currently in place.
- 1.2 Externally the Council will continue to work with organisations essential to the delivery of the Strategy, and will continue to play an active role in the Enterprise M3 Local Enterprise Partnership. The Council will also continue to work closely with partners such as Surrey County Council, Highways England and others; as well as stakeholders including businesses, business groups and representatives.
- 1.3 Exactly what the devolution and business rates retention for councils' debates stimulated by Government will mean once the detail is defined is still the subject of debate and will be for some time. What does seem a common theme judging from recent and current announcements from Government is that local councils' role in economic development is here to stay and is only likely to increase.

2. Summary

2.1 Members will recall that the Strategy identified three principal economic objectives. These are:

a) A sustainable place to live, work, shop and play

b) A great place for business to flourish

c) A great place for people to succeed

2.2 Each objective has corresponding actions and action plans setting out projects relevant to each of the three main areas. For the purposes of this report the action plans from the Strategy have been replicated from the document (although summarised where this aids brevity) and are attached at Annex 1. A 'current position' column has further been added to update on progress.

2.3 The Executive is asked to note that the Strategy is a strategy for the long term. This means not all actions will have started as yet, or where they have started may be in the early stages of development.

3. Key Issues

3.1 Since the economic downturn in 2008/09 local authorities have increasingly been raising the levels of direct support they provide to their local business communities. The advent of business led Local Enterprise Partnerships (LEP), the introduction of Government incentive schemes and legislation permitting greater retention locally of business rates have also proven to be drivers for councils to play a more prominent role in assisting their local economies. In the year since publishing its Strategy the Council has increased its presence on the economic development playing field.

3.2 Much work has been done to augment the Council's reputation in terms of the way it works with business, how it is perceived by business and how it responds to business enquiries. This approach, badged as Open for Business, has been crucial work in the way it has changed the perception of some companies (particularly commercial agents) about working with councils; and genuinely surprised others delighted to be dealing with an authority with a proactive, pro-growth, pro-business agenda. The Council's reasoning for adopting such a positive approach to working with business is rooted in its objectives and key priorities (see section 7 of this report). In outcomes there is already a dividend in terms of job creation, and each of the companies mentioned specifically in this report are planning employment numbers in excess, or significantly in excess of current levels at the various sites they will occupy. (Numerous other companies have been assisted but three are mentioned in this report for illustrative purposes.)

- 3.3 The Council is mindful that its role is to foster the conditions for growth and employment; to act as a partner with others and help them to make the right connections, to promote Surrey Heath, to bring relevant parties to projects, attract inward investment, to access funding streams; and, enable the conditions for economic development. Examples of the Council's approach are set out immediately below.
- 3.4 Open for Business: – The Council's Open for Business approach demonstrates its commitment to attracting new business and growth into the Borough. It involves working with companies to assist them in moving into or expanding within Surrey Heath. Open for Business is distinct from the planning process yet operates within the Council's established policy guidelines, and involves promoting the Borough to business, and the business to the Council.
- 3.5 Companies assisted in this way include; Kamkorp (owners of Fraser Nash) with their move into the former BOC site in Chobham; Chobham Farm Park with their plan to bring an animal farm to Chobham; and, Selco with their move to the Yorktown estate.
- 3.6 Each of these companies bring with them new jobs, in Kamkorp's case up to 350 high tech direct employees (each contributing £51,000 to the local economy as stated above), as well as indirect employment in construction and supply to convert and maintain the former BOC site into a research and development centre. Chobham Farm Park will offer an innovative and attractive facility for families through its animal centre, which will help boost visitor numbers to the village. Selco represent a further toll and building supplies company to be based on the Yorktown site, thereby increasing the cluster of such companies in Camberley.
- 3.7 The companies mentioned will also bring an increase in locally retained business rates for the Council as they will all build sites larger, or significantly larger, than the current footfall.
- 3.8 Working with business associations: - In working with local business associations the Council has taken the approach of maintaining an influencing and enabling role and is keen not to try to take the lead. This echoes the call from the Government post-recession that the recovery should be business led. This supportive and advisory role has seen business associations such as Yorktown and Watchmoor with membership from global partners such as Bank of America, Patrizia and Andreas Stihl viewing the Council as equal members and key delivery partners.
- 3.9 Assisting start-ups and established businesses: - The Council is working in partnership with the Surrey Chambers of Commerce and Basepoint (a company providing managed office space) to provide business advice clinics to start-ups or business review sessions to existing companies in Surrey Heath. Start-ups can receive free advice

from an experienced advisor; and, for a small fee, existing businesses can opt for a 'health check' to help them develop further. One of the main benefits of the scheme is that the Council again provides an enabling rather than direct role, as the sessions are delivered from the Basepoint offices in Camberley, rather than from the Council offices, accentuating the business to business feel of the arrangement.

- 3.10 Developing skills: - Demographic profiling carried out for the development of the Strategy identifies the Borough as having a particularly strong business presence in four areas; engineering, pharmaceuticals, IT, health. These effectively mirror the identified national STEM (Science, Technology, Engineering, Maths) skills earmarked for particular attention in terms of funding, skills development etc. The Council is keen to act as a conduit between STEM companies and local schools to ensure strong and long lasting links are developed ensuring business has important access to the local talent pool.
- 3.11 The Council is working with Surrey SATRO an educational charity and organisation specialising in furthering participation in STEM subjects by local pupils through active and challenging collaboration with business. The Council is becoming a contributing supporter and SATRO partner which will see the authority sponsor key SATRO 'problem solving challenges' designed to test students' abilities across a range of STEM, (and construction) areas. Challenges will be judged by local businesses, with others acting as mentors for students. The Council views this developing relationship as an important step in furthering not only the action plans from the Strategy, but in laying the foundations of a school/business link for years to come.
- 3.12 The Strategy is the source document for all economic development work. All actions either started or due to be started emanate from it. The immediate delivery plan for the next six months includes actions based on the following areas; business development, skills development, attracting inward investment and infrastructure improvements.

4. Options

- 4.1 The Executive has the option to comment on the report and note it.
- 4.2 The Executive has the option to comment on the report and recommend other actions.

5. Proposals

- 5.1 It is proposed that the Executive comments on and notes the report.

6. Supporting Information

- 6.1 The full Economic Development Strategy is available on the internet.

7. Corporate Objectives And Key Priorities

- 7.1 Corporate objective 2 – ‘We will sustain and promote our local economy so that our people can work and do business across Surrey Heath’.
- 7.2 Key priority 2 – Deliver the economic development strategy action plans.

8. Policy Framework

- 8.1 Supports the Council’s policy objective to work with and support the local business community.

9. Legal Issues

- 9.1 No legal issues identified.

10. Governance

- 10.1 The Strategy cuts across a number of service areas and will be overseen by the Portfolio Holder for Transformation.

11. Risk Management

- 11.1 Minimal risk as the Council is committed to supporting business as set out in the 2020 Strategy and Key Priorities.

12. Equalities Impact

- 12.1 An EIA has not yet been carried out.

13. Human Rights

- 13.1 No issues identified.

14. Consultation

- 14.1 Consultation was carried out at the time the Strategy was developed, but not for this update report.

15. PR And Marketing

- 15.1 The Council has maximised the publication of its Strategy and will continue to do so.

16. Officer Comments

- 16.1 This is the first annual update of the Strategy on the anniversary of its approval by the Executive. Progress has been made in working with

the business community and enhancing the Council's role in supporting the local economy. Work will continue on a daily basis in this vein.

Annexes	Updated action plans
Background Papers	Economic Development Strategy
Author/Contact Details	Kevin Cantlon, Economic Development Officer kevin.cantlon@surreyheath.gov.uk
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Consultations, Implications and Issues Addressed

Resources	Required	Consulted
Revenue	✓	✓
Capital		
Human Resources		
Asset Management		
IT		
Other Issues	Required	Consulted
Corporate Objectives & Key Priorities	✓	✓
Policy Framework		
Legal		
Governance		
Sustainability		
Risk Management		
Equalities Impact Assessment		
Community Safety		
Human Rights		
Consultation		
P R & Marketing	✓	

Review Date: November 2016

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