

ECONOMIC STRATEGY

1. PURPOSE

- 1.1 The purpose of this paper is to seek support from Cabinet for the adoption of an Economic Strategy for the Council.
- 1.2 Drawing on the previous reports by consultants, the intention is to have provided a more concise and directed Strategy document. The document is attached as an appendix.

2. BACKGROUND

- 2.1 The Council's Economic Strategy had reached the end of its term and a revision was necessary. Consultants were employed to undertake the review and present their findings. The Economy and Planning Review Panel shaped that review through a substantial "workshop" discussion in the Panel meeting of September 2005. Subsequently the consultants undertook their fact finding and assessment. Their report was presented to Cabinet in April 2006.
- 2.2 At that meeting, Cabinet approved the consultants report for consultation with key partners and resolved that the Council prepare its Economic Strategy arising from that. These consultations have been completed and their views incorporated in the revised draft strategy.
- 2.3 It was also felt that the Council's own strategy should be a concise and easily read document that concentrated on those things which the Council has the greatest potential to influence.
- 2.4 Officers have therefore produced the proposed strategy with those sentiments in mind. At their November meeting, the Economy and Planning Review Panel were very supportive of the document and the approach taken, whilst making some adjustments within the action themes.

3. RELATIONSHIP BETWEEN DOCUMENTS

- 3.1 It is important to recognise how the proposed Strategy relates to other key documents.
- 3.2 The Economic Strategy provides a general outline of the Council's role in relation to the local economy and shows the nature of activities which the Council will undertake over the next four years. So, it is concise and sets out themes for those activities. The Service will, through the Service Planning process, develop these themes into actions for implementation. Specifically, this will be in the action planning element of the Service Plan.
- 3.3 There are clearly strong relationships to the emerging Employment Land DPD and in turn, its place in the full Local Development Framework (LDF). Also, there is the Changing Lives Strategy and National Park Management Plan which are also in development. The Economic Strategy (and the evidential work behind it) has already provided a useful input into those wider processes.

4. SERVICE PLANS

- 4.1 As mentioned in the section above, the Service Plan is the means by which the Council gives effect to its intentions. The themes established in the previous strategy and last Service Plan, have been continued in the meantime and good outcomes have been achieved in a number of areas. For example, the partnership work with New Forest Business Partnership (NFBP) has enabled a number of business support seminars to take place, including a business advice event and transport seminar. The Business Awards have been instituted and have met with an encouraging level of support. The Council has also signed up to as a Level 2 partner with Hampshire County Council in the Local Area Agreement and Local Public Service Agreement 2 programmes, which will help advance local objectives.

5. FINANCIAL IMPLICATIONS

- 5.1 There are none directly from this report. However, the development of individual proposals may in due course have implications. Should that be the case, any such issues would be assessed within the Service Plan / Expenditure Plan process.

6. ENVIRONMENTAL IMPLICATIONS

- 6.1 There are no particular environmental implications arising from this report but the importance of recognising the special qualities of the District are included within the objectives of the proposed strategy.

7. CRIME AND DISORDER IMPLICATIONS

- 7.1 There are no particular crime and disorder implications arising from this report.

8. PORTFOLIO HOLDER COMMENTS

- 8.1 The Portfolio Holder supports the recommendations in the report.

9. RECOMMENDATION

It is recommended that:

- 9.1 The Cabinet consider the form and content of the proposed economic strategy; and
- 9.2 That, subject to 8.1 above, the Council be recommended to adopt the Economic Strategy.

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Background Papers:

Published reports

AN ECONOMIC STRATEGY FOR NEW FOREST DISTRICT

Introduction

The purpose of this strategy is to provide a general outline of the Council's role in relation to the local economy, and to show the nature of the activities which the Council will undertake over the next four years. Subsequently, detailed actions which can be shown to be effective will be described in more detail in annual service plans published by the Council on its website.

This strategy is developed from a study produced for the Council by Roger Tym and Partners in March 2006.

Role and aims of the District Council

The Council interacts with the local economy on a number of fronts as: a support agency to local businesses; a provider of information and contacts; a regulator of some business activities; a purchaser of goods and services; a promoter of the economic interests of the area through advocacy, lobbying and working in partnership with other agencies and tiers of government.

While prosperity in the District will only be achieved by the actions of business, NFDC has a significant role in terms of regulation and shaping capacity for growth. It is essential that there is a consensus between business and Council. This has been pursued through a business needs survey, consultation with business on the draft of this strategy, and the Local Development Framework (LDF) process.

The Council values the contribution which competitive businesses make to the prosperity and well-being of people within the District. It recognises that long term economic prosperity is inextricably linked with social and environmental wellbeing and that good regulation needs to be both consistent and sensitive to the realities of operating businesses. The Council's Corporate Plan sees NFDC helping to create and maintain a local economy that brings opportunities for jobs and economic benefit for the area. The NPA is developing policies to promote sustainable economic development, and a broader community strategy for the District and the National Park Authority area is currently in preparation. However, it is important that policy is both led by the needs of business on the one hand and connected to the objectives of the Council on the other, and that this is reflected in subsequent action programmes.

Overall, the Council's vision is to facilitate a sustainable and growing economy for the District that creates economic and employment opportunity whilst making best use of the District's natural environment. This implies that while large scale business development is appropriate in some locations, the development of a local economy in which small businesses, local distinctiveness, knowledge-based and low impact types of business will be more appropriate over significant areas of the District.

Strengths and weaknesses

The District enjoys a number of economic advantages, including:

- A diversified economy without any special dependency on individual sectors.
- A reasonable level of growth in smaller service sector companies

- The presence of the National Park which is an economic asset for some sectors. The “New Forest” as a brand has positive associations of local distinctiveness which may be used to the benefit of some businesses.
- A well-developed skills base.
- Successful FE Colleges: Brockenhurst has now been awarded CoVE (Centre of Vocational Excellence) status for five business sectors and Totton for three.
- Low levels of business crime.
- An attractive location for residential investment.
- A relatively wealthy resident base which drives some retail, personal and other service activities.
- A varied mix of full and part time employment

Against these, there are a number of ongoing issues in the local economy which will affect the future prosperity of residents in the District:

- Relatively low Gross Value Added (a measure of productivity) compared to adjacent areas
- Low incomes
- Constraints on physical development arising from landscape and nature conservation designations throughout the District
- The southern part of the District's location in relation to the strategic road network, and the consequent lack of developer/commercial interest in some parts of this area.
- The sectoral make-up of the existing business base
- Relatively high numbers of part time jobs
- A high level of out-commuting to higher-order occupations
- Relatively few people of those aged between 50-65 in active employment
- A lack of major employers
- Relatively low skill levels in some occupational groups

Only some of these are open to influence by public policy, and it is our intention to focus activity where it will have greatest impact.

Objectives

Within the context of a need for development to be sustainable:

- To facilitate business investment
- To support the development of new businesses
- To support the development of businesses using local identity and distinctiveness
- To support measures aimed at upskilling and improving the employment prospects of the existing workforce

Action themes

Below are a series of action themes which will be pursued by the Council and which the Council will encourage its partners to pursue. This strategy does not detail specific actions, which will be set out subsequently in service plans of NFDC.

- Managed workspace
One area where the Council can make a significant difference is in the provision of flexible managed workspace, providing premises suitable for new and relatively new businesses. While let at commercial rentals, this provision can shelter new businesses

from exposure to the risks of longer term leases. NFDC played an enabling role in the development of the New Forest Enterprise Centre at Totton, and has put in place arrangements for similar provision at Lymington. NFDC will look to achieve such provision in the near future at Ringwood.

- Availability of sites and premises for company expansions and relocations

Continuing change is implicit in the nature of business activity and provision must be made to accommodate business needs. Allocations of sites for commercial development are reviewed through the LDF process, and should in themselves be capable of meeting the likely needs of business. Most of the undeveloped allocations in this District are usually not available for business use due to the aspirations of site owners for higher value forms of development. The Council will use its best efforts to ensure that these sites are developed and made available to end users. The Council will also support the appropriate conversion of redundant farm buildings.

- Site and premises finding service

The Council will continue to provide advice to businesses on relocation opportunities, and will continue its support to the successful e-search premises register which is operated in conjunction with some sixty commercial agents and four other Councils in S W Hampshire.

- Sectoral mix

Evidence points to a close link between the nature of jobs in the District and relatively low incomes. In recent years there has been employment growth in some lower wage sectors of service industries, coupled with a decline of manufacturing and only limited growth in higher paid business and financial services. While opportunities to directly influence the mix of businesses between employment sectors are limited, the designation of a site which can appeal to knowledge-based businesses within the sub-regional market could be one way forward, and this option will be seriously examined in the development of the Council's LDF core strategy. The Council will look to make provision for the growth of knowledge- based industry through the LDF process.

- Determining planning applications

The Council will take the needs of the local economy into account in responding to individual planning applications, paying particular attention to the needs of small businesses unused to dealing with the system of planning control.

Skills training facilities

- The Council will look to support the development of skill training facilities in the District, both through planning policy and through the development of individual project proposals with appropriate partners.

- Childcare facilities

These play an important role in helping parents to continue employment and contribute to the local economy. The Council will look to support the development of childcare facilities in suitable locations through planning policy.

- Local distinctiveness

The District benefits from a strong identity as a visitor destination, and the Council has successfully worked with the local tourism industry to benefit from this. At the same time, local food and produce initiatives (the New Forest Marque and local producer markets) have likewise been developed to exploit this positive association with the New

Forest Brand. The Council will, with its partners, look to find ways to support the continuation of these projects beyond their current European funded lifetime, and to examine the extent to which local distinctiveness can be used to the benefit of other business sectors.

- Business support activities

With the closure or movement out of the District of a number of major employers, the local economy is increasingly dependent upon the continuing formation and development of small businesses. NFDC will work with Business Link and other business support agencies on a number of projects to foster the growth of new businesses. The Council will also seek to deliver services in a way which takes account of the needs of small business. The Council will also implement a number of business support measures through close working with the New Forest Business Partnership.

- Infrastructure, transport and communication

NFDC will continue to lobby for investment which will remove transport and communication problems within the District. At the same time, the likelihood of only limited resources being available for investment in transport infrastructure may continue to mean that there must be an emphasis on low cost infrastructure and management actions to alleviate current problems. The Council has helped to secure improvements to e-connectivity within the District, and will likewise look to support such measures in the future.

- Purchasing

NFDC is responsible for expenditure totalling some £67m on an annual basis. While the Council rigorously pursues the achievement of value for money within this spend, it is at the same time keen to ensure that all businesses, especially small businesses, have the opportunity to compete effectively for this business. The Council has already amended its standing orders in order to make the process more accessible to smaller companies. The Council's new procurement strategy is geared to achieving this and making tendering processes attractive to small business. Once this is in place, the Council will seriously consider signing up to the Small Business Friendly Concordat.

- Town Centres

Many businesses are located within the six town centres in the District. It is important that these centres continue to operate as successful retail and service centres for the communities which they serve. While the Local Development Framework will provide a context, other measures will need to be taken relating to parking and investment in the public realm if town centres are to work successfully. The Council will continue to work with local groups in developing projects and seeking external funding for their implementation.

- Tourism

This will continue to be an important part of the local economy providing a significant input to the local economy, albeit that a number of the employment opportunities are part-time. The Council and the tourism industry have worked closely together in managing and promoting the area as a sustainable visitor destination, and this work has been extended to include the NPA. The Council's tourism strategy, "*Our Future Together*", will be updated during 2007.

- Working in Partnerships

There are a number of partner organisations which are key to improving the economic performance of the District. NFDC will work positively with a range of agencies including the Partnership for Urban South Hampshire, the National Park Authority, Business Link, the South Hampshire Enterprise Agency, local Chambers of Commerce and Trade,

Totton and Brockenhurst Colleges and especially the New Forest Business Partnership to achieve this. The NFBP is a partnership between business and NFDC which was formed to develop a strong voice for the business community within the District, to help in consultation processes, to run a number of targeted business support events, and to facilitate networking. It now has in excess of 400 members. The Council will continue to interact with the NFBP in terms of policy development, and will work with them in implementing their annual programmes.

Implementing the strategy

Actions proposed in this strategy will be further detailed in annual service plans for economic development and other Council services, and subject to annual monitoring in order to demonstrate progress towards the achievement of strategy objectives.

Key facts

Note to NFDC Members:

(This document will conclude with graphically displayed information which relates to the issues / actions in the strategy above such as: GDP/GVA, incomes, sectoral breakdown, out-commuting, activity rates, employer size etc)