

CABINET

7 February 2006

RESPONSE TO SEEDA'S REGIONAL ECONOMIC STRATEGY CONSULTATION

REPORT OF CHIEF EXECUTIVE

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RECENT REFERENCES:

None

EXECUTIVE SUMMARY:

The South East England Development Agency (SEEDA) has been revising their Regional Economic Strategy (RES). A Consultation Document has been published for all relevant partners in the South East to comment on. A draft response to the RES is attached as Appendix 1.

It is vital that the Council has an input into the process of establishing the RES. We need to ensure that it is relevant to and will benefit the economy of Winchester District, and that the targets are realistic and worthwhile. The RES response is relevant to the Council's Corporate Strategy, and Winchester's Community Strategy. It will also influence the Economic Action Plan, which is currently out for consultation.

The recommended response focuses on the 'Enterprise' and 'Investment and Infrastructure' objectives of the RES, and requests a greater emphasis on rural issues. There is also a call for a more joined up approach with other aspects of the community, such as social, educational and cultural issues.

RECOMMENDATIONS:

That Cabinet approves Appendix 1 as the City Council's response to the RES Consultation Document.

CABINET7 February 2006RESPONSE TO SEEDA'S REGIONAL ECONOMIC STRATEGY CONSULTATION DRAFTREPORT OF CHIEF EXECUTIVEDETAIL:1 Introduction

- 1.1 The South East England Development Agency (SEEDA) has been revising their Regional Economic Strategy (RES). The RES was originally adopted in 2002 and is in need of updating. There has been a series of consultation events, which have been drawn together by the Consultation Document now out for comments. Appendix 1 proposes a draft Winchester City Council response to the RES Consultation Document.
- 1.2 The vision of the RES is for the South East to be a world class region achieving sustainable prosperity. The key long term targets are to achieve a 5% improvement in the South East's annual productivity growth rate by 2026, and to bring 250,000 additional South East residents of working age into employment by 2026.
- 1.3 The RES is built on a number of objectives; 'employment', 'enterprise', 'innovation and creativity', 'skills', 'competition and business regulation' and 'investment and infrastructure'. There are four subjects which thread through each of the above objectives; 'ICT links', 'sustainability', 'geographical focus' and 'rural aspects'.
- 1.4 The RES splits the region up into three economic geographical areas: Inner South East, Outer South East and Coastal South East. Winchester District straddles two of these areas;
 - a) Outer South East – a largely rural area with well-established market and county towns providing a focal point around which economic activity may cluster
 - b) Coastal South East – a less prosperous periphery, with large urban areas offering strong economic potential alongside coastal towns that have had mixed success in reinventing themselves
- 1.5 The RES Consultation Document asks a series of questions that partners should respond to, in addition to making more general comments. These are;
 - a) Which of these or other challenges do you believe are most important for the future of the South East economy?
 - b) Which are the key issues and opportunities for intervention, and who should intervene?
 - c) What future inspiration or vision do you have for the South East economy?
 - d) Which of these or other objectives, measures and key tasks would you prioritise?

- e) What will your organisation contribute to the achievement of the objectives and key tasks?
- f) How should SEEDA's own activities be concentrated in contributing to the objectives and key tasks?

1.6 Appendix 1 recommends a response to these questions, and makes some more general comments about the RES. This is in relation to the need for a greater focus on rural issues, as 65% of Winchester's population live in rural areas. Also for greater links into social and cultural issues as the economy is not a subject which can be seen in isolation.

1.7 The RES Consultation Document lists the following Key Tasks which are mirrored in the Winchester Economic Action Plan:

- Invest to ensure high business start-up and survival rates
- Invest in integrated business support
- Invest in an entrepreneurial culture, with particular emphasis on the next generation
- Ensure business can access the skills they need to raise productivity
- Ensure individuals can access the skills they need to enter and progress in the labour market
- Secure investment in a sustainable transport network in order to improve connectivity

There are also key tasks in the RES which do not feature in the Winchester Economic Action Plan; these have either been excluded because they do not fit with local circumstances, or have been adapted where appropriate in order to have relevance to the local economy.

OTHER CONSIDERATIONS:

2 CORPORATE STRATEGY (RELEVANCE TO):

- 2.1 Economic Prosperity – “to achieve a strong and diverse urban and rural economy which builds on local strengths and offers opportunity for all”.
- 2.2 Also relevant to Winchester's Community Strategy's Economic Prosperity aim – “to create and sustain a thriving, broad-based local economy that integrates business, education and industry to provide prosperity, employment and occupation within the District, for the benefit of all”.

3 RESOURCE IMPLICATIONS:

- 3.1 None

BACKGROUND DOCUMENTS:

Review of Regional Economic Strategy for South East England 2006-2016 Consultation Document

APPENDICES:

Recommended Winchester City Council Response to SEEDA's Regional Economic Strategy Consultation Document

SEEDA's Regional Economic Strategy 2006-2016
Winchester City Council's Response

1. Which of these or other challenges do you believe are most important for the future of the South East Economy?

The objectives of the RES in need of most attention in Winchester District, are 'Enterprise', and 'Investment and Infrastructure'.

Enterprise is key to the success of our economy in the future. We have a large pool of potential entrepreneurs, a large knowledge-based economy, and a creative population. To harness these advantages to encourage a more enterprising economy is imperative to the future success of Winchester's Economy.

Investment and Infrastructure are also important. Not only is there pressure for further house building in the District, for which infrastructure provision will be needed, but public transport services outside of the City of Winchester are infrequent. Rural areas tend to feel 'cut off' from the City.

2. Which are the key issues and opportunities for intervention, and who should intervene?

Local agencies should be the driver where possible, due to their local knowledge and flexibility to work at a local level. Business Link Wessex, South Hampshire Enterprise Agency, Schools, Solent Skill Quest and their partners, are all well placed to encourage the Enterprise culture needed in the District.

There is a need for a more strategic approach from larger partners to achieve appropriate investment. Hampshire County Council, ODPM, SEERA, SEEDA and the Environment Agency are all well placed.

SEEDA have not explained in their RES the roles of various bodies at local, regional and national scale. For example, SEERA are briefly mentioned, but their work and how it fits with the South East economy is not explained. Similarly, it is not identified which of the issues are for national government to deal with, and which are local issues. What is SEEDA's guidance on this?

3. What future aspiration or vision do you have for the South East Economy?

Winchester City Council's Corporate Strategy is to "achieve a strong and diverse urban and rural economy which builds on local strengths and offers opportunities for all".

Winchester Local Strategic Partnership's Community Strategy's economic aim is to "create and sustain a thriving, broad-based local economy that integrates business, education and industry to provide prosperity, employment and occupation within the district, for the benefit of all".

These objectives lead to a general purpose of working towards a sustainable economy.

4. Which of these or other objectives, measures and key tasks would you prioritise?

As so much of the South East (and 65% of Winchester) is considered 'rural', should there not be a separate section on rural issues? Many of the actions listed under the 'rural' headings could equally be applied to urban areas. Therefore, is it targeted enough for rural areas?

The target of raising productivity by 5% is very high when the Partnership for Urban South Hampshire (PUSH) has set a target of achieving 3.5% per annum economic growth (GVA) by 2026 (and the intention of this was to allow the PUSH area to catch up with growth levels in the rest of the region).

5. What will your organisation contribute to the achievement of the objectives and key tasks?

Winchester's draft Economic Action Plan is currently out for consultation with key partners, businesses and the wider community. It covers ten key priorities, all of which link in with the RES Consultation Document in some way:

Support rural industries – (we recommend this is given more emphasis in the RES)

Invest in knowledge based and creative industries

Build on competitiveness of Winchester town

Identify and address the needs of potential investors – (more efficiently achieved at regional level)

Provide business with high quality support services

Address workforce needs of potential investors

Provide a balanced mix of commercial sites and premises

Maximise social benefits of business

Improve the quality of Winchester's environmental assets

Strengthen links between economy and tourism

6. How should SEEDA's own activities be concentrated in contributing to the objectives and key tasks?

SEEDA can have most effect by providing funding to be spent at a local level on projects which add the most value. This should involve close working with local partners who are well placed to identify where money would be best spent.

As a regional body, SEEDA are suited to co-ordinating activity across the region, in order to avoid duplication, encouraging joint working, and promote learning from best practice.

SEEDA should be providing some ideas about how to achieve the targets themselves, rather than relying on local partners.

General Comments about the RES

- Towns which are neither large enough to be sub regional centres, nor small enough to fit in with the Market Towns Initiative, are not given enough mention in terms of the vital role they play for local communities. For example, Winchester may not benefit from a great deal of the RES, as it does not fit into either of these categories.
- The justification for the geographical categorisation is not explained fully. The areas are therefore questionable. Should the RES be based on different industry sectors, rather than geographical areas?
- There are few links made between the South East economy, and other aspects of life in the region. For example, how does the RES propose that the economy feeds into social and cultural issues? How will the RES effect the environment? Housing is given some priority as one of the 'key tasks', but other aspects of the community are not. Can the region's economy really be seen in such isolation.