

REPORT TITLE: CREATING A NEW GREEN ECONOMIC DEVELOPMENT STRATEGY

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REPORT OF CABINET MEMBER: Cllr. Paula Ferguson, Cabinet Member for Local Economy

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WARD(S): ALL

PURPOSE

This report sets out a new approach to creating a new Green Economic Development Strategy for the next ten years.

This is a critical time for the council to develop a new strategy that clearly states its intention to transition to a greener, low/zero carbon and economy. The strategy reflect the council's climate emergency declaration and its ambition for Winchester District to be carbon neutral by 2030.

The new Green Economic Development Strategy will give insight into the scale of the task needed and provide a road map of practical steps to transition to a greener, inclusive and more technologically driven, creative economy. An economy where our existing businesses can grow sustainably; new businesses can be created and thrive, particularly those operating in the green growth sectors, and high quality job opportunities are provided for all demographics across the district.

This change must be driven through a strategy that is based on up-dated economic evidence, insight and intelligence and which also reflects this pivotal moment to springboard from changes in business operations and lifestyle choices made in response to the impact of COVID-19.

The strategy must build a consensus of support amongst residents, businesses, the not for profit and voluntary sector and partner stakeholders. This will demonstrate to inward investors that all key stakeholders are aligned and working together toward achieving a common set of goals.

This new strategy requires the commissioning of external consultancy support to:

- Offer an impartial approach to best deliver a fully engaged, collaborative, partnership led, joint stakeholder owned strategy.
- Provide insight into what a green, sustainable economy could look like for the Winchester District – identifying what the district has to offer, what action needs to be taken and how best to differentiate ourselves,
- Bring expertise, best practice and learning from others to ensure that Winchester District is well placed alongside its' competitors to become a green, sustainable economy.

A draft specification for the work has been produced, the resources identified and this report makes the business case for a request for budget to deliver the commission.

RECOMMENDATIONS:

That cabinet:

1. Agree an allocation of £45,000 be made from the Climate Emergency Programme budget to cover the cost of the consultancy appointment.
2. Delegate authority to the Corporate Head of Engagement to procure, select and award a contract to a suitable consultant in collaboration with the Cabinet Member for Local Economy and in compliance with the city council's contract procedure rules.
3. Delegate authority to the Service Lead legal to negotiate, prepare and enter into a consultancy contract with the successful consultant.

IMPLICATIONS:

1 COUNCIL PLAN OUTCOME

- 1.1 Tackling the Climate Emergency and Creating a Greener District
- 1.2 The new Green Economic Development Strategy will focus on the opportunity to shift to a greener, sustainable, inclusive economy and how to rebuild and re-imagine post COVID. Given the Council's ambition to be a zero carbon district by 2030, the strategy is a key mechanism through which to deliver the necessary change to a low/zero carbon economy. Aligning the Green Economic Development Strategy to the carbon neutrality programme demonstrates the council's leadership intent in tackling the climate emergency. There are 8,000 businesses employing 83,000 people across the district, all contributing to the energy and transport carbon emissions of the district and there is a significant opportunity through the strategy to drive a step change in the district's carbon emissions and attract new businesses operating in the green growth sectors.
- 1.3 Homes for all
- 1.4 An affordable mix of housing is a vital factor in fostering a successful economy. The new Green Economic Strategy will identify the nature of future employment and ways of working that will affect future housing need and demand.
- 1.5 Vibrant Local Economy
- 1.6 Within the Council Plan we have said that to create the vibrant local economy we will 'grasp opportunities for green growth'. The strategy needs to identify these opportunities and the actions council can take to facilitate this green growth. It will also provide a platform to lever inward investment, creating a persuasive proposition to promote Winchester District as a location for sustainable investment in new and emerging sectors.
- 1.7 Achieving the aims set out in the vibrant local economy priority will be central to the economic strategy that will consider how to transform Winchester District's economy to a greener, more technologically driven, creative economy, where our existing businesses can grow sustainably; new businesses can be created and thrive, and there are high quality job opportunities across the district for all demographics.
- 1.8 Living Well
- 1.9 The importance of providing the opportunity for all residents to benefit from and contribute to the economy of Winchester District is recognised and the new priorities will identify how to reduce inequalities in employment opportunities and income with an emphasis in growing jobs in green growth sectors. It will also consider how to develop sustainable communities and to

sustain the positive lifestyle changes that have been adopted in response to COVID-19.

1.10 Your Services, Your Voice

- 1.11 An innovative and collaborative approach to developing the economic strategy is required from the consultancy. A wide range of stakeholders and communities should have their say in the future growth and development of Winchester District's economy. There must be a built-in consensus for the priorities and actions identified, just as the outcomes and outputs must be shared and owned by all key stakeholders.

2 FINANCIAL IMPLICATIONS

- 2.1 It is estimated that cost of appointing an external consultant is £45,000. It is recommended that an allocation of £45,000 be made from the Climate Emergency Programme budget to cover the cost of the consultancy appointment.

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 This cabinet report requests approval to appoint an external consultant to assist with the preparation of a ten year Green Economic Development Strategy. The council does not have the depth of specialist expertise or the capacity in house to deliver this work. Specialist skills are required to evidence relevant experience and expertise in innovative approaches to developing visions and strategies, with particular expertise and knowledge in developing a strategy for the transition to green, sustainable, inclusive growth.
- 3.2 Officers intend to procure the external consultant through a competitive quotation process in accordance with the council's Contract Procedure Rules and the Public Contract Regulations 2015. The procurement process would commence at the start of November with an intention to deliver a strategy by the end of March 2021.
- 3.3 It is recommended that authority be delegated to the Corporate Head of Engagement to procure, select and award a contract to a suitable consultant, in accordance with the city council's Contract Procedure Rules in consultation with the Cabinet Member for Local Economy and for the Service Lead Legal to enter into a consultancy contract with the successful bidder.

4 WORKFORCE IMPLICATIONS

- 4.1 The contract management and lead contact within the council for the consultancy will be the Service Lead: Economy & Tourism. Advice on contract management activities will be sought from the Procurement Team. To reflect the breadth of work, research, engagement and policy development it is proposed that officers from communications, planning policy, housing, transport, sustainability, major projects, and others as appropriate, are kept informed and are able to contribute to the strategy and its outputs.

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 NONE

6 CONSULTATION AND COMMUNICATION

- 6.1 The consultancy request for quote specification has been reviewed by the Cabinet Member for Local Economy. The approach to creating a new Green Economic Strategy has been subject to a Cabinet Member Workshop on 28 September and the following comments have been taken on board:-
- a) The Carbon Neutrality Action Plan identifies that a major contributor to emission is from transport; e.g. business traffic; freight; travel to work. The strategy will need to consider how changes to business, consumer and staff behaviours can make the necessary reductions in emissions, and what proportion of the districts carbon footprint can be impacted. The strategy needs to be part of the carbon neutrality programme and reference the Carbon Neutrality Board and be bold in its title and framing to reflect this.
 - b) The link between planning and the Green Economic Development Strategy be acknowledged, and that there should be a link to the local plan process so that no doubling up of work is undertaken and to ensure value for money.
 - c) There needs to be reference to the South Down National Park and their strategy as this covers 40% of the district.
 - d) Transport is a major programme with its own strategy and evidence base, therefore the Economic Development Strategy needs to recognise the unique contribution it can make that is not tackled in other existing strategies from organisations such as Hampshire County Council or Transport for the South East.

- e) It will be important to understand what the future infrastructure needs will be across the district, in particular grid capacity as up-grades are likely to be needed to support development.
- f) The strategy must consider not only digital connectivity but also mobile as in some communities this is the primary access route.
- g) The strategy must also seek to map skills provision and gaps and direct what is needed for future sectors and growth.
- h) Agriculture, land based business and rural development will be effected by Brexit and the extent, impact and opportunity of the potential structural change of this sector on the district's economy needs to be understood as part of the strategy.
- i) It was emphasised that the following key sectors must be included in the strategy:
 - (i) The non-profit and voluntary sector important role.
 - (ii) The substantial Education sector, which can help to drive innovation, enterprise and economic growth.
- (j) Whilst it was recognised that the 10 year horizon needed to align with the 2030 district carbon neutrality target, the strategy will also focus on year one, setting out the ground work and capitalising on the current determination to work together to drive change.

The strategy as a whole will set out the steps that need to be taken to shift the economy to be a green, sustainable economy over the complete 10 year period.
- (k) The strategy must be the clear on the role the council can deliver and what are the levers to influence and enable others to act.

7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 In accordance with the Procurement and Contract Management Strategy the evaluation model for this consultancy work will be based on the most economically advantageous tender that allows us to fulfil our aims, with a minimum of 10% being allocated to environmental and social value.

8 EQUALITY IMPACT ASSESSMENT

8.1 The council's Procurement & Contract Management Strategy 2020 – 2025 has four guiding principles which form the key elements of our approach to procurement and contract management activity:

- a) Value
- b) Compliance
- c) Environmental and Social
- d) Fairness

8.2 The strategy requires procurement and contracting to promote and endorse the requirements of the Equality Act 2010 and the Modern Slavery Act 2015 through our procurement activity and contractual arrangements. Equality Impact Assessments are carried out as part of the procurement process in accordance with the corporate guidance.

9 DATA PROTECTION IMPACT ASSESSMENT

9.1 All personal information collected as part of a procurement process, including that contained in contract documentation will be held in accordance with the Council's Data Protection Policy and comply with the six Data Protection Principles set out in Article 5(1) of the General Data Protection Regulation (GDPR) and sections 35 to 40 of the Data Protection Act 2018 (DPA).

10 RISK MANAGEMENT

10.1 Consultants will be required to provide a project plan as part of their quote submission to demonstrate how the timeline would be met. Contract management activities will monitor milestones against this plan. Staged payments and payment against milestones, or at the end of Stage 1 and Stage 2, subject to achievement of outcomes will reduce risk.

Risk	Mitigation	Opportunities
<i>Property None</i>	-	-
<i>Community Support Stakeholders do not participate in the engagement work to develop a consensus for future vision for the economy of Winchester District.</i>	The consultancy specification requires demonstration of innovative and successful approaches to engagement across a wide cross section of stakeholders.	New approaches to engagement will bring forward new and different voices and opinions to add to the strong business community and networks already engaged in the future of the local economy.

Risk	Mitigation	Opportunities
<p><i>Timescales</i> <i>The five month delivery period cannot be met by prospective bidders.</i></p>	<p>The specification is broken into two stages with an initial scoping stage to establish the scale of work required in order to review what will be delivered in stage two, the production of the strategy, in order to meet the timescales.</p>	<p>The prospective consultancy is able to propose a methodology that is innovative and uses an approach that meets the timescales.</p>
<p><i>Project capacity</i> <i>Key personnel either overseeing the contract or delivering the contract become unavailable.</i></p>	<p>Prospective bidders will be required to demonstrate how they will address this issue within their request for quote responses. Adopting a collaborative approach and robust contract management activities will also mitigate.</p>	<p>-</p>
<p><i>Financial / VfM</i> <i>The request for quotes fails to attract any interest or responses are in excess of the estimated value.</i></p>	<p>The specification is broken into two stages with an initial scoping & engagement stage to establish the scale of the work required, and this will be reviewed before stage two, the production of the strategy.</p> <p>An estimate range of the budget will be included in the specification to ensure the strategy can be delivered within budget.</p>	<p>Weighting of 60% is applied to cost so potential suppliers must submit a competitive bid in order to be successful.</p>
<p><i>Legal</i> <i>The council is challenged on the award of the contract.</i></p>	<p>Procurement will support and provide an overview of the procurement process to ensure an award of contract in compliance with contract procedure rules and the Public Contract Regulations 2015.</p>	<p>The opportunity to ensure a competitive bid is achieved.</p>

Risk	Mitigation	Opportunities
<i>Innovation The consultancy fails to deliver a new approach to creating an economic strategy.</i>	The evaluation of the responses to request for quote will require case studies of innovative approaches and references from past clients. The consultant's performance will be monitored and measured through robust contract management. Any concerns will be addressed accordingly and in a timely manner.	
<i>Reputation The engagement and subsequent economic strategy fails to build consensus and damages the perception the council leadership on the local economy.</i>	The evaluation of the responses to request for quote will require case studies of engagement approaches and references from past clients. The consultant's performance will be monitored and measured through robust contract management. Any concerns will be addressed accordingly and in a timely manner.	A Green Economic Development Strategy with collaborative support for its delivery and local ownership of the future changes needed to transition to a sustainable green economy.
<i>Other</i>		

11 SUPPORTING INFORMATION:

11.1 Background

11.2 This is a critical time for the council to develop a new strategy that clearly states its intention, and the practical actions needed, to transition to a low / zero carbon economy that builds on a green recovery from COVID-19 and supports sustainable communities. It is vital that the council understands the scale of the task needed to drive this change through a strategy that is based on up-dated economic evidence, insight and intelligence which reflects the impact of COVID-19 and the council's climate emergency declaration. This is a pivotal moment to springboard from changes in business operations and lifestyle choices made in response to the impact of COVID-19 to a new greener more sustainable economy.

- 11.3 There is a comprehensive body of economic data and evidence that has been created by the council including detailed assessments in 2017 and more recently with local plan and central Winchester regeneration work. The Enterprise M3 LEP has produced a regional economic profile for its industrial strategy, as has the South Downs Nation Park Authority for its economic strategy. Hampshire County Council's 2050 commission of inquiry generated a body of evidence across a range of themes including economy and sustainability. These sources of data and intelligence will be utilised and drawn upon by the consultancy preventing the need for replicating the research, however primary research will be needed to assess and interpret the impact of Covid-19.
- 11.4 The new Green Economic Development Strategy will give insight into the scale of the task, in terms of the change of direction needed, to transition to a sustainable, green economy. It needs to provide a road map of practical steps for how to transform the Winchester District's economy to a much greener, more technologically driven, creative economy, where our existing businesses can grow sustainably; new businesses can be created and thrive, and there are high quality job opportunities for all demographics across the district. Importantly it must build on the District's current economic strengths and continue to facilitate their sustainable growth.
- 11.5 Procuring the services of a specialist consultant offering expertise in delivering innovative approaches to developing visions and strategies, with particular expertise and knowledge in green strategic development, will produce a strategy capable of driving and delivering a green sustainable economy. This dynamic Green Economic Development Strategy will provide the council and stakeholders a concise and achievable road map with tangible outcomes that are collaboratively driven, aligned and shared.
- 11.6 Detailed proposals
- 11.7 A public commitment to produce a new Green Economic Development Strategy has been made, setting direction for next ten years. A credible document is needed to drive change and to achieve this it must be produced in partnership with stakeholders across the district. Three key outputs are required from the Green Economic Development Strategy:
- a) Insight into the scale of the task, in terms of the change of direction needed.
 - b) How we build on the district's key strengths using them as a springboard / catalyst for change.
 - c) A phased development work plan and programme of interventions with practical and achievable solutions to ensure we achieve required transition.

- 11.8 In order to provide these outputs, the strategy will have to address some key questions:
- a) How to use the economic shock of the COVID-19 pandemic as an opportunity to retain the benefits gained and sustain new ways of working?
 - b) How to embrace SMART technology, particularly into our urban centres so the digital revolution can provide economic growth and employment across the district for the benefit of all businesses, residents and communities?
 - c) How local procurement and retaining access to goods and services within local communities and local supply chain can drive economic value?
 - d) How skills needs and demands from future business sectors and new ways of working will change and how these (mis)match to current attainment and local labour pool?
- 11.9 The consultancy contract will be managed against two stages of work with specific performance outcomes for each as set out below:

Stage 1 – Scoping and Engagement
Research and analysis of economic data and trends, especially in emerging and developing issues, and the response to economic impact of COVID-19 on different business sectors.
Innovative engagement approaches to reach a wider audience base, beyond the expected stakeholders and partners. Use of reference groups and strategic conversations.
Stage 2 – Strategy production
Creation of a long-term future economic vision , built on censuses with buy-in from the resident and businesses populations and that encompasses a short term COVID-19 recovery and adaptation plan.
Development of economic priorities based on evidence and the specific challenges and opportunities facing Winchester district.
Recommendation of the actions, interventions and investments from both public and private sector needed to achieve the long-term future economic vision.
Creation of a persuasive proposition to promote Winchester district as a location for sustainable investment in new and emerging sectors.

- 11.10 Stage one is a scoping and engagement stage that involves analysis of economic data and trends, especially in emerging and developing issues, the shift to green growth, the response to economic impact of COVID-19, and stakeholder engagement to identify what work needs to be undertaken in order to develop the Green Economic Development Strategy. This will be reviewed before progressing to stage two which is to develop the priorities and actions and produce the Green Economic Development Strategy.
- 11.11 The Green Economic Development Strategy document will be clear, concise and, wherever possible, have information and analysis visually / geographically illustrated showing distribution across the district. An executive summary will be required for use as promotional and influencing collateral that succinctly sets out the district's economic strategy and ambition for the next ten years.
- 11.12 An indicative timetable for work is shown here:

Period	Activity
Eight weeks	Procurement of consultancy
	Issue Request for Quote; evaluate submissions; consultant selected; Contract with consultants
Five Weeks	Stage 1. Scoping & Engagement
	Assessing the evidence base and stakeholder engagement
Two weeks	Review stage 1
Five weeks	Stage 2. Production of the Green Economic Development Strategy
	Green Economic Development Strategy Priorities and Actions

11.13 Conclusion

- 11.14 It is recommended that to create a new Green Economic Development Strategy external specialist consultancy is procured to deliver a two stage commission. They will bring a depth of experience in developing transformation policy built on local consensus that the Council's Engagement Services does not have the skills or capacity to deliver.

12 OTHER OPTIONS CONSIDERED AND REJECTED

12.1 The following options were considered:

12.2 Do nothing: The production of a Green Economic Development Strategy is a discretionary function and the council could opt not to publish a new strategy. This option has been rejected due to the important role such a strategy plays in demonstrating the council's leadership to its communities on the future growth of the district, the need to shift to a green, sustainable economy and the nature of the economic opportunities and benefits it seeks to develop through supporting a vibrant local economy.

12.3 Produce the strategy in house: The council has an economic development team that could be directed to produce a new strategy. This option has been rejected due to the capacity of the team that is currently committed to reactively and proactively supporting businesses during the response and recovery phases from the COVID-19 impacts and which are still evolving and changing. The new approach also requires specialist expertise in transitioning places to green economies with extensive engagement and participation from stakeholders.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

Other Background Documents:-

None

APPENDICES:

NONE