

REPORT TITLE: 10 YEAR GREEN ECONOMIC DEVELOPMENT STRATEGY

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REPORT OF PORTFOLIO HOLDER: Cllr. Martin Tod, Cabinet Member of Economic Recovery

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WARD(S): ALL

PURPOSE

This paper introduces the work being undertaken and planned to develop a Green Economic Development Strategy.

The strategy will set the direction for the next ten years, setting ambitious, bold and dynamic future direction for Winchester district's economy to play a significant role in the district being carbon neutral by 2030. It will support a green recovery from the Covid-19 pandemic whilst presenting a compelling proposition of Winchester district as carbon neutral, sustainable place in which to live, work, study and visit.

The strategy will build on our existing sector, business and skills strengths, using them to springboard to a greener, more technologically driven, creative economy. It will recognise that growth must be shared by all, reducing inequalities with high quality job opportunities for all demographics across the district. Finally, it will be built on a collaborative consensus of those who live, work and study here now and in the future.

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.

RECOMMENDATIONS:

The Policy Committee are asked to:

1. Review and comment on the work undertaken, findings to date and the emerging themes which will underpin the vision and strategy. The committee are requested to respond in particular to:
 - a) The topics areas outlined in 2.5.3
 - b) The emerging themes underpinning the Vision & Strategy development in 3.1 b)

1 RESOURCE IMPLICATIONS

- 1.1 The resources required to complete the development of the strategy have been secured as outlined in CAB3265/21 October 2020. A £45,000 allocation was agreed to be made from the Climate Emergency Programme budget along with approval to appoint a specialist consultant. The consultant offers expertise in delivering innovative approaches to developing visions and strategies, with particular expertise and knowledge in green strategic development. Urban Foresight were selected following a procurement process to produce a strategy capable of driving and delivering a green sustainable economy.

2 SUPPORTING INFORMATION:

Background

- 2.1 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.
 - 2.1.1 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.

- 2.1.2 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.
- 2.2 Work commenced on developing the strategy in April 2021. There are two key stages of work, as outlined below. Stage 1 is coming to completion however activity around engagement and consensus will continue throughout the project. Stage 2, vision and strategy production is underway and we anticipate draft reports in July 2021. The completed report, along with supporting collateral will be available from the end of July 2021.

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.

- 2.3 The consultancy contract is being managed in accordance with the council's contract management framework against five workstreams (WS) with specific performance outcomes for each as set out below. The areas shaded in grey indicate work completed to date:

WS1 Evidence Base Research	WS2 Engagement & Consensus
Baseline	Reference Group consultation
Mapping Influencers & Drivers	Focus Groups
Competitor Analysis & Benchmarking	Interviews

Economic & Infrastructure GAP Analysis	
Evidence Base Report	
WS 3&4 Vision & Strategy Development	WS5 – Reporting & Collateral
Vision development	Strategy Report
Action plan development	GIS Base Map
	Presentation Deck

2.4 WS1 Evidence base report highlights

- 2.4.1 Overall, Winchester is a relatively well performing district in national and also in Hampshire terms. But it has some weaknesses compared to more successful parts of the South East, including some neighbours to the north. It is also probably not yet consistently at the forefront of green development and can learn much from comparator districts nationally and internationally.
- 2.4.2 In recent years population growth has fallen below England and regional averages. The aging demographic challenge is acute – especially outside Winchester city: The young adult population (18-24) is heavily concentrated in the town – highly influenced by the presence of the University. Although graduate retention is relatively good compared to other Central Southern universities, around 80% of graduates of both University and Sparsholt College appear to pursue their careers outside the town and 2/3rds outside the EM3 LEP area.
- 2.4.3 Winchester has a relatively healthy resident population, with only small pockets of deprivation – but these might change and become more acute post-pandemic.
- 2.4.4 Winchester’s housing market is highly priced. The affordability ratio – even with high average resident earnings is the worst in Hampshire (although less than many Surrey districts within the EM3 geography).
- 2.4.5 The working age population is higher skilled, in higher occupational classification jobs, with higher average salaries than county and regional average. But the relatively high difference between residential (£689.30) and workplace earnings (£636.40) illustrates the importance of outward (and inward) commuting.
- 2.4.6 GVA and productivity growth has historically been high – but not compared to some neighbours and regional pacesetters: Winchester’s GVA is the largest Local Authority District (LAD) economy in EM3 after Runnymede (largely determined by Heathrow) and its growth over the decade to 2018 is in the top 50 LADs in England and well above national and regional averages.

- 2.4.7 However, this is not at the level of many local authorities in Thames Valley Berkshire, Buckinghamshire Thames Valley – nor is the relative improvement (4.4 on the UK index) comparable to key neighbours (Fareham 22.5, Hart 9.6) or comparators like Stratford-upon-Avon (13.8).
- 2.4.8 Winchester is a strongly service led economy and fairly diversified within this. Particular concentrations in health, retail, public administration and education (especially in the town), are matched by stronger than average profiles in higher value sectors like professional, finance, real estate and ICT, and a well-regarded creative and cultural sector.
- 2.4.9 There is a suggestion that, in the round, the workforce may be more resilient than average in terms of both post-COVID-19 recovery and increased home or flexible working.
- 2.4.10 Business dynamism is high – but arguably the district lacks the major corporate anchors most likely to drive science and innovation-led growth. Taken together with the specialism in architecture, this may offer new opportunities for Winchester to take a lead in niche areas like green construction, modern methods of construction and innovative house building over the coming period.
- 2.4.12 Winchester has a strong location on national road and rail transport routes between London and Southampton, with reasonable accessibility to major airports – but intra-district transport can be much more problematic. Within the district, Winchester as the county town has major congestion and resultant air quality challenges; the South Hampshire Urban Area is quite detached from the rest of the district; and east-west and rural – Winchester travel and connectivity needs significant change to meet green and low carbon ambitions.
- 2.4.13 Digital infrastructure is not as strong as Hampshire averages – especially in the rural areas: And Hampshire and UK averages are a long way short of premier EU and global smart places.
- 2.4.14 Winchester’s current CO2 emissions performance remains poor although improvements are being made rapidly. More broadly, the district has striking opportunities and potential for a green-led recovery. With the national park (SDNPA) and extensive other green spaces, the district has huge potential for a high quality environment, improving biodiversity and a natural capital approach in the GEDS.
- 2.4.15 The COVID-19 impact will introduce new dimensions and opportunities into the GEDS. Most analyses suggest that the impact of COVID19 and the lockdown on Winchester district has mirrored national experience, but possibly with more resilience and rapid recovery than areas of more acute pressures.
- 2.4.16 Perhaps key to this is how ambitious and exceptional Winchester district and the council wish to be over the next ten years, and how far the post-pandemic recovery and new global and national contexts provide opportunities for ambitious and exceptional transformation of the district and its communities.

2.4.17 The evidence base report suggests Winchester is relatively well-placed for a credible and highly distinctive, green-based economic recovery and development strategy.

2.5 WS2 Consensus & Engagement

2.5.1 A Reference Group has been brought together comprising of key stakeholders across the district and beyond who will meet at key points during the development of the strategy to consider and comment on findings. Around ten participants make up this group including Enterprise M3 LEP, Hampshire County Council, South Downs National Park, Winchester BID, Sustainable Business Network, University of Winchester, Winchester School of Art and a major local employer.

2.5.2 Four Focus Groups drawing from a range of stakeholders across the whole district have been formed comprising of around ten participants in each group plus a climate change partner and business network/representative organisation. Each group is made up of organisations/groups in common in the following areas:

- Large employers
- Small employers & independents
- Young people & students
- Property & developers

2.5.3 Participants have been asked to consider the following:

- Their perspectives on Winchester district and what a Winchester district GEDS should look like:-
 - o The district's economic strengths, weaknesses, opportunities and threats
 - o Surfacing the key tensions and trade-offs for the district in a green economic approach
 - o Their institution's role and priorities in any GEDS.
 - o What WCC roles and priorities should be.
 - o Any red lines, advice on delivering a successful district-wide GEDS.
- Net zero, other natural capital, biodiversity, and green opportunities issues – and where the win/wins and any trade-offs are with traditional economic development agendas.
- Post-Covid-19 recovery challenges and other possible game changers (e.g post-Brexit)
- Growth and development issues

- Government's approach – challenges, opportunities and tensions
- Regional and local dynamics – expectations of Winchester and WCC. How can Winchester, across the whole district, punch above its weight? What should the priorities and USPs be?
- AOB – chance for the participant to raise anything not covered in the earlier discussions.

2.5.4 Stakeholder interviews & Focus Group activity is ongoing throughout this project and we will include an update on the feedback to date in the Policy Committee meeting on 22 June 2021.

3 **Presentation from Urban Foresight**

3.1 The Policy Committee will receive a short presentation by the Consultants providing:

- a) an overview of the key findings to date
- b) emerging themes underpinning the Vision & Strategy development

3.2 The committee are asked to make comment and input into the findings and contribute their views on topics outlined in 2.5.3 and their thoughts around what the Vision and Strategy might include.

4 **OTHER OPTIONS CONSIDERED & REJECTED**

4.1 Alternative options considered:

1. Do not develop a new strategy: this option was rejected as it is considered crucial to develop a dynamic Green Economic Development Strategy which will provide the council and stakeholders a concise and achievable road map over the next ten years with tangible outcomes that are collaboratively driven, aligned and shared.

2. A short term business recovery plan in response to COVID-19 is produced: this option was rejected as the impact of COVID-19 and resultant recovery needed to be embedded in a longer term strategy which combined a range of other key drivers and influencers designed to bring about long term growth.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

5 The budget and approval to procure external consultants was given in report CAB3265, Creating a New Green Economic Development Strategy considered by Cabinet on 21 October 2020 (Appendix 1).

Other Background Documents:-

- 6 Request for quote for the provision of consultancy to produce a Ten Year Green Economic Development Strategy for Winchester District to transition to a carbon neutral, inclusive economy is attached, (Appendix 2).

APPENDICES:

Appendix 1 Creating a New Green Economic Development Strategy, CAB3265, 21 October 2020

Appendix 2 Request for quote for the provision of consultancy to produce a Ten Year Green Economic Development Strategy for Winchester District to transition to a carbon neutral, inclusive economy