

REPORT TITLE: WINCHESTER DISTRICT GREEN ECONOMIC DEVELOPMENT STRATEGY

20 OCTOBER 2021

REPORT OF CABINET MEMBER: Cllr. Martin Tod, Cabinet Member for Economic Recovery

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WARD(S): ALL

PURPOSE

This paper summarises the work that has been undertaken in developing the next ten year Winchester District Green Economic Development Strategy.

The strategy, see Appendix 1, sets out a framework and overall direction to influence the development of the district's economy over the next ten years, including its role in enabling the commitment to being carbon neutral by 2030. It supports a green recovery from the Covid-19 pandemic and will present a compelling proposition of Winchester district as carbon neutral, sustainable place in which to live, work, study and visit.

The strategy is underpinned by a comprehensive evidence base, see appendix 2, and extensive programme of stakeholder engagement. It builds on our existing sector and business and skills strengths, using them to springboard to a greener, more technologically driven, creative economy. It recognises that growth must be shared by all, reducing inequalities with high quality job opportunities for all demographics across the district.

This Green Economic Development Strategy (GEDS) provides a framework of scenarios, themes and outcomes forming the foundation from which the city council and stakeholders can work collectively to co-create a shared plan of short, medium and long term actions, supported by a robust and measurable programme of implementation. The strategy proposes a range of indicative and longer term actions that will be considered, refined, adapted or changed as the next stage of engagement on action and resource planning is undertaken.

RECOMMENDATIONS:

That cabinet:

1. Adopt the Ten Year Winchester District Green Economic Development Strategy framework (GEDS).
2. Delegate authority to the Corporate Head of Economy & Community to prepare a detailed action plan to respond to the scenarios, themes and outcomes outlined in the 10 year Winchester District Green Economic Development Strategy Framework which will be developed in partnership with internal and external stakeholders.

IMPLICATIONS:

1. **COUNCIL PLAN OUTCOME**

1.1. **Tackling the Climate Emergency and Creating a Greener District**

1.2. There are 8,000 businesses employing 83,000 people across the district, all contributing to the energy and transport carbon emissions of the district. This framework strategy and future action plan provides a significant opportunity to drive a step change in the district's carbon emissions and attract new businesses operating in the green growth sectors. Therefore the Framework Strategy focuses on the opportunity to shift to a greener, sustainable, inclusive economy and outlines 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. It is therefore aligned with the Carbon Neutrality Action Plan which demonstrates the council's leadership intent in tackling the climate emergency.

1.3. **Homes for all**

1.4. An affordable mix of housing is a vital factor in fostering a successful economy. The Framework Strategy identifies 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 Framework Strategy identifies these opportunities and illustrative actions the council and external stakeholders can take to facilitate this green growth and provides a platform to lever inward investment. An external facing persuasive proposition to promote Winchester District as a location for sustainable investment in new and emerging sectors will be created as part of the outstanding pieces of work related to this project.

1.7. The Framework Strategy provides the foundation of 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 in the Framework Strategy within the 'levelled up' scenario. This ensures economic growth and developments redresses widening inequalities and promotes inclusion and participation in the future of the district. Also, the '20 minute communities' scenario sets the opportunity for new investments and services to enable residents across the district access to a greater breadth and depth of live-work offers.

1.10. **Your Services, Your Voice**

1.11. An innovative and collaborative approach to ensure comprehensive stakeholder engagement was adopted to develop the Framework Strategy. This ensured that stakeholders and communities were able to have their say in the future growth and development of the district's economy. This included the development of a stakeholder reference group and a range of stakeholder 'round table' style consultations which has facilitated a consensus around the scenarios, themes and outcomes illustrated in the strategy. A similar approach to stakeholder engagement will be adopted in the process of developing and delivering the action plan.

2. **FINANCIAL IMPLICATIONS**

2.1. 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.

2.2. The creation of the action plan with priorities following approval of the Strategy will include resource planning to ensure these are aligned with its implementation. The need for additional resource will be set out within council's annual budget setting process and mid-term financial management strategy.

2.3. The delivery of the strategy outcomes will require finance and investment over the ten year period. This will include the need to access funding programmes, attract inward investment and bid for grants. Strong partnerships and robustly developed business cases will have to be in place to be successful in securing this external funding. The Strategy creates the framework, evidence base and vision to support this activity.

3. LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1. There are no legal and procurement implications arising directly from this report. The projects identified within the Ten Year Winchester District Green Economic Development Strategy Framework will be subject to input and review, at their time of implementation, by Legal Services and Procurement as and when necessary, and in particular where they require consideration of the council's Financial Procedure Rules, Contract Procedure Rules and Public Contracts Regulations 2015 (PCR2015).

4. WORKFORCE IMPLICATIONS

- 4.1. The Economy & Community Service will take overall responsibility for the implementation, monitoring and reporting of the Green Economic Development Strategy. The Economy and Tourism Team will play a lead role in providing resources to support this work. As part of the action planning process resource planning will also be undertaken to ensure there is the necessary capacity to deliver the Strategy.
- 4.2. It should be noted that this Strategy will require services across the council to align resources to its implementation for example housing, transport, bio-diversity and sustainability.

5. PROPERTY AND ASSET IMPLICATIONS

- 5.1. NONE

6. CONSULTATION AND COMMUNICATION

- 6.1. In addition to external consultation, as outlined in paragraph 1.10, the creation of the consultant's brief, the selection of the consultant and the development of the Framework Strategy has been considered as follows:-

Cabinet Members' Workshop – 28 September 2020

Cross-party and multi-officer procurement selection panel – 9 August 2021

Business & Housing Policy Committee – 22 June 2021 and 21 September 2021

Members' Briefing – 16 August 2021

- 6.2. The Cabinet Members for Local Economy and subsequently Economic Recovery and Climate Emergency have been engaged in the process throughout as has key officers across the City Council, especially planning and sustainability. Feedback has been given by the Corporate Head of Regulatory, the Business and Housing Policy Committee. These comments along with responses are summarised in the following table:

Comment	Response
Stakeholder sessions should be undertaken to explore the proposed scenarios, themes and outcomes.	The engagement exercise with businesses and stakeholders to develop the detailed action plan include the future governance arrangements for a GEDS for example by creating a reference or implementation group to work with the council on project planning and delivery.
A more reader friendly version of the framework strategy should be produced, appropriate for the relevant audiences it is aimed at.	An easily understood executive summary will be produced to convey the council's vision and ambition in the Strategy. A presentation deck along with an investment proposition will be produced in a style which is appropriate for the wide range of internal and external audiences.
There is a need to rethink what we do as a council to ensure that the actions are embedded across all relevant activities of the council.	The next steps of creating an action plan will include internal as well as external stakeholder engagement. It is anticipated that the action plan and implementation programme will feature in appropriate work programmes across the council.
The difference between the timeline of delivery for the Local Plan and GEDS was highlighted along with concern regarding associated impact.	The consultants have engaged with the Strategic Planning team throughout the development of the GEDS and with particular reference to the review of the Local Plan. The Framework Strategy is designed to be flexible and adaptable, providing scenarios which can respond to new evidence and policy changes etc. over its lifetime.
One key scenario is the 20 minute neighbourhood. In the Local Plan a 15 minute cities is used - these should align and be described in the same way so as to be clear and consistent.	Agree and this will be reviewed to ensure consistency with the Local Plan.
The strategy talks about off-site construction (Modern Methods of Construction) but there may be some concern about no mention of fostering traditional building skills too. Important in a district like Winchester.	The Strategy does make reference to traditional skills when it speaks about the "foundation economy" which includes construction alongside energy and utilities infrastructure; care and health; and retail and hospitality. It acknowledges that "achieving inclusive growth and a just transition means that no part of Winchester District's foundational economy is left behind".

7. **ENVIRONMENTAL CONSIDERATIONS**

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

8. **EQUALITY IMPACT ASSESSMENT**

- 8.1. The strategy was procured and contracted to promote and endorse the requirements of the Equality Act 2010 and the Modern Slavery Act 2015 Equality Impact Assessments were carried out as part of the procurement process in accordance with the corporate guidance.
- 8.2. Additionally officers will have regard to the considerations as set out in the Equalities Act 2010 and whether an Equality Impact Assessment will be required to be undertaken on any specific recommendations, future decisions and project design and implementation.

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. The consultants were required to provide a project plan as part of their quote submission to demonstrate how the timeline would be met. Contract management activities monitored milestones against this plan. Staged payments and payment against milestones, at the end of Stage 1 and Stage 2, were subject to achievement of outcomes which reduced risk.
- 10.2. The development of the GEDS is in line with the council's current risk appetite which is moderate as this does means the council remains open to innovative ways of working.

Risk	Mitigation	Opportunities
Financial Exposure Insufficient finance and investment is secured through the mid-term financial management strategy. External investment and funding cannot be secured to enable implementation of the	A review of the action plan and timeline will ensure resources are directed to the main priorities. Development of strong partnerships and collaborations for projects supported by robustly developed business	An investment proposition for the district will set out

Risk	Mitigation	Opportunities
action plan	cases to stand the best chance of attracting external funding and investment	
Exposure to challenge There are no legal and procurement implications arising from this report.		
Reputation The engagement and subsequent delivery of the economic strategy through the action plan fails to build consensus and damages the perception the council leadership on the local economy.	The creation and delivery of the action plan led by the Economy & Tourism teams will be closely monitored and measured through robust management and corporate reporting processes in accordance with the councils contract management framework	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.
Achievement of outcome The GEDS aims and outcomes are not achieved within timescales.	The scenario planning allows for the regular review and prioritisation of actions, so that different levels of effort can be directed at those outcomes that most need addressing	
Property None		
Community Support Stakeholders do not participate in the engagement work to co-create a shared action plan to deliver the priorities outlined in the strategy	An active group of stakeholders have already been engaged in the development of the strategy. It is proposed that these groups will be adopted as part of the action planning process to provide continuity and ownership.	Further developed approaches to engagement will ensure that a comprehensive cross section of stakeholders is engaged in the action planning process, potentially bringing forward new and different voices and opinions to further facilitate ownership.
Timescales	The Action Plan will identify projects that need	

Risk	Mitigation	Opportunities
This is a ten year plan however there is expectation that change and action can be demonstrated early, which may not be possible due to the long term nature of some of the projects to design, resource and deliver.	to be implemented early, and have the greatest impact, or large transformational projects are planned and commenced as they will take time to complete.	
<p>Project capacity</p> <p>Key internal personnel either overseeing creation or delivery of the action plan become unavailable.</p>	An organisation wide approach to creating and delivering the action plan will be adopted. This will include a number of Senior Officers and service teams, offering resilience in the event of reduced capacity in any one area.	

11. **SUPPORTING INFORMATION:**

11.1. Work commenced on developing the strategy in April 2021. There are two key stages of work, as outlined below. Stage 1 is completed and Stage 2 is nearing completion.

Stage 1 – Scoping and Engagement
Research and analysis of economic data and trends, especially in emerging and developing issues, and the response to the 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.

11.2. 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 the work completed to date:

WS1 Evidence Base Research	WS 3&4 Vision & Strategy Development
Baseline	Vision development
Mapping Influencers & Drivers	Action plan development
Competitor Analysis & Benchmarking	WS5 – Reporting & Collateral
Economic & Infrastructure GAP Analysis	Strategy Report
Evidence Base Report	GIS Base Map
WS2 Engagement & Consensus	Executive Summary & presentation Deck
Reference Group consultation	Investment Proposition
Focus Groups	
Interviews	

11.3. Overview of the strategy

11.4. Winchester district faces similar global and national challenges to many other non-metropolitan districts – climate crisis and decarbonisation, post-COVID recovery planning, digitalisation, and countering growing inequalities in a rapidly aging society, among others. This Green Economic Development Strategy (GEDS) outlines how these can be addressed and make the most of the opportunities for sustainable development and economic growth in a way that is distinctive to Winchester district.

11.5. It does this by presenting the GEDS as a ‘next generation’ approach to planning and managing change. It looks beyond the traditional economic indicators and recommends a wider range of economic development activity and new ways of working. The strategy offers a way of thinking about change through the lenses of strategy and contingency planning frameworks which are flexible, adaptive and inclusive and recognise the district’s diverse geographies and communities.

11.6. The strategy has been built on an extensive and robust evidence base presenting a baseline and trends across all the major dimensions of district’s economic, social, and environmental wellbeing. This is supported by a comprehensive programme of stakeholder engagement delivered through round table discussions and interviews including a combination of local and regional public sector organisations, large and small businesses from across the district, academic institutions, community groups and charities. An overview of stakeholders’ feedback is illustrated in a SWOT analysis and has informed the eight outcomes as illustrated below.

11.7. The strategy illustrates a headline vision which underpins the overall strategy. It demonstrates a collective green growth ambition opposed to one or the other and outlines how the district and the strategy will interpret what is meant by a green economy. The vision also tackles the degree of shared ambition and how that sits within a wider strategic context.

11.8. The strategy is structured in three distinctive parts which overlap and should not be viewed in isolation. They are four scenarios; six policy themes and eight outcomes.

11.9. Four Scenarios

11.10. The four scenarios are neither singular choices nor mutually exclusive. They are suggested as lenses through which the council and its partners can plan, manage, and refresh pre-pandemic legacy programmes and projects, and prepare future funding bids and recovery plans as new national and regional opportunities evolve. They can stimulate initiatives and assist in considering impact mitigation of future shocks. They provide the backbone of an agile strategy where the priority actions can be dialled up or down in response to changing political, economic, social, technological or environmental trends.

- **Levelled Up**

Ensures economic growth and development across the district. Addresses inequalities and promotes inclusion and participation in the future

- **20 minute communities**

Addresses live/work offers for residents in the city, towns and villages which will inform new investments and services

- **Resilient**

How the district responds to climate crisis, pandemic and future shocks through green infrastructure, an emphasis on local supply chains, flood protection, energy, and biodiversity improvements

- **A vibrant place for business**

Maps how to exploit the district's business dynamism and our creative and design capabilities to ensure a competitive, technologically advanced route to future economic success

11.11. Six Policy themes (outlined in more detail in the attached strategy)

- Innovative business and economy
- Skills and competitiveness
- Culture, creative and visitor economy
- Connected, public and electric transport
- Affordable low carbon housing
- Green infrastructure, biodiversity and renewable energy

11.12. Eight Outcomes

- Increased business density and diversity
- Higher skills and productivity
- Reduced socio-economic and spatial inequality
- More affordable, sustainable, and flexible housing stock
- Net CO2 emissions reduced to zero
- Greener transport and less congestion
- More local renewable energy
- Increased biodiversity and green infrastructure

11.13. The strategy recognises that the initiatives outlined will not be the only ones to emerge in the coming years and indeed not all those illustrated may be realised. It therefore adopts a methodology of a “graphic equaliser” to enable agility within the strategy as activity undertaken within the policy themes turn evidence into intelligence, allowing flexibility and opportunistic actions, where appropriate, to plan and manage change strategically, in a way that builds on the district’s distinctive assets, capabilities and potential.

11.14. The four over-arching scenarios, the six policy themes and eight associated outcomes are aligned to key council plans and policies including the Local Plan, Winchester Movement Strategy, Winchester District Carbon Neutrality Action Plan and housing plans and to Local Enterprise Partnership economic and industrial strategies. They position the district in terms of Hampshire 2050 regionally and set a framework and way of working that can support the businesses, organisations and communities across all locations within the diverse district of Winchester.

11.15. Section seven of the Strategy – policy themes and illustrative actions – identifies a number of potential actions that fall into four categories as outlined below:-

- Enabling Policy - the council creating leverage to enable businesses and communities to act
- Investment/Delivery work programmes that the council will lead
- Partnership working – the council will be an equal stakeholder operating collaboratively to facilitate and coordinate action by all
- Research/Feasibility - shared work programmes building evidence bases for and appraising future interventions

11.16. The illustrative actions will form a starting point from which to develop and agree with stakeholders in a shared delivery action plan with associated resources and measurable programme of implementation. They are not therefore to be adopted as part of the Strategy approval. The process for creating a shared action plan will be developed and might include formalising the Green Economic Development Reference Group, which formed part of the stakeholder engagement, into a GEDS Steering Group enabled by the city council and stakeholder led.

11.17. The strategy outlines a recommended role for the city council within the shared delivery of the Winchester District ten year Green Economic Development Strategy. This includes the role of strategy and delivery leader. Therefore, GEDS principles will require embedding within all key strategies across the city council's services and feature in all appropriate work programme across the organisation. See illustration below:



11.18. In addition to the above the city council will be the convenor of co-created solutions and an enabling partner of solutions which are delivered by others. The latter is key and to support this an emphasis on partnership working is vital.

11.19. Within the City Council's leadership role it will make maximum use of all possible tools at its disposal, including:-

- Using planning as an active strategic tool to encourage the spatial outcomes required by the GEDS
- Aligning procurement approaches to support the delivery of strategic outcomes envisaged by the desired scenario outlined in the GEDS
- Ensuring assurance processes regarding Winchester City Council capital investment and interventions reflect the stated priorities committed to within the GEDS
- Senior Leadership of Winchester City Council to internally and publicly reflect message, resolve, and ambition of the GEDS

11.20. **Next Steps**

11.21. Commencing in October the Economy Team will develop the process for stakeholder engagement on the policy themes and proposed actions to create an action plan by January 2022. Built into this will be the review mechanism to enable work programmes to be adapted and changed utilising the four scenarios to check the prioritisation of outcomes is still appropriate and to ensure the strategy remains current along with any need to commission further evidence.

12. **OTHER OPTIONS CONSIDERED AND REJECTED**

12.1. 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 was 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.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

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

BHP017, 10 Year Green Economic Development Strategy, 22 June 2021

BHP020 10 Year Green Economic Development Strategy, 21 September 2021

Other Background Documents:-

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.

APPENDICES:

Appendix 1 Winchester District Ten Year Green Economic Development Strategy

Appendix 2 Evidence Base