

Draft Shropshire Economic Growth Strategy 2017 - 2021

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1. Summary

- 1.1 Economic growth is one of the key priorities within the Council's Corporate Plan and the Council recognises that it has a significant role to play in supporting the successful and sustainable growth of Shropshire's economy.
- 1.2 This report presents Cabinet with a new draft Economic Growth Strategy for Shropshire from 2017 to 2021. The aim of this draft Strategy is to provide the vision and ambition that will direct the actions that the Council will take to achieve increased economic productivity and support a prosperous and resilient economy over the next 5 years.
- 1.3 The draft Strategy has taken into account the recently commissioned work with IPPR North to develop a new economic vision alongside the Council's own Corporate Plan and vision to 'make Shropshire a great place to live, learn and work', as well as the sub regional plans and national economic context.
- 1.4 Subject to the outcomes of the consultation, the intention is that there is an annual review of the actions that are set out in this draft Strategy and that the evaluation of achievements and updates are reported to Cabinet.
- 1.5 Shropshire Council will consult on the draft Strategy particularly seeking the views of the business sector, voluntary and independent sector, Town and Parish Councils as well as the Marches LEP and West Midlands Combined Authority (WMCA). The outcomes of this work will be brought back to Cabinet for final approval of the Strategy.

2. Recommendations

- A** Cabinet notes the significant progress made to date in developing this draft Economic Growth Strategy 2017 – 2021 for Shropshire.
- B** Cabinet agrees that this draft Economic Growth Strategy 2017 – 2021 is now subject to formal consultation for 6 weeks and that the results of this consultation will help inform the final Strategy. The final strategy will be brought back to Cabinet for final approval at a later date in 2017.

REPORT

3. Risk Assessment and Opportunities Appraisal

- 3.1 Shropshire's economy has generally been performing well but it has the potential to do much better and to raise its economic productivity. There are a number of current challenges and future trends that, without a strategic economic approach and in the absence of targeted actions to address them, mean that the economy of Shropshire will under-perform.
- 3.2 A key risk is that Shropshire is falling behind regional and national averages in economic output from businesses and employee earnings and this is leading to lower economic productivity compared to the West Midlands and UK as well as some of the surrounding authority areas. There is a declining population of traditional working age (16-64) in Shropshire and a particular lack of younger people staying in the County to work so talent and skills are being lost to elsewhere.
- 3.3 The retention of existing business, the ability to develop and retain skills and talent and successfully attract new inward investment from outside Shropshire are all key objectives to addressing these challenges and supporting a step change in economic performance.
- 3.4 The Council has a key role to play in each of these objectives and a significant opportunity to use its own investment power, services and influences to maximise economic growth. There are six priority actions for the Council that are detailed in the draft Strategy, these are;
- Target actions and resources on economic opportunities
 - enable businesses to grow and succeed
 - Deliver infrastructure to support growth
 - Meet skill's needs of businesses and people's aspirations for work
 - Promote Shropshire to investors
 - Build our reputation as a Council that is 'good to do business with'
- 3.5 The Council cannot deliver growth in isolation and does not have control over all actions and activities that will generate economic growth. Therefore the vision will only be achieved by working collaboratively across the public and private sectors and with our communities. Working with the West Midlands Combined Authority and Marches LEP as our key strategic partnerships and with our neighbouring authorities is important for us to deliver our strategy by being a part of a broader economic geography and joining larger investment propositions and campaigns.
- 3.6 Now is an important opportunity to communicate the importance of growth and work in partnership to achieve the best possible outcomes of a growing economy for the benefit of our people and businesses. A clear communications and relationship plan will underpin the delivery of the draft Strategy.
- 3.7 There are four targets in the draft Strategy that have been based on evidence from the current Local Plan together with recent studies and forecasts. These are targets for the 5 year period of the study and progress against these will be monitored and reported annually.

- 3.8 An annual review of the action plan, that will contain all of the actions from the draft strategy, will also be undertaken and progress together with any updates will be reported to Cabinet. These actions will be defined as immediate (next 6 months), short term (within the next 2 years), medium term (within 2 to 5 years) and longer term (over 5 years).
- 3.9 An ESIA for the draft strategy is being undertaken, and as part of the forthcoming consultation, we will ensure all sectors of the community have an opportunity to feed into the strategy. The ESIA will be regularly updated over the 5-year term of the strategy.

4. Financial Implications

- 4.1 Increasing the business base of Shropshire is directly related to generating business rates that the Council receives. Retaining businesses and attracting new companies will support and raise the business rate income for the Council. This has become increasingly relevant given Government's changes to business rate retention by 2020.
- 4.2 An investment strategy for developing the key employment sites will inform an updated and detailed capital investment programme for the Council, which is an integral part of the Financial Strategy.
- 4.3 Following the outcomes of the consultation, the draft Economic Growth Strategy will help to inform how the council makes the best use of the £1m that has been allocated for economic growth from the New Homes Bonus reserve, as set out in the Council's Revenue Monitoring Report of 9th November 2016.

5. Background

- 5.1 Creating a prosperous economy is one of the three high-level outcomes in the Corporate Plan 2016/17 to 2018/19. Developing a clear economic vision and strategy, attached at Appendix 1, is a key milestone in setting out the Council's commitment and ambition to grow the local economy and deliver this Corporate Plan outcome.
- 5.2 There is significant evidence and analysed findings that sit behind the draft Economic Growth Strategy including the commissioned research report with IPPR North (jointly commissioned with University Centre Shrewsbury) to help Shropshire develop a new economic vision and socio-economic research produced by the Council's Policy, Performance and Intelligence team.
- 5.3 In developing Shropshire's draft Economic Growth Strategy, the regional and national economic picture and context has been considered. It aligns with and informs the Marches LEP ambitions for growth as well as the West Midlands Combined Authority (WMCA) Strategic Economic Plan to 2030. Shropshire's role as a Non-constituent Member of the WMCA is an important development in the evolution of partnership arrangements with the wider West Midlands region and the mutual and shared benefits of growth.

6. Additional Information

- 6.1 The Government has recently launched the 'Building our Industrial Strategy' green paper for the UK and this provides a clear emphasis on the need for local economies to perform well, for this to be place led, and for the overall productivity of the UK to increase to close the gap that currently exists with other countries. This green paper has informed the development of our own draft Economic Growth Strategy and the intention is for the Council to respond to the Government's consultation by the 17th April 2017.
- 6.2 Shropshire Council will now undertake consultation on the draft Economic Growth Strategy over a 6 week period to seek the views from all sectors and communities. In particular, we will want to hear from the business sector, voluntary and independent sector, Town and Parish Councils, the Marches LEP and the WMCA. The outcomes of the consultation will help inform the final Strategy which will be brought back to Cabinet for final approval.

7. Conclusions

- 7.1 The new draft Economic Growth Strategy for Shropshire for 2017 to 2021 presented in this report is setting out a clear ambition and set of actions to increase economic productivity.
- 7.2 This presents the opportunity for the Council to be bold, committed and focused in its leadership role to generate growth for the benefit and prosperity of its businesses and residents over the next five years.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Corporate Plan 2016/17 to 2018/19

Building an economic vision for Shropshire, IPPR North, February 2017

Marches LEP Strategic Economic Plan and Ambitions for Growth

West Midlands Combined Authority Strategic Economic Plan

Building our Industrial Strategy Green Paper, January 2017

Cabinet Member (Portfolio Holder)

Councillor Steve Charmley, Portfolio Holder for Business and Economy

Local Members

All

Appendices

Appendix 1 – Shropshire Draft Economic Growth Strategy 2017-2021