

North East Derbyshire District Council

Cabinet

31 October 2018

Growth Strategy Review

Report of Councillor G Baxter MBE, Leader of the Council and Portfolio Holder for Corporate Strategy and Transformation

This report is public

Purpose of the Report

- To provide an overview of the achievements and outcomes since the adoption of the existing Growth Strategy in 2014.
- To approve the principles, timetable and structure of a review and refresh of the Growth Strategy.

1 Report Details

- 1.1 In 2014, the development of the Council's Growth Strategy was largely driven by the need for the Council to become more financially self-sustaining. At that time, the focus financially was to facilitate the increase of income from New Homes Bonus and Business Rates. Both of these were considered to be potentially stable income streams which could provide longer term financial solutions to reducing government grant.
- 1.2 In order to achieve this objective, the Council identified three priorities to meet the financial challenge. Economic and housing development work on the three areas below was already taking place but the Growth Strategy forged a corporate recognition of the impact of these work streams. The priorities of the Growth Strategy were agreed to be:
- Supporting enterprise: maintaining and growing the business base
 - Enabling housing growth: increasing the supply, quality and range of housing to meet the need of a growing population and to support economic growth
 - Unlocking development potential: unlocking the capacity of major employment sites
- 1.3 Undoubtedly, the Growth Strategy successfully reoriented the Council's approach to growth which has become embedded into strategic and operational activity across the Council. Much has been achieved, in particular unlocking major development sites and enabling housing growth. A full report of outcomes is attached at Appendix 1. Some key highlights are:

- Kier Living housing development started on the Avenue - £180m regeneration scheme
- Avenue A61 southern access underway
- Council commences options for developing the Mill Lane site
- Housing development commenced at Egstow Park
- Former Coalite site remediated and approved for mixed use
- Rykneld Homes built 71 properties
- Northwood Joint Venture established
- Initiated the development of a D2N2 Housing Provider Forum
- Submission of the Local Plan

1.4 The tables below indicate the increase in business rates and new homes bonus during 2014-2018.

Business Rates

	14/15	15/16	16/17	17/18	18/19
	£	£	£	£	£
Estimated outturn *	(2,902,735)	(3,302,735)	(3,300,000)	(3,300,000)	(5,365,526)
Actual outturn	(2,986,703)	(3,275,881)	(3,558,816)	(3,587,196)	

New Homes Bonus

	14/15	15/16	16/17	17/18	18/19
	£	£	£	£	£
Estimated outturn *	(584,725)	(690,058)	(1,214,317)	(1,097,017)	(920,291)
Actual outturn	(593,058)	(698,223)	(1,226,005)	(1,097,017)	

* Estimated outturn used as it is the last update to the budget figure before outturn

1.5 However, more recently, the national context for growth has changed and the Council must now fully understand, encompass and take account of:

- HS2
- The electrification of the Midland Mainline from Clay Cross
- Chesterfield Station expansion
- Brexit
- The future of Local Government funding and the shift to reliance on business rates retention schemes
- Changing town centres
- Low carbon initiatives
- Skills for future jobs
- Changing housing needs

1.6 Furthermore, as employment sites are being unlocked, the Council must build upon and enhance its strategic approach to business growth. It is important to understand the District's strengths and weakness, what type of inward investment the Council would like to attract as well as knowing which sectors needs to be stimulated for growth to create a more diverse economy.

- 1.7 Equally, ensuring that growth is inclusive and provides employment progression for residents will contribute to ensuring our communities become more economically and socially equal. This means that residents need to have the appropriate mix of social, academic and vocational skills to access changing employment opportunities. The more incomes increase the greater the local spend thereby supporting local economies and business.
- 1.8 Town centre regeneration has long been a priority and the adoption of Regeneration Frameworks provides a route map for development. They are already providing a positive step in facilitating and evidencing funding opportunities. Town centre development can also generate an increase in business rates, by reducing empty properties and increasing new town centre trade; enhancing the urban environment to make them attractive places and spaces also makes a major contribution to the desirability of place for business relocation and new residents.
- 1.9 Whilst the District benefits from proximity to the M1, intra and extra connectivity requires longer term planning to ensure the Council is creating genuinely sustainable employment and housing developments, connected within the District and also to the wider conurbations of Sheffield, Derby, Nottingham, Manchester and Leeds. The Council requires a corporate approach to sustainable mobility ensuring that travel and connectivity is considered thoroughly alongside major developments.
- 1.10 A new Growth Strategy would also need to reflect the priorities of the Local Enterprise Partnerships.

2 Conclusions and Reasons for Recommendation

- 2.1 Giving consideration to the factors above it is an appropriate time to review the Council's Growth Strategy. There is no doubt that the current strategy has been successful and should be built upon to reflect new and emerging local, national and regional priorities.

3 Consultation and Equality Impact

- 3.1 As with the previous Growth Strategy, internal and external consultation with a range of stakeholders is required and needs to be built into the timetable.
- 3.2 The Growth Strategy should have clear links with the Corporate Plan and Transformation Plan and the consultation process needs to reflect this joined up approach.
- 3.3 A workshop will take place for Cabinet and the Strategic Alliance Management Team to agree the parameters and principles of the revised strategy. Further workshops will take place with Service Managers and core teams. Suggestions and amendments will be reported back to Cabinet, who will approve the final draft for consultation with external stakeholders. The timetable is expected to be:
 - Autumn 2018 - Cabinet workshop
 - Autumn 2018 – Staff consultation
 - Winter 2018 feedback to Cabinet for first draft of Strategy
 - Winter 2018/early 2019 – external consultation
 - Spring 2019 - final approval of Growth Strategy

4 Alternative Options and Reasons for Rejection

- 4.1 To not review the Growth Strategy; however it would quickly become out of date and will not lead to the development of further growth opportunities.

5 Implications

5.1 Finance and Risk Implications

- 5.1.1 The Council remains committed to becoming financially self-sustaining, and this should remain an objective of the revised strategy. To not pursue a sustainable Growth Strategy would place the Council at further risk.

5.2 Legal Implications including Data Protection

- 5.2.1 None

5.3 Human Resources Implications

- 5.3.1 Officer time to develop the workshops with staff and external stakeholders; providing evidence and information to ensure the strategy is robust.

6 Recommendations

- 6.1 To note the key achievements of the existing Growth Strategy attached at **Appendix 1**
- 6.2 To approve the review and refresh of the Growth Strategy in accordance with the consultation structure and timetable outlined in section 3.3.

7 Decision Information

<p>Is the decision a Key Decision? A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds: <i>BDC: Revenue - £75,000</i> <input type="checkbox"/> <i>Capital - £150,000</i> <input type="checkbox"/> <i>NEDDC: Revenue - £100,000</i> <input type="checkbox"/> <i>Capital - £250,000</i> <input type="checkbox"/> <input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i></p>	No
<p>Is the decision subject to Call-In? (Only Key Decisions are subject to Call-In)</p>	No
<p>Has the relevant Portfolio Holder been informed</p>	Yes
<p>District Wards Affected</p>	All
<p>Links to Corporate Plan priorities or Policy Framework</p>	All

8 Document Information

Appendix No	Title
1	Growth Strategy Achievements 2014-2018
<p>Background Papers (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)</p>	
None	
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