

Report



Place and Corporate Scrutiny Committee

Part 1

Date: April 2018

Subject Economic Growth Strategy Review

Purpose This report provides monitoring information of the Council's Economic Growth Strategy following its adoption in November 2015.

Author Regeneration Manager

Ward General

Summary This report provides the Committee with an update of the Council's Economic Growth Strategy following its development through Scrutiny Committee in 2015, and its subsequent adoption by Council in November 2015.

Proposal To note the contents and recommendations contained within the update

Action by Scrutiny Committee

Timetable Immediate

Background

- 1 Once a scrutiny review is completed, it is important for the Committee to ensure that the recommendations are followed up and the outcomes reported back. This report is being presented as part of this monitoring process.

Outcomes Monitoring Process

- 2 The following process is in place for recommendations / outcomes monitoring activity:

- Recommendations made by Committee and presented to Cabinet / Cabinet Member.
- Recommendations monitoring report prepared and presented to next Chair's briefing after the Cabinet / CM decision.
- Chair considers the draft report and determines the next steps from the following options:
 - Satisfied with Response:**
 - Propose no further action / no action at present but request a report back (within a specified timescale).
 - Electronic copy of the report forwarded to the Committee for information.
 - If any Committee Member objects to the proposed action, they have 5 working days to raise this with the Chair.
 - Unsatisfied with Response:**
 - Propose the report is presented to Committee meeting / request attendance by CM to discuss.
 - RM report finalised and presented to the Committee in the normal way.
 - Committee determines any further monitoring, including the timescale.
- In either case, if a further report is requested the process starts again e.g. draft report to Chair's briefing to consider progress and determine next steps.

Recommendations Update

- 3 An update on progress against the Economic Growth Strategy priorities appears in Appendix 1.

Proposal

The Committee is asked to consider the progress made as indicated in Appendix 1 of the report and to decide an appropriate course of action in accordance with the outcomes monitoring process outlined earlier in this report.

Legal, Financial and HR Implications

This is a monitoring report. The legal, financial and human resources implications of the Committee's recommendations were addressed in the original reports to Committee / Cabinet. No additional implications arise from the production of this report.

Scrutiny Outcomes Monitoring: Economic Development Strategy Review

Background and Recommendations

A review was undertaken by a cross party Policy Review Group in April 2015 to consider a future Economic Development Strategy for Newport. The process was supported by officers from Regeneration Investment and Housing, and Overview and Scrutiny.

The final Strategy, renamed Newport's Economic Growth Strategy provided a ten-year vision for the Council, taking into account the needs of Newport in relation to both local and regional vision.

Following endorsement by Scrutiny Committee, the Strategy underwent a 6 week consultation period, was reported to the Cabinet in October 2015 and was subsequently adopted by Council at its meeting in November 2015.

A six month progress report was submitted to Scrutiny in April 2017. The following details progress up to the end of December 2017.

Given changes to the economic climate since 2015, including the removal of the Severn Bridge tolls, introduction of flexible funding and the forthcoming City Centre Master Plan refresh, it is recommended that a full review of the Strategy be undertaken.

Next Steps

The Committee is invited to consider the progress made against the priorities summarised in Appendix 1 of the report and to decide an appropriate course of action in accordance with the outcomes monitoring process outlined earlier in this report.

Newport City Council Economic Growth Strategy 2015-2025

The Economic Growth Strategy was adopted by Council in November 2015.

The Strategy has three priorities:

- Deliver Shared prosperity - growth should benefit all Newport's citizens.
- Provide an excellent economic environment - modern cities' economic success relies on aligning physical (including infrastructure), cultural and social improvements to support innovation and growth.
- Move Newport up the 'value chain' - successful cities need to become more specialised, innovative, connected and productive.

Within the Strategy, a Delivery Plan with actions across a three year period was developed. These actions each related to one or more of the three priorities contained within the Strategy. A report has previously been taken to Scrutiny in April 2017.

The following provides an update to December 2017, against a summary of each of the Strategies three priorities, detailing progress and key achievements, and looks at actions that will be taken forward through the next 12 months. Where data is provided, this is based on the period April - December 2017 unless otherwise noted in the text.

Priority 1: Deliver Shared Prosperity

The aim of Priority 1 is to consider how the Council can align physical, social and economic programmes more efficiently, to ensure a more joined up approach to delivery across the Council. Regeneration activities need to work with other council services to maximise opportunities such as community benefit clauses within contracts, and to ensure we are producing a future workforce that are able to meet the needs and expectations of employers.

It is also important both as a Council and a region, that we're able to provide adequate skills to meet future demand, not only for identified regional growth sectors, but also those skills to support other demand sectors such as construction to meet Newport's long term regeneration plans. The strategy identifies the need to work with employers, schools and training providers to ensure adequate opportunities exist to meet this, and other identified demand.

The priority also identifies the risk of polarisation within Newport's neighbourhoods and the need to prevent or slow down the rate by which this is occurring through introducing measures that will have impact in our local communities.

Since the adoption of the Economic Growth Strategy, the Council's Well Being Objectives and Well-being Statement have been published. The Well-being Statement identifies the "Steps" the Council will take to meet its well-being objectives. There is close correlation between these steps and activity within the Economic Growth Strategy, ensuring alignment across Council Policy.

Progress to Date**1. Young People:**

- 1.1. In the first year of delivery the Inspire 2 Achieve Operation supported 1036 young people across the South East Wales region deemed at risk of becoming NEET. Within this period NCC engaged 139 young people aged 11—18 highlighted as "RED" through the Early Identification Tool and most at risk of becoming NEET.
- 1.2. 823 additional individuals at risk of disengaging from education were registered with the project, and provided with 1:1 support (at Quarter 3 of 2017).
- 1.3. 287 young people in NCC secondary schools were referred for school support and are reporting improved attendance at school as a result.
- 1.4. 45 individuals participated in accreditation on the Qualifications

Next Steps**1. Young People:**

- 1.1. WEFO have approved a grant extension in principle for Inspire 2 Achieve up to December 2022 with an additional £2.5 million ESF grant awarded. Grant offer is expected in Summer 2018. Funding will be used to engage a further 640 eligible participants and increase the number of qualifications achieved by participants
- 1.2. Inspire 2 Achieve will continue to support those at greatest risk of leaving education.
- 1.3. Inspire 2 Achieve will continue to receive referrals from the Education Service and target support at improving attendance.
- 1.4. Community regeneration will continue to support those wishing to

Certifications Framework that have accessed further learning, training or employment as a result of participating in the project.

2. Work and Skills

2.1. The Inspire 2 Work WEFO Grant Offer letter confirming approval of the operation to be delivered from the 1st February 2017 was received in April 2017. To date 172 NEET young people aged 16-24 have been supported across the South East Wales region with Newport engaging 19 young people.

2.2. The Journey 2 Work Business Plan was approved in October 2017 with the WEFO Grant Offer Letter confirming delivery for 3 years from the 1st November 2017. The operation was approved to be delivered across Newport, Monmouthshire and Cardiff by Newport City Homes, Monmouthshire Housing Association and Cardiff City Council.

2.3. The Skill@Work Development Group has been meeting regularly to develop its Business Plan for this regional intervention. Partners in the operation were originally Newport City Council, Cardiff City Council, Monmouthshire County Council, Vale of Glamorgan Council and Monmouthshire Housing Association.

3. Community Regeneration:

3.1. Gained approval from SLT to develop a business case for a pilot Neighbourhood Hub in the East of the city. Working with Business Improvement colleagues, Norse, finance, IT and HR to develop structures and infrastructure to deliver the concept.

3.2. £1.2m per annum additional Legacy Fund secured as a result of Communities First and Communities For Work decommissioning. Funding to be deployed to support local people to improve skills and develop employability.

access the framework.

2. Work and Skills

2.1. Approval from WEFO for an extension of the project up to December 2022 has been sought with an additional £1.3 million ESF grant requested. Grant award letter expected Summer 2018.

2.2. To successfully implement and deliver the first year of the Journey to Work operation.

2.3. To gain approval from WEFO for the Skills@Work project to deliver up until December 2022, approval is hoped to be achieved by early Summer 2018

3. Community Regeneration:

3.1. Present the business case to council for approval. Once approval is provided, community consultation and development of works will commence. Additional capital funding will be sought to facilitate development.

3.2. Implement the new programmes from April 1st, ensuring all relevant staff have been transferred, activities are designed to achieve outcomes and deliver services in a manner consistent and complementary to the proposed Neighbourhood Hub model. Implementation of new 'Flexible Funding' model, working with all fund managers and service areas to review activities/ services throughout 2019/20 in order to ensure delivery of joined up

<p>4. Housing Provision:</p> <p>4.1. Figures taken from the 2017 Joint Housing Land Availability Study show numbers of completed dwellings for the year April 2016 March 2017 at 952 dwellings. This represents the highest housing completion rate in Newport for over 25 years and was the highest reported across the South East Wales region for the 12 month period. Affordable housing (TAN 2 definition) accounted for 175 of the 952 units.</p> <p>4.2. For the 2 year period since the adoption of the Economic Growth Strategy, the Housing land Availability Study has recorded 1860 completions, which again is a record level of housing completions for Newport and the S E Region for the 2 year period.</p>	<p>efficient services via the proposed Neighbourhood Hubs.</p> <p>4. Housing Provision:</p> <p>4.1. The Joint Housing Land Availability Study is a process that involves Local Planning Authorities, land owners, developers and planning agents reviewing the amount of land available for housing building over the next 5 years. The 2017 Study estimates that 1,074 new homes will be completed between April 2017 and March 2018, and 698 in the same period for the following year. The 2018 Study will commence in April 2018 and is anticipated to be published during the summer 2018.</p> <p>4.2. Rate of completion to be monitored over the forthcoming year.</p>
<p><u>Priority 2: Create an excellent economic environment</u></p> <p>Priority 2 focuses on the economic environment of Newport, which is well placed to maximise its own growth in addition to its contribution to the South East Wales region, ensuring the city can compete on a wider regional base. There is a need to ensure that the social and economic environment is appealing enough to promote to inward investors and to attract a growing workforce, and that the infrastructure both physical and through services is strong enough to meet the demand of the city's growing and diversifying population.</p> <p>Key to the regeneration of any City Centre is the availability of a strong offer, with contraction of the retail sector balanced by an increased quality of provision along with increased leisure and employment opportunities. The promotion of a 24 hour economy is key to Newport's City Centre regeneration programme, ensuring it is a place people want to work, visit and live in. To achieve this it is essential that visitors and residents perceive a city that is both safer and more attractive.</p> <p>Priority 2 also explores opportunities across the county boundary of Newport, making good, sustainable use of our natural resources so as to ensure the city's growth also minimises its environmental impact, and builds the resilience of businesses, communities, and residents.</p>	
<p><u>Progress to Date</u></p> <p>1. Destination Management</p>	<p><u>Next Steps</u></p> <p>1. Destination Management</p>

1.1. A Newport Destination Management Partnership has now been established.

1.2. The Newport consumer guide has proven to be extremely popular. Over 14,000 guides have been specifically requested by individuals, with a smaller number downloading. This is a high conversion rate of over 78%.

1.3. Whilst the Newport Food Festival continues to gain momentum, a new programme of high-profile events for Newport has been developed in collaboration with partners including the AIBA Boxing WSB France vs Wales series, the first ABP Newport Wales Marathon, The British Transplant Games 2019, the Tour of Britain and Velothon.

2. Rural Development

2.1. The Vale of Usk LEADER (Rural Development Programme) and NCC digital team are currently exploring ideas for digital projects in rural Newport including the TV White space project, a newly available broadband technology which will enable rural communities to enjoy the same digital connectivity as in urban areas

2.2. RDP projects which have been secured for Newport include research into Visitor Information provision, coach tourism, and support, research into appropriate accommodation development on the Gwent Levels

2.3. The bid for the HLF Landscape Partnership has now been approved. Over £2.5 million of grant has been approved to explore opportunities to support communities and businesses along the Gwent Levels. NCC has led on the Visitor Economy Destination management proposals.

1.1. To develop a new Newport Destination Management Plan

1.2. To progress more RPD projects for NCC rural areas if possible – such as the Green Volunteers programme and support to the Living Levels

1.3. To continue delivery of a programme of events that maximise community, health and economic benefits whilst improving visitor numbers and helping to put Newport on the map.

2. Rural Development

2.1. To deliver project proposals for improvements to digital connectivity in rural areas.

2.2. To conduct research exercises and analysis of findings.

2.3. To deploy funding towards opportunities to support rural communities, including an Access and Signage Plan, Interpretation Plan and Marketing Plan. NCC councillors are represented on the Living Levels Board. Whilst much of the match funding has been secured, some match funding is still being sought to deliver these proposals.

3. Development & Regeneration

- 3.1. During the 2 year period since the adoption of the Economic Growth Strategy, Newport has developed 6.98ha of land on new employment land allocations identified in the Local Development Plan. Of this 6.9ha of land was during the period 2015/16 on Newport Docks and Phase 1 of Celtic Business Park. An additional 0.08ha was delivered during the financial year 2016/17 at Newport Docks. A further 3.65ha of land currently has planning permission in place, including 2.5ha for Phase 2 of Celtic Business Park.
- 3.2. Newport City Council has developed a draft masterplan for future development of the City Centre, released for public consultation in January 2018. This document includes major development proposals that will form the focus of funding bids to the Cardiff Capital Region and Welsh Government's Targeted Regeneration Investment fund from April 2018.
- 3.3. Vacant property has reduced from 26.7% at end of December 2016 to 25.8% at the end of December 2017 as a result of a combination of interventions including VVP grants and targeted business support.
- 3.4. Regeneration, Investment and Housing were successful in securing a Townscape Heritage development grant of £177,300 from the Heritage Lottery Fund (HLF) towards the refurbishment of the Market Arcade. Additional funding of £1.1m has been ring-fenced for the delivery of the refurbishment proposals subject to a successful application. Application for Stage II funds submitted in March 2018.
- 3.5. NCC has now submitted a stage 1 bid for HLF to secure funding for the restoration of the Newport Transporter Bridge, and to develop a new visitor centre. HLF have already made a visit to the bridge and had a meeting with stakeholders regarding any

3. Development & Regeneration

- 3.1. Development progress to be monitored and delivered in accordance with the planning process.
- 3.2. Further consultation proceeding in Spring 2018. Details to be summarised by Summer 2018 along with formal launch of Masterplan. Newport City Council will seek to secure future regeneration funding via the Welsh Government's successor programme to Vibrant and Viable Places, the Targeted Regeneration Investment fund (TRI).
- 3.3. Vacant commercial property will continue to be targeted through a range of initiatives, including capital regeneration proposals such as the refurbishment of Market Arcade in addition to the continuation of targeted business support grants encouraging the take-up of empty property. Major private sector investment to be delivered at the former Sorting Office and Chartist Tower.
- 3.4. Stage II £1.1m funding application for Market Arcade refurbishment submitted March 2018; decision from HLF due in June 2018 and refurbishment of the historic arcade expected to commence Autumn 2018
- 3.5. Stage 1 submitted. Trustees meet at the end of April 2018 to determine the next stage.

queries about the proposal. NCC is requesting about £10 million pounds of funding.

4. Community Safety

4.1. The City Centre night time economy showed an improvement against “Purple Flag” criteria: (2014 – 43%; 2015 – 45%; 2016 – 63%) with late night bar/club issues being tackled by the NCC Licensing Team working with the Police.

4.2. Anti-social behaviour is being addressed by partnership working through Public Service Board. Actions include a proactive policing and partnership approach, enforcement and injunctions and the introduction of a Public Space Protection Order for the city centre and for Pill.

5. Future Skills

5.1. The creation of the new Employability and Skills strategy group will coordinate the approach to skills and employment in the city. The commissioning of the skills audit by the group will bring local employers to the agenda ensuring a closer working relationship

6. Infrastructure & Connectivity

6.1. The City Centre Newport Explorer digital system was upgraded with new Smart systems building on the Super connected City status. New Public Realm infrastructure has been delivered.

4. Community Safety

4.1. The Council continues to work towards seeking Purple Flag status for the city centre night-time economy. Partnership assessments against PF criteria showed an improvement in 2016 against previous years: 2014 – 43%; 2015 – 45%; 2016 – 63%. We will be looking to apply for Purple Flag accreditation in Oct 2018 now that a decision has been taken by the Council to take on parking enforcement and the City Centre Public Space Protection Order is being revised with new/amended measures to reduce any anti-social behaviour. The revised PSPO should be approved by Council in July 2018.

5. Future Skills

5.1. The Employability and Skills group recently appointed Wavehill Limited to undertake a Business Skills Analysis to establish current and future needs of employment learning and or training provision within Newport. This study established any skills and or learning gaps within the area and within key sectors of industry as it currently stands and how Newport City Council can look to fill those gaps through increasing the skill set and remodelling learning provisions relating to skills development and for those working within the sectors and those seeking to work within the sectors. All interviews and data collection has now been completed, Wavehill have stated that they received a very positive response to their communications and will have a draft available shortly.

6. Infrastructure & Connectivity

6.1. Additional public realm investment to be delivered at Devon Place as part of refurbishment of the IAC building. Further investment into broadband speed to be delivered in 2018.

Priority 3: Move Newport up the 'value chain': Increased value of economic output

A key element of the Economic Growth Strategy is to look at growing Newport's economic output. Whilst previous priorities have focussed on the Council Services, skills and infrastructure that support the economy, Priority 3 specifically focuses on the need to further develop our support to encourage high value business growth and entrepreneurship across Newport. The priority had two key aims of 'Specialising in high value business growth' and to 'Support indigenous development' through innovative actions that support and promote entrepreneurship.

Progress

1. Inward Investment

- 1.1. The Economic Regeneration Team maintains strong links with Welsh Government Inward Investment Teams and Business Development Teams and were involved in early stage discussions with Welsh Government on CAF, IQE, and CARPEO. CAF were introduced to Coleg Gwent by the team and a 'meet the employer' event they ran attracted 671 people. CAF, IQE & CARPEO have announced the creation of 2,600 Jobs in Newport over the next few years
- 1.2. Newport has been shortlisted as one of the Heathrow Hubs, with the potential to secure significant manufacturing jobs supporting the provision of materials for the new runway at Heathrow Airport.
- 1.3. The Economic Regeneration Team continue to attend a number of events to promote the services of the Council: events attended to date include Digital Tuesday and Digital 2017 events, Introbiz exhibition, Cardiff LDC Retail event, and the ONS Economic forum
- 1.4. Social media is being used to promote the business support service, grants and to promote Newport as a place to do business. A NCC Business Support Facebook page, and Twitter feed was established and is regularly updated.
- 1.5. Commitment to set up an 'Its Local' business directory, linked to

Next Steps

1. Inward Investment

- 1.1. The Economic Regeneration Team will continue working with business support agencies (Banks, Development Bank for Wales -- formerly Finance Wales, Business In Focus, Welsh Government) to deliver funding packages and support to Newport based businesses. Increasing links will be made via CCR to develop more regionally-focused packages to support investment in the wider region.
- 1.2. The team will continue working with partners to secure the Heathrow Hub project.
- 1.3. Economic Regeneration Team to continue promotion at events throughout 2018.
- 1.4. New Invest in Newport web presence in development.
- 1.5. To deliver business directory and Newport Business Map

<p>the Newport Business Map. This will promote local businesses and provide supply chain information for inward investors and businesses.</p> <p>2. Support for SMEs</p> <p>2.1. The Commercial Street/High Street Shop Rent Subsidy was updated to the Vacant Commercial Floor Space Grant to include the wider city centre area and offers up to £6,000 towards 1st year rental costs of vacant shop premises in the city centre. £31,740 in grants was been awarded between April and December 2017</p> <p>2.2. A General Business Development Grant has been created offering upto £4,500 towards Newport businesses looking to grow. £12,866 in grants were awarded between April and December 2017.</p> <p>2.3. NCC had secured further funding in 2017 to deliver the UK Steel Enterprise small business grants scheme. £2,911 was awarded in total UKSE grants between April and December 2017.</p> <p>2.4. In all, a total of 406 businesses were supported April – December 2017 between the three grant streams. 171 jobs were created / supported as a direct result of business support provided.</p> <p>2.5. A One Stop Shop facility has been set up for Newport businesses and provides a single point of contact for Council issues. The team maintains regular contact with other departments within the Council to maintain strong links and to facilitate the service</p> <p>2.6. Collaborative working with a number of organisations including Development Bank for Wales, Natwest and Business Wales to provide business support. Events supported to date include Newport Velodrome Development Bank for Wales Event funding drop in day and Business Clinics run at Newport Indoor Market with providers such as Charter Housing, Business Wales, Business in Focus, Monmouthshire Housing Association.</p>	<p>proposals.</p> <p>2. Support for SMEs</p> <p>2.1. Vacant Commercial Floor Space grant to continue in 2018/19 and will be targeted at the City Centre area.</p> <p>2.2. General Business Development Grant to continue in 2018/19 focus on supporting existing Newport businesses looking to expand and take on more employees.</p> <p>2.3. UKSE grant support will continue for 2018.</p> <p>2.4. As above, targeted business support grant funding will continue in 2018 to local SMEs.</p> <p>2.5. Business Support officers to continue provision of service.</p> <p>2.6. To continue to deliver a programme of relevant events which support the development of the local business community.</p>
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2.7. Two Pop-Up business schools have been sponsored in conjunction with various partner organisations including Business Wales, Charter Housing, Newport City Homes, Monmouthshire Housing and Newport BID resulting in a total of 66 new businesses being created.

2.8. Hosting a table at the M4 Business Breakfast networking event. The quarterly events provide an opportunity to network with local businesses and business support organisations.

2.9. A second Bitesize business event held at The POD in March 2018 and offered local businesses advice on the forthcoming changes to the General Data Protection Regulations.

3. Sector Development

3.1. The Economic Regeneration Team are working in conjunction with Coleg Gwent to support the development of relevant sector skills and attend sectoral forums to support Newport businesses

3.2. Supporting and referring businesses to Innovation Point for specific incubator support for digital SME's.

3.3. Continuing to chair and facilitate quarterly Newport Business Account Manager meetings attended by a number of key organisations from across Newport and the region, including FE's, HE's, Welsh Government, Careers Wales, UK Steel Enterprise, Business Wales, Finance Wales, SE Wales Chamber, Remploy, Job Centre Plus, Princes Trust, local enterprise agencies and housing associations.

3.4. The Construction cooperative did not deliver its 3rd project due to difficulties with the tenant and the programme is currently on hold. Looking to re – establish the programme of work in Q4

2.7. A third Pop Up Business School will be held in June 2018.

2.8. Continue support and sponsorship of the M4 Business Breakfast events.

2.9. To review Bitesize Business events provision in light of local business requirements.

3. Sector Development

3.1. Continue to work with Coleg Gwent to shape curricular requirements.

3.2. Continue to identify and sign-post digital SME businesses for targeted Welsh Government support.

3.3. Continue to facilitate the Newport Business Account Manager meetings in 2018.

3.4. Re-establish the Construction Cooperative through community benefit clauses linked to major capital construction projects (e.g. TRI funding)

General overview:

The Council is working well towards achieving the actions set out in the Delivery Plan with a number of actions already completed, or close to completion. A large number of actions within the plan relate to ongoing activity. This is activity that has been determined to have no defined end, therefore by its nature cannot be completed, and will continue to be delivered by the appropriate service area unless future evidence determines there is no further need.

The Vibrant and Viable Places Regeneration Program was a great success with the team delivering on-time and under budget. The Economic Regeneration team are now working on a HLF project for the Market Arcade and securing funds via Welsh Government's new Targeted Regeneration and Investment (TRI) program for future regeneration projects in Newport. Business Support officers are implementing the third General Business Development Grant which will continue targeting the City Centre in order to increase footfall and decrease vacancy rates at the heart of the City. Existing businesses will also be supported in their aspirations to grow and expand and will contribute towards the Council's commitment to support job creation.

The Inspire2Achieve program was another great success and WEFO has approved in principle an extension until December 2022. The Community Regeneration Team has secured a Legacy Fund of £1.2m per annum to continue to improve skills and employability. Wavehill have also been appointed by the Employability and Skills team to look at current and future skills needs. A £2.5 million HLF fund for businesses along the Gwent Levels has been approved and the Purple Flag status for the city centre night-time economy is an on-going project with the city centre already showing improvements prior to the full assessment.

Whilst the current Strategy is working well, there have been significant changes to the economic climate since 2015, not least the impending removal of the Severn Bridge tolls, the intention to adopt a refreshed City Centre Master Plan and the introduction of flexible funding. It is therefore considered appropriate to undertake a full review of the Strategy and update/refresh the document in order to deliver continued growth over the next 3 years.

Actions: To start work on a refreshed Economic Growth Strategy. In the interim we will continue with the improvements and on-going projects within the 'next steps' part of this document in order to continue improving the lives and prospects of Newport residents and their communities.