

Report

Cabinet



Part 1

Date: February 2020

Subject Economic Growth Strategy

Purpose Approval to adopt an updated Economic Growth Strategy.

Author Development and Regeneration Manager

Ward Council Wide

Summary The Newport Economic Growth Strategy was adopted in 2015 and committed to a 10 year vision and framework for building Newport's economy through:

- (1) Delivering Shared Prosperity,
- (2) Creating an Excellent Economic Environment, and
- (3) Moving Newport up the Value Chain.

Since 2015 Newport has become a more competitive city with a growing influence in high value sectors. We have developed a multitude of training and development routes for future workers and the City is experiencing a rapidly expanding tourism sector. Newport now has a pivotal role in the success of both the Cardiff Capital Region and Western Gateway Partnerships and as an organisation we are embracing new ways of working.

In order to reflect changes in the local economy since 2015 and to keep apace with emerging trends, the Economic Growth Startegy has been refreshed and updated to ensure that we are maximising opportunities to enable and facilitate growth as well as complimenting the on-going physical regeneration of the city.

Proposal To adopt the updated Economic Growth Strategy.

Action by Development and Regeneration Manager

Timetable Immediate

This report was prepared after consultation with:

- Strategic Director - Place
- Head of Finance (Chief Finance Officer)
- Head of Law and Regulations (Monitoring Officer)
- Head of People and Business Change
- Cabinet member

Signed

Background

The Economic Growth Strategy was adopted in 2015 and outlined a 10 year vision for building Newport's Economy through:

- (1) Delivering Shared Prosperity,
- (2) Creating an Excellent Economic Environment, and
- (3) Moving Newport up the Value Chain.

This ambitious strategy approved four core outcomes which aim to deliver a vibrant and growing city economy, These outcomes are:

OUTCOME 1: PEOPLE IN NEWPORT CAN ACHIEVE THEIR POTENTIAL

-  Skills Growth
-  Fewer people out of work
-  Fewer NEETs

OUTCOME 2: NEWPORT TO HAVE A COMPETITIVE ENVIRONMENT

-  Increased productivity
-  Greater Jobs Growth
-  Revitalised City Centre
-  Increased Wage Growth
-  Less Knowledge Drain

OUTCOME 3: NEWPORT IS BETTER PLACE TO LIVE

-  Increased Visitor Numbers
-  Lower Carbon Economy

OUTCOME 4: BUSINESSES IN NEWPORT HAVE THE OPPORTUNITY TO PROSPER

-  Growth in High Value Sectors
-  Increase in Private Investment
-  More Resilient Businesses

Since 2015 Newport has become a more competitive city with a growing influence in high value sectors. We have developed a multitude of training and development routes for future workers and the City is experiencing a rapidly expanding tourism sector. Newport now has a pivotal role in the success of both the Cardiff Capital Region and Western Gateway Partnerships and as an organisation we are embracing new ways of working.

Newport's Well-being Plan 2018-2023 was adopted in 2018 and underlines the Public Services Board's approach to improving the economic, social cultural and environmental well-being of Newport and is at the heart of the interventions we undertake. Moving forward we also need to maximise the benefits of working with our regional partners, aligning training and skills to meet demand in growth industries and leveraging in private investment to support sectoral development. It is important that we build upon our successes, such as the South East Wales Cyber Cluster, Compound Semiconductor manufacturing cluster and the growth in the visitor economy which has been stimulated by the opening of the International Convention Centre, Wales.

The Economic Growth Strategy aims and objectives also need to be aligned to the wider strategic objectives of the Council. This ensures that there is a 'golden thread' that integrates the plans, objectives and strategies of Newport's Well-being Plan 2018-2023 and Corporate Plan 2017-2022. There also needs to be synergy with our regional partnership commitments, including the Western Gateway Partnership and the Cardiff Capital Region Economic Growth Plan which focuses on cross-sectoral collaboration, infrastructure development, productivity growth, skills development and regeneration impact in the wider and foundational economy.

In order to ensure that the Strategy continues to be fit for purpose, the priorities and aims set out in the original strategy have been updated to take into account change in the local economy since 2015 and emerging trends. The key outcomes remain fit for purpose and are unchanged in the updated document. Increasing access to jobs, making businesses more resilient and making Newport a better place to live and

work are fundamental to the Strategy and over the last 5 years a number of successes have been achieved including:

- 11.7% increase in FTE gross weekly wages,
- 14.9% increase in business start up rate (with business closure rates down by 0.8%),
- £1.7m increase in visitor numbers,
- £405m increase in Newport GVA, (£2,124 per worker).

Conversely there is still some work to do in delivering the outcomes. Areas which have not improved since 2015 include:

- 6.5% increase in the gender pay gap difference average FTE
- Public perception of Newport and whether residents think Newport is a good place to live, and
- 2% fewer residents registered as self employed.

Growing Newport's economy is important if we are to take advantage of emerging opportunities, Newport has a number of strengths including being:

- an affordable location,
- gateway City,
- direct access to regional and national infrastructure,
- 5 year housing land supply,
- Business Improvement District, and
- 10.8% increase in average property values.

The updated Strategy identifies current threats and challenges as being:

- Maintaining a skilled workforce,
- Addressing the lack of Grade A office stock available,
- Reducing City Centre footfall,
- Contracting retail sector,
- Aging sports facilities,
- Absent landlords,
- M4 congestion,
- Graduate retention,
- Competing for investment opportunities with other Cities.

The updated strategy acknowledges and builds upon the identified strengths, challenges, opportunities and threats and also incorporates priorities and aims of national, regional and local policies and partnerships. Emerging trends are identified in areas such as location and connectivity, innovation, skills and the requirements for future workforces, community, identity and sport.

The core outcomes of the 2015 strategy remain the same and the updated strategy provides a refreshed list of aims which are required to support the delivery of the outcomes. These proposed aims and actions include:

- Increasing the percentage of Newport's population with qualifications NVQ Level 4 and above,
- Encouraging employers to sign up to the Newport Commitment,
- Developing a regional skills employability plan,
- Addressing skills shortages in key sectors, including digital, hospitality and construction,
- Supporting the supply and delivery of housing as identified in the Local Development Plan,
- Supporting the delivery of Grade A office and co-working/incubator space in the City Centre,
- Supporting the creation of new hotel bed spaces to meet the demand generated by the ICCW,
- Improving connectivity between the rail and bus stations,
- Delivering a City Centre Property Enhancement scheme,
- Developing an organisational carbon reduction programme with a carbon neutral vision,
- Promoting digital skills through training and employability programmes including Work Based Learning Academy & Right Skills,
- Exploring opportunities to develop a Digital Bid for Newport, and
- Increasing flexibility of City Centre uses to reflect market demand and sustain the City Centre as a place to live, work & visit.

Risks

Risk	Impact of Risk if it occurs* (H/M/L)	Probability of risk occurring (H/M/L)	What is the Council doing or what has it done to avoid the risk or reduce its effect	Who is responsible for dealing with the risk?
Business and Investment opportunities are missed because of a lack of guidance and skills support	H	L	Reviewing and updating the Economic Growth Strategy will make the growth aspirations for Newport more relevant to current demands and allow Service areas and external providers to ensure that skills and training opportunities are planned and delivered in a timely manner.	Development and Regeneration Manager
Non-delivery of agreed actions and aims	M	L	The actions and aims forming part of the updated Strategy have been identified in consultation with relevant service areas and are considered relevant and deliverable.	Head of RIH
Changes in strategic policy, regional commitments or local demand	L	L	The updated strategy is based on current corporate, national and regional policy as well as reflecting current economic trends. Should there be any fundamental change in policy, direction or trends, the strategy can be updated again.	Development and Regeneration Manager

Links to Council Policies and Priorities

The updated Economic Growth Strategy reflects the Council's strategic policies, both for meeting education and skills needs and continued regeneration of the City Centre, as outlined in the Corporate Plan 2017-2022.

The strategy is consistent with the themes, objectives and priorities of the 'Newport Well-being Plan 2018 – 2023' which are:

- people feel good about living, working, visiting and investing in Newport.
- people have skills and opportunities to find suitable work and generate sustainable economic growth.
- people and communities are friendly, confident and empowered to improve their well-being.
- Newport has healthy, safe and resilient environments.

By enabling Newport to continue being a competitive city.

Options Available and considered

1. To proceed with adopting the updated Economic Growth Strategy to ensure that Newport continues to meet current needs and facilitates opportunities for growth and investment until 2025.
2. To not adopt the updated strategy and continue to implement the current Economic Growth Strategy until 2025.

Preferred Option and Why

To proceed with adopting the updated Economic Growth Strategy to ensure that Newport continues to meet current needs and facilitates opportunities for growth and investment until 2025.

Comments of Chief Financial Officer

The Newport Economic Growth Strategy was adopted in 2015 without any impact on the existing budget provision at that time. This continues to be the case and any aims and objectives refreshed as part of this update will also be met from current budgets.

Comments of Monitoring Officer

There are no specific legal issues arising from the Report or the proposed update to the Economic Growth Strategy. The Strategy provides a framework for the delivery of future economic growth in Newport and ensures that development priorities are aligned to the corporate objectives set out in the Corporate Plan and Well-Being Plan and that there is a transparent process for monitoring and evaluating outcomes. The updated Strategy has been considered by Scrutiny Committee, who endorsed the proposed revisions, subject to some minor amendments and the production of a more detailed delivery plan. These changes have been incorporated within the updated document. The Economic Growth Strategy forms part of the Council's Policy Framework and the original 2015 Strategy was formally approved by full Council. This revision is simply a refresh and update to the previous Strategy, to reflect changes that have taken place in the intervening period and the over-arching strategic objectives set out in the original document have not changed. Therefore, it should not be necessary for full Council to approve the update and Cabinet can agree the proposed revised Strategy.

Comments of Head of People and Business Change

The Economic Growth Strategy aims and objectives have been aligned to the councils's well-being objectives and the One Newport Public Services Board's well-being objectives. This ensures there is a link to the Newport's Well being Plan 2018 2023 and council's Corporate Plan 2017 2022.

This strategy and the cover report have fully considered the Well-being of Future Generations (Wales) Act 2015. How the strategy meets the well-being goals and the sustainable development principle contained in the Act has been summarised in the appropriate section of this report.

Comments of Cabinet Member

The Leader as Cabinet Member for Investment and the Economy has approved the report for consideration by Cabinet.

Scrutiny Committees

The draft Strategy was presented to Overview and Scrutiny Management Committee in September 2019. The updates were endorsed and providing a detailed delivery plan was prepared to capture the aims and actions, it was recommended to Cabinet for approval.

Equalities Impact Assessment and the Equalities Act 2010

The Equality Act 2010 contains a Public Sector Equality Duty which came into force on 06 April 2011. The Act identifies a number of 'protected characteristics', namely age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; sexual orientation; marriage and civil partnership. The new single duty aims to integrate consideration of equality and good relations into the regular business of public authorities. Compliance with the duty is a legal obligation and is intended to result in better informed decision-making and policy development and services that are more effective for users.

The decision recommended in this report will require officers with delegated responsibility to manage the delivery of the agreed aims and actions.

Children and Families (Wales) Measure

N/A.

Wellbeing of Future Generations (Wales) Act 2015

The strategy accords well with the five ways of working as set forth in the Wellbeing of Future Generations Act:

Long Term: Continued, sustainable economic growth in Newport will extend beyond the lifetime of this strategy. We will look forward as far as possible and we will continue to employ an evidenced based approach. Short term opportunities will not outweigh long term risks. There will be a focus on delivering outcomes for the present that can be built upon as milestones for future generations and we will continue to explore new ways of delivering strategy outcomes over the longer term.

Integrated: As an organisation we understand both individual and collective responsibilities to deliver the well-being objectives. We will work collaboratively and share information to meet the well-being objectives in a joined up way with our stakeholders and partners.

Involved: We will look to involve those with an interest in achieving the well-being objectives and goals. We will ensure that involvement reflects the diversity of the area. We also recognise that the views of stakeholders contributes to better outcomes and we will learn and improve from stakeholder feedback.

Collaboration: We will aim to maximise the benefits of collaboration with the Public Services Board, Cardiff Capital Region and Western Gateway partnerships and build upon relationships with stakeholders such as the Newport Economic Network and Business Improvement District to help align the long term strategic vision for economic growth.

Preventative: We will seek to prevent negative outcomes for our communities through careful monitoring of trends and long term planning. We will manage the risks that are identified for both the economy, society and environment. We will align the aspiration of a low carbon economy and sustainable travel with the Well-being Objectives.

The project is compliant with the well-being goals through improvements to economic, social and environmental aspects of Newport as follows:

Goal 1 – A Prosperous Wales

By improving perceptions of Newport as a place to live, work and invest and driving up skill levels for economic growth.

Goal 2 - A Resilient Wales

By improving skills and contributing to a sustainable and diverse economic base with regeneration and economic growth at its heart.

Goal 3 - A Healthier Wales

By ensuring residents have access to appropriate housing and encouraging access to sport, recreation and leisure facilities and promoting the use of sustainable transport.

Goal 4 – A More Equal Wales

By driving up skills levels for economic and social well-being and improving perceptions of Newport as a place to live, work, visit and meet.

Goal 5 - A Wales of Cohesive Communities

By embedding a culture of collaboration within the local the business community an supporting regeneration and economic growth.

Goal 6 - A Wales of Vibrant Culture and Thriving Welsh Language

By driving up skills for economic and social well-being and ensuring people feel part of their community and have a sense of belonging.

Goal 7 - A Globally Responsible Wales

By securing growth and investment for Newport and sustaining local supply chains, businesses will ensure that the objectives contribute fully to a globally responsible Wales.

Crime and Disorder Act 1998

Section 17(1) of the Crime and Disorder Act 1998 imposes a duty on the Local Authority to exercise its various functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area.

Consultation

None.

Background Papers

Economic Growth Strategy adopted 2015.



Economic Growth
Strategy_Final versic



EGS UPDATE 2020
-Final draft.pdf

Dated: 20 January 2020