

CHESHIRE EAST COUNCIL

REPORT TO: ENVIRONMENT & PROSPERITY SCRUTINY COMMITTEE

Date of meeting: 22 March 2011
Report of: Head of Regeneration
Title: Economic Development Strategy for Cheshire East
Portfolio Holder: Cllr Jamie Macrae

1.0 Report Summary

- 1.1 This paper updates the Committee on developments and progress in relation to the Draft Economic Development Strategy for Cheshire East since it was last considered by the Committee on 8 June 2010. The changes raise some fundamental questions as to what should be the scope and content of the final version of the document. Consultation with external partners and other organisations took place in the Summer and work has continued on developing a Local Economic Assessment to inform the Strategy. The latest version of the strategy document (attached as Appendix 1 for consideration) incorporates change as a result of these factors. Also attached are Appendix 2: Summary of key responses, Appendix 3: Schedule of all comments and CEC response, and Appendix 4: Summary of Local Economic Assessment.

2.0 Decision Requested

- 2.1 The Committee is requested to note the changes to the draft Economic Development Strategy and to recommend to Cabinet that a revised document be published.

3.0 Reasons for Recommendations

- 3.1 Work has proceeded over the last year on several major spatial strategies, all of which need an overarching framework to provide a context for their delivery plans. The publication of the EDS will provide this, as well as a platform on which to further develop spatial and thematic priorities for the Council.

4.0 Wards Affected

- 4.1 All

5.0 Local Ward Members

- 5.1 All

6.0 Policy Implications including - Carbon reduction - Health

- 6.1 The Economic Development Strategy sets out how we will deliver the business growth priorities of the Sustainable Community Strategy and informs the development of other Council strategies. A competitive local economy contributes to health and wellbeing, and policies to effect the transformation to a low carbon economy will be a fundamental part of the Economic Development Strategy.

7.0 Financial Implications (Authorised by the Borough Treasurer)

- 7.1 Costs associated with the development of the EDS will be constrained within existing budgets. Individual aspects of underpinning programmes of delivery will be progressed through the Cabinet and Scrutiny process, as appropriate, and reflect any additional resource requirements.

8.0 Legal Implications (Authorised by the Borough Solicitor)

- 8.1 The development of an Economic Development Strategy (EDS) is not a statutory function. However the EDS will be underpinned by a Local Economic Assessment (LEA). The Local Democracy, Economic Development and Construction Act 2009 places a duty on the Council to carry out an LEA.

- 8.2 The following Acts provide the main legislative background and powers available in developing an EDS for Cheshire East.

i) The Local Government (Miscellaneous Provisions) Act 1976

- 8.3 In particular Section 19 contains wide powers enabling local authorities to provide, such recreational facilities as they think fit. These powers are supplemented by Sections 144 and 145 Local Government Act 1972 which empowers local authorities to provide such facilities as conference venues, exhibition fairs etc with a view to encouraging visitors and the provision of entertainment respectively.

ii) The Local Government Act 1999 (Best Value)

- 8.4 Places a general duty on the council to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

iii) The Local Government Act 2000 (Well- being Power)

- 8.5 Part I of the Act gives Local Authorities power to take any steps which they consider are likely to promote the well being of their area or its inhabitants. The provisions of the Act are intended to give Councils increased opportunities to improve the quality of life of their local communities.

9.0 Risk Management

- 9.1 The Council's economic aims, priorities and policies need articulating in a strategy document to ensure that other service areas take account of these in developing their strategies. It is possible that there will be insufficient detail in some emerging/government policy areas to fully comprehend the implications at the local level and as a consequence there is a risk that the strategy will lack clarity in some areas.

10.0 Background and Options

- 10.1 Following approval of the Draft EDS for consultation, the document was put on the Council website, together with an e-mail address/ questionnaire for responses as part of a six week consultation period ending 30 September 2010.
- 10.2 A Task & Finish Group of the Economic Development, Learning & Skills Thematic Partnership was also set up in July 2010 to help develop the strategy through the consultation phase.
- 10.3 The response raised a number of key issues for further consideration. A summary of these and a response is listed in Appendix 2. Where appropriate, changes reflecting the consultation comments have been made to the attached EDS. These are detailed more fully in Appendix 3.
- 10.4 Originally it was proposed that the EDS would be supported by a single Action Plan. However, following discussion with partners in the Economic Development, Learning & Skills LSP Thematic Group, it was agreed that such an approach would not be appropriate at this time. The EDS provides the overarching framework for several other strategies and plans, and these are supported by Action Plans that are more regularly updated – a necessity in the changing funding and organisational environment. For example, the actions and outcomes of the "All Change for Crewe" strategy will be overseen by a project board. The Macclesfield Economic Masterplan also has a separate action programme, to be managed by its new Economic Forum. Also, under the Sustainable Towns Framework action plans are being developed for each individual town. We also have a draft Business Engagement Framework that sets out a more thematic approach to how we engage with and support businesses across Cheshire East.
- 10.5 Over the last few months, since the consultation period, the strategic context has been rapidly changing. The October White Paper: *Local growth: realising every place's potential*, demonstrated the Government's intention to shift power to local communities and businesses. The focus of Government support is on rebalancing the economy towards private sector employment, particularly in those places that have been heavily reliant on the public sector. It will allow market forces to determine where growth takes place and provide incentives to ensure that local communities benefit from development. The White Paper also provides details about the operation of Local Enterprise Partnerships (LEPs) and the Regional Growth Fund. LEPs are expected to have a wide range of economic development, housing, and transport related functions, including co-ordinating proposals/bidding for Regional Growth Fund. They will be the primary body guiding economic development at the sub national level over the coming years

and will be private sector led. The Cheshire and Warrington LEP has now appointed its Board, but its operational structure and responsibilities are still unclear. Given these changes, and the fact that there is an economic policy vacuum as a result, the publication of the EDS now will provide a clearer framework.

- 10.6 Finally, the Council has a statutory duty to prepare a Local Economic Assessment by April 2011 and work is ongoing in this respect. This considers the economic, social and environmental components of the Borough and its linkages with neighbouring areas. As part of this work a Business Survey of 1500 companies across Cheshire & Warrington (500 in Cheshire East) has been commissioned, the results of which are expected to be available in April 2011. This will help underpin the EDS policy and business support approach, and will also help steer the priorities of the LEP. The key challenges identified to date are summarised in Appendix 4.

Conclusion

- 10.7 As a result of the above it is recommended that the current version of the EDS is published, subject to approval from Cabinet. The proposed timetable is as follows:
- 22nd March: Environment & Prosperity Scrutiny Committee considers and approves the current version and recommends it to Cabinet, subject to any amendments as a result of further economic assessment work and the outcome of the business needs survey
 - 6 June: Cabinet approves the revised version for publication.

11.0 Access to Information

The background papers relating to this report can be inspected by contacting the report writer:

Name: Jez Goodman
Designation: Economic Development Manager
Tel No: 01270 685906
Email: jez.goodman@cheshireeast.gov.uk