

## ***Report to the Cabinet***

***Report reference: C/054/2007-8.***

***Date of meeting: 8 October 2007.***



**Epping Forest  
District Council**

**Portfolio: Planning and Economic Development.**

**Subject: Economic Regeneration.**

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### **Recommendations/Decisions Required:**

- (1) That, in order to enable the Council to understand the local economy and to ensure that new Economic Regeneration Strategy meets local needs, the use of the nationally available economic regeneration indicators and other indicators requiring local collection be agreed;**
- (2) That the future adoption of an Economic Regeneration Strategy, which is both sustainable and appropriate to the local context yet is conversant with regional and national policy direction, be agreed; and**
- (3) That the linking of the Economic Regeneration Strategy to existing partnership working arrangements at local and regional level be agreed.**

### **Report:**

1. The recent appointment of an Economic Development Officer (EDO) will enable the Council to strengthen its approach to sustainable economic regeneration, as required by the Council's Corporate Objectives, within the Planning and Economic Development service area.

2. At a national level sustainable economic development has been brought to the fore in Kate Barker's Review of Land Use Planning and subsequently reaffirmed in the White Paper Planning for a Sustainable Future published in May 2007. These two key papers call for a new Planning Policy Statement, Planning for Economic Development, which will further reinforce the Government's commitment set out in PPS1 to promote a strong, stable and productive economy with access for all to jobs, to regeneration and improved employment prospects.

3. In addition, the Sub-National Review of Economic Development and Regeneration published in July 2007 is concerned with the streamlining of current arrangements for economic development and allocating responsibilities and powers to the most appropriate tier of government. The Sub-National Review's recommendations include:

- (a) An enhanced role for local authorities in leading economic development at the local level through the provision of new powers and incentives, including financial incentives;**
- (b) Clarity about local economic objectives, with clear targets for local area agreements and neighbourhood renewal, and a duty for public service bodies to cooperate locally; and**
- (c) A greater role for the private sector locally, facilitated by attempts to revise local structures to more successfully engage business, particularly in local strategic partnerships.**

4. The Council's new EDO has a broad remit, which includes the development of initiatives to support sustainable economic regeneration, employment and job creation. As per the Planning Services Business Plan the post-holder will improve contact with the business community. The EDO will also promote the District and its businesses and will seek to capitalise on leisure and tourism opportunities presented within the District. Partnership working is paramount to the position of EDO, as is effective sign-posting to existing services/information, to ensure effective joined-up working within the Council and externally at local, sub-regional and regional levels.

5. Over the last 18 months the Head of Planning and Economic Development has actively engaged with neighbouring Braintree, Uttlesford and Harlow local authorities to assess the merit of establishing a formal sub-regional economic partnership – The West Essex Economic Partnership. At present ExDRA (Essex Development & Regeneration Agency), which convenes the group, is conducting an analysis of respective authorities Economic Prosperity Action Plans to identify common objectives which might be better addressed collaboratively. Such working not only seeks to create an environment in which Epping Forest District and the three other local authorities may be able to 'punch above their weight' but also recognises that regeneration in neighbouring Harlow will have a clear impact on the Epping Forest District.

6. Local authorities have a duty to seek continuous improvement in the way that they exercise their functions. It is in this regard therefore that it is proposed that the Council adopts a selection of the Audit Commission's non-statutory Economic Regeneration Indicators. These indicators enable users to understand their local economy, identify weaknesses, assist with the development of plans and strategies and to monitor progress and performance.

7. The Audit Commission published the latest Economic Regeneration Indicators Handbook in May 2006. This handbook is divided into nationally available indicators and indicators requiring local collection. Appendix 1 contains a schedule of the nationally available indicators which are drawn from the Quality of Life themes. There are a large number of nationally available indicators. However, these indicators can be obtained for each local authority area in one Internet operation from the Audit Commission's Area Profiles website. This website also enables comparison against other geographical areas. Indicators are also grouped so it is not necessary to refer to each in turn but rather to consider and make comment on each subject area.

8. This report proposes that, in addition to the monitoring of the nationally available indicators, the Council adopts a select portfolio of indicators which require local collection. The recommended set of 'local' indicators has been selected for its relevance to the District, in particular its current challenges and opportunities and is also mindful of resource implications.

9. It is proposed that the Council uses the nationally available indicators and the 'local' performance indicators (set out in the table below), to begin to build a rounded picture of the health of the economy. (Note: where it is indicated that data are sourced from the Internet this is from Nomis official labour market statistics website. This is run by University of Durham on behalf of the Office for National Statistics – the government department responsible for collecting and publishing official statistics about the UK's society and economy).

Theme	Indicator number	Performance indicator	Level of resource required to source data	Purpose/aim
Employment	ER1a ER1b	Proportion of unemployed (a) males and (b) females claiming JSA who have been out of work for more than one year	Low – core data freely available on Internet	Supplements nationally available indicators on unemployment
	ER2	Annual change in number of local jobs	Low – core data freely available on Internet	To monitor changes in local economy
Earnings & Skills	ER3a	Median annual earnings for full-timers	Low – core data freely available on Internet	Median earnings are an indicator of the quality of local jobs
Economic Vitality	ER5a ER5b	The number of VAT (a) registrations (b) de-registrations in the area per 10,000 Working age population	Low – core data freely available on Internet	Monitor the healthiness of the economy through business formation and survival. Note: will only cover businesses which register for VAT, so very small businesses will not be included
Town centres (Note: most resource intensive area)	ER7a	Visits (measured by pedestrian footfall) to the town centre per 10,000 population (survey)	Medium – if conducted on a couple of centres. For example, Waltham Abbey and Epping	Pedestrian activity is crucial for the vitality of a town centre. Of use to all concerned with the town centre, including for example, retailers and potential investors
	ER7b	Satisfaction with the town centre (survey). In determining methodology should consider that there may potentially be local residents who are not satisfied & do not use the centre. Survey methodology should take this into account	Potentially high. Refer to work conducted by Voluntary Action Epping Forest, Town Centre Partnerships etc to avoid duplication. This may reveal opportunity for sharing workload	
Town centres (cont)	ER8a ER8b	(a) Number of retail ground floor units not being used as a proportion of the total number of ground floor businesses, (b) percentage change since previous year	Low – core data is already collected by Forward Planning	To show health of the town centre and demand for retail space. Patterns may emerge showing which areas of the town are prospering, which are declining, and where assistance may be needed

	ER8c ER8d	(c) Number of charity shops as a percentage of the total number of ground floor businesses and (d) Percentage change since previous year	Low – core data is already collected by Forward Planning	A measure of the extent to which units are occupied by charity shops can in some circumstances be indicative that a town is failing to appeal to retailers and shoppers
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10. The District is set to face significant targets for employment growth in the soon to be approved East of England Plan. In the Structure Plans, which preceded the East of England Plan, employment growth, targets were set in hectares of land to be developed for employment use rather than the number of jobs created. Indicator ER2 set out above is therefore important in this regard. It should be noted however, that the EDO would play a key role in developing the Council's intelligence on the ground with regard to businesses moving into the area and the growth or decline of existing businesses. The Regional Spatial Strategy Monitoring Report for 2005/2006 published in April 2007 recognised that working to improve the quality of data, in particular that available to monitor employment, is a key target that should be addressed this year.

11. It is also proposed that the selection of indicators is reviewed periodically, although the benefit of continuity is recognised. There are several themes in addition to the aforementioned, which are important to the Council although the Performance Indicators prescribed within this national guidance are not appropriate to the District's context i.e. they are suited to considerably larger and more urban local authorities. In such cases the EDO will evaluate the need for more tailored local performance indicators.

12. It is proposed that the EDO begins to collect and collate information to inform a revised economic regeneration strategy for the District, which takes into account and builds upon the Council's Five Year Economic Development Plan introduced in 2002. This will be conducted initially in the course of ongoing economic development duties, for it is important that the EDO has a thorough understanding of the local economy and has established relationships with relevant stakeholders before embarking on such an exercise. It is also important to maintain a clear understanding of Essex County Council's priorities and how it is targeting its economic development resources. For example, Essex County Council has recently commissioned ExDRA to deliver a new inward investment initiative and this has involved the recruitment of several inward investment professionals. This may therefore mean that the EDO is able to spend less time in inward investment and instead channel this energy into an alternative work area.

13. The performance indicators will provide a valuable evidence base to enhance the Council's understanding of the local economy and to ensure that the resulting strategy is designed to meet the distinctive needs and aspirations of the District. This recommended new strategy will seek to maximise integration across Council functions and will be clear as to its position within the wider range of strategies and plans operating at the local, sub-regional, regional and national level. This will thereby ensure that the strategy is a key-driver for the implementation of the Local Strategic Partnership's Economic Prosperity Action Plan. This action plan also incorporates the relevant Essex Local Area Agreement priorities to which the Council has given its support (N.B. the action plan is currently under review, although its six objectives remain relevant and will not be changed). The adoption of a strategic approach will ensure that the Council is best equipped to deal with challenges facing the District and indeed capitalise upon opportunities. A revised strategy developed through partnership working will seek to balance appropriate and sustainable economic growth with the needs and aspirations of the resident and business community.

14. It is further proposed that the EDO will produce an annual review and commentary on the economic regeneration indicators, which will be reported to Members.

### **Statement in Support of Recommended Actions:**

15. Economic development is high on the national agenda and there are also recommendations that local authorities should have an enhanced role in leading economic development at the local level. The recent appointment of an EDO provides the Council with the opportunity to strengthen its approach to sustainable economic development, and to ensure that the Corporate Objectives in respect of the Council Plan Theme of “Economic Prosperity” are met.

16. The day-to-day activities of the EDO alongside the application of local performance indicators will provide the Council with greater intelligence on the local economy and will prove essential in monitoring change and trends over time. The EDO should work to an auditable policy, which demonstrates that the Council’s performance, in managing the local economy, is considered and measured.

### **Other Options for Action:**

17. The Council could continue to operate without using any economic regeneration indicators and without developing an Economic Regeneration Strategy to influence the future direction of economic development within the District. This approach would make it very difficult to ensure that limited resources are targeted to greatest effect; would cause problems in measuring performance, and; would act as a barrier to engaging effectively with stakeholders. It would also severely restrict the Council’s ability to meet some of its Corporate Objectives in respect of “Economic Prosperity” (EP3, EP5 and EP6).

### **Consultation Undertaken:**

18. In the course of researching the scope of Economic Development in the District, the EDO has spoken with the Audit Commission and at a sub-regional level with members of the Essex Economic Development Officers Forum. The report has also been circulated to the Policy Unit and Forward Plans team for their comments.

### **Resource implications:**

**Budget provision:** Within existing Economic Development budget.

**Personnel:** Actions would be implemented by the Council’s EDO.

**Land:** Nil.

**Community Plan/BVPP reference:** Economic Prosperity: EP3 – co-ordinate land use and planning policies to ensure economic prosperity; EP5 – respond to issues of local deprivation; EP6 – further develop Town Centre Partnerships.

**Relevant statutory powers:** N/A.

**Background papers:** “Economic Regeneration - A guide to national and local indicators” Audit Commission May 2006.

**Environmental/Human Rights Act/Crime and Disorder Act Implications:** N/A.

**Key Decision reference (if required):** Key Decision.