

**ECONOMY PDG
8TH MARCH 2018**

Update on Exeter and Heart of Devon(EHOD) Shared Economic Strategy

Cabinet Member(s): Cllr Richard Chesterton
Responsible Officer: Stephen Walford, Director for Growth

Reason for Report: To update members on progress with regard to the first year actions of the Exeter and Heart of Devon(EHOD) Shared Economic Strategy.

RECOMMENDATION: That the Economic Policy Development group note the contents of the report.

Relationship to Corporate Plan: It supports the Economy Priority within the Corporate Plan.

Financial Implications: The initiatives within the EHOD strategy are to be pursued within existing budgets.

Legal Implications: None

Risk Assessment: None

Equality Impact Assessment: None

1.0 Background

1.1 The adopted Exeter & the Heart of Devon (EHOD) Shared Economic Strategy sets out a pathway to deliver collaborative economic development work between the four local authorities:

- East Devon
- Exeter
- Mid Devon
- Teignbridge

1.2 These local authorities are considered to be a functioning economic geography, creating a strong relationship between business communities (e.g. sectoral commonalities, supply chain links) and activities that can be delivered to support them.

1.3 The strategy also sets out a number of themes upon which objectives and activities can be developed. Each local authority has taken responsibility for leading on a particular theme, reducing the burden on individual authorities of having to lead on everything at once, in an environment where services are limited in their capacities.

1.4 The Strategy recently won a national award from the Institute of Economic Development, as the Most Innovative Strategy in the UK.

- 1.5 The main objectives of the strategy are to deliver stronger collaborative activities across EHOD under each of the following themes.

2.0 Business Transformation – Mid Devon

Business Support Services

- 2.1 Mid Devon has been working to change the way in which business support services are delivered, and to improve the quality and value for money achieved through procuring externally delivered business support services.
- 2.2 At the point at which the strategy was adopted (January 2017), the 4 local authorities had pooled their business support funding (total of £100k split equally between local authorities) to procure a single service across the whole of the EHOD area. Business Information Point were procured to deliver a business support service, Business Boost, focusing on start-up businesses and young businesses (up to 3 years of age) which the Economic Strategy had identified as being an area of relatively poor performance across EHOD.
- 2.3 The Business Boost project delivered support to over 550 businesses in a 12 month period, and case studies, client feedback and auditing of the project showed that clients valued the service they were provided.
- 2.4 As the project reached the end of its first year, it was superseded by the Growth Support Programme (GSP), which Mid Devon District Council had been developing in partnership with Devon County Council. This £1.8m programme covers the whole of the Heart of the South West and delivers similar services to those which were available under Business Boost. The decision was made to provide match funding to the GSP rather than continue with Business Boost which would have duplicated the service. Where each local authority had previously put £25k towards business support services, the development of the GSP enabled an almost identical service to be delivered for 3 years across the EHOD area for a total cost of £11,250 per authority. This has been achieved through the match funding that is drawn down as a result of our contribution, and represents a significant saving to the 4 local authorities without compromising the quality of the service (Business Information Point delivers the GSP in EHOD).
- 2.5 Through this work, Mid Devon District Council has negotiated an ongoing role on the Governance Board of the GSP, representing the Devon Districts, and greatly enhancing our position as a leader in the development of key business support activities.

Broadband

- 2.6 Access to high quality broadband is recognised across EHOD as a key driver for supporting business growth. Mid Devon District Council has supported the development of a bid for £2.4m to deliver gigabit broadband vouchers to the business community. The bid has been led by Exeter City Council, as they have successfully delivered a previous voucher scheme, and have the expertise and knowledge of the previous scheme to develop a strong bid. The outcome of the bid will not be known until mid-late spring, but aims to make it

affordable for business communities to significantly improve the quality of their broadband speeds.

- 2.7 Mid Devon District Council is leading on a number of other activities to explore commercial opportunities around broadband delivery, and is working with the other EHOD authorities to take forward a wider broadband bid for infrastructure delivery, but the details of these activities are commercially sensitive at this time.

Commercialism

- 2.8 Mid Devon is investigating a number of commercial opportunities that would help to make council services more financially sustainable. These activities include the potential to get involved in commercial premises development, delivering and charging for added value services to the business community, and the opportunity to deliver key activities through joint ventures rather than relying on the private sector to deliver what EHOD needs.

3.0 Education & Skills - Teignbridge

EHOD Employment & Skills Board

- 3.1 Teignbridge District Council has been representing the EHOD authorities on the EHOD Employment & Skills Board (ESB), a collaborative partnership consisting of business representatives and educational establishments. It was originally set up to support the partnership between Exeter and East Devon to support the development of Exeter Growth Point.
- 3.2 All four local authorities were asked to support the development of the ESB to the value of £30k per annum per authority. This however, was not felt to be good value for money, and a decision instead was made that the local authorities will consider supporting activities on a project by project basis, rather than through the provision of a lump sum to the ESB.
- 3.3 Officers at Teignbridge have been reviewing projects delivered through the ESB to identify those which EHOD might wish to support in the future.

4.0 Strategic Planning & Infrastructure – East Devon

Housing & Economic Land Availability Assessment (HELAA) & Greater Exeter Strategic Plan

- 4.1 East Devon has been leading on Economic Development related input into the HELAA. This is the first time in the EHOD area that Economic Development teams have been actively involved in the process of determining land allocations and their viability for employment use across the wider strategic area. Through economic development teams being engaged throughout the process, we have been able to challenge assumptions, particularly the projections of business sector growth and decline in the EHOD area. This has brought another dimension to the process to supplement Experian and Cambridge Economics assumptions with local knowledge. As a result of this, stronger criteria are being used to determine whether or not

employment sites are deliverable and the activities that would be required for them to be unlocked (for example, the roll out of transport infrastructure).

- 4.2 The HELAA process is progressing rapidly, and members have been engaged from across the EHOD area as part of the consultation process, along with forward planning officers and economic development officers. Locally, several employment sites have been deemed to be achievable as a result of the HELAA process and criteria used for assessing viability.

5.0 Inward Investment - Exeter

- 5.1 Exeter City Council takes a lead on inward investment activities for the EHOD group. The main way in which this is done is through the online Commercial Property Register (CPR). This lists all available offices, industrial units, shops, investment property, hotels, pubs, restaurants, and leisure property and development sites across the entire EHOD area. Exeter City Council works with the majority of property agents to ensure the CPR is kept up to date. Once a business has enquired via the CPR they will then be contacted and offered support to explore different options for their premises search. Since April 2017 nearly 500 investment enquiries have been handled and the CPR has received over 6,000 website hits equating to over 110,000 page views.
- 5.2 In addition to this Exeter City Council has regular meetings with the Department for International Trade and partake in a regional quarterly Foreign Direct Investment meeting, organised by the HotSW LEP. Where relevant, Exeter City Council will lead on responses and site submissions to investment enquiries from the Department of International Trade making sure EHOD is considered for future enquiries.
- 5.3 Mid Devon District Council Officers have a strong working relationship with Exeter City Council, and believe that these activities are working well, and directly benefitting the Mid Devon economy.

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Circulation of the Report: Cllr Richard Chesterton, Leadership Team, Head of Planning