

## Report to Cabinet

12<sup>th</sup> January 2017

By the Cabinet Member for Local Economy

**DECISION REQUIRED**



**Horsham  
District  
Council**

Not Exempt

### **Horsham District Economic Strategy**

#### **Executive Summary**

Local Authorities must set out a clear economic vision and strategy for their area which positively and proactively encourages sustainable economic growth. In December 2015, work commenced on an Economic Strategy for the District. The new strategy sets the key economic priorities for the District and the resources needed to deliver economic growth.

This report summarises the five priority areas for the Economic Strategy and the key economic challenges facing the District. It recommends that the Economic Strategy (Appendix 1) is approved. The strategy will then set the context for the work of the Economic Development Team and seek to deliver the economic growth the District needs.

#### **Recommendations**

That the Cabinet is recommended:

- i) to approve the Horsham District Economic Strategy

#### **Reasons for Recommendations**

The approval of the Economic Strategy ensures that the priorities and actions are endorsed by the Council as a whole. It will be a visible document that demonstrates to businesses and residents, the commitment to securing economic growth for the District.

#### **Background Papers**

None

**Wards affected:** All wards in Horsham District

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## **Background Information**

### **1 Introduction and Background**

- 1.1 The National Planning Policy Framework sets out the Government's commitment to securing economic growth in order to create jobs and prosperity. Within this, Local Authorities should plan proactively to meet the development needs of business and support an economy fit for the 21<sup>st</sup> Century.
- 1.2 Local Authorities must set out a clear economic vision and strategy for their area which positively and proactively encourages sustainable economic growth. In December 2015, work commenced on an Economic Strategy for the District. The new strategy sets the key economic priorities for the District and the resources needed to deliver economic growth.
- 1.3 The initial background analysis of the economic challenges facing the District highlighted three key areas:

#### **Business Rates Performance**

Business rates for the District have remained static since 2013. In terms of growth in the business rateable value, Horsham is ranked 288 out of all English Authorities and is the lowest ranking authority in West Sussex.

#### **Loss of Business Rates**

The loss of 3 office buildings in North Street and Chart Way to residential resulted in the loss of £495,000 in business rates. The closure of the Novartis site resulted in the loss of £795,000 in business rates.

#### **Employment Land**

The Northern West Sussex Economic Growth Assessment 2014 estimated an employment land shortfall of 21.5 ha within the District. A new business park at Land North of Horsham (4.6 ha) has now been allocated but a significant shortfall remains.

- 1.4 To actively address these key issues, it is essential that we have a robust Economic Strategy. This provides the framework for the economic priorities of the Council and highlights where resources need to be focused to identify new employment opportunities and secure economic growth.

### **2 Relevant Council policy**

- 2.1 The report supports the economic priorities in the Corporate Plan.

### **3 Details**

3.1 The strategy focuses on five priority areas:

**Priority 1: Inward Investment.**

Securing economic growth and inward investment will, in part, be dependent on businesses and investors believing in the potential of Horsham's economic locations. In the short term this will focus on the offer provided by North Horsham and Novartis.

**Priority 2 Enterprise**

It is essential that the District offers a range of quality commercial floorspace to ensure that these businesses have the opportunity to grow and remain here.

**Priority 3: Skills and Employment**

Horsham's priority for Skills and Employment is to develop the skills that will be needed in the future and find supportive ways of providing skills and employment opportunities to those who are finding it difficult to get jobs.

**Priority 4: Infrastructure – to address the barriers to economic growth**

Infrastructure is vital to the continuing economic growth of the District. There needs to be active support to enable improved access to higher speed broadband and mobile coverage.

**Priority 5: Promoting the District Offer**

It is important that not only should we celebrate and promote the distinctiveness of the area but we should also build on our current strengths and ensure that we secure a vibrant visitor economy.

3.2 The strategy sets out why these five areas are priorities. The essential test goes back to the three key challenges facing the District, namely the poor performance in the growth of business rates; the loss of business rates and the lack of supply in employment land. The strategy then highlights what we will need to do to address the challenges and deliver the priority areas. For example, under Priority 1: Inward Investment, we will invest resources into the promotion of the strategic sites to secure inward investment from companies outside the District. For Priority 2: Enterprise, the initial project is to work with colleagues in Strategic Planning and Development Management to ensure that our planning policies are supportive of the local economy and that we identify new sites for commercial development.

3.3 To accompany the Economic Strategy, an Action Plan is being developed. This sets out the detail of the projects to be delivered, the partners involved in delivery and the projected outcomes. This will be reviewed and updated on a monthly basis to ensure that we can monitor progress.

### **4 Next Steps**

4.1 Following the approval of the Economic Strategy, a final version will be published and circulated to our stakeholders. The action plan can then be finalised and made available.

## **5 Views of the Policy Development Advisory Group and Outcome of Consultations**

5.1 The Local Economy Policy Development Advisory Group (PDAG) has met on three occasions to consider the Economic Strategy. At the initial meeting on 22<sup>nd</sup> June, a SWOT analysis was discussed and the emerging priorities endorsed. The meeting in October 2016 considered the economic challenges facing the District and agreed the five priorities and areas for action. The draft Economic Strategy was then agreed at the PDAG meeting on 30<sup>th</sup> November 2016.

5.2 A business survey was conducted in February 2016 and sent to over 1,500 businesses across the District. Of the 164 respondents, the top ten concerns for business were:

- **Recruitment** - finding qualified/suitable staff
- **Access to finance** - grants and loans
- **Business Support** - for all sizes and stages from business start ups to expansions
- **Broadband** – broadband provision and speeds and mobile phone signals
- **Business rates** – business rates and rental levels for small retailers in Horsham Town
- **Finding new premises**
- **Marketing and finding new customers**
- **Cash Flow**
- **Business training** - marketing/running a business
- **Parking** – for customers and staff in Horsham

5.3 The results of the survey have helped to shape the priorities of the Economic Strategy and the projects in the action plan.

5.4 As part of the preparation of the strategy, the Economic Development Manager has attended meetings of the Parish Councils, the Horsham Rural Towns Forum, Trader Associations and Business networks. This has assisted in confirming the economic challenges facing the District.

5.5 On 29<sup>th</sup> November 2016 the draft Economic Strategy was presented at a seminar for all Councillors. The discussion highlighted some areas where more detail was required and endorsed the five priority areas and general approach taken in the Economic Strategy.

5.6 The draft strategy has also been presented at the Informal Cabinet meetings and meetings of the Senior Leadership Team. Their comments have been incorporated into the strategy.

## **6 Other Courses of Action Considered but Rejected**

6.1 No other courses of action have been considered.

## **7 Resource Consequences**

- 7.1 There are no financial consequences. A review of the Economic Development Team has taken place and the necessary resources will be in place to deliver the new strategy.

## **8 Legal Consequences**

- 8.1 No legal consequences have been identified.

## **9 Risk Assessment**

- 9.1 The risks relate to the key economic challenges that have been identified e.g. lack of employment land. These are listed on the Economic Development Risk Register.

## **10 Other Considerations**

- 10.1 Issues have been considered but there are no consequences of any action proposed in this report in respect of Crime & Disorder; Human Rights; Equality & Diversity and Sustainability.