

Agenda Item No. 6(e)

DERBYSHIRE COUNTY COUNCIL

CABINET

11 January 2018

Report of the Strategic Director – Economy, Transport and Environment

**DELIVERING ECONOMIC GROWTH THROUGH ENTERPRISE AND
INVESTMENT SERVICES (ECONOMIC DEVELOPMENT AND
REGENERATION)**

(1) **Purpose of Report** To seek approval for an additional core budget of £200,000 per annum for the delivery of enhanced services to support economic growth in Derbyshire.

(2) **Information and Analysis**

Background

A key priority of the Council Plan 2017-21 is to “unlock economic growth and access to economic opportunities”. Council services and activity that helps support and drive economic growth is focused in the Economy and Regeneration Service. The Service encompasses a number of functions, including economic regeneration, transport strategy, planning services, employment and skills and the operational delivery of Markham Vale. The Service also leads on strategic partnership working, most notably through the Derby, Derbyshire, Nottingham and Nottinghamshire Local Enterprise Partnership (D2N2 LEP), Midlands Engine/Midlands Connect and Derbyshire Economic Partnership (DEP).

The Council recognises the key role it has to play in promoting and securing economic growth and prosperity across the County and wider region, either directly or in partnership. The Council Plan closely aligns to the Derbyshire Economic Strategy Statement (DESS) which has been in place since 2014, providing a framework for the economic development of the County.

The current international, national and regional economic environment is fast paced and changing in response to a number of issues and challenges in the wake of the EU referendum and the UK’s ongoing “Brexit” process. The main factors shaping future economic growth policy and delivery are:

- Industrial Strategy – White Paper published on 27 November 2017 setting out the Government’s approach to improving productivity and creating better and higher-paying jobs across the UK.
- Midlands Engine/Midlands Connect – Government regional policy for infrastructure and major regeneration is now being delivered through new strategic vehicles to align and co-ordinate local activity at LEP level.
- D2N2 Strategic Economic Plan – currently being refreshed with a likely focus on productivity and inclusive growth (i.e. a rebalanced economy that works for everyone).
- Trade Policy – The Department for International Trade (DIT) published “Preparing for our future UK trade policy” in October 2017 setting out economic policies, post-Brexit.
- 4th Industrial Revolution (4IR) – The challenges and opportunities facing the economy and productivity in light of advances in technology, artificial intelligence and the data revolution.

It is essential the Council is well-positioned to support growth in the regional economy and in UK particularly at this time of increased global competition for investment. Proactive work is essential if Derbyshire and the east Midlands are to create and take advantage of investment opportunities, attracting additional growth and wealth into the local economy which ultimately will result in more and better jobs, enhanced business rates and greater prosperity.

New and Enhanced Enterprise and Investment Services

In order to effectively deliver Council Plan priorities and meet the challenges and opportunities set out above, it is proposed that additional resources of £200,000 per annum is provided to the base budget of the Economy and Regeneration Service.

The new “Enterprise and Investment” budget will complement the existing budget currently allocated to the economic regeneration activity. These resources will also be aligned closely to the existing DEP budget (external funding) to secure greater economies of scale and impact in the inward investment and business support activity delivered through the work of the DEP Board. The Board has recently been re-established to spearhead economic development in the County under the vision:

“To work with partners to stimulate, develop and encourage a range of strategic sustainable economic development opportunities in Derbyshire to improve the economic prosperity, quality of life and overall environment for business, individuals, communities and visitors.”

The detail of how the additional resources are allocated will be considered by the Strategic Director – Economy, Transport and Environment in conjunction with the Cabinet Member - Economic Development and Regeneration and

subject to the ongoing service review of the Economy and Regeneration Division. However, it is likely to include additional staffing resource, alongside a revenue budget to support the development of key, strategic projects to attract new investment to Derbyshire and grow existing businesses. The additional budget and resource will also be used to lever in external funding wherever possible to deliver economic development objectives.

To summarise, the focus of the proposed new and enhanced services are as follows:

- Inward Investment – To further develop the inward investment service to become a fully pro-active investment promotion offer across Derby and Derbyshire (D2) through alignment and partnership with other existing organisations (notably Marketing Derby and Destination Chesterfield). The model has been developed and is being delivered highly effectively with support from the “Invest in D2N2” ERDF (European Regional Development Fund) project.
- Investor Development – To develop a new function under the banner of “Invest in Derbyshire”, closely aligned to the inward investment offer which will aim to retain and increase the levels of investment in Derbyshire by supporting existing companies that have the potential to grow. Key account management activity will provide support to targeted businesses; will help set up new operations; allow access to local, sub regional and national and international networks; build partnerships with commercial providers such as consultants, recruitment and selection agencies; and organise network events.
- Trade and Export Support – With the impact of Brexit, developing new export markets and working with business to maintain existing EU trade will be vital. The extended Service will work closely with the Department of International Trade (DIT), the D2N2 LEP and the East Midlands Chamber to highlight opportunities and broker relationships with firms in Derbyshire to help increase export.
- Place Promotion – Promoting Derbyshire as a place to invest, work, live and visit is an important element of promoting economic growth, particularly as the Visitor Economy is a key sectoral strength. It is important that the key messages delivered as marketing collateral are co-ordinated and complementary, whether it be the work of Marketing Peak District and Derbyshire (MPDD) in relation to tourism promotion or direct to investors through “Invest in Derbyshire”. The extended Service will undertake this co-ordination role in partnership with the key agencies involved. Links will also be made to major Council infrastructure investments promoted through the Derbyshire Infrastructure Investment Plan (DIIP), the Local Transport Plan and capital projects such as HS2 (High Speed Rail).
- International Partnerships – The County already benefits from international links with Japan (through the long established Toyota

arrangements and China (through agreements with Anhui province). The service will continue to co-ordinate activity in respect of the economic and trade agenda and commission delivery through other departments and partners where necessary (for example, educational and environmental links). New links will be investigated based on economic potential for further inward investment in key trading areas such as Europe, Asia and North America.

The extended Services will align with existing investment and business support services provided through DEP and those currently supported through ERDF funding. In addition, it will add value to tourism promotion and visitor economy growth funded through Marketing Peak District and Derbyshire and general business support co-ordination delivered through the D2N2 Growth Hub.

Finally, the resource will allow closer alignment with the delivery of the Digital Derbyshire programme and work to develop other major infrastructure programmes such as green energy and alternative fuels which will be essential if Derbyshire is to succeed in providing a 21st Century, competitive platform for economic growth.

(3) **Financial Considerations** Following approval of the report, additional revenue of £200,000 per annum will be built into the base budget from 1 April 2018.

(4) **Human Resources Considerations** Any additional staffing to align with existing resources within the Economy and Regeneration Service will be considered as part of the ongoing service review.

(5) **Social Value Considerations** Securing economic growth will ensure more and better quality jobs are available for local residents and will help ensure continued prosperity in communities and households in the County.

Other Considerations

In preparing this report the relevance of the following factors has been considered: legal, prevention of crime and disorder, equality and diversity, environmental, health, property and transport considerations.

(6) **Key Decision** No.

(7) **Call-in** Is it required that call-in be waived in respect of the decisions proposed in the report? No.

(8) **Background Papers** Held on file within the Economy and Regeneration Service within the Economy, Transport and Environment Department. Officer contact details – Frank Horsley, extension 38348.

(9) **OFFICER'S RECOMMENDATIONS** That Cabinet:

- 9.1 Notes the commitment to support economic growth as set out in the Council Plan and the evolving international, national, regional and local policy context global challenges to growth.
- 9.2 Approves a revenue allocation £200,000 per annum for a new "Enterprise and Investment" budget under the Economy and Regeneration Service.
- 9.3 Delegates responsibility for the detailed allocation of resources to the Strategic Director – Economy, Transport and Environment following consultation with the Cabinet Member - Economic Development and Regeneration.

Mike Ashworth
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