

Somerset West and Taunton Council

Executive – 28 January 2020

Prosperity and Economic Development Strategy

This matter is the responsibility of Executive Councillor Marcus Kravis

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1 Executive Summary / Purpose of the Report

- 1.1 The document Somerset West and Taunton's (SW&T) "*Prosperity and Economic Development Strategy*", produced with the support of Deyton Bell consultants, is the first economic development strategy and framework for the new Council against which future interventions and business support and skills projects can be assessed, in terms of whether they address issues and market failure, build on existing activity, support and complement local and sub-regional stakeholder programmes or address evidenced gaps in the business support and skills landscape.
- 1.2 It represents the culmination of several months of work, including internal SW&T and business and stakeholder engagement, and sets out the rationale for the types of intervention the Council might undertake. It also identifies the type of role the Council should play, working in partnership with other strategic stakeholders, including Somerset County Council and the Heart of the South West Local Enterprise Partnership (HoTSW LEP). Such roles the Council might play include influencing and lobbying, strategic navigator, co-commissioner or sole seed corn funder and catalyst.
- 1.3 SW&T has a unique opportunity to build afresh as a new district geography, a newly formed council and new political leadership, as well as some key new stakeholders to the sub-region, including the Council's CEO, the LEP CEO and the Somerset Chamber CEO for instance.
- 1.4 The strategy sets the baseline starting position by identification of the issues, challenges, objectives and opportunities, setting out a high level vision and a proposed set of actions around Business, People and Place themes, which are very much aligned to the Local Enterprise Partnership's Local Industrial Strategy (LIS). It will shortly help shape and inform the imminent refresh of the Somerset Growth Plan in workshops with the County and other Districts in the early part of 2020.
- 1.5 The economic development strategy will also inform the relevant aspects and delivery of:
 - the updated Local Plan, including the rural Local Development Order (LDO), once it is

adopted as Council Policy following the consultation period

- the delivery of Chapter 4 of the Taunton Garden Town Vision “‘New shoots and blossom’ - a dynamic and prosperous community founded on knowledge, culture and business
- the Climate Change Strategy and action plan, with the economic development team working collaboratively on the industry and business workstream for SW&T but also in partnership with the County, which potentially could lead to the development of an environmental cluster
- informing the Council’s approach to Social Value and the planning and procurement processes
- an emerging Cultural strategy
- the High Street Regeneration Fund
- the Business Improvement Districts (BIDs)

1.6 A draft workplan and set of actions has been developed and discussed with the Portfolio Holder, but will obviously need to reflect further internal deliberations around the corporate plan, budget and resource prioritisation during Q4 2019-2020. This is based on the 13 Priorities set out in this document which is a combination of:

- 6 Priorities identified in the full Deyton Bell strategy document in Annexe A
- relevant workstream activity which has emerged during the period of the development of the strategy (i.e. Exmoor rural enterprise programme, LEP coastal productivity plan development, Barclays Bank Thriving Local Economy three year programme for Taunton Deane)
- business as usual activity such as the ongoing Business Rates two year pilot scheme programme.

1.7 Formal adoption of this strategy and workplan will enable the Council to re-engage with Stakeholders and develop a series of bespoke communication materials and messaging for the different stakeholder audiences of Government and governmental bodies such as the LEP and the County, businesses and local stakeholders.

2. Recommendations

2.1 The Executive resolves to:

- a) Recommend that the Strategy should progress to the Full Council meeting for adoption, after which a detailed operational workplan will be agreed in consultation with the Portfolio Holder during March 2020 to progress during the financial year 2020-2021
- b) Agree to the development of targeted messaging and communications materials for the different audiences

3. Risk Assessment (if appropriate)

If the current status quo were to be continued without a strategic framework for action as set out by the Prosperity and Economic Development strategy, there is a risk of:

- a) a lack of rationale and logic chain as to why the Council is investing in a programme/project or intervention (as a result of market failure for instance) as well as ad hoc project funding
- b) a lack of a strategic programme approach which is aligned to the Somerset Growth strategy and the LEP’s Local Industrial Strategy and any future Prosperity funding post Brexit.

With such a framework in place, we can assess the value for money and delivery of outputs moving us towards the Vision for the future knowledge economy and we are able to establish and clarify the role of the Council and other stakeholders, giving us a better understanding of the value and resources the stakeholders bring.

4. Background and summary extracts of the Strategy report

Overarching vision

*The **place** in which we live, work and enjoy our leisure time is ready for the next generation; that our **people** are supported and become our finest ambassadors who attract in those who are like minded and that they all have fulfilling careers in a **business** based locally.*

4.1 Themes

The thematic priorities of People, Place and Business have been used to develop a concise set of action programmes that will make the biggest difference and take forward a co-ordinated approach to delivery. This will help to focus the efforts and impact of partners and investment locally, in Somerset and across the South West. It will evolve and be agile enough to respond to external changes in the market or Government policy (e.g. the impacts of Brexit and change of Government or government body) and build into a comprehensive and sustainable economic and prosperity programme over time.

The issues identified under each of the themes have been identified and captured through previous strategy and relevant document desk based review and analysis, stakeholder engagement and workshops and consultant's experience from elsewhere. The detail below represents a summary extract of the full document.

4.1.1 People

SW&T are committed to developing the current/future workforce: this involves identifying skills gaps and considering how residents can be supported to train or re-train at any stage in their career development in order to obtain employment, improve their future career prospects and access current/future knowledge economy jobs.

Key issues

- SW&T has low social mobility, an ageing and aged population - it is important to improve inclusivity across the District and to decrease the numbers of economically inactive.
- Business owners report that not only is there a restricted talent pool, due to near full employment, but that there is also a real skills shortage – we need to develop the skills and workforce that businesses need
- There needs to be greater opportunity through existing business growth and targeted inward investment to retain the next generation of graduates, which in the longer term might also require the provision of some form of higher education institution and research and innovation

Objectives

These will be addressed by improving inclusivity and career progression and pathways across the District and facilitating improved social mobility through the provision of better job and career opportunities and responding to the skills which businesses need.

4.1.2 Place

In order to enhance SW&T in the context of 'Place', both infrastructure improvements and a coherent approach to 'place marketing' are important. The availability of employment land/premises, broadband and transport links, and the appeal of our distinct areas within the District need to be addressed. When considering place related issues, it is important to recognize the uniqueness and idiosyncrasies of the various place related characteristics across SW&T.

These include the Coastal strip and its communities, the Rural band running across the countryside in the heart of the area, market towns such as Wellington, the M5 corridor and the more urban areas surrounding it, and Taunton with its role as both County and Garden town. Barclays Bank is launching its third pilot area out of four nationally for its three year 'Thriving Local Communities' programme in the parliamentary constituency of Taunton Deane, specifically as it recognizes the largely rural nature of the Taunton Deane constituency.

It is also important to ensure climate change and environmental issues feature significantly in all plans – as mentioned before they are critical and not an optional extra. This should be a recurring theme in developing policy and delivering interventions. The following emerged as the key issues:

Key Issues

- There is too strong a reliance on one sector of the economy (namely tourism) for certain areas of our District – the Council needs to support them to become more resilient and develop a diversified mixed economy offer.
- There needs to be a review of the appropriate mix and allocation of commercially available strategic employment sites and 'fit for purpose' property and premises as part of the Local Plan refresh (Council owned assets as well as commercial sites). This includes both the availability and affordability of employment sites for rural local businesses as they grow and the need to retain them as part of the Local Plan and the implementation of the Local Development Order (LDO) in rural communities
- There needs to be better collective working amongst some of the local partnerships, including the combined Coastal Communities, as well as higher level strategic relationship building with the LEP, County and Districts and other institutional and business assets, representing Somerset collectively with one voice to the LEP
- Market Towns may be tired and need re-vitalising – the Council needs to better understand the sense of place of these market towns and their purpose in the local economic context; there is a need for more place marketing and activity to support the night time evening economy, including business and student vitality for it to flourish once again as the County Town
- Transport, connectivity and infrastructure are inadequate and do not facilitate greater social mobility, inclusion and opportunity, especially in the more coastal and rural peripheral areas of the District; more investment is needed in original thinking and solutions such as 'on demand' mobility and clever infrastructure investment.

Objectives

- The West Somerset Railway and a future station at Wellington should be supported as critical infrastructure in support of connectivity improvements.
- Making better use of development and regeneration opportunities including strategic employment sites and SW&T's natural capital, by prioritising future investment in infrastructure, assets and public realm to build thriving places.

This includes the coast and our natural capital and its preservation, rural areas including Exmoor National Park, our market towns, the M5 corridor and the more urban areas surrounding it, and Taunton as both a County & Garden town

- Strengthening the tourism offer (and marketing of such) of our coastal towns, the coastal strip and Exmoor whilst reducing dependency on this sector alone and diversifying the offer.
- Bringing forward appropriate employment land and flexible premises and sites to support both existing business growth and innovation across the district, especially in emerging sectors and clusters where there are market opportunities (digital, environmental & a low carbon circular economy & recycling, healthcare), attract new businesses in and facilitate the growth of start-up enterprises particularly along from the M5 Growth Corridor and the rural locations of our district, working collaboratively with local agents & developers.
- Establishing a world class strategic public and private sector collaborative partnership focused on economic development.
- Helping our market towns recognize their unique offer, whilst at the same time addressing their challenges, including the protection of cultural and heritage assets.
- Realising the implementation of the Taunton Garden Town vision as set out in the 'new roots' chapter related to the supportive business environment of digital, creative and cultural businesses and enterprise.
- Improving underpinning infrastructure to benefit all residents/businesses, especially those isolated communities on the periphery.

4.1.3 Business

Elements that contribute to 'Business' are:

- Enterprise: the activities and support needed to foster an entrepreneurial culture
- Business productivity and innovation: identifying and helping growth-oriented companies
- Inward Investment: encouraging both foreign owned and UK businesses to locate and grow in SW&T, and retaining existing employers.

Key issues

- There is inadequate integrated enterprise start up or existing business scale up support and very little if any innovation support, tailored to current and future sectors. Furthermore, there is little awareness of existing support available, including funding
- Business support is currently fragmented and dis-jointed, as well as not being spread evenly geographically. There is a limited range of support available from the region's Growth Hub
- Grant funding is not currently available to encourage SW&T businesses to take up business advice support and coaching, or to invest in capital equipment to foster growth.
- Inward Investment remains low due to the fact that there is no place marketing approach nor is there a clear differentiated offer and Unique Selling Point (USP) for Taunton and the District, all of which needs to be rectified.
- The Council is not viewed historically as being actively supportive of businesses or engaging effectively, which inhibits joint promotion of the area and joint working to overcome barriers to growth and improving the business environment

Objectives

Encouraging business underpins everything the strategy aims for, articulating how thriving business communities can be built, with inclusive growth and shared prosperity, supporting new and existing businesses, job creation and attracting inward investment.

It involves increasing the number of enterprises, accelerating business growth, supporting interventions to improve levels of productivity and innovation and attracting in targeted Inward Investment. Specific objectives include:

- encouraging enterprises to start up, survive and thrive
- enabling businesses in SW&T to maximise their growth potential and become more productive through innovation
- fostering the future emergence and capacity of sectors already in SW&T, including linking up supply chains to allow diversification and develop peer to peer traded networks and clusters (low carbon, environmental and renewable energy technologies for instance)
- developing a differentiated profile and targeted sector propositions to generate a targeted pipeline of inward investment, working with other institutions including the UK Hydrographic Office and Digital Taunton, by way of illustration, supporting those unique/longstanding businesses in the area to remain/grow, supporting them as part of a strategic key account management approach, with ongoing aftercare as set out in a business engagement strategy. Through business analysis, continue with the identification of those key strategic partners and business accounts that should form part of the Council's strategic key account management and aftercare programme

4.2 Workplan and actions

The suggested new actions arising from the consultants as part of this economic development strategy will be incorporated into **one integrated workplan** under the themes of People, Place and Business. As well as their ideas, the integrated action plan will consist of non-core funded programmes of activity such as Hinkley C s106 funded activity, as well as business as usual operational activity which commenced in 2019 and continue into 2020 – 2021.

In addition to this, the consultants have identified **significant shorter term strategic priorities** which cut across all of the themes of People, Place and Business and are deemed to be highly impactful and deserving of prioritisation. These priorities have been determined as a result of having considered all of the building blocks of the strategy, feedback from stakeholders and analysis of intelligence and reports available. By focusing upon these in the short (1-3 years) and longer term (3 years+), SW&T will potentially have the greatest positive effect upon the economy of the area. These actions have implications across all three themes of People, Place and Business rather than just one, and therefore offer the potential for the greatest impact. These are not intended to replace, but rather to complement and sit alongside other workstreams that are ongoing and the Council already has underway amongst the wider set of recommendations.

The priorities below are in no particular order of importance or weighting, but the medium term priorities are listed as such, as it is envisaged that there is still a lot of scoping and concept development required before they might be realisable on the ground.

4.2.1 Short term priorities

Priority 1 - Strategic partnership working

Remain a highly valued strategic influencer and delivery partner for the Local Enterprise Partnership (LEP), Somerset County Council, the Somerset Growth Board and Hinkley C Programme Board – all to influence and bid into future funding streams for the District.

Maintain regular dialogue regarding the implementation of the Prosperity and Economic Development Strategy, demonstrating alignment with the Local Industrial Strategy (LIS) on the three key Opportunity Areas (Advanced Manufacturing, Digital and Nuclear) through the lens of Clean Growth, as well as supporting business support and skills programmes, including tourism initiatives, and positioning for post Brexit funding opportunities from any future UK prosperity fund.

In the context of the refreshed Local Plan, ensure that key infrastructure projects (road, rail, connectivity) are identified to lobby Government nationally,

Priority 2 – Strategic employment site development (Firepool, Nexus 25 & the Local Development Order (LDO))

Progress the development of an innovation zone and both the UKHO and the Digital Innovation Centres on the key employment site of Firepool (Garden Town site) and Nexus 25, as well as implementing the affordable property and premises policy represented in the taking forward of the rural Local Development Order (LDO), as well as supporting the Local Plan refresh.

Re-visit Chapter 4 of the Taunton Garden Town implementation plan and build on the previously commissioned Digital Taunton sector strategy and action plan. This will involve working collaboratively with UK Hydrographic Office (UKHO) to realise their commercial exploitation of maritime big data, which is identified as a major opportunity for Taunton in the context of the LEP's Local Industrial Strategy.

Work with the County and the LEP to develop a Digital/Big Data inward investment proposition, using funding from the business rates inward investment programme initiative, to generate targeted inward investment leads as well as working with agents/developers to position all strategic employment sites for future knowledge economy businesses with a view to develop and agree a joint marketing strategy.

Promote success as soon as possible, particularly as Firepool comes forward, ensuring that the Future High Street Fund (if successful) helps to contribute directly to the stated objectives.

Priority 3 – Business engagement strategy and Strategic Account Management

Build on the business engagement strategy by segmenting and identifying a number of strategic business and institutional relationships, by adopting a Key Management Account (KAM) to relationship management and ongoing aftercare, using the Alcium Evolutive Customer Relationship Management (CRM) system.

Immediate examples include fostering the relationship with the UK Hydrographic Office as a significant employer and key collaborative research and development asset to realise the ambition of developing an 'open innovation zone' at the heart of Firepool and the County town centre of Taunton. In itself, this could form part of a sub-regional LEP M5 corridor Tech Nation cluster, complementing Exeter and Plymouth along the M5 corridor.

Priority 4 – Inward investment pipeline, promotion of key employment sites and place marketing propositions

Develop targeted inward investment propositions for SW&T, profile key employment sites and properties and manage an inward investment and business growth pipeline.

Work is already underway with the LEP, County and other District with various workstreams around inward investment activity and targeting, funded by the Business Rates Retention pilot and also to leverage LEP 'soft landing' funds for businesses re-locating.

Priority 5 - Hinkley C funded S106 programmes

Refresh, update and implement the three year 2020-2023 Hinkley C S106 business

support and skills programmes, informed by the economic development strategy, to leave a lasting legacy within 3 years.

Priority 6 – develop the capacity and strategic working of the Coastal Communities Teams

Strengthen the capacity and collective working of the Coastal Communities Teams (CCTs) and continue to work with the LEP and other coastal communities in the LEP to enhance the collective coastal productivity plan proposals

Priority 7 – Skills strategy

Launch and deliver a District wide Skills strategy

Priority 8 - Barclays Thriving Local Economy rural pilot in Taunton Deane

Support and inform interventions proposed by Barclays Bank to align activity and maximize leverage of resources, such as joint working with the East Taunton Development Trust in support of the community hub in Halcon, including business and skills and training support as well as supporting rural interventions

Priority 9 – Exmoor rural enterprise business strategy and action plan

Support the development of the Exmoor rural enterprise business engagement and needs analysis to inform a future business support strategy and its implementation, using Hinkley C S106 funding and ensuring linkage with other cross District programmes of support

Priority 10 – Business Improvement Districts, Place marketing and retail & evening economy inward investment

Align inward investment support around the Business Improvement Districts in Market Towns (Minehead & Taunton) and identify other market town initiatives

4.2.2 Medium - Long Term actions

Priority 1 – University in Taunton / Research and Innovation Park

Explore the potential and scope for a University in Taunton, with a business led curriculum that will help deliver the skills businesses want, attract more Inward Investment and create opportunities for higher value jobs for residents. There is an opportunity to build on the UKHO open innovation activity and links with other South West Universities, (such as Exeter), but also embrace other opportunities arising from the South West Institute of Technology with a focus on advanced engineering and digital, working with Bridgwater and Taunton college and the University Centre.

Explore and scope the future potential for a knowledge based Innovation and Technology Park, with links to specialist centres of excellence and research Institutes linked to Higher Education and relevant Universities and Research Institutes and/or Catapults.

There are opportunities to explore and validate emerging opportunities in knowledge economy sectors and clustering such as AI/Big Data and digital technologies already underway with links to the South West Institute of Technology, remote healthcare delivery (telehealth/telemedicine) linked to the care of an increasing elderly population and low carbon renewable energy and environmental technologies (including plastic waste recycling).

The latter could include innovations around the circular economy and innovation in manufacturing and processing, linked to the Climate change emergency and the associated industry and business workstreams and sustainable Garden Town living for

the 21st century, as well as building on exciting initiatives such as the Biohm investment in biosciences linked to plastic waste recycling and other commercial applications exploiting our Natural Capital.

Priority 2 - Enhanced business support and innovation programme

Open up dialogue with Somerset County Council and Heart of South West LEP, regarding an integrated, skills brokerage, start-up, innovation and business support and grant programme for SMEs.

Priority 3 – A new West Somerset tourist attraction

Investigate the potential of attracting a major tourist attraction to Somerset West to increase tourist numbers and time spent by visitors to SW&T, with possible links to a college for tourism skills, which would also justify greater for improvements to new & existing transport infrastructure (road, rail and sea).

5. Links to Corporate Aims / Priorities

Please refer to Priority 1 above

The overarching objectives for the economic development strategy include:

- Improved long-term capacity for **clean growth** by supporting the foundations of productivity
- Increased sustainability and broadening the base/capacity of business growth in the area
- Expanded and developed clusters and networks (both current and future)
- Increased productivity and **research and innovation**, increasing GVA per head across the whole area
- Retention of existing growth businesses and attracting high quality Inward Investments
- Improved skills, in order to improve job and career prospects for residents and the attractiveness of the area, including new investors creating higher value jobs.

These very much align with the recently produced Somerset West and Taunton Council Corporate Strategy and Vision. The Corporate strategy includes Economy and the Environment as the first theme, with the stated objectives being:

- Making the District carbon neutral by 2030.
- Delivering Taunton Garden Town.
- Encouraging wealth creation and clean economic growth throughout the District, by attracting inward investment and enabling research and innovation.
- Improving the skills of the local workforce.
- Providing adequate and affordable employment land to meet different business needs.
- Supporting town centres to meet the challenge of changing shopping habits.
- Developing the commercial elements of the Firepool site in Taunton.
- Enhancing arts and cultural provision within the District.

6. Finance / Resource Implications

Although there are no direct implications arising from this report at this stage, the economic development and prosperity strategy and subsequent integrated action plan may lead to projects and interventions that would be resourced by appropriate and available internal SW&T and / or external sources. These may include: SW&T Economic Development staffing resources; external delivery partners; SW&T funding streams (eg core Economic Development budget, S106), in addition to externally generated funds from the County, LEP and Government.

7. Legal Implications

None

8. Climate and Sustainability Implications

SWT's ambition is to achieve growth, bring enhanced job opportunities for residents alongside better educational attainment, and to attract/retain high value business committed to sustainable, clean growth. All of these outcomes are framed by the need to consider environmental issues and climate change and to recognize that growth and prosperity at any cost is not a viable option.

The economic development team own the SW&T Climate Change Strategy Industry and Business workstream and joint partnership working with the County.

Throughout this strategy runs the theme of "Clean Growth", mirroring the approach taken by the LEP's Local Industrial Strategy. This focuses upon three areas – the "Dynamic Heart" of the economy – where there are significant assets and world-class potential, and where SW&T is uniquely placed to contribute directly to local and wider economic prosperity.

The three areas include:

- Clean energy: associated with technical development for nuclear power and renewables (Hinkley C)
- High-tech engineering, agri-tech and marine opportunities
- Digital futures: including *big data, environmental and health technologies and services*, with key assets, including the UK Hydrographic Office, Musgrove Hospital and the development of Digital Taunton.

9. Safeguarding and/or Community Safety Implications

Although there are no direct implications arising from this report, the economic development and prosperity strategy and subsequent integrated action plan is intended to have a positive influence on the quality of life for the community.

10. Equality and Diversity Implications

None at this stage, however as projects and initiatives are developed and implemented, full consideration to Equality and Diversity impact will be given at that time.

11. Social Value Implications

The economic development strategy is focused on social mobility and inclusion. One of the workstreams that the team has been involved in is shaping the Council's approach to Social Value in its planning and procurement process which is ongoing.

12. Partnership Implications

A wide range of key stakeholders and partners have been consulted during the development of the economic development and prosperity strategy (as referenced in Annexe B) attached to this covering paper and on-going effective partnership working will be essential as the delivery plan is developed and implemented.

13. Health and Wellbeing Implications

The economic development and prosperity strategy and subsequent action plan is intended to have a positive influence on the quality of life and health and wellbeing of residents and businesses, providing new opportunities for inclusion in the economy and developing the confidence of individuals through education, training and mentoring and raising the aspirations and prosperity of all, in line with Maslow's hierarchy of needs.

14. Asset Management Implications

It is important that the economic development, commercial and asset management team work closely together to profile our collective commercial property assets linked to inward investment activity and profiling of property, premises and employment sites and the commercial investment team as appropriate. All must work closely with external agents and developers to attract in inward investment and support business relocation, growth and retention.

15. Data Protection Implications

We have acquired a GDPR compliant licence for Bureau Van Dyke's FAME business database (Moody's) which will also us to segment, profile and engage with our local businesses and understand their sector and other characteristics for future stakeholder engagement purposes. We also operate an Alciium Evolutive Customer Relationship Management (CRM) system, whereby we must seek permission from the business to hold confidential and potentially commercial information for internal use only and also seek their agreement to receive communications from us in different forms of media, including a business newsletter for instance.

16. Consultation Implications

Extensive public consultation and stakeholder engagement activity has been undertaken during the development of the economic development & prosperity strategy and action plan strategy – this is described in the report. See Annexe B attached to the covering paper.

Democratic Path:

- **Scrutiny / Corporate Governance or Audit Committees – No** (however a Member briefing was held on 18th November 2019)
- **Cabinet/Executive – Yes**
- **Full Council – Yes**

Reporting Frequency: Once only Ad-hoc Quarterly
 Twice-yearly Annually

List of Annexes

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| A | Deyton Bell Prosperity and Economic Development Strategy |
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