

Scrutiny Report

Committee: Policies Climate & Place
Meeting or Proposed Decision Date – [23
September 2024]
Key Decision – /no]



Somerset Economic Strategy – Approach to development of Strategy and emerging evidence base

Chair of Committee: Cllr Martin Dimery
Executive Member(s): Cllr Mike Rigby.
Local Member(s) and Division(s) affected: All
Executive Director: Mickey Green

Executive Summary

This report sets out Somerset Council's approach to development of a new economic strategy and is the first opportunity Scrutiny Committee for Climate and Place to consider and comment on the emerging evidence-base

Recommendations

The Scrutiny Committee is asked to consider and comment on the approach to the development of a new Economic Strategy and the emerging evidence base. .

The report is intended to provide Scrutiny Committee with an early overview of the emerging findings of the evidence-base review as part of the development of Somerset Economic Strategy.

Scrutiny Committee will be invited to consider and input through the development of the strategy.

Reasons for Proposals

Scrutiny Committee for Climate and Place is requested to consider and be engaged throughout the development of the new economic strategy for Somerset. This report provides an early opportunity for the Committee to consider and comment on the approach to development of the Strategy and the emerging evidence base.

(A slide deck will be presented at Climate & Place Scrutiny Committee detailing the work undertaken to date).

The intention is for a draft Strategy to be presented at the December Scrutiny Committee meeting with a review of the final Strategy in February prior to a proposal for adoption at Executive in March 2025

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Background and purpose of report

1. Introduction

The purpose of this report is to provide the first of four opportunities for Climate and Place Scrutiny Committee to consider and comment on the development of a new economic strategy for Somerset.

The strategy will be developed in stages comprising review and consolidation of the existing evidence-base, consultation with stakeholders, wider public consultation, followed by review and refinement. Scrutiny Committee will have the opportunity to comment on each of the stages before adoption of the final strategy in early 2025.

Background & Context

Approach to development of the economic strategy

As of the 1st of April 2024, Government support for Local Enterprise Partnerships (LEPs) has ceased and LEP functions have been integrated into principal local authorities. As part of these LEP integration arrangements, Somerset Council is now required to develop a new Economic Strategy for Somerset.

Beyond this Government requirement on the Council, development of the economic strategy will enable Somerset Council, as a new unitary authority, to work with businesses and wider economic stakeholders to define a clear and shared vision for economic prosperity in the County and to identify interventions needed to support realisation of this vision.

A robust economic strategy will also support Somerset's engagement and positioning with Government, notably in relation to championing Somerset as a place to do business, work, study, invest and visit furthering our arguments for devolution and Government funding to support economic development.

Approach to the development of the evidence-base

Development of the Somerset Economic Strategy will be strategically overseen by the newly formed Somerset Economic Growth Board. The Board will provide business and wider economic stakeholder voice into this work. The Board comprises senior representatives from private sector businesses, Business Representative Organisations, a key Somerset employer, FE Colleges and Somerset Council.

This work to develop the strategy will include:

- Development and analysis of the evidence-base including statistical data, business and wider economic stakeholder insight and review of recent/existing local economic strategies and emerging government priorities.
- Defining 10 and 20 year visions for Somerset's economy, and

- Identification of strategic aims and aspirations for Somerset to support realisation of this long-term vision e.g framed as missions.

An important element of the strategy development is to ensure that its vision and priorities align with both local, regional and national priorities. In light of this, work undertaken will ensure there is both vertical alignment with national government priorities around local growth, regional priorities across the Great South West and horizontal alignment with local plans such as the Climate Vision, Local Plan, Local Transport Plans.

The development of the strategy is the first of two phases of work. This phase focuses on establishing a vision for Somerset's economy and priorities for delivering the vision. The second phase will include work to define 3-year action plans to support delivery of the strategy,

Government has stated an intention for areas to develop Local Growth Plans, however, there has been no detail on what will be required on this or for plans in relation to devolution. When this becomes clearer this may impact on the development of the economic strategy).

Somerset Economic Evidence Base – progress:

Somerset Council has commissioned economic policy specialists from WSP to support the development of the economic strategy. The first step in development of the strategy was to undertake a detailed evidence base review, this includes reviewing a range of existing studies (HotSW LEP Local Industrial Strategy, Build Back Better Plan, Somerset Recovery and Growth Plan, Somerset Economic Futures evidence base, legacy district authority strategies). As well as consideration of existing and legacy strategies and plans, care has been taken to ensure that work being currently undertaken, such as the Economic Development Needs Assessment (EDNA) which will inform development of Somerset's Local Plan, aligns with the new economic strategy. Consideration will also be given to other 'place-shaping' strategies such as updating of the Climate vision. and emerging national government policy on the local growth agenda.

In developing a vision for Somerset, it is important to consider the wider trends and parameters that may have an impact on Somerset's medium-term development and may act as threats or opportunities to Somerset's economy this will form part of the evidence-base underpinning development of the strategy. Topics that form part of this work include: sectoral growth/contractions (wider national and international trends in the industries driving economic growth); the role of technology/automation and changing trends regarding work and employment creation; 'net-zero' commitments – likely to drive increased demand for low carbon and green technologies; COVID-19 legacy impacts – linked to workforce inactivity; workforce and inclusion – including broader impacts of an ageing population and rising dependency rates.

Development of the evidence-base will also consider demand-side and supply-side characteristics of Somerset bench marked against other regions in England and will for example cover:

- Economic scale and spatial distribution (size of population, employment and business numbers)
- Employment trends, GVA, growth contribution to national economy, wages and productivity, workplace densities, business formation and survival
- Sectoral structures and specialisms
- Major economic assets and initiatives (existing and planned)
- Labour market profile (skills, occupations, employment levels, travel to work patterns)
- Demographic profile
- Wellbeing and deprivations (including cost of living, access to housing)
- Housing stock and affordability
- Carbon footprint

The data collected will be utilised to identify Somerset's strengths, weaknesses, opportunities and threats (SWOT) – this will then be sense checked with a broad range of stakeholders.

A summary of the emerging evidence-base analysis will be presented to Climate and Place Scrutiny Committee at the meeting in September. This will provide an opportunity for the Committee to consider and comment on the evidence.

Summary of the Proposals

Scrutiny Committee for Climate and Place will be engaged in and throughout the development of the strategy. This report represents the first opportunity for the Committee to consider the evidence-base and emerging SWOT analysis

Links to Council Plan and Medium-Term Financial Plan

1. Development of the Economic Strategy will align with and reinforce the Council Plan priorities for a flourishing, resilient and sustainable Somerset, characterised by fairness and ambition.

Other options considered

2. No other options have been considered. This work forms part of the agreement with government to integrate the functions of Heart of South West LEP to develop an economic strategy overseen by an Economic Growth Board. As a result of the LGR process there was a need for a Somerset-wide economic strategy

Key considerations for the Council

Scrutiny comments / recommendations:

2. n/a.

Consultation and feedback

3. The development of the economic strategy is being strategically overseen by the Economic Growth Board comprising senior representatives from private sector businesses, Business Representative Organisations, a key Somerset employer, FE Colleges and Somerset Council, ensuring business, and wider economic stakeholder voice.
4. A programme of wider stakeholder engagement and consultation is planned (and underway) that includes:
 - stakeholder conversations and workshops to inform and test the evidence-base and contribute to development of the vision and priorities/missions
 - business survey to gain wider business insight to inform the work of the economic prosperity service, including development of the strategy.
 - public consultation on proposed summary evidence base, vision and priorities/mission. Members will be alerted to opportunities to engage in stakeholder workshops and public consultation as development of the strategy progresses
5. There has already been early engagement across the Council, including planning, employment and skills, regeneration and major projects to ensure coherence and alignment with existing and developing plans from across the Council. This will include making connections to other thematic policy work and groups e.g. Children’s Board, Integrated Care Board, consideration at Informal Executive and officer working groups across the Local Transport Plan, Local Plan, and Climate Vision.
6. The indicative consultation process is as follows:

| Activity | Consultees | Consultation time period |
|---|--|--------------------------|
| Evidence-base review testing | Somerset Council Officers/members (Informal Exec) Economic Board C & P Scrutiny Committee | Sept & Oct 2024 |
| Vision & priority building | Somerset Council Officers/members Economic Board Wider economic stakeholder (e.g Chambers of Commerce) | Sept & Oct 2024 |
| Public consultation document development & agreement covering evidence-base, emerging vision & priorities | Economic Board Informal Executive Member Decision C & P Scrutiny committee | October & November 2024 |
| Public consultation – on draft vision & priorities | 2 in-person events | November 2024 |
| Draft Strategy | Economic Board | |

| | | |
|--|--|------------------------------|
| | Informal Executive C & P Scrutiny Committee | December 2024 & January 2025 |
| Final Strategy – before final adoption | Economic Board Informal Executive C & P Scrutiny | February 2025 |
| Final Strategy for adoption | Executive | March 2025 |

7.

Financial and Risk Implications

8. There are no direct financial and risk implications arising out of this report. This work is being supported by WSP consultancy and funded through Post Local Enterprise Partnership (LEP) funding provided by Government to councils sustain and deliver LEP functions.
9. The work to develop a new economic strategy for Somerset will support Somerset’s engagement and positioning with Government, notably in relation to championing Somerset as a place to do business, work, study, invest and visit furthering our arguments for devolution and Government funding to support local economic development

Current Risk Score:

| Likelihood | Impact | Risk Score |
|------------|--------|------------|
| | | |

Projected risk score if recommended actions are agreed and delivered:

| Likelihood | Impact | Risk Score |
|------------|--------|------------|
| | | |

Legal and Procurement Implications

10. There are no legal and procurement implications arising from this report

HR / Workforce Implications

11. This report and activity arising from it does not have any impact on the workforce

Equalities Implications

12. A full equalities impact assessment will be developed alongside the economic strategy. This will include work to identify where there are any disproportionate impacts and where we are missing data and how we will fill this gap including identifying additional research. During the process of developing the evidence-base and stakeholder consultation our approach will be to ensure that this is informed by as many diverse voices as possible, this in line with advice provided by SC equalities team

Community Safety Implications

13. At this early stage of the economic strategy development there are no community safety implications, however throughout the process of developing the economic strategy full consideration will be given to ensuring that the vision and priorities align with community safety requirements

Climate Change and Sustainability Implications

14. This report does not have any direct impacts on the Climate and Ecological Emergency, however throughout the process of developing the economic strategy full consideration will be given to ensuring that the vision and priorities align with and contribute to delivering against Somerset Council's net zero ambitions

Health and Safety Implications

15. The activity described in this report does not have direct health and safety implications.

Health and Wellbeing Implications

16. The activity described in this report does not have any implications for health and wellbeing. However, health and wellbeing will be important considerations in developing the economic strategy. During the process of developing the economic vision and priorities full consideration will be given to ensuring these align with and contribute to positive health and wellbeing outcomes for the people of Somerset

Social Value

17. The activity described in this report does not have any direct implications on social value. However, in developing the economic strategy we will ensure that the vision and priorities align with and contribute to the SC's Social Value Policy

Background Papers

18. **Set out the details of any reference documents you have used in producing this report. If there are none please state 'none'**

Appendices

- **Reference here any supporting appendices**

Report assurance checklist ahead of report publication (for Audit, Executive, Full Council and Scrutiny Committees)

| | | |
|-------|--------------|----------------|
| _____ | Officer Name | Date Completed |
|-------|--------------|----------------|

| | | |
|---------------------------------|--------------------|------------|
| Legal & Governance Implications | David Clark | 10/09/2024 |
| Finance & Procurement | Nicola Hix | 11/09/2024 |
| Workforce (*) | Dawn Bettridge | n/a |
| Asset Management (*) | Oliver Woodhams | n/a |
| Executive Director | Mickey Green | 11/09/2024 |
| Executive Lead Member | Cllr Mike Rigby | 13/09/2024 |
| Consulted: | Councillor Name | |
| Local Division Members | List local members | |
| Opposition Spokesperson(s) | Cllr Mark Healey | 13/09/2024 |
| Relevant Scrutiny Chair(s) | Cllr Martin Dimery | 12/09/2024 |

Note:




Directors may nominate additional officers to act on their behalf

(*) – these areas only need to be consulted on proposals if the proposals have workforce or asset management implications

Reports will not be published if assurance checklist has not been adequately completed – report author to liaise with Democratic Services well ahead of publication deadlines

Somerset Equality Impact Assessment

Before completing this EIA please ensure you have read the EIA guidance notes – available from your Equality Officer or www.somerset.gov.uk/impactassessment

| | | | | | |
|--|---|--|--|------|--|
| Organisation prepared for (mark as appropriate) |  Somerset Council | |  NHS Somerset | |  NHS Somerset NHS Foundation Trust |
| Version | Text | | Date Completed | Text | |
| Description of what is being impact assessed | | | | | |
| Text | | | | | |
| Evidence | | | | | |
| What data/information have you used to assess how this policy/service might impact on protected groups? Sources such as the Office of National Statistics , Somerset Intelligence Partnership , Somerset's Joint Strategic Needs Analysis (JSNA) , Staff and/ or area profiles ,, should be detailed here | | | | | |
| Text | | | | | |
| Who have you consulted with to assess possible impact on protected groups and what have they told you? If you have not consulted other people, please explain why? | | | | | |
| Text | | | | | |

Analysis of impact on protected groups

The Public Sector Equality Duty requires us to eliminate discrimination, advance equality of opportunity and foster good relations with protected groups. Consider how this policy/service will achieve these aims. In the table below, using the evidence outlined above and your own understanding, detail what considerations and potential impacts against each of the three aims of the Public Sector Equality Duty. Based on this information, make an assessment of the likely outcome, before you have implemented any mitigation.

| Protected group | Summary of impact | Negative outcome | Neutral outcome | Positive outcome |
|--------------------------------|--|--------------------------|--------------------------|--------------------------|
| Age | <ul style="list-style-type: none">Text | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Disability | <ul style="list-style-type: none">Text | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Gender reassignment | <ul style="list-style-type: none">Text | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Marriage and civil partnership | <ul style="list-style-type: none">Text | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

| | | | | |
|--|---|--------------------------|--------------------------|--------------------------|
| Pregnancy and maternity | <ul style="list-style-type: none">• Text | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Race and ethnicity | <ul style="list-style-type: none">• Text | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Religion or belief | <ul style="list-style-type: none">• Text | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Sex | <ul style="list-style-type: none">• Text | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Sexual orientation | <ul style="list-style-type: none">• Text | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Armed Forces (including serving personnel, families and veterans) | <ul style="list-style-type: none">• Text | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

| | | | | |
|--|--|---|---|---|
| Other, e.g. carers, low income, rurality/isolation, etc. | <ul style="list-style-type: none"> Text | □ | □ | □ |
|--|--|---|---|---|

Negative outcomes action plan
 Where you have ascertained that there will potentially be negative outcomes, you are required to mitigate the impact of these. Please detail below the actions that you intend to take.

| Action taken/to be taken | Date | Person responsible | How will it be monitored? | Action complete |
|--------------------------|-------------|--------------------|---------------------------|-----------------|
| Text | Select date | Text | Text | □ |
| Text | Select date | Text | Text | □ |
| Text | Select date | Text | Text | □ |
| Text | Select date | Text | Text | □ |
| Text | Select date | Text | Text | □ |
| Text | Select date | Text | Text | □ |
| Text | Select date | Text | Text | □ |
| Text | Select date | Text | Text | □ |

If negative impacts remain, please provide an explanation below.

Text

Completed by:

Text

Date

Text

Signed off by:

Text

Date

Text

Equality Lead sign off name:

Text

Equality Lead sign off date:

Text

To be reviewed by: (officer name)

Text

Review date:

Text