

Economy in Test Valley: Update of the Economic Development Strategy Action Plan

Report of the Head of Estates and Economic Development (Portfolio: Economic Development and Tourism)

Recommended:

That the delivery of the Test Valley Economic Development Strategy Action Plan be considered and endorsed.

SUMMARY:

- The report provides an update on the delivery of the Test Valley Economic Development Strategy Action Plan (TV EDSAP)

1. Introduction

- 1.1 The TV EDSAP was approved by Cabinet on 14 March 2018. The following report gives an update on progress achieved in the 6 months since. It also follows a series of regular reports to OSCOM on the character and performance of the economy in Test Valley.

2. Background

- 2.1 The TV EDSAP was produced jointly by Estates and Economic Development and Planning following the “Test Valley Economic Development Strategy 2017-2019 and beyond” which was approved by Cabinet in February 2017. The Action Plan is unusual in that it focusses on just 10 major themes and does not seek to encompass all of the day-to-day operational economic development activity undertaken by the Council.

3. Review

3.1 Action: To develop a Masterplan for the South of Romsey Town Centre

The Council, working with representatives from Romsey Future, appointed Nexus Planning and Perkins + Wills Architects to lead on the creation of a masterplan for the South of Romsey Town Centre. The genesis for this project follows community involvement in the Romsey Future document as well as identifying the location in the current Local Plan. The project forms two parts. The first being community and stakeholder engagement. This has taken place over September and October and included walk and talk surveys; market stalls and attendance at the Romsey Show. The second part deals with the creation of a masterplan, which builds on the outcomes of the engagement exercises.

3.2 **Action: To explore the development of a Cultural Quarter for Andover**

A significant amount of work has and is being undertaken with our partners, Andover College and Simplyhealth, to explore the practicality of redeveloping the land with a view to providing a new college building, theatre and office.

3.3 **To maximise the potential of our Town Centres**

Andover:

On 9 November 2018 the Andover BID was given the green light by businesses following a month-long ballot which saw a high turnout (54% of hereditaments compared with a national average of 47% and 67% by rateable value). 51.1% of hereditaments voted in favour of the BID and plans will now be put in motion to set up a BID company. It will decide, in consultation with other local businesses, how the money collected from the BID Levy will be spent to help promote the town centre.

Test Valley Borough Council (TVBC) and Andover Town Council have agreed to continue to fund the Town Centre Manager (TCM) until 1 April 2019 when it is hoped the Andover BID Company will be able to employ a BID manager. The TCM has already booked some events for 2019 and this will be enhanced by the BID.

Romsey:

The Council supports the Romsey TCM via Romsey Town Council. The TCM is organising a programme of events and supporting businesses by encouraging them to engage with a wider audience a number of independent shops are now opening Sundays. TCM also hosts regular meeting for town centre retailers.

Romsey's TCM is heavily involved with Romsey Future notably the new www.visit-romsey.org.uk and South of Romsey town centre consultation.

The TCM is liaising with Hampshire County Council (HCC) on the Market Place enhancement, commencing on 7th January 2019

Romsey Town Council will partner with Bradbeers to manage the general markets to informally increase number of and quality of traders. A "brand" will be developed for the Market and the TCM has taken on responsibility for promoting the markets.

The current frontage vacancy rates (October 2018) are:

Romsey	4.2%
Andover	12.4%
UK	11.0% (Local Data Company, second half of 2017)

3.4 To strengthen and build upon the relationships with the Local Enterprise Partnerships (LEPs) which cover the Borough (EM3 and Solent)

Test Valley is covered by two LEPs: EM3 covers most of the Borough down to Romsey with Solent covering the southern wards. TVBC enjoys a positive and interactive relationship with EM3 and recently submitted a bid for the Growth Fund to contribute towards Town Mills Riverside project in Andover. Similarly, it's generic business support function, the Growth Hub, works closely with TVBC and recently co-organised a networking event on exports and is preparing one for 22 January 2019 on branding/customer loyalty as the precursor to a business clinic scheme, which works in a number of the LEP's other 13 local authorities.

By contrast, the relationship with Solent LEP has tended to be more formal, possibly because our respective priorities do not always coincide: whilst the Council is keen to promote the University of Southampton Science Park as a centre of excellence, Solent LEP focusses more on the two cities, the marine sector, and at the HMS Daedalus enterprise zone (Fareham/Gosport).

The Council's Economic Development Officer is seeking to work with the new Solent Growth Hub Manager.

Government recently consulted local authorities on LEP boundaries. The Council responded by requesting that EM3 cover all of Test Valley. This view was shared by EM3 and Solent LEPs and was accepted by Government. In due course, all of Test Valley (as well as all of Winchester and East Hampshire) will in fall within EM3. New Forest will wholly be in Solent LEP. It is not known when this change will happen but it should enable the Council to strengthen its relationship with the EM3 LEP and be better placed to encourage support for the Science Park.

3.5 Promoting and strengthening the Tourism offer

The tourism sector is important to Test Valley: it is worth £195m. p.a. and supports more than 4,500 jobs, about 9% of the Borough's total. Test Valley is fortunate in that it:

- is situated in Central South East England where there are millions of potential visitors with disposable time and money; and
- is located between the global destination brands of the New Forest, Winchester and Stonehenge.

The Council makes a significant contribution to supporting the local visitor economy in order to attract visitors and support tourism businesses by:

- funding Tourism South East (TSE) to manage the award-winning Romsey Visitor Information Centre, one of only a handful left in Hampshire

- producing an annual Test Valley Visitor Guide (20,000 A4 versions for visitors from outside Hampshire and 20,000 pocket guides for distribution within the county);
- achieving the Confederation of Passenger Transport UK (CPT) accreditation for Romsey to be Hampshire's first (and, to date, only) coach-friendly town; and working with CPT and group travel companies to attract coach visitors;
- producing other tourism material, most-recently the Romsey Heritage Trail;
- managing 8 tourist information points (leaflet carousels) in visitor attractions in northern Test Valley;
- funding Hampshire County Council to upgrade the Test Valley pages of www.visit-hampshire.co.uk
- contracting with a catalogue and brochure-ordering service (Catalink) to distribute 600 visitor guides nationally in response to online enquiries;
- organising business networking meetings for Test Valley tourism business (e.g. October meeting @ Hawk Conservancy attracted 14 businesses, large and small)
- through Romsey Future produced the Romsey Heritage Trail leaflet and www.visit-romsey.org.uk

3.6 **Action: Supporting the economic potential of rural communities within Test Valley**

This action relates closely to those of extending broadband and supporting tourism. Rural Test Valley is important economically. Just over one in 5 jobs in Test Valley are in the rural area (44% are in Andover, 18% in Chilworth/Nursling/Rownhams/North Baddesley and 17% in Romsey).

The rural area's economic role extends beyond jobs, only a small fraction of which are land-based. Rural Test Valley has a dormitory role supporting other employment centres including within the Borough: the rural area of Test Valley experiences the highest rate of out-commuting in the Borough and has the highest proportion of highly qualified people in the workforce.

Rural Test Valley continues to see the impact of changes in agriculture and diversification into other businesses. Recent changes in Planning legislation to enable the conversion of farm building into residential (up to 5 units without requiring planning consent) will alter the balance between business and jobs and residential simply because the demand for homes in rural Test Valley is insatiable.

The extension of fast broadband, latterly through Virgin Media's Fibre-to-the-Premises (FTTP) initiative, is vital to both enable longer distance out-commuters to work more from home and to support the creation of more businesses. This employment-generation will in turn support other facilities and services which contribute to sustainable communities.

The third round of the EU LEADER Programme will finish with Brexit in March 2019. It was established in the 1990s in recognition of the relative importance on non-farming jobs within the rural area.

Rural Test Valley is covered by three LEADER Programmes: Bourne Valley Ward falls within North Wessex Downs Area of Outstanding Natural Beauty (AONB); Romsey and Southern Test Valley are covered by New Forest and the remainder is part of Loddon and Test LEADER. Test Valley businesses have benefitted from all three programmes but Loddon and Test has contributed more than £600,000 to 17 businesses ranging from tourism to food processing and community enterprises. Given the limited duration of LEADER and its general success (certainly within Test Valley) there is concern as to what, if anything equivalent may follow.

3.7 **Action: Working with partners and communities to achieve full Broadband coverage across Test Valley**

There are several strands to the delivery of broadband across Test Valley.

1. **Hampshire Superfast Broadband** (contract between HCC and BT Openreach). The first wave of investment (to which TVBC contributed £185,000) was to extend superfast broadband to 90% of all residential and business premises in the county. This was completed in 2015. In addition, the Department of Digital, Culture, Media and Sport (DCMS) then provided funding to enable more than 800 premises in Test Valley to benefit from Superfast Broadband. Wave 2 of the project brought the county total up to 96% of premises and Wave 2 Extension (2018 and 2019) will see the Hampshire-wide coverage grow to 97.4% of premises.

However, as a predominantly rural area with pockets of remote countryside, coverage across Test Valley broadband coverage will be below the country average of 97.4%. Approximately, 3600-5900 premises may remain without Superfast Broadband when the final HCC BT contracts ends in 2019, however some of these may be included within the Virgin Media Ultrafast Broadband initiative, below.

2. **Test Valley Virtual Town – Virgin Media Fibre-to-the Premises Broadband Project**

In parallel with the Hampshire BT Superfast Broadband Programme, Virgin Media are installing Ultrafast Broadband as Fibre-to-the Premises (FTTP) to 4,200 residential and commercial premises across 12 villages in Test Valley (in 2018/19):

Goodworth Clatford

Wherwell

Chilbolton

Stockbridge

King's Somborne
Michelmersh
Timsbury
Houghton
West Tytherley
Broughton

This innovative £20m. investment is particular to Test Valley and reflects the hard work of certain individuals and community groups – notably <https://tvneed4speed.co.uk>

The Council will be asking Virgin Media if they can extend their excellent scheme beyond these 10 villages.

3. **Gigabit Broadband Voucher Scheme**

This Government grant is designed to give more businesses and surrounding communities' access to 'gigabit connectivity' – 1,000 Mbps. Small to medium-sized businesses can apply for a voucher worth up to £3,500 to upgrade their broadband to a gigabit connection. To date 75 premises in Test Valley have received Gigabit Vouchers mainly in the Andover and Romsey Basepoint business centres.

We are exploring whether there is potential for CIL to support community broadband schemes within the parameters of the CIL regulations. For example it may be valid for parish councils to use their 15% CIL contribution.

4. **Universal Service Obligation**

The Government is introducing a Universal Service Obligation (USO) for broadband. This is to enable broadband is available in hardest to reach premises in the UK. The USO will provide a legal right to request a broadband connection of at least 10 Mbps download speed. A Universal Service Provider will be required to fulfil all requests up to a cost threshold of £3,400. The Government is aiming for the USO to be in place by 2020, at the latest.

3.8 **Work with Kier to deliver the Walworth Business Park extension**

The 487,605 square foot extension to Walworth Business Park was granted a hybrid planning consent in 2017 and is being actively marketed by Kier under the name Logistics City. It is understood that the commercial property market is not as buoyant as it has been reflecting current uncertainties in future trading arrangements.

Explore opportunities for how the Council can further secure social and economic benefits through its procurement process

Employment and skills plans are already required (by planning condition or agreement) on all major residential and commercial developments.

Officers are now looking at ways of incorporating a requirement for the developers of community facilities (e.g. on new communities) to undertake employment and skills plans using procurement, as well as planning, as Hampshire County Council has when commissioning new schools etc.

3.9 University of Southampton Science Park – enabling a key economic facility in the Borough to achieve its potential

The University of Southampton Science Park (USSP) is an economic asset of national importance. It generates an estimated £500m. in economic value p.a.

The Council supports USSP in many different ways.

Through Planning, the Council has consolidated the various S.52 and S.106 legal agreements into one to make the planning process consistent and easier for existing and potential occupiers to understand; removing a policy/legal requirement for local Members new occupiers in order to simplify and streamline the planning process. Second, the Test Valley Local Plan includes a specific policy relating to the site plus an additional 1.5 ha. Land allocation south of Benham Campus (Policy LE2). The Science Park is engaging with the Local Plan Review through the Issues and Options Consultation.

TVBC interest in the Science Park goes beyond planning and recognises its profound impact on the local economy (and beyond) and on the community more widely (as a provider, for example, of high value high tech employment opportunities). The Economic Development and Tourism Portfolio Holder, Chief Executive and EDO regularly meet new businesses and the USSP Chief Executive at the Science Park to learn about its features including The Catalyst Centre.

The Council has given about 7 Business Incentive Grants to start up businesses at the Science Park.

The USSP has been a Gold Sponsor of the Test Valley Business Awards for the past 10 years and a Silver Sponsor before that. It sponsors the Technology and Innovation award.

The Council liaised with the USSP in formulating its response to the recent Government consultation on LEP boundaries, the outcome of which is that all of Test Valley should fall within the EM3 LEP is welcomed by the Council and USSP.

The Council has consistently sought to tell the most positive story about the USSP to its own councillors and to the Parish Council and neighbouring authorities etc.

4. Corporate Objectives and Priorities

- 4.1 Investing in Test Valley as a great place to work and do business is one of the four priorities of TVBC's corporate plan.

5. Conclusion

The very varied nature and complexity of the 10 Actions means that the degree of progress towards attaining them in the 6 months since the Action Plan was approved, differs. Some rely on more of the health of the national and local economy market while others reflect much more complicated factors involving many partners.

It was never the intention that these 10 major themes could easily be addressed – that is why they are highlighted here – but the report does show tangible progress on many in a relatively short time.

<u>Background Papers (Local Government Act 1972 Section 100D)</u>			
<u>Confidentiality</u> It is considered that this report does not contain exempt information within the meaning of Schedule 12A of the Local Government Act 1972, as amended, and can be made public.			
No of Annexes:	One		
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File Ref:			
Report to:	Overview and Scrutiny Committee	Date:	12 December 2018