

# **Test Valley Interim Economic Development Strategy Preparing for recovery - playing to our strengths**

Report of the Economic Portfolio Holder

## **Recommended:**

- 1. That the Test Valley Interim Economic Development Strategy, as shown in Annex 1 to the report, be approved.**
- 2. That the Economic Development Officer, in consultation with the Economic and Tourism Development Portfolio Holder and the Head of Planning Policy & Economic Development, be authorised to make minor amendments to Annex 1 to the report.**

## **SUMMARY:**

- The report explains the need for and background to an Interim Economic Development Strategy for the next two years;
- It describes the main impacts that the Coronavirus Pandemic is having on Test Valley's economy and the Council's Local Economic Recovery Action Plan; and
- It provides an update of the key aspects of the 2019 Economic Development Strategy action plan.
- The Interim Strategy will be published in due course.

## **1 Introduction**

- 1.1** The *Test Valley Economic Development Strategy 2017-19 and beyond* provided a vision for delivering economic development in the Borough. The current strategy was approved by Council in February 2017 under the previous corporate plan (Investing in Test Valley 2015-19) and based on the 2015 Test Valley Economic Assessment. Since that time the Council's corporate plan has been revised and the economic baseline has been superseded.
- 1.2** In addition, and more fundamentally, given the current level of economic uncertainty, which reflects both the pandemic and end of the Brexit transition period, the ability to undertake a comprehensive update of the strategy is difficult.
- 1.3** Therefore this interim Test Valley Economic Development Strategy describes the initial impact of the pandemic on the Borough's economy; identifies what the Council can do to help lessen that impact; and updates progress on the actions contained within the current Economic Development Strategy.

## 2 Background

- 2.1 The key priorities of an economic development strategy are to articulate our growth priorities and identify actions to achieve them. These actions remain at the core of helping to support the economy of Test Valley. However, the implications of the pandemic and the end of the Brexit transition period have required the Council to refocus on a supporting role.
- 2.2 In July 2020 Cabinet approved a COVID 19 recovery plan in order to provide the strategic framework to guide the work of the council in the coming months as the organisation and our communities move from response to recovery. The recovery plan contained the strategic aim of “*restoring the economic and social wellbeing of our communities in Test Valley*”. One of the priorities to achieve was ‘economic recovery’ in order to “*support, adapt and grow the economy of Test Valley as we recover from the COVID-19 pandemic*”.
- 2.3 This interim strategy brings together the shared actions of how we can help support and strengthen our economy.
- 2.4 The Local Economy Recovery Action Plan contains a number of new initiatives that were introduced in response to the Pandemic and lockdowns. Examples on business support include:

- A “wrap around” advice and support service to complement the Business Incentive Grant aimed at start-ups, existing small businesses and those facing redundancy
- In collaboration with four other Hampshire local authorities, sponsoring the Pop Up Business School to host a week-long online training session for potential start ups
- An online business directory for those hospitality businesses that had to switch from face to face service to click and collect and delivery
- In collaboration with Hampshire County Council and EM3 LEP contributing to the University of Southampton Science Park’s Catalyst business accelerator to enable two cohorts of tech start-ups to become commercially successful over 2021/22 and 2022/23

Examples on supporting the local workforce include:-

- New initiatives include the kick start scheme to provide work placements for 16-24 year olds who are claiming Universal Credit
- Working with 3 other Hampshire councils to bid to DWP for a Youth Hub which will enable Jobcentre work coaches to operate in the community helping 16-24 year old claimants

### **3 Corporate Objectives and Priorities**

- 3.1 Economic development is the thread that runs throughout the corporate plan Growing Our Potential and many of its priorities are reflected in the interim strategy.

### **4 Consultations/Communications**

- 4.1 The current Economic Development Strategy was produced following consultation with members and influenced by evidence based studies. As this is an interim document no widespread consultation has been undertaken.
- 4.2 The actions contained within the strategy have and will continue to be communicated to the boroughs businesses.

### **5 Options**

- 5.1 The option to consider is whether or not to approve an interim economic development strategy.

### **6 Option Appraisal**

- 6.1 Publishing an interim strategy is recommended as it is important for the Council to provide a clear and accessible statement of its initial economic response to the Pandemic.
- 6.2 To undertake a comprehensive review of the strategy at this time is not recommended. It would be difficult to make detailed forecasts, consider their implications and be able to respond with proposed action with any degree of certainty. A comprehensive review will be undertaken once the future economic environment is a little more certain.

### **7 Resource Implications**

- 7.1 The implications for additional resources including the upgrade of the Independent Retailer Grant and possible use of the Government Additional Restrictions Grant for wider business support are being incorporated into the Council's 2021/22 budget.

### **8 Legal Implications**

- 8.1 Economic Development is a concessionary rather than statutory duty. Therefore approval of the Strategy involves no legal implications. Equality Issues.
- 8.2 The EQIA has not identified any potential for discrimination or adverse impact and all opportunities to promote equality have been taken.

### **9 Other Issues**

- 9.1 Community Safety – None.

- 9.2 Environmental Health Issues – None.
- 9.3 Sustainability and Addressing a Changing Climate – None.
- 9.4 Property Issues – None.
- 9.5 Wards/Communities Affected – All.

**10 Conclusion**

10.1 The interim update of the Economic Development Strategy is a hybrid document, prepared in a time of change and uncertainty. It brings together: our current assessment of the impact of the Coronavirus Pandemic and successive lockdowns on the Test Valley economy; our policy responses to date; and reviews the original strategy’s actions. However, it also acknowledges the important of the Climate Emergency Action Plan, the importance of economic activity at the community level and has regard to EM3 LEP’s recovery and renewal priorities – most of which apply strongly to Test Valley. The Council’s economic development response will continue through the short and medium terms and, as the report notes, certain key initiatives have been put in place, notably the town centre masterplans, in order to ensure Test Valley is in a competitive position for a sustainable economic recovery in the longer term.

<u>Background Papers (Local Government Act 1972 Section 100D)</u>			
None			
<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:	1		
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