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| Overview and Scrutiny Review into Employment Sites and Premises - Second evidence gathering session | Agenda No: 5 |
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| Portfolio | Economic Development |
| Corporate Outcome: | A sustainable environment and a great place to live, work and play A well connected and growing district with high quality homes and infrastructure A prosperous district that attracts business growth and provides high quality employment opportunities A high performing organisation that delivers excellent and value for money services Delivering better outcomes for residents and businesses and reducing costs to taxpayers |
| Report presented by: | Anita Thornberry, Interim Head of Economic Development |
| Report prepared by: | Anita Thornberry, Interim Head of Economic Development |

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| Background Papers: | Public Report |
| The Governments Industrial Strategy | Key Decision: No |
| Enterprising Essex: Opportunities and Challenges - Full Report | |

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| <p>Executive Summary:</p> <p>During the last Overview and Scrutiny meeting on 1st February 2017, Member commented that further reflection is required on the Terms of Reference in order to deliver the Scrutiny review.</p> <p>For the meeting of 8th March a presentation will be given to Members on two potential areas of interest for the Scrutiny Review these being the Governments Industrial Strategy and Enterprising Essex: Opportunities and Challenges.</p> <p>Having regard to the Committee's comments, Officers have prepared the following to assist Members and to suggest a proposed route forward to deliver the Terms of Reference.</p> <p>The Terms of Reference are currently broad in their scope and to prove a structure to the scrutiny review for the 18 month period given for this, questions have been modelled to assist exploring the scrutiny topic and to receive evidence on how these issues can be addressed.</p> |
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The proposed question set out in the report look to break down the Terms of Reference, based on the principles of economic development, and to enable individual responses to be achieved which will lead into the next. It is further proposed that the Committee considers these questions in light of the identified key economic sectors for the Braintree district, namely:

- Advanced Manufacturing and Engineering
- Construction
- Digital, Cultural and Creative
- Health and Care
- Transport and Logistics

Members at the last meeting heard evidence that research was currently being undertaken by **SQW** to better understand these Sectors, to delve deeper into them and ascertain whether, within these broad headings, there are elements of the Sectors both in decline and growth so that Braintree District Council can focus its interventions on the growth sectors. This research will complete in May 2017 and will help to inform the Council's emerging Plan for Growth and the Committee's considerations and the areas which require evidence provided by private sector representatives.

Recommended Decision:

To agree the questions to support the delivery of the Terms of Reference.

Purpose of Decision:

To assist the Committee in delivering the Terms of Reference and identify where the evidence would best be gathered from.

Any Corporate implications in relation to the following should be explained in detail.

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| Financial: | None arising out of this report |
| Legal: | None arising out of this report |
| Safeguarding: | None arising out of this report |
| Equalities/Diversity: | None arising out of this report |
| Customer Impact: | None arising out of this report |
| Environment and Climate Change: | None arising out of this report |
| Consultation/Community Engagement: | Evidence will be gathered as part of the Committee's considerations which will be explored in greater detail at a later date. |
| Risks: | None arising out of this report |
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At its last meeting on 1st February 2017, the Overview and Scrutiny Committee received a presentation from Anita Thornberry, Interim Head of Economic Development which provided Members with evidence recommending that that greater sectoral focus is applied to its considerations.

The Committee heard that the basic principles of economic growth are namely:

- 1) For an economy to grow the environment needs to be created where businesses can make money which includes:
 - A range of employment accommodation
 - A skilled workforce
 - Good infrastructure – increasingly including broadband
 - A permissive planning authority
 - A strong and accessible supply chain
 - Good housing stock and supply

These principles apply to attracting inward investment alongside the positive perceptions of the location for enterprises to be able to successfully conduct business.

- 2) Economic growth is more sustainable where there is a focus on market-determined key economic growth sectors. The key sectors in the Braintree district are as follows:
 - Advanced Manufacturing and Engineering
 - Construction
 - Digital, Cultural and Creative
 - Health and Care
 - Transport and Logistics

It was acknowledged by the Committee that the district's existing sectoral strengths should be enhanced. The Committee also heard that in certain circumstances, the public sector should intervene in market failure where there is evidence that its intervention can overturn the market failure. Members were advised that these interventions are, by their nature, temporary as the ambition is for the market to continue interventions where failure has been reversed.

The Committee further acknowledged that in order to deliver genuine economic growth, there needed to be a focus on skills development, business support and infrastructure in order to deliver the public sector's role in economic development. In terms of infrastructure, this includes transport, broadband and employment premises.

The Terms of Reference are currently broad in their scope and to prove a structure to the scrutiny review questions have been modelled to assist exploring this topic and to receive evidence on how these issues can be addressed, which in turn will assist the Committee in making recommendation to Cabinet.

The proposed questions are set out below under the relevant Term of Reference.

Members are not limited to the proposed set of questions and are invited to add to or amend the questions having regard to the terms of reference of the scrutiny review.

Term of Reference 1:

Does current provision meet the growth needs of current businesses and potential inward investors?

- a) To consider and understand the employment premises needs of the District with respects to towns, villages and rural areas**
- b) To identify how business grow and move to new or larger premises**
- c) To identify how we attract inward investment of new business into the District**

Questions:

- *What evidence base is available to the Council which establishes the deficiencies in the current provision of employment sites.*
- *What evidence bases is available to the Council which establishes the expected growth rate and does this indicates a shortfall*
- *How can the Council identify the employment premises needs of the District with respects to towns, villages and rural areas?*
- *How can the Council identify how business grows and move to new or larger premises and what are the barriers to this and how can the Council facilitate this?*
- *How can the Council attract inward investment of new business into the District and what resources would be required to achieve this?*

Term of Reference 2:

What will be the future need for employment sites and premises to meet Local Plan growth aspirations (Employment Land Needs Assessment and economic growth priorities)

- a) How will the employment need change in relation to the new Local Plan and pending growth in the District?**
- b) How should we develop our offer to attract specific sectors and clusters?**

Questions:

- *How and who will assist the Council in identifying what will be the future need for employment sites and premises to meet Local Plan growth aspirations?*
- *What will assist the Council to identify how the employment need will change in relation to the new Local Plan, the needs of our key sectors and pending growth in the District?*
- *Who should the Council engage with to identify specific sectors and Clusters and to identify their specific needs for employment site and premise*
- *What resources are required to support and maintain the current and future employment site needs.*

Term of Reference 3

How can we meet future needs?

- a) **What is the mismatch between current provision and future need?**
- b) **What are the barriers to delivery?**
 - i. **To understand what are the barriers to the delivery of allocated employment areas and how we can unlock them**
 - ii. **To consider and determine what are the necessary requirements to delivering a successful business site**

Questions:

- *How can the Council meet future needs and deliver the Government's Industrial Strategy and the findings of the Essex Economic Commission?*
- *How can the Council identify the barriers to delivery?*
- *How does the Council identify and enable innovative businesses to thrive?*
- *How do we attract inward investment into the District?*
- *Is the current commercial development marketplace able to deliver the growth aspirations of the District?*

Term of Reference 4:

What is the Council's role in overcoming barriers to delivery:

- a) **Identify the role/opportunities available to the Council in investing or facilitating growth**

Questions:

*What are the Council's powers and duties to engender the delivery of growth?
 How does the Council identify appropriate resources for the desired outcomes?
 Who can assist the Council in meeting future needs avoiding duplication of private sector support.
 What is the anticipated outcome and how can it be sustained.
 How can the Council identify causes of market failure?
 How can the Council identify the difference between a Market Failure and individual business failure
 How can the Council identify the role/opportunities available to it in facilitating growth amongst key sectors including where there is market failure?*

There is naturally a need to gather evidence from the private sector to answer some of these questions including representatives from the following:

- Commercial agents
- Commercial developers (i.e. not residential developers)
- Private sector businesses in the district and adjacent to it, e.g. Stansted Airport
- Representatives from key economic growth sectors – more thorough research, and therefore the optimum sector representatives will be available after mid-May.
- Representatives from the University of Essex

Members are invited to identify other suitable stakeholders for participation in the review.

Further work will be carried out to prepare a structured work plan following the finalisation and agreement of the questions. This will be brought back to the next meeting of the Committee.

Members are also advised that the Council is currently refreshing the Economic Prospectus through the emerging Plan for Growth which will be informed by the research being undertaken into the economic sectors. The Committee will be able to shape the Plan for Growth through this scrutiny process before it has been finalised.