



**COUNCIL CABINET**  
**16 January 2019**

# ITEM 12

Report sponsor: Strategic Director for  
Communities and Place  
Report author: Alan Smith, Head of Economic  
Growth

## **Derby Economic Growth Strategy – Delivery Plan**

### **Purpose**

- 1.1 This report presents the delivery plan to address the Derby Economic Growth Strategy, 2018 – 2022 and seeks approval to both the Strategy and Delivery Plan.

### **Recommendation(s)**

- 2.1 To note the consultation process involved in the creation of the strategy and accompanying delivery plan and related outcomes.
- 2.2 To note the linkages between this strategy and various other partner's strategies.
- 2.3 To approve the Strategy and accompanying Delivery Plan for presentation to Full Council on 1 March 2019 for adoption.

### **Reasons**

- 3.1 This is a Strategy created through careful research and consultation with all key stakeholders, including members of the Derby Renaissance Board.
- 3.2 The strategy must complement and add value to the corresponding documents of the Derby: Nottingham Metro Growth Board (Metro Economic Plan), D2N2 Local Enterprise Partnership (Strategic Economic Plan) and UK Government (Local Industrial Strategy).
- 3.3 It is important that the Strategy receives all party support from within the Council.

### **Supporting information**

- 4.1 The previous Derby Economic Strategy was created in 2010 for a period 2011 – 2016. The work to replace this with a new strategy included completion of a Local Economic Assessment, preparation of various research reports in 2017/18 and a consultation process ending in September 2018.

- 4.2 The new strategy was launched for consultation to coincide with the previous Leaders Budget speech in January. A web microsite was created as the vehicle to seek comments – [www.derby.gov.uk/degs](http://www.derby.gov.uk/degs) . This site contained a survey and responses were collated and analysed in April and May. There followed several focus group and 1-2-1 discussions with members of the Derby Renaissance Board and other key stakeholders to prepare a draft Delivery Plan.
- 4.3 The Strategy highlights the main strengths of the Derby economy as:
- A national reputation as a ‘producer’ city
  - Continued productivity gains in recent years
  - Growth in science, technology and engineering professions
  - A key part of a wider metro-economy.
- 4.4 However, the challenges for the economy of the city are:
- Higher-value business services remain under-represented
  - Growth benefits not spreading across the whole-city – wage gap
  - A ‘missing middle’ of work in Derby for skilled workers
  - Appeal for urban entrepreneurs
  - Skills & education mismatch between residents and employers needs.
- 4.5 The Strategy is structured around the following vision statement:
- “An inclusive, modern city economy, creating innovative goods and services, producing competitively and collaborating regionally and globally to maximise local growth that works for all”.*
- 4.6 This vision is underpinned by four cross-cutting themes to be delivered locally, regionally, nationally and internationally (the four pillars):
1. Innovation – aiming to create a city:
    - ✓ where high-quality talent and assets co-exist to nurture and generate new ideas
    - ✓ that realises commercial potential from ideas and creativity
    - ✓ that serves to reinforce major companies, helps scale up SMEs and drives skills upwards.
  2. Productivity – aiming to create a city:
    - ✓ with a reputation for skills, infrastructure and leadership in high-value new designs, products and services
    - ✓ that is appealing to urban entrepreneurs and supports and retains wealth creators
    - ✓ that has a supportive and proactive environment in which to incubate talent and business growth.

3. Collaboration – aiming to create a city:
  - ✓ with an outward-looking national and global trading partner
  - ✓ that is part of a strong, thriving and contemporary metropolitan area
  - ✓ that provides a unique contribution to the regional economy.
4. Whole-city (inclusive) – aiming to create a city:
  - ✓ where there is opportunity for all people and businesses to share in economic growth
  - ✓ that strengthens economic and physical links across the city
  - ✓ that engages young people through education and aspiration.
- 4.7 The Delivery Plan (see Appendix 1) contains a series of potential projects and programmes designed to address the strengths, weaknesses, opportunities and threats highlighted in the Strategy. Implementation of these projects will only progress following the production of a robust business case and financial appraisal and may be the subject of further cabinet reports. This Delivery Plan is structured under five themes:
  - Digital Skills to capture opportunities of smart productivity and address the skills deficit
  - Business Incubation & Scale Up to build a more diverse and productive business base and to drive commercialisation of R&D
  - Vibrant Learning City to forge closer links between schools, further and higher education and employers, to help re-invent the city centre and to attract & retain skilled workers
  - Connected Metro to maximise HS2 opportunities and connect all into the economy
  - International Economy to improve service exports and maintain international competitiveness.
- 4.8 Both the Strategy and Delivery Plan have been created to complement the main relevant policy documents i.e. the Metro Economic Plan, the D2N2 Strategic Economic Plan and the Government's Industrial Strategy – see Appendix 2 for a diagrammatic representation of these links..

## **Public/stakeholder engagement**

5.1 The main comments arising from the consultation process for the Strategy were:

- General support to strategy principles
- Recognise the value SMEs alongside larger companies
- More focus on digital and creative industries
- Importance of the visitor economy and need for qualitative shift in assets  
Retention of skilled talent pool – enhanced city living offer
- Focus on creative as well as STEM skills - potential for a skills levy
- Greater focus on city centre and coordination of actions.

5.2 The draft Delivery Plan, drawn up taking into account and accommodating all the above comments, was circulated for consultation to the Council's main economic partnership, the Derby Renaissance Board. The main comments, all of which have been addressed in the final version of the Delivery Plan presented in Appendix 1, arising from the consultation process for the Delivery Plan were:

- General support to the draft Delivery Plan – it was felt to be specific, ambitious yet deliverable
- Care required to explain how the Delivery Plan addresses the Government's Industrial Strategy
- More focussed attention may be needed concerning the over supply of city centre retail space
- Greater cross references are required to the City Centre Masterplan e.g. mention of the significance of the Assembly Rooms and Market Hall
- Improvements needed for the digital infrastructure to reflect digital skills focus
- Enhance references to the importance of strategic transport improvements e.g. protect & seek improvement to existing rail links to London + enhance public transport links
- HS2 opportunities for development of rail and other engineering-related supply chains
- Importance of foreign language skills in global age
- Need care to avoid duplication with existing activities
- Importance now of getting the right partners around the table to deliver together.

## **Other options**

6.1 The process of creating this Strategy and Delivery Plan involved the investigation and consideration of multiple options.

## **Financial and value for money issues**

7.1 There are no other Financial and Value for Money implications arising from this report. The implementation of the Strategy and Delivery Plan projects will require careful consideration of financial and VFM matters and before embarking on projects and programmes requiring commitment from the Council a full business case and financial appraisal will be completed.

## **Legal implications**

8.1 There are no Legal implications arising from this report.

### **Other significant implications**

- 9.1 The implementation of the Strategy will support equalities policies. Where appropriate, proposed interventions within the Delivery Plan will only proceed after an Equalities Impact Assessment has been undertaken.
- 9.2 There are no Health & Safety implications arising from this report. Where appropriate, proposed interventions within the Delivery Plan will only proceed after an H&S Assessment has been undertaken.
- 9.3 There are no Risk Management implications arising from this report. Each of the proposed interventions within the Delivery Plan will only proceed after a Risk Assessment has been undertaken.

**This report has been approved by the following people:**

<b>Role</b>	<b>Name</b>	<b>Date of sign-off</b>
<b>Legal</b>	Emily Feenan	3 January 2019
<b>Finance</b>	Amanda Fletcher	3 January 2019
<b>Service Director(s)</b>	Greg Jennings, Director of City Development and Growth	3 January 2019
<b>Report sponsor</b>	Christine Durrant	3 January 2019
<b>Other(s)</b>		

<b>Background papers:</b>	
<b>List of appendices:</b>	Appendix 1: Derby Economic Growth Strategy, Delivery Plan 2018-2022 Appendix 2: Links to other strategies

## Derby Economic Growth Strategy - Delivery Plan, 2018-2022

### Context

This delivery plan has been created to address the Derby Economic Growth Strategy, 2018-2022 – see [www.derby.gov.uk/degs](http://www.derby.gov.uk/degs)

The **vision** for Derby's economy in 2022 is:

***“An inclusive, modern city economy, creating innovative goods and services, collaborating regionally and globally to competitively maximise local productivity and growth that works for all.”***

The strategy to deliver this vision comprises **four cross-cutting objectives** – the “four pillars”:

#### Innovative economy

- High-quality talent and assets to nurture and generate new ideas
- Realising commercial potential
- Reinforcing major companies, scaling up SMEs and driving up skills
- Residents with skills & ambition to match workforce needs.

#### Productive economy

- Reputation for the skills, infrastructure and leadership needed to create and apply high-value new designs, products and services
- Appealing to urban entrepreneurs; supporting and retaining wealth creators
- A supportive and proactive environment in which to incubate talent and business growth

#### Collaborative economy

- An outward-looking national and global trading partner
- Part of a strong, thriving and contemporary metropolitan area
- A unique contributor to the regional economy
- Recognising that the economic boundary of Derby is larger than the city

#### Whole-city economy

- Making opportunity for all people and businesses to share in economic growth
- Strengthen economic and physical links across the city
- Engaging all young people and building ambition through education, vocational training, apprenticeships and jobs
- Ensuring residents and workers have access to a suitable range of high quality affordable homes which support communities and improve quality of life.

This delivery plan sets out the aspirations of the Strategy under **five delivery priorities**.

Each of these priorities contains new work streams and programmes intended to supplement and in some cases replace existing activities:

1. **Digital Skills** *to capture opportunities of smart productivity and address the skills deficit.*
2. **Business Incubation & Scale Up** *to build a more diverse and productive business base and to drive commercialisation of R&D.*
3. **Vibrant Learning City** *to forge closer links between schools, further and higher education and employers, to help re-invent the city centre and to attract & retain skilled workers.*
4. **Connected Metro** *to maximise HS2 opportunities and connect all into the economy.*
5. **International Economy** *to improve service exports and maintain international competitiveness.*

## ***Priority 1: Digital skills***

### **Digital skills: the *opportunities and issues***

- Ensuring Derby's labour force is equipped to meet the challenge of digital industries and applications and the impact of development in artificial intelligence (AI), particularly in the manufacturing sector.
- Providing the skilled workers and employment for the future ('missing middle' of employment in Derby).
- Smart productivity: addressing the need to improve productivity across the economy including large and small scale businesses outside the main original equipment manufacturers.
- Addressing skills deficits – mismatch between skills and employer requirements.

### ***Projects and delivery items:***

#### **1. Develop an *Advanced Manufacturing Skills Academy*:**

A new skills academy will be developed as part of the Science & Innovation Zone at Infinity Park Derby with a strong focus on advanced manufacturing, digital and data skills.

#### **2. Establish an organisation to promote and coordinate Derby's *Technical, Digital and Creative Business Leaders*:**

Co-ordination and consolidation of existing activities through the establishment of an organisation with a defined brand, to promote the sector, coordinate activity, advocate improvements in digital infrastructure, signpost financial support and develop workspace.

#### **3. Deliver an *Open Innovation and Ideas Exchange programme*:**

Develop a single identifiable programme of open innovation collaborations and a 'cooperative home' (physical and organisational) for sharing ideas, requirements and offers of services (ideas marketplace).

#### **4. Establish a *Derby Employment Hub*:**

The Derby Employment Hub involves the creation of a funded and financially sustainable set of employability initiatives – with priority given to digital skills – to include brokerage of business interaction with schools, account management, facilitated work experience, apprenticeships advocacy and employer engagement.

#### **5. Develop an *E-Sports initiative*:**

Establishing Derby as a UK centre of excellence in electronic sports and gaming with the appropriate digital infrastructure and other support facilities.



6. The **Digital and Creative Skills Challenge:**

Challenge employers to develop their specification for job description of the future; challenge skills providers to align their response.

7. Introduce a **Metro Apprenticeship Programme:**

Introduction of a programme to support SME's recruit and retain apprentices offering them access to training resources / programmes, HR advisory services and Apprenticeship Levy subsidies.

***Delivering the four pillars through the Digital Skills Programme:***

<i>DIGITAL SKILLS</i>	Innovative economy	Productive economy	Collaborative economy	Whole-city economy
1. Advanced Manufacturing Skills Academy	✓		✓	✓
2. Technical, Digital & Creative Leaders	✓	✓	✓	
3. Open Innovation and Ideas Exchange	✓		✓	✓
4. Derby Employment Hub		✓	✓	✓
5. E-Sports Initiative	✓			✓
6. Digital & Creative Skills Challenge	✓	✓	✓	
7. Metro Apprenticeship Programme		✓	✓	✓

## ***Priority 2: Business Incubation & Scale Up***

### **Business incubation & scale up: the *opportunities and issues***

- Addressing the City's entrepreneurial deficit.
- Extend greater diversity in the business base to improve economic resilience.
- Increase business density to address lower than average number of business per head (2,750 short of UK average).
- Establish an effective 'growth ladder' and support framework for local businesses.

### ***Projects and delivery items:***

#### **1. Develop the **Derby Science and Innovation Zone:****

Bringing together existing successful organisations to create a new Science & Innovation Campus for the Midlands based at Infinity Park Derby.

The 3 key components are:

- University of Derby Science Park
- Nuclear Advanced Manufacturing Research Centre (NAMRC) and
- Advanced Manufacturing Skills Academy.

#### **2. Establish and deliver a **Tech Start-Up Economy programme:****

Programme to identify, attract and nurture technology start-ups comprising a Technology Equity Fund (allied to better signposting to existing financial support schemes), business coaching, recruitment support, networking activities & events and a promotional campaign.

#### **3. Establish and deliver a **Derby Scale Up Programme:****

Supporting cohorts of businesses experiencing higher growth to further develop their potential using specialist advisors, business coaching, networking events, access to capital finance grants and loans ("DEGF+").

#### **4. Develop **City Centre Managed Grow-on Workspaces:****

Establish a proposition and delivery plan for a managed grow-on workspace in Derby City Centre available on flexible licence terms ('Connect Derby Plus'). This will offer office/studio space for knowledge-based, creative or professional services companies requiring meeting space and room to grow; with potential for dedicated space for R&D, product development and test facilities for manufacturing, engineering and scientific businesses.

#### **5. Launch a **Supply Chain Procurement Portal:****

Develop and roll out the digital architecture and service to support Derby's SMEs to interact and trade with Tier 1 and Tier 2 suppliers in engineering, advanced manufacturing and digital industries.

#### 6. Derby Future Industries Network:

Establish a professional network for emerging technical, digital and creative businesses.

### ***Delivering the four pillars through the Business Incubation & Scale-Up Programme:***

<i>BUSINESS INCUBATION &amp; SCALE UP</i>	Innovative economy	Productive economy	Collaborative economy	Whole-city economy
1. Science & Innovation Zone	✓	✓	✓	
2. Tech Start-Up Economy	✓	✓		
3. Derby Scale Up		✓		
4. Managed Grow-On Space	✓	✓	✓	
5. Supply Chain Procurement Portal		✓	✓	✓
6. Derby Future Industries Network	✓	✓	✓	

### ***Priority 3: Vibrant Learning City***

#### **Vibrant Learning City: the *opportunities and issues***

- Untapped capacity for more University-driven R&D, commercialisation and economic activity (Derby's 'productivity challenge' outside major manufacturers).
- More high-quality, high-skilled (graduate) job opportunities required outside manufacturing companies.
- City centre challenges, including over-supply of retail premises, and opportunities to enhance vibrant 'City Living' offer and support the City Centre Masterplan.
- Developing the 'look and feel' of Derby City centre as a *University City*.

#### ***Project and delivery items:***

1. Promote, develop and deliver a **University Quarter programme:**

Develop and deliver a place-focused programme of interventions to enhance the 'look and feel' of Derby as a vibrant learning city. This is likely to be delivered through a new partnership board comprising the University, Derby College, Derby City Council, businesses and investors to promote, develop, deliver the University Quarter as a concept and place.

2. Establish a **Make-and-Trade Zone:**

Promote the emergence of a defined area of the City Centre for a vibrant new community of businesses that have one thing in common – they design, code, make and trade from their premises and attract customers for an experience as much as for their products and services. This will be made possible through relaxed planning, business rates, parking and rental regimes allied to complementary services, such as legal/IP, design, accountancy etc.

3. **City Centre Diversification and Skilled Workers Plan:**

Develop a formal plan to diversify former retail uses, reinvigorate the evening economy and generate new economic activities in the City Centre. This will include transformation of empty premises, re-opening the Assembly Rooms, development of live-work space and re-imagining uses of key assets (e.g. Market Hall).

4. **Housing Zones and City Living Initiatives:**

Bringing forward a range of schemes for residential development in the city centre, including conversion of buildings into residential use, as well as student housing projects and creating family housing in suburban locations.

***Delivering the four pillars through the Vibrant Learning City programme:***

<b><i>VIBRANT LEARNING CITY</i></b>	<b>Innovative economy</b>	<b>Productive economy</b>	<b>Collaborative economy</b>	<b>Whole-city economy</b>
<b>University Quarter programme</b>	✓	✓	✓	✓
<b>Make &amp; Trade Zone</b>	✓	✓		✓
<b>City Centre Diversification &amp; Skilled Workers Plan</b>	✓	✓		
<b>Housing Zones &amp; City Living initiatives</b>	✓	✓		✓

## ***Priority 4: Connected Metro***

### **Connected Metro: the *opportunities and issues***

- Strong cross-boundary and Metro economic relationships and dependencies which require ongoing further development.
- Persistent value and wage gap between jobs in Derby and Derby residents.
- Geographical hotspots of under-engagement with the City economy which need to be better connected to economic opportunities in the City.
- Clean air challenges in parts of the City.

### ***Project and delivery items:***

1. Explore **mass transit options** for a better connected Derby and Metro area:

Examine the options, feasibility and investment requirement for rapid mass transit routes to connect Derby to the HS2 station at Toton, East Midlands Airport (direct connection) and Nottingham, including Nottingham tram network. This could also involve exploring the feasibility of a park and ride scheme at Spondon.

2. Promote **'High Speed Derby'**:

Create a High Speed Derby Plan to maximise the benefits to Derby of the development of the East Midlands HS2 station, to promote rail supply chain opportunities and to lobby for improved transport infrastructure, facilities and timetables for rail, road and air links.

3. **Smart and Clean Movement:**

Explore and pioneer new transport technologies including smart ticketing, on-demand bus services, low and zero emission technologies and parking space availability applications to improve system effectiveness, encourage further modal shift and offer an alternative to private car journeys into the city centre.

4. Development of **Growth Corridors:**

Shared development of transport corridors across the Metro area to support economic and housing growth (EZ's, SDGZ etc.), linked to the application of new transport technologies and better integration with our superb rail and airport interchanges.

***Delivering the four pillars through the Connected Metro programme:***

<i>CONNECTED METRO</i>	Innovative economy	Productive economy	Collaborative economy	Whole-city economy
1. Mass Transit feasibility	✓	✓	✓	✓
2. High Speed Derby	✓	✓		
3. Smart Movement	✓	✓		
4. Growth Corridors		✓	✓	✓

## ***Priority 5: International Economy***

### **International economy: the *opportunities and issues***

- Opportunity for better integration of East Midlands Airport into economic life of the City.
- Need to maintain the City's international competitiveness and recognised global links
- Brexit challenges and opportunities.
- Value of service exports significantly underperform compared to export of goods from Derby.
- Building on the city's international links and growing the tourism and leisure opportunities this generates.

### ***Projects and delivery items:***

#### **1. Global City Champions:**

Facilitate a select group of high-influence individuals to promote the city as an investment location through their international activities and networks and to help promote the opportunities available to all Derby residents through globalisation.

#### **2. East Midlands Airport business initiative:**

Combined with Nottingham and Leicester, develop a promotion campaign to attract a key EU airline; improve transport connectivity; connect businesses to the Airport; and deliver a recruitment drive to promote 8,000 new jobs predicted at EMA business park.

#### **3. Trade and Exports programme:**

Develop a productive trade and exports business support programme in partnership with D2N2 Growth Hub, East Midlands Chamber of Commerce and the Department for International Trade providing the support system for SMEs to raise awareness and develop aspirations for international trade.

#### **4. Promotion of Tourism, Cultural and Sporting links:**

Devise marketing materials, itineraries and promotional campaigns to encourage tourism, cultural and sporting links in Germany, Japan, China and India to reflect the city to city relationships that already exist. This will also require enhancing the significance attached in our young people to learning language skills becoming more aware of different forms of cultural etiquette.



***Delivering the four pillars through the International Economy Programme:***

<b><i>INTERNATIONAL ECONOMY</i></b>	<b>Innovative economy</b>	<b>Productive economy</b>	<b>Collaborative economy</b>	<b>Whole-city economy</b>
<b>1. Global City Champions</b>		✓	✓	
<b>2. EMA Business initiative</b>		✓	✓	
<b>3. Trade &amp; Export programme</b>		✓	✓	
<b>4. Promotion of Tourism, Cultural and Sporting links</b>		✓	✓	✓

## LINKS TO OTHER STRATEGIES

