

Derby's Economic Strategy, 2011 - 2016

SUMMARY

- 1.1 The new Derby Plan, to be published imminently, is the overarching strategy for the city and contains a desired outcome of "realising a thriving sustainable economy". The draft Economic Strategy (Appendix 2) is, in effect, the economic chapter of the Derby Plan. It is designed to realise this Derby Plan outcome statement and will be owned and overseen by the Derby Renaissance Board (DRB).
- 1.2 The strategy outlines the rationale for a series of suggested interventions. Specific actions for partners to undertake are included in three associated Delivery Plans – one for each sub-board of the DRB (Appendix 3-5). Progress against the Delivery Plans will be monitored by the DRB and periodically reported to Members.
- 1.3 This report accompanies the draft Economic Strategy and associated Delivery Plans and seeks approval from Members.

RECOMMENDATIONS

- 2.1 To approve the Economic Strategy and adopt this document as the basis for the Council's future regeneration projects and programmes.

REASONS FOR RECOMMENDATION

- 3.1 This strategy and the delivery plans have been produced following extensive evidence gathering and consultation with a wide variety of partners throughout 2010. They provide the framework to guide the activities and investment plans of partners seeking to further improve the economic performance of the city.

The significant milestones that have contributed to the production of this strategy are:

- *Economic Prosperity Peer Challenge* report (IDeA, December 2009)
- *Planes, Trains and Automobiles* report (URS, January 2010)
- *Economic Futures* Conference (June 2010)
- *Derby's Local Economic Assessment* (Derby City Council, January 2011)
- *Shifting Gears* report (Centre for Cities, October 2010)
- *Enterprise Growth Strategy* report (GVA, December 2010)
- A review of the Cityscape Masterplan, City Centre Public Realm Strategy and Public Art Strategy (entitled, *City Centre Regeneration Framework* – a draft of which is to be

brought to Members for approval to a forthcoming meeting).

- 3.2 Derby City Council published its *Local Economic Assessment* (LEA) in January 2011. The LEA provides the primary evidence base for this strategy. Recommendations from the various other reports listed above, views expressed in last summer's conference and discussion at three meetings of the DRB have helped to shape the priorities outlined in this document.

SUPPORTING INFORMATION

- 4.1 Derby's economy has performed well over recent years with some impressive headlines – the UK leader in advanced manufacturing employment and amongst highest wage levels outside of London & the south east. However, significant challenges remain to be addressed. Pockets of deprivation, serious skills gaps, market failure and infrastructure deficiencies all need to be tackled to achieve a prosperous economy. Furthermore, a period of sustained contraction in public sector finances coincides with the UK's gradual emergence from a world recession.
- 4.2 The consequent reduction in national and regional regeneration funding and a radical slimming down in the number of quangos means that there's a completely different landscape to work within. Derby and Derbyshire, Nottingham and Nottinghamshire have formed a Local Enterprise Partnership which will develop an economic strategy for this geographical area. A new, holistic, city-wide strategy - *The Derby Plan* - has been prepared by Derby City Partnership.
- 4.3 The *Derby Plan vision* is: "Derby is a city that is passionate about progress". The Derby Plan contains a handful of *outcome statements* to describe the city in 2026 and the economic outcome statement is: "... all people in Derby will enjoy a thriving sustainable economy".
- 4.4 The Economic Strategy forms the economic chapter of The Derby Plan and will substantially inform the strategic context for the Local Enterprise Partnership (entitled D²N²). This strategy has been produced by the Derby Renaissance Board (DRB), which has emerged from the former City Growth Executive.
- 4.5 A key target of this strategy is to create 5,700 net new jobs by 2016. This equates to over 1,100 net new jobs each year. To put this into context, in the period 1998 to 2008 Derby generated 610 net new jobs a year. However, half of these jobs were created in the public sector and over the next five years employment and expenditure in the public sector are anticipated to significantly decline.
- 4.6 In order to achieve a sustained growth in net new jobs, the DRB has identified three themes – or drivers - which are the focus of this strategy:
- *Creating A Culture Where Enterprise Thrives*
 - *Ensuring Workforce Skills Match Business Needs*
 - *Maximising Quality Of Life.*

- 4.7 Delivery Plans have been prepared for each of these three drivers and these will focus the attention of three partnership delivery groups which feed into the DRB – respectively, the Enterprise Growth Board; the Employment & Skills Board and; the Quality of Life Board. Performance measures have been identified against which progress will be judged.

OTHER OPTIONS CONSIDERED

- 5.1 Various priorities, targets, performance measures and interventions have been considered throughout the production of this strategy. It is believed that this strategy represents the best set of options in this regard.

This report has been approved by the following officers:

Legal officer Financial officer Human Resources officer Service Director(s) Other(s)	
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Background papers:	None
List of appendices:	Appendix 1 – Implications Appendix 2 – Draft Economic Strategy, 2011-2016 Appendix 3 – Enterprise Growth Delivery Plan Appendix 4 – Employment & Skills Delivery Plan Appendix 5 – Quality of Life Delivery Plan

Appendix 1

IMPLICATIONS

Financial

- 1.1 There are no direct financial implications arising from this report but delivery of some of the actions outlined in the draft Delivery Plans will require City Council commitment. Separate reports would be brought to Members to approve such commitments in advance.

Legal

- 2.1 The *Local Democracy, Economic Development and Construction Act 2009* places a duty on upper tier local authorities to prepare an assessment of economic conditions. Part I of the *Local Government Act 2001* creates a discretionary power for principal local authorities in England and Wales to do anything they consider likely to promote or improve the economic, social or environmental well-being of their area.

Personnel

- 3.1 There are no direct personnel implications arising from this report but delivery of some of the actions outlined in the draft Delivery Plans will require City Council commitment. The Regeneration Department within the Chief Executives Office will predominantly lead in this capacity.

Equalities Impact

- 4.1 There are no direct equalities impact implications arising from this report but delivery of some of the actions outlined in the draft Delivery Plans will require an Equalities Impact Assessment.

Health and Safety

- 5.1 There are no direct health and safety implications arising from this report but delivery of some of the actions outlined in the draft Delivery Plans will require an H&S Assessment.

Carbon commitment

- 6.1 Various suggested activities described within the strategy are designed to reduce carbon emissions and contribute towards improved resource efficiency in residential and commercial property.

Value for money

- 7.1 There are no direct value for money implications arising from this report but delivery of each of the actions outlined in the draft Delivery Plans will require a value for money assessment to be conducted at the inception of the initiative.

Corporate objectives and priorities for change

- 8.1 This strategy has been produced to support the Derby Plan and Corporate Plan aspiration to generate a *thriving sustainable economy*.

