

## **The Heseltine Review – A response and commentary from Cherwell District Council**

### **1.0 Background**

The Chancellor and Secretary of State for Business asked Lord Heseltine in the autumn of 2011 to undertake an independent review of how spending Departments and other relevant public sector bodies interact with the private sector, and to assess their capacity to deliver pro-growth policies.

The Government's top priority is to achieve sustainable and balanced growth that is more evenly shared across the country and between industries. It remains committed to tackling the deficit to restore economic confidence and stability, and resolutely focused on creating the right conditions for business success.

The Government is also working towards this through its own Growth Review and subsequent measures in the UK Government's 'Plan for Growth' (The UK Budget 2011). It builds on action taken at the Spending Review to restore economic stability.

The UK Government's Plan for Growth is based around four overarching ambitions for the economy, and announcements in the Budget identified a range of reforms to help meet these ambitions:

- Ambition 1: To create the most competitive tax system in the G20
- Ambition 2: To make the UK the best place in Europe to start, finance and grow a business
- Ambition 3: To encourage investment and exports as a route to a more balanced economy
- Ambition 4: To create a more educated workforce that is the most flexible in Europe

While the independent review by Lord Heseltine is not part of the Growth Review it is intended that it will contribute to the Government's thinking. There will be no formal public consultation; however the review team is gathering a range of views from stakeholders.

The review by Lord Heseltine is still at an early scoping stage, so specific projects and lines of enquiry are not yet confirmed. However, the review team will be working under the following four themes:

- Benchmark UK performance against a range of economic indicators
- International comparison of industrial policies
- Assess capacity of departments to deliver pro-growth policies
- Assess how departments interact with the private sector

The countries for international comparisons have not been chosen yet although the review will research a range of countries that are known to have successful strategies that promote growth.

## **Proposed submission by Cherwell District Council**

Views have been invited by the review team.

Cherwell District Council (CDC) has an interesting experience that is of relevance to the issues which the review team are considering. The Council has led economic development continuously in north Oxfordshire since the early 1990s, for instance, in implementing major European Union programmes around restructuring the local economy through providing training for skills and by opening innovation centres. The local economy is now in much better shape, with job seeker allowance claimants at 1.6% and an economic activity rate of 85%. This success was acknowledged in 2010 when Cherwell became the pilot study area of economic resilience for the Centre for Local Economic Strategies.

The Banbury Job Club, in January 2009, became a national model of best practice with future Government Ministers and Leaders of Councils visiting it to learn how it combined the best of the private, public and voluntary sectors: it has since featured in the launch of the National Work Club Network by the Minister for Employment. Cherwell has also run since 2007 the Oxfordshire Business Enterprises service, helping around 500 residents a year through the early stages of starting their own business.

However, Cherwell has set a new, ambitious economic development strategy, and welcomes Government to work closely in its realisation, as shown later in this paper.

CDC is a member of two Local Enterprise Partnerships: Oxfordshire LEP and South East Midlands LEP.

It is proposed that Cherwell District Council makes a submission around two of the 4 themes being examined by the Review, namely - the capacity of departments to deliver pro-growth policies and how departments interact with the private sector.

This commentary and response contains the following sections:

- 2.0 Supporting local and national growth
- 3.0 The Backdrop - Recession and growth
- 4.0 Taking National and Local Action
- 5.0 Role of Government and Agencies
  - 5.1 The European Union role
- 6.0 Instruments and Tools for Growth
  - 6.1 Local Enterprise Partnerships (LEPs)
  - 6.2 Finance for growth
  - 6.3 Evidence based policy
  - 6.4 The role of planning for enabling growth
  - 6.5 Housing as an economic driver
  - 6.6 Location and Transport
  - 6.7 Supporting a Low Carbon Economy
- 7.0 Themes for Growth – building on the Cherwell Experience
  - 7.1 Theme One: Developing People
  - 7.2 Theme Two: Developing Business
  - 7.3 Theme Three: Developing Place

## **2.0 Supporting *local* and *national* growth**

Supporting sustainable economic growth should be a central priority for the UK Government and drive all actions of the different programmes, legislation and activities of Government and its agencies.

It should be evidence based, driven by rigorous analysis of national, regional and local trends.

Government should be clearer in how it seeks to address the challenges of the current recession, ensuring that companies have the space to grow and have access to a range of supportive advice. Growing a successful economy also includes ensuring that there is sufficient land available for company growth and inward investment. This is not the public sector taking on the role of the private sector, but ensuring that we create a foundation for the future, with securing the economy of the District as one of the core drivers of Government policy.

The key question is – **‘What sort of economy should Government look to create?’**

The answer is there that there is not one economy and a risk that national action brings national straight jacket, stifles innovation and local action by imposing a new orthodoxy. The dynamics within local economic areas should, however, be understood and encouraged to secure their potential, and this is where local and national government has a key enabling role.

## **3.0 The Backdrop - Recession and growth**

The current recession has resulted in the UK facing one of its most turbulent economic times in recent history. This has resulted in businesses facing a challenging financing environment and struggling with the negative effects of the recession, particularly with bank lending declining and the implications the lack of funding has for long term investment growth.

The uncertainties in the Eurozone still remain a source affecting business investment decisions and has recently been cited as ‘the biggest single threat’ to the UK’s recovery.

## **4.0 Taking National and Local Action**

4.1 The Economy - growth is most sustainable when it is local. One of the roles of the public sector is to create a platform where the private sector fails or where public services are needed.

4.2 Localism - Local Government has a major role to play in shaping the local state. Localism and local action should be encouraged to consider local opportunities.

4.3 The Regional Development Agencies (RDA’s) followed a standard template which has been replaced with the autonomy given to the Local Enterprise Partnerships (LEPs). However, the limited funding available has the potential to inhibit local actions and responses.

## **5.0 Role of Government and Agencies**

Government action needs to be driven by strategy, joined up, consistent and sustained. It should involve all departments and agencies considering what they can contribute to the national effort in a clear, consistent and coherent way. Key considerations include:

- Establishing a cross departmental Government committee to oversee the growth effort, requiring each department to identify what it is doing and might do to support economic growth.
- Consider the role of the central state and local government to assess the benefits of secondments between Central Government and Local Government and also from Councils to Agencies (and vice versa) to develop an understanding of each other's roles and the opportunities to support and enable growth.

Key Government departments and Agencies to be corralled into this national project include:

- Highways Agency
- Department for Culture Media and Sport
- DEFRA
- HCA role nationally and locally
- Treasury role (though their priority must remain sound finance alongside supporting growth at a local and regional level)

Within these Government departments and Agencies the following questions need exploring:

- How much regulation is really needed and include sunset clauses in all new regulations
- What incentives might the department and agency introduce?
- What should each department and agency fund that will support growth?
- Which local companies have the potential to grow and might be supported as new local, regional or national champions?
- What steps might each department and agency take to support new clusters and supply chains through funds, positive procurement strategies?
- There is a need to recognise that all sectors have potential to support growth, whether public or private sector.
- What partnerships might be forged that can support growth?

It is welcome that the regional tier of Regional Development Agencies and Government Offices have been removed, but they did play a useful role as a conduit for regional issues to feed into the machinery of Government. This regional engagement needs to be stepped up and made more systematic, especially with the LEPs and MPs being engaged appropriately in this process.

### **5.1 The European Union role**

The EU is a powerful source of funds for development, regulations governing product development and state aids to limit unfair business support by the public sector that might

distort the Single European market. All public bodies are legally required to observe the state aid rules in developing their support for business.

State Aid in the EU is monitored and controlled by the European Commission. Member states are obliged to notify and seek approval from the Commission before granting State Aid. This gives the Commission the opportunity to approve or refuse to approve the proposed measure.

State Aid rules aim to ensure fair competition and a single common market. Giving favoured treatment to some businesses would:

- harm their business competitors and risk distorting the normal competitive market.
- hinder the long-term competitiveness of the Community by propping up inefficient, aid dependent companies.

## **6.0 Instruments and Tools for Growth**

### **6.1 Local Enterprise Partnerships (LEPs)**

By working in partnership with local businesses, business organisations and regional bodies such as South East Midlands Local Enterprise Partnership (SEMLEP) and Oxfordshire Local Enterprise Partnership (OLEP) Cherwell can contribute to putting in place the right support to secure continuous economic growth. The successful local delivery of this will depend on the quality of our analysis, conclusions and commitments.

We are concerned to secure a more systematic consideration of how LEPs might develop a role in supporting economic development in rural areas, particularly with regard to big strategic policy choices facing regional growth. However, local economic support is primarily a local level activity, bringing together planning (sites for investment, rural business units, town centre renewal, rural masterplanning, etc), tourism, support for local businesses and practical action to tackle unemployment such as Jobs Clubs.

There is a case for 'rural proofing' of LEP strategies against a standard national assessment template, to ensure the distinctive features of rural areas are maintained and strengthened.

SEMLEP is an ambitious, disparate grouping and is taking time to forge a common identity in a region which lacks a unified economy. One of the key features of SEMLEP is that it is not an established place; economic or otherwise. It lies between other more established places - Oxford, West Midlands, Leicestershire, Peterborough and the St. Albans - Stevenage arc. But, it does have a number of major urban economies - Milton Keynes, Luton, Bedford and Northampton, with Milton Keynes in particular being one of the most dynamic economies of the UK (a growth rate of 12.9% last year) - and does have potential to draw together new shared priorities and action (especially if supported by Government).

All LEPs should be encouraged to take the critical first step of developing an understanding of the nature of the place, the sub-region, its economy and people. What features are common across the area, the urban parts and the rural parts and how might the interdependency be developed strategically, and across borders with neighbouring LEPs that share common 'functional economies'? We are currently in a recession where the

economy is changing, but how is it changing? This understanding is critical for the SEMLEP being able to contribute to positioning for the economy of the future.

In short, examining the features of the SEMLEP region is a critical first step to identify:

- The state of its economy, major economic trends, strengths and weaknesses, threats and opportunities i.e. the economic strengths and weaknesses of the region and the key gaps to address?
- The common features of the area and which are atypical? I.e. what are the key clusters to build upon or develop? Such as F1 and the associated high value engineering supply chain; food and drink industries and Tourism.
- Whilst some ad hoc work between local authorities is beginning – e.g. in commissioning a skill-needs forecast - the best means to develop a statistical overview would be through commissioning the SEMLEP/OLEP Universities and centres of learning to develop a Regional Observatory or statistical/analytical forum to enable regular material to be published that examines the region as a whole.

From this analytical base it is then possible to identify the elements that are common across the SEMLEP for developing in the SEMLEP strategy, including:

- The need for high level skills
- The need for access to bank and investment finance
- How might the HE/FE sector be brought more fully and systematically into this process e.g. through technology transfer and a regional patent competition?
- The opportunity to move to a Green Economy
- What critical local priorities should be built upon

Ultimately LEP action (whether SEMLEP or OLEP) should be action that sits above local level activity and which adds value to it. The SEMLEP/OLEP should agree to that action which requires collective support and involvement.

In particular the SEMLEP/OLEP should be looking to take action which is distinct from other LEPs, not repeating the work of the Milton Keynes and South Midlands Growth Area (MKSM), or Oxfordshire County Council, but doing something new - such as seeking to maintain a high level of quality of life, closing economic gaps and securing influence with government.

### **Government support for this new locally driven - regional policy**

The reality of the creation of the LEPs is that they are a locally driven form of regional policy, expected to be led by private business but in fact very reliant upon local government resources.

Established in 1999, Regional Development Agencies (RDAs) were created with significant powers, funding and flexibility to allow them to develop and deliver tailored economic strategies and to secure better and more sustainable economic performance for their region.

Although the RDA's aims were to 'spread economic prosperity and opportunity', the nine RDA's had variable performances and were unable to establish a bridge to the perceived administrative gaps between central government and local authorities and attempts to rectify some of the long-standing regional imbalances within the UK economy.

The recovery from recession brings new challenges for local economies and the future levels of economic prosperity. The most successful local economies following a recession are those with high levels of innovation and knowledge-based employment. LEPs provide a role for strategic leadership in setting and addressing local economic priorities and this sits firmly within the Government's vision of growth for an economy recovering from recession.

The Government says it is committed to building a new economic model through the LEPs and aims to create a fairer and more balanced economy. There is a major opportunity to secure improved joint working between the different tiers of Government and local government. But the rhetoric needs to be matched with action. Securing economic growth and coming out of recession with a more balanced economy that is less reliant on banking, needs to be a clear national priority with national and local action that involves all sectors and the public and private sector working together.

In short, there is an opportunity to deliver a real step change in joint working between the tiers of Government and local government to ensure focus remains on delivering growth and new business opportunities.

The LEPs have the role and responsibility of empowering locally driven growth, encouraging business investment and promoting economic development. For local communities this means ensuring that everyone has access to opportunities that growth brings and everyone is able to fulfil their potential. There is a need for the LEPs to more explicitly show how their action is bringing economic gains to regional and local economies.

Other issues which the SEMELP or OLEP should pursue with Government include –

### **Strengthening the rural economy**

Pressing for a more systematic consideration by Government of how LEPs might develop a role in supporting economic development in rural areas particularly in pressing the case for the big strategic policy choices facing regional growth. But ultimately, economic development is primarily a local level activity, bringing together planning (sites for investment, rural business units, town centre renewal, rural Masterplanning, etc), tourism, support for local businesses and practical action to tackle unemployment such as Jobs Clubs.

There is a case for 'rural proofing' of LEP strategies against a standard national template, to ensure the distinctive features of rural areas are maintained and strengthened. Government should give greater recognition through its policies and funding streams to:

- the cost of transport tending to be higher in rural areas, from the average price of petrol to a higher cost of travel to work and training with a lower level of public transport provision.
- That there is a more limited provision of crèche and nursery facilities in rural areas which does not assist women's return to work.

- the cost of undertaking infrastructure by utilities tends not to receive the same priority as for urban areas and that infrastructure also tends to be older in rural areas. Infrastructure priorities and the importance of broadband were covered earlier.

Finally, there is a major importance for rural transport connectivity of maintaining rural rail links as rail franchises come up for review through to 2026 (anticipating that there will be pressure for service reconfiguration should the Government decide to proceed with HS2).

Bank lending for SMEs in rural England needs encouraging. Government should consider establishing new tax breaks that encourage venture capital support for rural economic investment.

There are other impediments to a successful rural economy, which may deepen as a consequence of the current planning and housing reforms including:

- A reduction of the level of affordable rural housing that can be required as a part of new developments (through the National Planning Policy Framework); at the same time that rental levels are increasing due to changes to the funding regime for social housing and reforms to the benefit system.
- Planning reform which aspires to create rural growth through enabling more house building without the commensurate infrastructure and accompanying employment sites, leading to further out migration and towns and villages becoming ever more dormitory, rather than dynamic sustainable communities. Furthermore, existing employment sites are also going to be increasingly vulnerable to changes of use, without a formal role from the Council as Planning Authority, reducing the availability of employment sites close to villages and Market Towns, with the risk of increasing levels of longer distance commuting to employment premises.

**Improved coordination of Inward Investment** – There is a need to improve coordination of enquiries. The UKTI made a recent presentation to the SEMLEP officer group regarding future co-ordination of Foreign Direct Investment (FDI) enquiries. SEMLEP covers a wide area with many different types of economies, so putting forward sites via the same arrangements we currently use with all general enquiries could work better and this is being discussed. CDC already has close links with OLEP on the forwarding of inward investment proposals and receives a number of enquiries direct from developers and investors and is discussing how the process might improve.

**Enterprise Zones** – as proposals for new Enterprise Zones are taken forward it will be important to ensure that they do not displace investment at non EZ sites; for example the Science Vale and Northampton EZs should complement the major employment growth at Bicester and Banbury. Already we are hearing alarming intentions of business to move from our District into OLEP's nearby EZ for several years before then moving out when the financial incentives cease. This does not appear to be sustainable economic development! A degree of coordination of site marketing by SEMLEP members would also seem wise to avoid duplication and wasted effort.

- Small Business Support – With the services provided by Business Link being scaled back from November 2011 and the number of self-employed residents having



increased, we need some form of support provision that start-ups and existing small businesses can access.

In the medium to longer term SEMLEP/OLEP should consider the creation of a regional Investment fund to support business innovation and the take up of technology transfer from Universities in the region. Cherwell has a wide range of rural business units that are well placed to be attractive locations for the provision of incubator units to site spin-off companies. Government support for this type of initiative would be welcome.

Tourism has a major role to play. One means to strengthen the economy of the Market Towns across SEMLEP/OLEP would be to engage in marketing Market Towns as a regional network, places to visit for shopping and tourism of different types.

## **6.2 Finance for growth**

Project Merlin was meant to boost access to finance for businesses and make banks lend to boost business and jobs. However the reality is the banks failed to reach lending targets and rejected the increasing number of businesses seeking access to finance since the financial crisis began. In an area with falling unemployment and where stable, growing companies cannot access funds such as South Northamptonshire this is an extraordinary state of affairs.

There is a need for an alternative approach, a new Government intervention which is designed to increase the supply of bank lending to business and address the market failures affecting SMEs raising finance. A new national investment bank would be one step and using it to by-pass high street banks which are showing no interest in supporting their local economies. The Coalition has talked about increasing support for mutual and this may have a role to play. But the overwhelming priority is to ensure that government access to finance schemes is targeted at correcting market failure and ensuring that the market mechanism in the supply of finance to SMEs is functioning.

One further step would be to use the tax system to strengthen incentives for company investment. Tax incentives for company investment and innovation and the market application of new patents would be one steps to take.

The debate about 'fairer funding' shows the cost of providing rural services to scattered and isolated communities is higher than for urban areas as the economies of scale are not available.

The implementation of the retention of business rates will necessitate a change to the relationship between local government and local businesses. This new relationship is in its infancy but Government has a useful role to play in supporting the exchange of best practice and ensuring that effective, locally innovative approaches are encouraged elsewhere too.

Business rate retention is also likely to prove a powerful incentive for local action by Local Planning Authorities on encouraging land release for economic development, this incentivisation needs to be carefully managed to avoid creating an over-supply that fails to secure the economic development intended, leading to change of use and increased housing in potentially inappropriate locations.

### **6.3 Evidence based policy**

The creation of a UK Infrastructure Plan for the first time by the Coalition Government is a long overdue first step in identifying how different investment priorities sit together. Likewise the UK Governments Growth Plan is comprehensive and powerful in its 4 aspirations. These plans need to be reported on, their impact and effectiveness assessed as well as the LEPs, local authorities and business organisations encouraged to submit new ideas in the preparation of future editions.

What would be useful for developing this on a more systematic basis would be to build from a spatial analysis that is regularly updated to highlight challenges and opportunities, for example the suite of UK wide maps produced recently by Newcastle University for the RTPi.

Cherwell District benefits from a highly skilled workforce, good education rates and low deprivation. The District has a number of strong assets, in particular manufacturing in Banbury, the success of the Bicester Outlet village and presence of Motorsport and High Performance Technology sector. It also enjoys a strong tourism sector which supports many local jobs.

The analysis which accompanies the Cherwell Economic Development Strategy shows trends and highlight strengths we can build upon and weaknesses we should address. It enables us to monitor progress with the delivery of the overall Economic Development Strategy.

Our Market Towns of Bicester and Banbury are both attractive traditional market towns. However, like most Market Towns they face challenges in the current economic climate and from the changing needs of shoppers. Both Towns now have adopted Masterplans which set out clear visions for the way these towns will develop in the future.

Central to this work was a consideration of ensuring how the employment needs of the towns into the future can be met. This is not just about keeping pace with planned housing growth, but an end in itself of ensuring local companies can grow and ensuring that land is available to meet inward investment potential too. It also seeks to reduce the current level of out-commuting and seeks to retain this outflow within the town.

Both the Town Masterplans and the proposed submission Local Plan for Cherwell (which sets the development framework for Cherwell) have a major role to play in supporting economic growth. They contain proposals (and detail) for new land release for strategic developments that include housing and employment, together with education, health, greenspace and leisure as appropriate in detail site by site.

### **6.4 The role of planning for enabling growth**

An agreed development framework is critical as it gives certainty to investors and communities. Land use and economic development go hand in hand.

The aspirations of much of the current Government planning reforms are to be welcomed – bringing simplicity, greater community involvement, but also seeking to ensure a focus on sustainable development where supporting growth in appropriate locations is a central theme of what the Planning system tries to achieve.

The National Planning Policy Framework (NPPF) has passed much of the decision making down to the local level which is to be welcome, but up to date local evidence is key. Likewise Neighbourhood Planning is turning the planning system from being top down and mechanistic, to one that is bottom up and involving the community.

The development of Masterplans for the two Market Towns of Bicester and Banbury and other policy modernisation have been used at Cherwell District Council as practical steps to consider how best to shape development, to guide growth, to plan for community needs and to ensure community support for growth.

Local Plans are a critical foundation for identifying locations of growth, building on locational advantages, responding to economic trends and what is needed to support growth in the future. But area marketing is essential to secure the benefits of land release to deliver the identified ambition and aspiration..

Masterplans for guiding town growth in Cherwell District have proved to be a useful basis for securing developer, agency and community agreement on the priorities for area development. But they need clear action plans for delivery. They should form part of the national approach to not just releasing planning policy constraints, but to ensuring that planning of towns is considered holistically.

National Government might give consideration to developing a standard template for developer contributions to ensure development certainty.

Finally, there are other impediments to a successful *rural* economy, which may deepen as a consequence of current Planning and housing reforms including:

- Planning Reform which aspires to create rural growth through enabling more house building without the commensurate infrastructure and accompanying employment sites, leading to further out migration and towns and villages becoming ever more dormitory, rather than dynamic sustainable communities. Existing employment sites are also going to be increasingly vulnerable to changes of use, without a formal role from the Council as Planning Authority, reducing the availability of employment sites close to villages and Market Towns, with the risk of increasing levels of longer distance commuting to employment premises. The impact of such changes will need to be monitored.
- 'Localism' is an important challenge, requiring more active community engagement by the public sector, to listen, negotiate, to understand community needs and to more effectively plan ahead. This can be expected to be more difficult in practice than in theory.
- Government policy guidance constantly presents a uniform metropolitan view for England as a whole. It simply fails to consider why Rural England matters as a

distinctive entity, a modern place, with opportunities and challenges that are different to that faced in urban England. Guidance for planning in a rural area should give prominence to how 'standards of living' are best maintained, high employment levels retained, landscape character maintained (the industrialisation of rural England by wind turbines is ignored by the planning system as many communities are finding) and the relationship between market towns and villages is supported, supporting a modern 'rural' economy. Much of Rural England does not just aspire to be Urban.

## **6.5 Housing as an economic driver**

Housing growth and economic policy are interlinked. The flaw with the previous Governments focus on housing targets to meet demographic change was a failure to take stock as to whether intervention might be required to shift growth from one location to another. In particular, failure to arrest the decline of the north of England while at the same time seeking to accommodate the continued growth of the south of England is to fuel 'over-heating' in the south.

The economy has to come first. The current need for a 5 year land supply needs to be reassessed through a more considered economic strategy for the UK that priorities economic growth for the north of England. We need to have multi-polar growth, not just one region that drives the national economy. This is strategically dangerous as creating a housing bubble to drive growth.

Finally, there are other impediments to a successful rural economy, which may deepen as a consequence of current planning and housing reforms including a reduction of the level of affordable Rural Housing that can be required as a part of new developments (through the National Planning Policy Framework); at the same time that rental levels are increasing due to changes to the funding regime for social housing and reforms to the benefit system.

## **6.6 Location and Transport**

There is a need for a recognition that the cost of transport tends to be higher in rural areas, from the average price of petrol to a higher cost of travel to work and training with a lower level of public transport provision.

The importance of maintaining rural rail links as rail franchises come up for review through to 2026 (anticipating that there will be pressure for service reconfiguration should the Government decide to proceed with HS2).

Firstly, as a statement of intent this is going in the right direction. But, there is also a need to ensure the proposed Local Transport Boards involve District Councils as well as County Councils, given the District Council role as Planning Authority with the leading role in shaping housing and economic growth in their areas.

Overall coordination is definitely needed between Counties and within them. The whole Local Transport Plan process needs revision and if this is a step towards greater transparency and strategic leadership than we have seen over the past 5-10 years that can only be a good thing.

Local Infrastructure Plans are a good idea as a starting point, but should build on the Infrastructure Plans within the Local Plan/Core Strategies – there is no need to duplicate what already exists and these documents already have detailed, costed plans with timetables for delivery.

The major priorities for CDC with regard to road infrastructure within the district are Junctions 9 & 10 on the M40, both of which are key elements of the strategic road infrastructure and improvements should provide benefits to the national economy..

There is a need to look at delivery matters, both funding as SEMLEP and OLEP have been doing through the Regional Growth Fund and DfT Pinch Point programme, but also whether there are opportunities to shift what is delivered between different tiers. The Highways Agency should be pressed to pass some of its responsibilities and oversight down to the SEMLEP/County level and some of the local responsibilities down from County to District level.

If LEPs are to play a useful role, they should provide an overview of the economic impact of proposed infrastructure planning linked to their other funding mechanisms to ensure that economic gains are maximised.

## **6.7 Supporting a Low Carbon Economy**

Supporting a low-carbon economy is central for providing new opportunities in the key future growth industries and will contribute to transforming the UK's economy. A low-carbon economy would change the industrial landscape and the supply chains of businesses, as well as benefitting the bottom line through more efficient resource use and waste minimisation. Reducing use of fossil fuel reduces costs to business and shift to low carbon production creates opportunities for new business sectors to grow. But, we need to ensure that existing businesses are equipped to maximise the economic opportunities and minimise the costs of the transition, as well as supporting businesses to face the challenges and opportunities that adapting to climate change brings. Practical advice and support from BIS would be welcome, particularly in working with us to create the nationally significant 'exemplar' Bicester Eco Town.

There is also growing need to find ways of reducing the reliance of energy which comes from fossil fuels, oil, coal and gas, whilst balancing the need for continuing economic growth and prosperity. Energy is expensive and becoming increasingly unreliable and its supply is finite and its use produces polluting gases. There is an increasing need to move to a lower carbon lifestyle which is kinder to the environment and makes us more self-sufficient.

But, in looking to secure alternative sources of energy generation, the current tariff for wind turbines distorts the market and fundamentally compromises the advantages that unspoilt countryside has as part of a growing tourism effort (a far more significant economic gain). Accelerating micro generation is a much more appropriate policy response to the energy challenge.

## **7.0 Themes for Growth– building on the Cherwell Experience**

Any actions for Growth will require clear themes and co-ordination. The experience of Cherwell District Council is that resources can be maximised by combining the strengths of

the private and voluntary sectors with the public sector. Indeed, the community leadership role of local authorities is at the heart of the Cherwell Economic Development Strategy (2011-16). For the Action Plan to succeed, we need as much stability within investment programmes as possible.

Government action should be driven but not constrained by the outcomes it seeks to achieve such as the numbers of new jobs to create or Gross Value Added required. In addition, the Implementation of Government strategy should be about being ambitious and more proactive in securing the economic investment needed across the UK to achieve the move towards a high value, high wage, greener, high technology manufacturing based future with provision made for company growth, inward investment and sites for a range of company sizes from small businesses through to the larger multinationals.

We believe that the prosperity of Cherwell will be created through:

- Innovation
- Creativity
- Entrepreneurship

Cherwell's local Economic Development Strategy provides a strong framework comprising three 'golden threads':

### **Thread One) Ensuring a diverse and resilient economy**

Cherwell is a prosperous district with very low unemployment. Much of the economic stability we have experienced has come from small and medium sized businesses and these businesses need continued support so that they are maintained. We also need to continue to attract new and innovative businesses to the district and retain the population through a range of work opportunities. Lastly we need to ensure that our population is skilled enough to take up these opportunities, can live locally and have transport to get to work.

### **Thread Two) Building a strong and flexible partnership culture which acknowledges capacity but 'adds value' by working together effectively**

There is an established culture of co-operation in Cherwell with a strong track-record of taking both proactive and timely reactive steps to address economic 'shocks'. It is upon this positive culture and new opportunities through Local Enterprise Partnerships that action will be based, enabling a flexible and responsive approach to be taken, through effective community leadership.

### **Thread Three) Maximising the 'green economy' benefits arising from Eco-Bicester**

In maintaining the global competitiveness of Cherwell's economy, we are looking to sustain an environment in which people choose to live, work and visit. As energy costs rise and regulations tighten, the 'green economy' will be synonymous with the whole economy. Individuals, businesses and locations will have to be resource and energy efficient to survive and to compete. We have a unique opportunity to be at the forefront of sustainable community development through Eco-Bicester, and to spread the benefits across the whole district.

We have divided our actions into a series of interlocking developmental themes:

- **7.1 Theme One: People** (skills development, work readiness, help to find work)
- **7.2 Theme Two: Business** (entrepreneurship, enabling success, attracting investment)

- **7.3 Theme Three: Place** (provide transport and housing infrastructure, support rural areas and develop key urban sites)

## 7.1 Theme One: Developing People

### i) Creating employment

Private businesses are leading the creation of new employment and public partners are ensuring that the conditions for growth and help and advice, is available. This includes services to enhance skills and to support entrepreneurs.

*Together in Cherwell we are:*

- o **Creating local job opportunities** for the predicted increase in the local resident population.
- o **Maintaining the low unemployment rate** in the district.

### ii) Providing access to Employment

Creating jobs is insufficient to ensure a prosperous economy. We are helping young people avoid being 'not in education, employment or training' (NEET), helping people with basic skills to enter into work for the first time, return to work with new skills and to use those skills and experiences throughout life to progress as individuals within a strong society.

*Together in Cherwell we are:*

- o **Raising expectations and ambitions** and providing a range of economic opportunities for everyone including lifelong learning and retraining.
- o **Developing Job Clubs** to improve access for economically inactive people to skills, training, enterprise and employment opportunities.
- o **Helping young people into employment, education or training** by providing alternative routes to economic activity.

### iii) Enhancing Skills

To maintain our diverse and resilient economy, skills development is about improving productivity, efficiency, and adding value. Through the recession, however, the challenge has also arisen to help provide individuals with the basic skills, knowledge and support to enter and return to work.

*Together in Cherwell we are:*

- o **Developing relationships with local employers** as partners in addressing education and skills issues, meeting future needs and supporting key local sectors.
- o **Providing, encouraging and supporting skills** and training needed to develop Eco Bicester, to attract businesses and to develop a competitive low carbon economy.

## 7.2 Theme Two: Developing Business

### iv) Promoting business start-up and entrepreneurship

With increasing reliance now placed upon private sector job creation, both self-employment and entrepreneurship are vital to our economy.

*Together in Cherwell we are:*

- **Increasing the numbers of new businesses forming**, fostering enterprise through Oxfordshire Business Enterprises, enabling all residents considering starting a business to gain help and support, smoothing the start-up process and ensuring early survival.
- **Enabling high skill and high tech entrepreneurship** through Oxford Innovation and other local support networks,
- **Supporting the early survival and growth of enterprises**, though developing the network of agencies, banks and other professional advisers, training and education providers and local authorities.
- **Embedding an entrepreneurial culture in our young people**, through programmes such as Young Enterprise, increasing the number of young people involved in these programmes.

**v) Developing local procurement and supply chains**

The public, private and increasingly social elements of a resilient economy should ensure that the exchange of products and services can involve all potential providers to contribute, allowing 'value for money' to be identified, especially where it contributes to circulation of wealth locally.

*Together in Cherwell we are:*

- **Maximising opportunities for the private and social sectors** to supply to the public sector.
- **Assisting businesses to identify local supply chains.**

**vi) Promoting business & cluster development**

It is recognised that businesses geographically related and operating in a broadly similar field have much to gain by working in partnership. By pooling resources and knowledge, whilst reducing costs, collaborative actions can create competitive advantage for Cherwell through the growth of private sector-led employment, enabled by the public and social sectors where necessary.

*Together in Cherwell we are:*

- **Continuing to support the growth of established clusters** locally involved with the bio-medical, nanotechnology, materials engineering, motor-sport and other high-technology sectors, identifying key areas for co-operative development, and identifying further clusters.
- **Developing and integrating a new 'green employment cluster'** in and around Eco Bicester as part of the transition to a low carbon economy.
- **Engaging with our small, medium and large businesses** to understand what support we can give them to stay and grow here into higher performing businesses.
- **Supporting businesses in conforming to regulations** and avoiding 'red tape'.

**vii) Attracting new investment**

A key part of the success of the Cherwell economy since 1990 has been the concerted drive to attract inward investment to build today's local economy which has proven, through facing recession, to be 'resilient'. Our partnership services and



networks are operating to overcome obstacles in the delivery of further sustainable investment.

*Together in Cherwell we are:*

- **Continuing to enable investment** by inward investors and existing businesses in north Oxfordshire through our Cherwell-M40 Investment Partnership (CHIP), LEPs and by maximising the use of the private and public sector's resources.

#### **viii) Developing a 'World Class' Business Community**

We are supporting and facilitating the internationalisation of our businesses, by engaging local businesses with UKTI and giving them access to specialist knowledge and support, opportunities and markets.

*Together in Cherwell we are:*

- **Promoting the benefits of international trade** by bringing experienced exporters and traders together with novices and professional services to share experiences, develop knowledge, collaborate and exploit opportunities.
- **Maximising the value of overseas links** formed through civic activity or other networks.

#### **ix) Developing the Visitor Economy**

The visitor economy is a unique sector comprising not only of attractions and overnight accommodation but also part of the transport, catering and retail industries. The visitor economy is an important part of the locality, providing expenditure, facilities, services and opportunities that might not otherwise exist whilst improving businesses and infrastructure for local residents to also use. There is also great potential to generate wealth by drawing in expenditure from visitors arriving from outside the region and, in particular, from outside the UK.

*Together in Cherwell we are:*

- **Working in partnership with businesses and tourism bodies to enhance and develop our tourism product, maximising the value whilst minimising any negative affects.**

### **7.3 Theme Three: Developing Place**

#### **x) Promoting employment sites & premises**

The successful Cherwell-M40 partnership brought together public and private sector partners, enabling the paced development and occupation of commercial property to meet demands from employers. We will seek to protect existing allocations of land for new employment generating development, and ensure sufficient new land is available through the Local Plan to accommodate economic growth.

*Together in Cherwell we are:*

- **Providing sufficient quantity, quality and choice of employment land and premises** to accommodate the expansion needs of existing and future employers, across a diverse range of activity, whilst protecting established and identified employment sites.
- **Supporting businesses through the planning process**

- **Enhancing business environments** to encourage a virtuous cycle of upgrading of premises to encourage further investment, reducing the number of vacant units and enhancing economic activity.

#### **xi) Managing our infrastructure development**

The quality of communications links is one of the key economic drivers in our district. Transport and telecommunications provide the key link to markets that businesses require and maintaining and improving those connections is a vital task for economic development to take place.

*Together in Cherwell we are:*

- **Enhancing key transport infrastructure** to support business efficiency.
- **Enhancing telecommunications** to support business and home-working throughout Cherwell.
- **Enabling a good supply of housing** and a wide range of affordable housing opportunities to ensure that housing provision is able to support the development of the local economy.
- **Ensuring that utilities to all businesses meet present and future need**, particularly in the older industrial areas where power and water/sewage supplies can become inadequate.
- **Developing Eco-Bicester** as an exemplar of innovative transport and communications.

#### **xii) Supporting rural areas**

Service businesses, such as shops, post offices and public houses in villages, can often face commercial challenges yet are very important in providing a valuable community hub, services and local employment opportunities.

*Together in Cherwell we are:*

- **Implementing Cherwell's Rural Strategy**, including support to rural businesses and employees.
- **Developing access to highspeed broadband** through the OxOnline (BDUK) programme, engaging businesses and communities to ensure the whole of the district is a competitive place to live, learn, visit and do business.

#### **xiii) Supporting urban centres**

Our three Urban Centres, Kidlington, Bicester and Banbury, play a pivotal role in the economic life of the District. They form hubs around which our economy revolves, as meeting points for communications, and providing a critical mass of property, businesses and local customers.

*Together in Cherwell we are:*

- **Maximising the benefits of co-operation** between local chambers and business networks to build relationships with each other, and with public and community partners.
- **Promoting the economic vitality** of centres through successful services, shops markets and events.
- **Undertaking regeneration** schemes and actions to enhance the attractiveness and success of the centres.

- **Maximising use of public & community assets** in support of the local economy.
- **Developing local business leadership further** and align economic actions.
- **Undertaking key development projects**, including the 'Bicester Town Centre Regeneration', and in Bnabury the 'Brighter Futures' programme, 'Cultural Quarter' development, Canalside and Bolton Road redevelopment.
- **Maximising the unique advantages of Kidlington:** promoting the benefits of the airport, University of Oxford's Begbroke Science Park and its proximity to Oxford in supporting local business growth.

The aims and themes shown above are being addressed through our actions locally. We work closely with both of our LEPs, with BIS Local and with our MP, Sir Tony Baldry.

Whilst we are not blessed with Enterprise Zones to tempt 'footloose' growth, Cherwell partners have invested over the years in creating the drivers of sustainable economic growth. Our airport, university science park, college, innovation centres, business groups and active partnerships have led the way - but there is more to do.

To realise our full potential as a driver of not only the local economy but also the national economy, Cherwell would welcome closer working with Government to achieve mutual goals.

Cherwell District Council  
September 2012.