

<b>TITLE</b>	<b>Berkshire Local Industrial Strategy Consultation</b>
<b>FOR CONSIDERATION BY</b>	The Executive on Thursday, 27 June 2019
<b>WARD</b>	None specific
<b>LEAD OFFICER</b>	Director of Locality and Customer Services - Sarah Hollamby
<b>LEAD MEMBER</b>	Executive Member for Business and Economic Development – Stuart Munro

**PURPOSE OF REPORT (INC STRATEGIC OUTCOMES)**

To submit a formal response to the consultation on the Berkshire Local Industrial Strategy Framework Document and endorse the work done to date by Thames Valley Berkshire Local Enterprise Partnership (TVP LEP) and other stakeholders. The Council seeks to ensure that the vision and priorities set out in the Berkshire Local Industrial Strategy Framework Document are informed by Wokingham Borough’s local needs and aspirations.

**RECOMMENDATION**

That the Executive

- 1) endorses the work that Thames Valley Berkshire Local Enterprise Partnership has done to date on the Berkshire Local Industrial Strategy Framework Document
- 2) approves the responses from Wokingham Borough Council to the consultation questions posed on the Berkshire Local Industrial Strategy Framework Document.

**EXECUTIVE SUMMARY**

The Government introduced Local Industrial Strategies in the Industrial Strategy White Paper (November 2017). The overarching aims of the Industrial Strategy White Paper is to improve the UK’s overall productivity performance and ensure that future economic growth is more inclusive.

In early 2018, the TVB LEP was tasked by Government to shape the Berkshire Local Industrial Strategy (BLIS). As a major milestone in developing the final BLIS the LEP has been working with stakeholders, including business representatives and the six Berkshire unitary authorities to develop the attached BLIS Framework Document.

The BLIS Framework Document identifies Berkshire’s economy as performing ‘very strongly’. The success of the Berkshire economy is attributed to its outstanding location (proximity to Heathrow and London) and a sense of place - the mix of urban and rural places with beautiful countryside with major historical and cultural assets.

Whilst in absolute terms Berkshire's economy is performing well the BLIS Framework Document identifies a number of negative economic trends suggesting that productivity has slowed considerably. For example in terms of GVA (per job filled) Berkshire grew by 1.3% last year placing it only 34<sup>th</sup> out of 38 LEP areas in England

The high cost of living in Berkshire, particularly in terms of the high cost of housing, makes it a place where inclusive growth is, a challenge. Evidence suggests that the workforce has polarised into well-paid jobs and poorly paid, insecure jobs. The Framework Document identifies other factors influencing the economy including traffic congestion, a transient population and too few mid-skilled jobs in the workforce.

The vision is that "*Berkshire should grow with ambition and intent*" The BLIS highlights the wish to accelerate the pace of economic growth and then to sustain it at a high level. It stresses the need for that growth to be "*good growth*" – meaning growth that is smart, knowledge intensive, inclusive and resilient. As such it sets out an ambition to see businesses thrive, communities prosper and individuals of all ages progress and flourish.

The vision is supported by the five priorities: *enhancing productivity within Berkshire's enterprises; ecosystems which are maturing and evolving and extend beyond Berkshire; international trade, connections, collaborations and investments; vibrant places and a supportive infrastructure; making Berkshire an inclusive area where aspirations can be realised.*

The document also poses a number of consultation questions to ensure that the BLIS meets the needs of local stakeholders (responses from WBC are attached).

In general, the council is supportive of the work done so far in the Framework Document. In particular, that the imperatives of the need for more affordable housing and the impacts of congestion are recognised. Overall, the council would like to see more holistic approach with the emphasis on balanced, inclusive growth. Including, more emphasis on tackling climate change, supporting arts and culture and proving good infrastructure (including superfast broadband).

The consultation process closes on the 21<sup>st</sup> June. The Government timetable for completing the BLIS is early 2020.

## **BACKGROUND**

The Government introduced Local Industrial Strategies in the Industrial Strategy White Paper (November 2017) as a mechanism to coordinate local economic policy and national funding streams and establish new ways of working between national and local government.

The overarching aims of the Industrial Strategy White Paper is to improve the UK's overall productivity performance and ensure that future economic growth is more inclusive

In early 2018 the TVB LEP was tasked by Government to shape the Berkshire Local Industrial Strategy (BLIS)

As a major milestone in developing the final BLIS the LEP has been working with stakeholders, including business representatives and the six Berkshire unitary authorities to develop the attached BLIS Framework Document.

Based on a strong body of evidence, the Framework Document sets out a vision and five priorities for the BLIS and poses a number of consultation questions to ensure that these meet the needs of local stakeholders

Over the coming months these strategic priorities will be developed in more detail. This will be done through a co-design process with Government, TVB LEP and be informed by feedback from this consultation process.

The work in the BLIS Framework Document will become the overarching strategy document, which will be supported by a suit of further documents to form the BLIS in its entirety. These will include a full evidence base, a spatial economic narrative and a set of implementation plans

Completion of the Framework Document marks the halfway point in the process of developing the BLIS. The consultation process on the Framework Document closes on the 21<sup>st</sup> June. The next stage will involve a period of more detailed co-design with Government throughout the summer. The Government timetable for completing the BLIS is early 2020.

## **BUSINESS CASE (Analysis)**

### **BLIS FRAMEWORK DOCUMENT SUMMARY**

#### **Berkshire's Economy**

The BLIS Framework Document identifies Berkshire's economy as performing 'very strongly' and appearing at, or close to the top of the UK league tables for GVA, employment rates, qualifications and so on.

The success of the Berkshire economy is attribute to its outstanding location and sense of place. It is in an outstanding location because of its close proximity to Heathrow airport, one of the world's major international gateways, and because of its location adjacent to London.

Economic success is also accredited to a sense of Place. This is due to the intrinsic nature of Berkshire being comprised of mix of urban and rural places with major historical and cultural assets as well as beautiful and accessible countryside.

Whilst in absolute terms Berkshire's economy is performing well the BLIS Framework Document identifies a number of negative economic trends suggesting that productivity has slowed considerably). In terms of GVA (per job filled) Berkshire grew by 1.3% last year placing it only 34<sup>th</sup> out of 38 LEP areas in England.

The high cost of living in Berkshire, particularly in terms of the high cost of housing, makes it a place where inclusive growth is a challenge. Evidence suggests that the workforce has polarised into well-paid jobs and poorly paid, insecure jobs, which are incongruous with the character of local housing market. Resulting in high levels of in work poverty.

The Framework Document identifies other factors influencing the economy including traffic congestion, a transient population, lack of commercial land and too few mid-skilled jobs in the workforce.

The paper concludes that growth should come about through increasing productivity through increasing the output from jobs rather than the number of jobs.

### **Vision and Priorities**

According to Government requirements Local Industrial Strategies should be structured around the five foundations of productivity; Ideas (Innovative economy), people (good jobs and greater earning power for all), infrastructure (a major upgrade to the UK's infrastructure), business environment (best place to start and grow a business) and places (prosperous communities across the UK). As well as the four grand challenges, artificial intelligence and data , ageing society, clean growth and future of mobility

Evidence set out at the beginning of the Framework Document has been interrogated against the five foundations and grand challenges proposed by Government to develop a vision and five priorities.

The proposed vision is that *“Berkshire should grow with ambition and intent”* The BLIS highlights the wish to accelerate the pace of economic growth and then to sustain it at a high level. It stresses the need for that growth to be *“good growth”* – meaning growth that is smart, knowledge intensive, inclusive and resilient. As such it sets out an ambition to see businesses thrive, communities prosper and individuals of all ages progress and flourish.

The vision is supported by the five priorities: *enhancing productivity within Berkshire's enterprises; ecosystems which are maturing and evolving and extend beyond Berkshire; international trade, connections, collaborations and investments; vibrant places and a supportive infrastructure; making Berkshire an inclusive area where aspirations can be realised.*

### **Consultation responses**

The consultation poses questions about the vision and priorities as well as the underpinning evidence and how this have been analysed. The attached document sets out the responses from Wokingham Borough Council.

The consultation responses broadly endorse the work of the BLIS Framework Document and are supportive of the work carried out so far.

The consultation responses welcome the recognition that there is a need to tackle Berkshire's very slow economic growth in productivity and that the importance of places in creating a successful economy has been identified.

The council would like to see more emphasis on inclusive, balanced growth in the Framework Document including an emphasis on tackling climate change and developing the arts and culture offer in the borough. More weight needs to be given to ensuring that TVB LEP supports WBC in placing the right housing in the right places with more high-quality, affordable homes. There is an imperative to manage congestion better and provide good infrastructure (including superfast broadband).

### Next Steps

The council will continue to support the further development of the BLIS in partnership with TVB LEP and other stakeholders and ensure that there is a read across to the Wokingham Borough Council Economic Development Strategy and the priorities in the Council's Corporate Plan.

### FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

***The Council continues to face severe financial challenges over the coming years as a result of reductions to public sector funding and growing pressures in our statutory services. It is estimated that Wokingham Borough Council will be required to make budget reductions of approximately £20m over the next three years and all Executive decisions should be made in this context.***

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	Nil	N/A	
Next Financial Year (Year 2)	Nil	N/A	
Following Financial Year (Year 3)	Nil	Yes or No	

### Other Financial Information

There are no direct financial implications from endorsing the BLIS. However, the Government does use the TVB LEP to channel funding to local authority infrastructure projects through the Growth Fund. The BLIS along with the TVB LEP key Economic Development Strategy will be used to inform future funding decisions

### List of Background Papers

1. Berkshire Local Industrial Strategy Framework Document for Consultation March 2019
2. Wokingham Borough Council Response to the Berkshire Local Industrial Strategy Framework Document for Consultation March 2019

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