

HAMPSHIRE COUNTY COUNCIL

Decision Report

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| Decision Maker: | Cabinet |
| Date: | 24 January 2011 |
| Title: | Hampshire Economic Assessment |
| Reference: | 2509 |
| Report From: | Director of Economic Development |

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1. Executive Summary

- 1.1. The purpose of this paper is to finalise the 2010 Hampshire Economic Assessment.
- 1.2. This paper explains the consultation process following approval of the draft document to Cabinet in July 2010. It also briefly informs Members of the process taken to finalise this year's Assessment and what should be done to keep the Assessment updated.

2. Contextual information

- 2.1. The statutory duty for upper-tier authorities to produce a Local Economic Assessment (LEA) came into force in April 2010. The purpose of the assessment, as set out in a report to the Hampshire Economic Board in October 2009, is to be a common evidence base for local authorities and their partners, enabling robust local responses to economic development challenges.
- 2.2. Whilst the guidance determining scope and breadth of the Assessment was revoked in September 2010, the duty remains and the rationale for doing an Assessment remains strong. Accordingly, the County Council has had reassurance, through the consultation process, that this year's assessment will be used widely by a large number of stakeholders, as well as Council departments, to aid policy-making and inform strategic planning.

- 2.3. The main Assessment document is underpinned by a series of Technical Annexes containing a wide range of data that can be readily extended and updated as and when new information becomes available. There will be an additional Annex, currently being finalised, which will analyse the breadth and depth of worklessness in Hampshire.
- 2.4. A timeline for delivery of this year's Economic Assessment was agreed by the Hampshire Economic Board on 14 December 2009 and work commenced in January 2010. A core project team from the Economic Development Office and Environment Department managed the process, compiling the data and working with consultants, SQW, as they have developed the narrative. A key stakeholder group has been involved from the outset, providing data and local and sectoral perspectives on the key themes.
- 2.5. After being approved at Cabinet on 26 July, the draft Assessment was published for consultation. The draft documentation was sent directly to a wide range of key stakeholders across a broad spectrum of businesses and organisations in Hampshire, accompanied by a questionnaire, and the consultation was hosted online to ensure access by a wider audience. The consultation period ended on 15 October 2010. Since then, officers and consultants have been working to ensure that comments and feedback provided are taken into account, where appropriate, in the final version.
- 2.6. Thirty-one responses were received from a variety of stakeholders, including all the local authorities in Hampshire, voluntary sector organisations, community organisations, Hampshire Chamber and other business organisations. In general the Assessment was viewed as a good analysis of the issues for Hampshire's economy, but a number of suggestions and comments were made. The significant or recurring comments and suggested responses include:
- under-representation of some business sectors
 - *more detail has been included about the marine sector;*
 - not enough of a district-level focus
 - *the scope of the document does not include individual district analysis. However, district councils were given an opportunity to have district level documents prepared as an additional part of the Assessment process but this offer was not taken up;*
 - more needed on the green economy
 - *as the 'green economy' is currently difficult to quantify, further consideration will be given to this issue in future;*

- more priority to be given to Hampshire key economic assets
 - *it is recognised that the importance of Hampshire's assets, and particularly the Ports, should be better reflected in the Assessment and some wording changes and graphical representation will be made to address this; and*
- more prominence to the role of the two cities
 - *the narrative will be changed to further acknowledge the role of Portsmouth and Southampton within the Hampshire economy.*

2.7. In addition, a recurring response questioned the validity of the economic geographies used in the Assessment. As reported to Cabinet in July 2010, the Assessment covers Hampshire, including the unitary authorities of Southampton and Portsmouth. At a sub-county level, three geographies are explored: north, south and central Hampshire/New Forest. These were agreed by the Key Stakeholder Group as valid and useful geographies at the beginning of the development of the Assessment and remain so now. Change at this point is therefore not recommended. However, future partnership alignments may require a different geographical view of the data.

2.8. Other responses were of varying depth and breadth and have been categorised as follows:

- (i) a useful/valid comment which will be incorporated into the final Assessment - for example, the need for a SWOT analysis in the Future Prospects chapter;
- (ii) a useful/valid comment which will be taken on board in future updates, given the time constraints - for example, that there should be more business input and views. This will be addressed by a business survey in Spring 2011;
- (iii) a comment with which Hampshire County Council does not agree - no change will be made to the Assessment - eg the analysis of commuting flows is incorrect; and
- (iv) a useful/valid comment but one which is outside the scope of an Economic Assessment – for example, that the Assessment talks about the risks to the economy but does not say how they should be addressed, which is a matter for an economic development strategy.

2.9. Those comments categorised under (i) have been considered and the necessary adjustments have been made to both the main Assessment document and accompanying Technical Annexes.

- 2.10. If agreed by Cabinet, the document will receive formal sign-off once work to incorporate amendments has been completed in January 2011. The document will be published and made available to the public by the end of February 2011.
- 2.11. Once the 2010 Assessment has been completed, plans will be made to update the document on a yearly basis, taking into account new data that becomes available. A more thorough review should take place when data from the next Census is published in 2013. There may also be a need to revisit some of the issues raised by respondents during this year's consultation (as per point (ii) in paragraph 2.8 above), such as further work on the impact of climate change and deeper analysis of the interdependence between rural towns and villages.

3. Finance

- 3.1. Government allocated £65,000 to upper-tier authorities which has been distributed as part of the area-based grant. Lower-tier authorities were given £6,000 each to cover the cost of participating in the process. Funds for the initial Assessment were received in the 2009/10 financial year.
- 3.2. The Department for Communities and Local Government withdrew the Area based grant funding in 2010/11 and has confirmed that the allocation for the Assessment will be contained in the central grant to local authorities in future and will not be ring-fenced. Therefore no additional funds are available in departmental budgets for the delivery of updates or revisions to the Assessment.

4. Recommendations

- 4.1. That the outcome of the consultation process and the key points arising be noted.
- 4.2. That the Director of Economic Development, in consultation with the Executive Member for Economic Development and Rural Affairs, be delegated authority to approve the final draft of the Economic Assessment on the basis set out in this report.

CORPORATE OR LEGAL INFORMATION:**Links to the Corporate Strategy**

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| Hampshire safer and more secure for all: | No |
| Corporate Improvement plan link number (if appropriate): | |
| Maximising well-being: | Yes |
| Corporate Improvement plan link number (if appropriate): | |
| Enhancing our quality of place: | Yes |
| Corporate Improvement plan link number (if appropriate): | |

Other Significant Links

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| Links to previous Member decisions: | | |
| <u>Title</u> | <u>Reference</u> | <u>Date</u> |
| Economic Assessment | 1845 | 26 July 2010 |
| Action Plan for delivering the Economic Assessment Duty | 1105 | 14 December 2009 |
| Economic Assessment Duty | 1003 | 20 October 2009 |
| Direct links to specific legislation or Government Directives | | |
| <u>Title</u> | | <u>Date</u> |
| Local Democracy, Economic Development and Construction Act | | November 2009 |

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

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| <u>Document</u> | <u>Location</u> |
| Draft Hampshire Economic Assessment consultation responses | Economic Development Office |

IMPACT ASSESSMENTS:

1. Equalities Impact Assessment:

- 1.1. The assessment explores deprivation and inclusion under the 'People and Communities' theme.

2. Impact on Crime and Disorder:

- 2.1. No impact.

3. Climate Change:

- a) How does what is being proposed impact on our carbon footprint / energy consumption?

Not applicable.

- b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

Not applicable.