

Overview and Scrutiny Committee 1

21 March 2019

ECONOMIC ACTION PLAN REVIEW

Report of the Business and Community Manager

All Wards
Key Decision = N

1.0 Purpose of Report

1.1 To inform Members of the proposed changes to the Economic Action Plan.

2.0 Decisions Sought

2.1 Members are asked to discuss and comment upon the proposed changes to the Plan.

3.0 Link to Corporate Priorities

3.1 This report links directly to the Council Theme of Enabling Growth.

4.0 Introduction & Background

4.1 Members will recall that the Economic Action Plan was approved in 2016 following discussion at Scrutiny and Corporate Board.

4.2 Officers undertook to keep the Plan under review to allow it to adapt to the changing economic needs of the District and changing focus of the Council Plan.

4.3 The revised Plan attached at **Appendix 1** has been reviewed by the Business and Community Manager and picks up upon the themes discussed at the economic development training session which was delivered to Members in November 2018.

4.4 Members are asked to discuss the proposed revision to the Plan in particular the more pro-active approach suggested for promoting economic potential within the District.

5.0 Recommendations

5.1 Members are asked to comment on the attached Plan.

6.0 Corporate Implications

Scrutiny Consultation	This is a report to Scrutiny seeking comments.
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Community Engagement	None.
Environment & Sustainability	None.
Financial Implications	Some of the proposed actions within the Plan will require funding which will be the subject of a separate Corporate Board report.
Legal Implications	None.
Risk Implications	Failure to adopt and maintain a relevant Plan will adversely impact upon the Council's ability to deliver its Enabling Growth Theme.
Human Resource Implications	None.
Equalities Implications	None.
Health & Safety Implications	None.

7.0 Further Information

- 7.1 Background Papers – Corporate Board, 8 December 2018 (Minute CB50 refers)
- 7.2 File Reference – None.
- 7.3 Appendices – Appendix 1 – RDC Economic Action Plan 2016-2020

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RDC Economic Action Plan – 2016-2020

The Richmondshire District Council Economic Action Plan is based upon the strategic aims of the Richmondshire District Council Local Plan, however it must also compliment the work of the LEP and the Yorkshire Dales National Park.

The Local Plan Core Strategy (which is concerned with both the economic and social needs of the district) creates the environment for growth necessary for the specific actions contained within this document to be achieved.

The Core Strategy seeks to achieve key strategic aims:

- Improve local services - health, leisure, retail and commercial – to improve the quality of life for a wider population
- Increase housing choice through Local Plan policies for everyone living and working in Richmondshire
- Increase the supply of employment land and facilities through Local Plan policies
- Plan for economic growth through its role as a local planning authority, the preparation and implementation of its Local Plan and engagement with neighbouring Local Plans, including with the Yorkshire Dales National Park.

The Economic Action Plan 2016-2020 is a more specific document than the Core Strategy and aims to support and deliver the following key priorities:

- Enabling opportunities for growth
- Supporting local businesses and tourism
- Improving connectivity
- Advocate for district economic growth

This document is structured to provide the reader with an:-

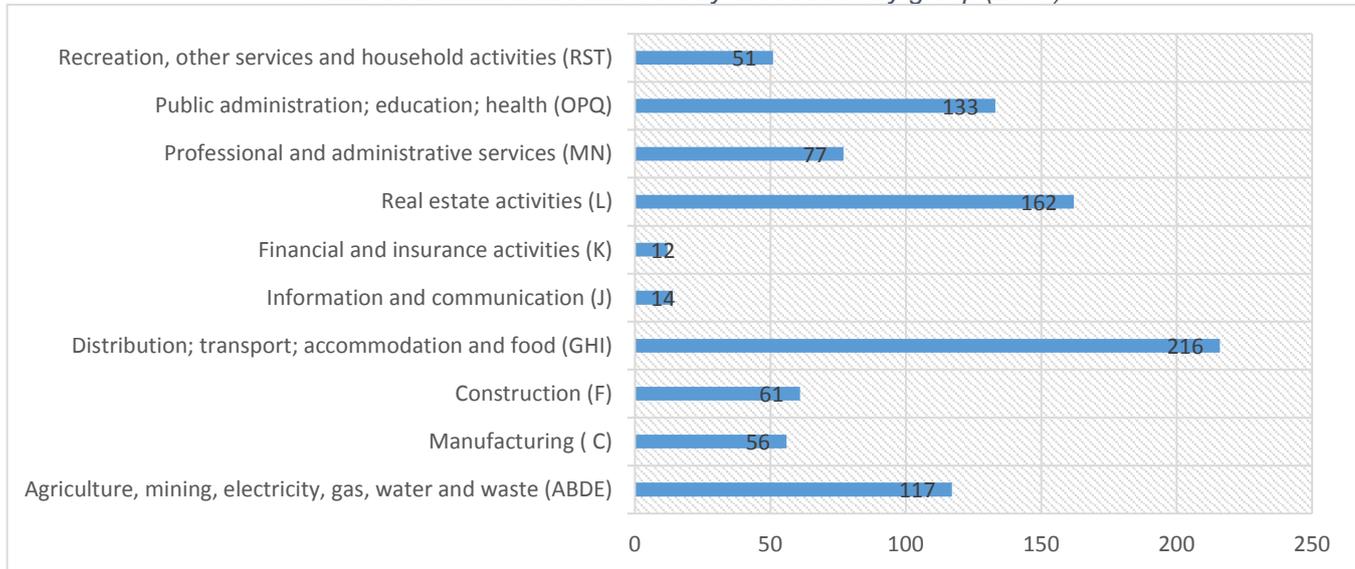
1. Overview of the economic character of the district;
2. An overview of what has been achieved since the Economic Action Plan (2016 – 2020) was implemented;
3. The revised/updated Action Plan along with measurable outcomes.

ECONOMIC CHARACTER OF THE DISTRICT

ECONOMIC PERFORMANCE (GROSS VALUE ADDED/GVA)

In 2010 the economic output (GVA¹) of the district stood at £813m, since then the economy has grown by 10.58% to reach £899m in 2016². Whilst the district is predominantly rural in character, it is made up of a more complex economic landscape as Table 1 below shows, with strengths in a number of key sectors that this action plan must recognise in order to facilitate and support further economic growth.

Table 1 Richmondshire £m GVA by broad industry group (2016)



(Office of National Statistics, 2018)

A key component of the Richmondshire economy is the Distribution, transport, accommodation and food services sector which comprises the Motor Trades, Wholesale, Retail, Transport & Storage (including postal) and the accommodation and food services industries³. This broad industry grouping accounted for £216m, or roughly 24% of Richmondshire's total economic output in 2016, and in total provides employment for 6,450 across the district.

Real Estate (property) is the second largest economic contributor to the districts economy, accounting for £162m (18%) of economic output. Real Estate comprises not only the buying and selling of property (commercial and residential) but also lettings, and the management of property portfolios. By comparison this sector employs just 350 within it.

Public administration, education and health is the third largest contributor, accounting for £133m (14.7%) of economic output. The sector provides employment for 3,800 and whilst still a large and important sector for the district, it saw the largest % decrease in growth (-13.64%) between 2010 and 2016 of all sectors.

The Information and Communication Sector within Richmondshire is relatively small, contributing as it does only £14m to the district's economy. It has however seen growth of 75% over the period 2010 – 2016, whilst employing a relatively modest number of staff (275).

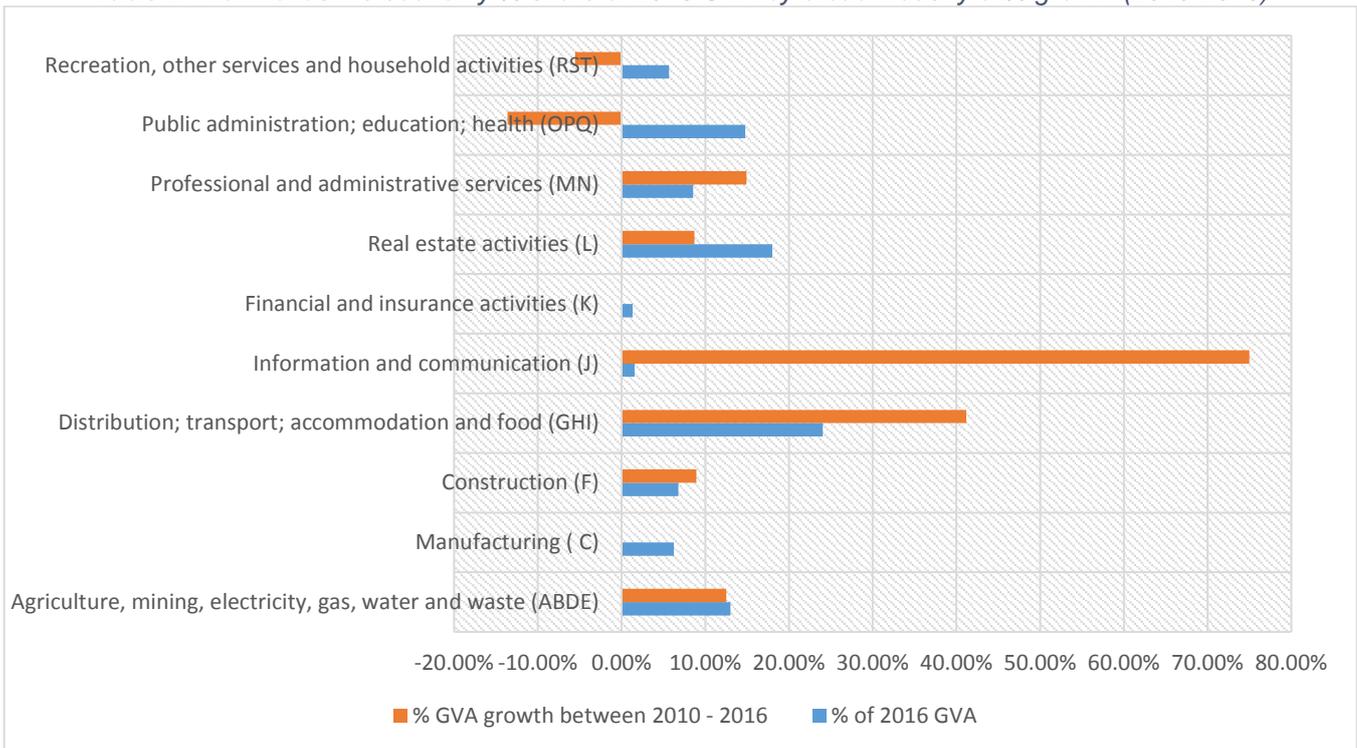
Table 2 below shows the % share of Richmondshire's total economic output against each of the broad industry groupings, along with the % growth or decrease within these groupings over the period 2010 – 2016. Overall only two industry groupings saw a % decrease, whilst the Financial & Insurance Services and Manufacturing sectors remained static.

¹ In economics, **gross value added** (GVA) is the measure of the **value** of goods and services produced in an area, industry or sector of an economy.

² Latest available ONS Sub Regional Productivity data

³ Individual GVA figures are not available for this grouping

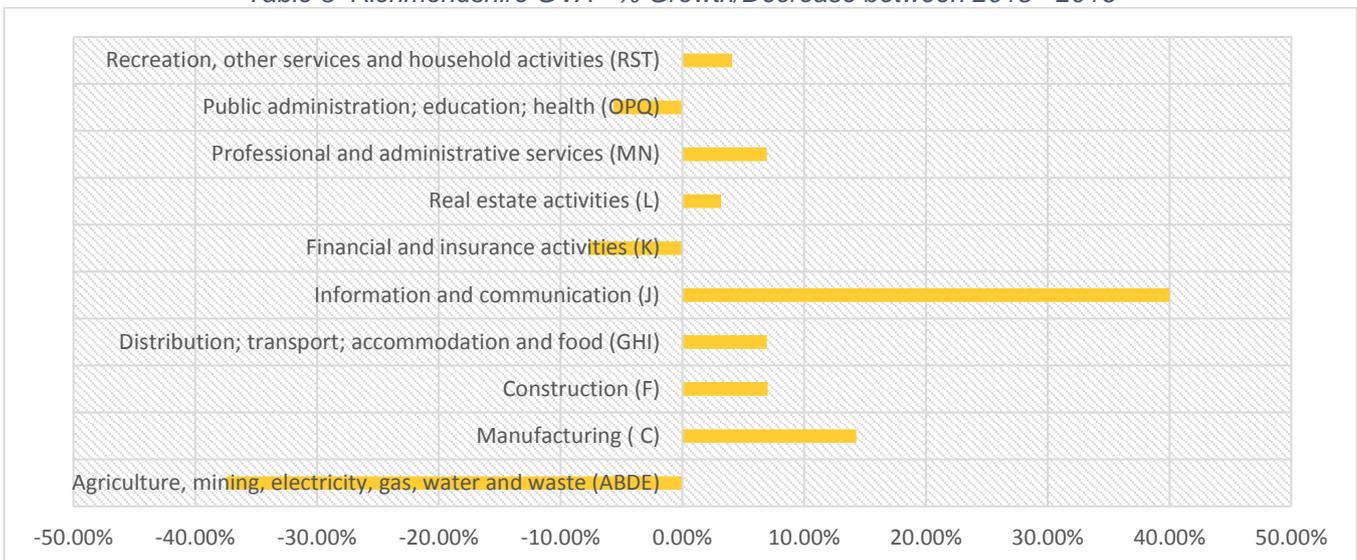
Table 2 Richmondshire economy % share of 2016 GVA by broad industry & % growth (2010-2016)



(Office of National Statistics, 2018)

Looking at % growth/decrease over a defined timeframe is a useful comparator of sector performance although it can mask recent performance figures as Table 3 below shows. As an example, between 2015/2016, the Manufacturing sector saw growth of 14.4% and the Information & Communication Sector saw 40% growth.

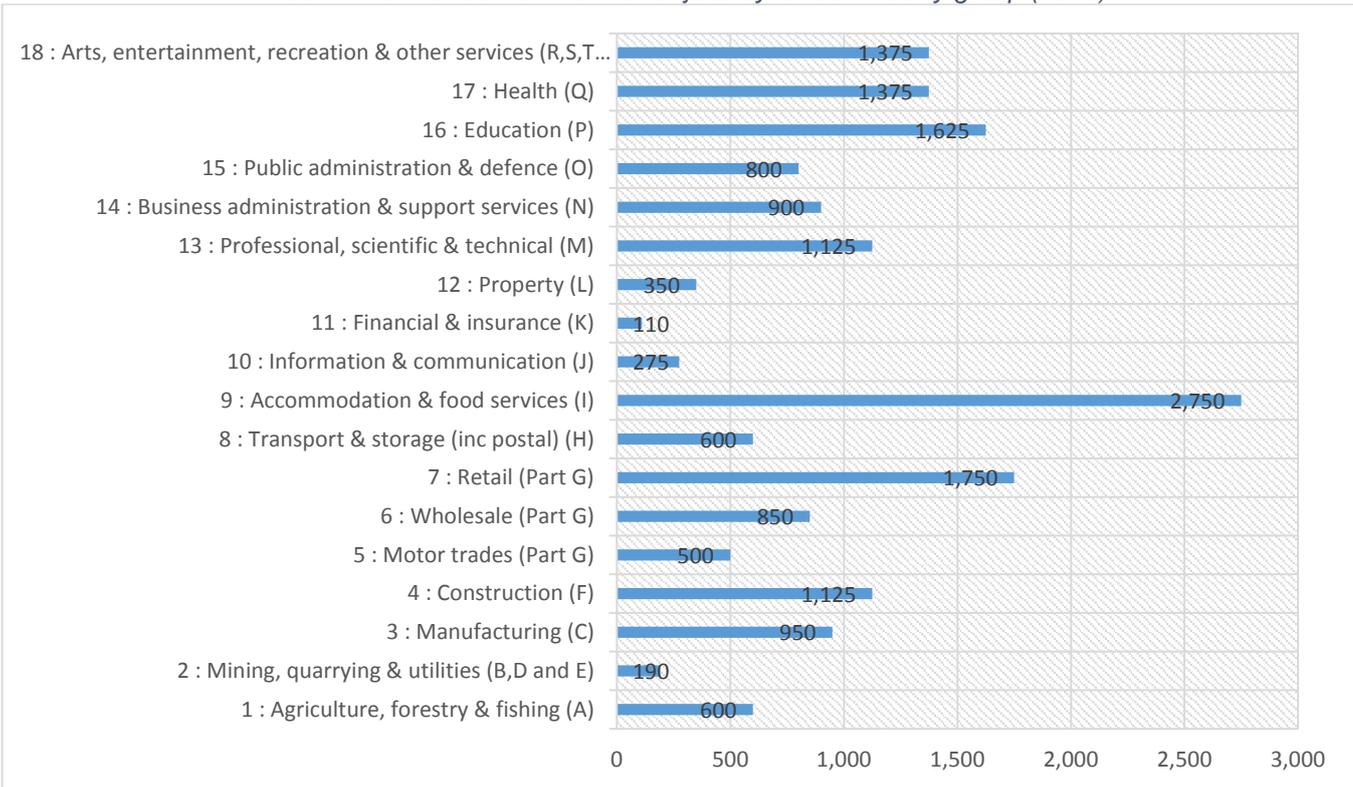
Table 3 Richmondshire GVA - % Growth/Decrease between 2015 - 2016



(Office of National Statistics, 2018)

Table 4 below breaks down the number of jobs by broad industry groups in Richmondshire (2016). Whilst the Accommodation and Food Services industry provides the largest number of employment opportunities within the district, a number of other significant sectors include Education, Health, Arts/Entertainment/Recreation, the Professional, Scientific and Technical Services, Retail, Construction and Manufacturing industries.

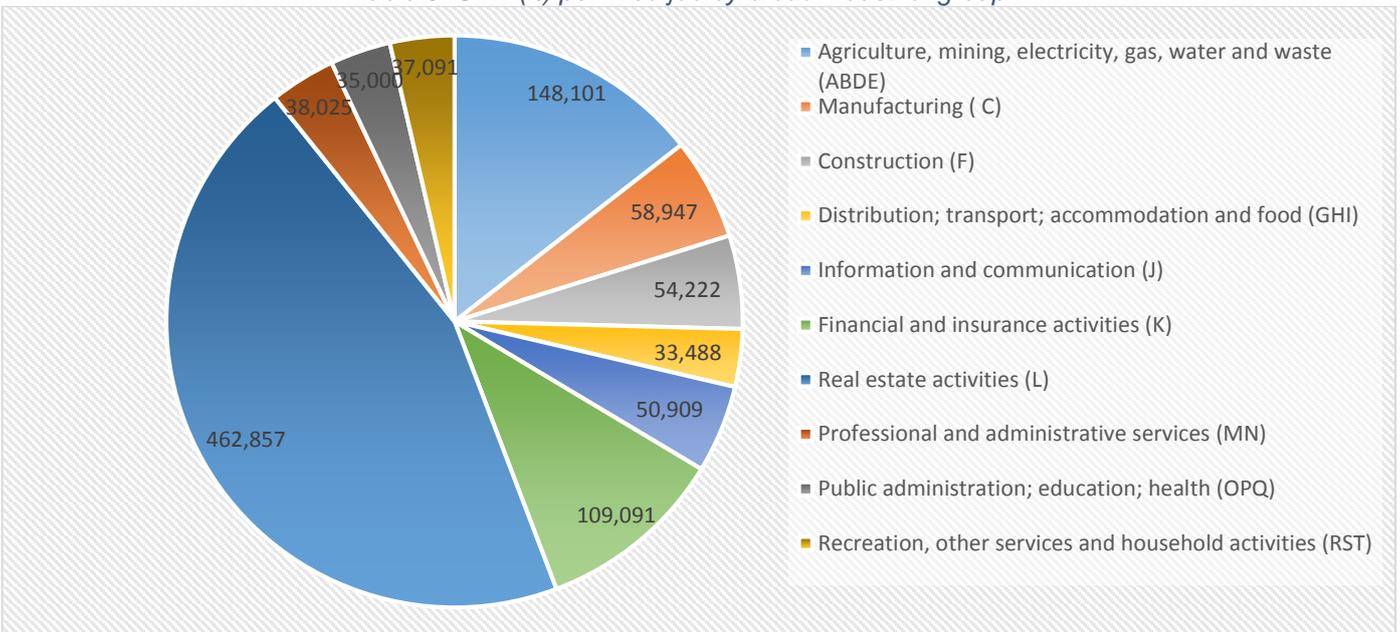
Table 4 Richmondshire - number of jobs by broad industry group (2016)



(Office of National Statistics, 2018)

Gross Value Added per filled job (GVA p/j) (Table 5 below) is one of the most common measures of subregional productivity. This measure of productivity is preferred by the Office of National Statistics to GVA per head as this measures a workplace-based denominator (working population) with a workplace-based numerator (GVA produced).

Table 5 GVA (£) per filled job by broad industrial group



(Office of National Statistics, 2018)

From Table 5 above we can see that despite Distribution, Transport, Accommodation and Food being Richmondshire’s largest economic contributor (£216m in 2016) as well as providing the greatest number of jobs (6,450), it is the lowest generator of economic output (GVA) per filled job. This is generally because employment opportunities within this sector are labour intensive, lower skilled and consequently lower paid.

Action: It should be an objective within Richmondshire’s Economic Action Plan to support the growth of key sectors within the economy which contribute an increased level of GVA per filled job.

RESIDENT & WORKPLACE EARNINGS

From analysing both Residents⁴ and Workplace⁵ weekly earnings (Table 6 below) we can see that the gap between Richmondshire's residents and workplace earnings currently stands at -10.14%, which is an improvement on 2010 when the gap stood at just under -19%. The disparity between residence and workplace wages reflects the need to commute to access higher wages in other areas (Tees Valley, Durham, Newcastle, Leeds or York as examples).

Over the timeframe (2010 – 2017) residents based weekly earnings have grown by 22.38%, whilst workplace based earnings have grown by 35.74%, with the biggest growth occurring over the last few years. This correlates with the GVA growth of the Information & Communication Sector in Richmondshire (amongst others) which generally offer higher skilled and higher paid employment, which could be a contributing factor.

Table 6 Richmondshire Residents and Workplace Weekly Earnings (2010 - 2017)

Year	Weekly Pay £ – Residents based	Hourly Pay £ – Residents based	Weekly Pay £ – Workplace based	Hourly Pay £ – Workplace based
2010	441.0	10.67	357.3	8.75
2011	478.8	11.60	445.0	10.09
2012	505.7	12.34	456.7	10.58
2013	491.6	11.91	464.5	11.07
2014	476.1	12.15	472.0	10.25
2015	519.4	11.87	445.3	10.52
2016	509.1	12.50	447.0	11.33
2017	539.7	12.18	485.0	11.83

(ONS, Annual Survey of hours and earnings, 2018)

When comparing Richmondshire's 2017 Residents based weekly earnings of £539.7 p/w with Yorkshire & Humber and Great Britain it is interesting to note that Yorkshire & Humber performs worse (£502.3) and Great Britain is only slightly better (£552.7).

The most notable difference however lies within the Workplace based earnings, with Richmondshire on £485 p/w, Yorkshire & Humber on £502.5 and Great Britain £552.3.

Overall, the gap between Residents and Workplace based earnings is 0.4% for Yorkshire & Humber and 0.7% for Great Britain, compared to 10.14% within Richmondshire.

Action: It should be an objective within Richmondshire's Economic Action Plan to seek to narrow the gap between Residents and Workplace based earnings in line with national and regional levels.

BUSINESS BASE

In 2017 the number of enterprises in Richmondshire stood at 2,760⁶ as per Table 7 below:-

Table 7 Number of Active Enterprises in Richmondshire (2017)

Size of Enterprise	Number of Enterprises	% of Enterprises	GB % Comparator
Micro (0 – 9 employees)	2475	89.6%	89.5%
Small (10 – 49 employees)	255	9.3%	8.7%
Medium (50 – 249 employees)	25	1.0%	1.5%
Large (250+ employees)	5	0.1%	0.4%

(Office of National Statistics, 2018)

In summary, 89.6% of Richmondshire's business base falls within the Micro category (in line with the national average) with 9.3% within the Small category (vs a national figure of 8.7%).

Of Richmondshire's 2,760 businesses, 780 are within the Agriculture, forestry and fishing sector. This sector has seen almost 10% growth over the period 2010 – 2017. Manufacturing businesses, of which there are currently

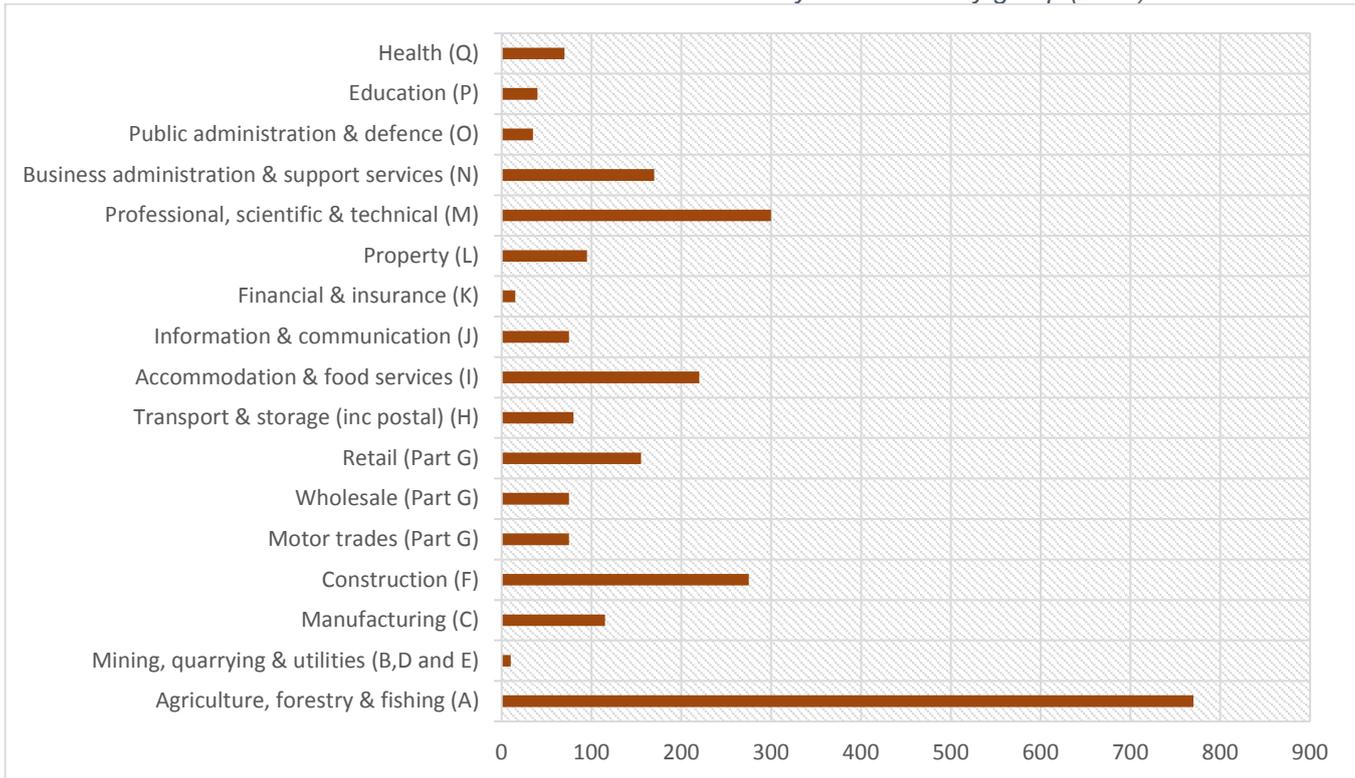
⁴ All People who live in Richmondshire regardless of where they work

⁵ All people who work in Richmondshire regardless of where they live

⁶ The ONS Business Register only includes registered businesses and therefore sole traders are not included in this figure

115, has seen the same level of growth, whilst the Distribution, transport, accommodation and food services sector has seen less than 1% growth in businesses.

Table 8 Number of Richmondshire businesses by broad industry group (2017)



(Office of National Statistics, 2018)

The number of Information & Communication businesses within Richmondshire has grown by 15.38% over the period 2010 – 2017, which coincides with the growth in economic output from the sector.

Of particular note is the Public Administration, education and health sector which has seen 52% growth between 2010 and 2017 along with the Professional and Administrative Services sector which has seen growth in business numbers of 40%.

OVERVIEW OF WHAT HAS BEEN ACHIEVED (2015 – PRESENT)

Richmondshire has many advantages for businesses – excellent transport links, good quality residential areas, high achieving schools and relatively low land and premises costs. The upgrade of the A1(M) and the continued expansion of Catterick Garrison present further opportunities for economic growth building on what has been achieved over the period 2015 to the present time:-

- In 2015 the £25m 140,000sq ft Princes Gate scheme at Catterick Garrison was completed. Providing a new retail and leisure heart for the town, the development comprised 23 shops, restaurants and bars together with a multiscreen Empire cinema, 60 bed Premier Inn Hotel and a 345 space car park. The Premier Inn is currently operating at full occupancy signalling a need for further bed space within the locality.
- Designer Outlet at Scotch Corner granted planning permission in December 2016. The development will deliver total net retail sales area of 16,196sqm, comprising 84 Class A1 Retail units with mezzanine floors; 8 Class A3 Food & Drink units, toilet areas and 1,291 car parking spaces.
- The A6136 junction improvements at White Shops, Catterick Bridge and Scorton Crossroads have been completed which will enable the local highways network to accommodate the employment and housing growth expected in the Local Plan Core Strategy.
- The A1 Barton to Leeming upgrade to motorway standard has been completed in early 2018.

- In 2016/17 3,386 sqm of net additional employment floor space was created including 739sqm of storage and distribution; 315sqm general industrial and 675sqm of restaurant/café space. These developments include the expansion of haulage premises and the expansion of Mainsgill Farm Shop at East Layton.
- 480 net new homes (141 of which were affordable) have been completed in Richmondshire between 2016 and 2018. This has included completions from 4 schemes in Catterick Garrison – Woodside Chase, Marne Grange, Colburn Walk & Beckfields. Kirkwood Hall a 53 unit extra care development in Leyburn was also completed along with Maythorne Farm, Leyburn and The Meadows, Spennithorne.
- 515 new homes were granted planning permission during this period.

The following section details the actions under each theme heading, and the measures that will be used to assess progress on delivering each action and the outcome we want to achieve. The Action Plan now incorporates 5 Priority themes:

- Priority One: Enabling Opportunities for growth
- Priority 2: Supporting Local Businesses
- Priority 3: Improving Connectivity
- Priority 4: Advocate for district economic growth
- Priority 5: Having the right labour force for present and future needs

Priority One: Enabling opportunities for growth

Objectives to be achieved:

1. Raise the profile of Richmondshire as a business location in order to generate economic growth (general and sector specific)
2. Ensure that Richmondshire has the appropriate physical infrastructure to attract and sustain investment and employment growth
3. Work with land owners, developers, agents and other intermediaries, including the LEP, to identify development opportunities or opportunities to unblock existing barriers to delivery

What we will do:	How we will deliver this	By when
1 Actively promote Richmondshire as a great business location, building on our connectivity, accessibility and skilled workforce	1. Develop and promote a comprehensive on-line investor information portal (Invest in Richmondshire), drawing together information on key sites and development opportunities available throughout the district; to include workforce intelligence, economic data etc to inform investment enquiries	£10k requirement (development of portal, EGI property info, promo kit e.g. banners)
	2. Actively engage with commercial property agents, developers and third party intermediaries acting on behalf of investors to raise awareness of Richmondshires sites and premises and current and future investment opportunities	On completion of Action 1 above
	3. Promote Richmondshire as a business location at B2B events to raise awareness both locally and regionally where appropriate	On completion of Action 1 above
	4. Pro-actively engage with DiT/UKTI and the LEP to ensure our offer is understood and we are involved/engaged in investment enquiries arising through them	On completion of Action 1 above
	5. Proactively promote a “business friendly” ethos across all relevant service areas within the council	Ongoing
2 Act as a single point of contact for businesses or developers seeking advice or assistance in relation to employment sites and premises, transport infrastructure improvements, business support, grants and support available to facilitate development	1. Through the development of Invest in Richmondshire and the active promotion of our services to local businesses, intermediaries and agents etc	
	2. Through the provision of tailored and timely responses to investment enquiries	
	3. To act as the single point of contact for investment enquiries on behalf of the council who will co-ordinate responses from other parts of the organisation relevant to the enquiry, such as planning, building control, environmental health as well as providing relevant information and contacts for infrastructure service providers, or utilities provision;	

		4. Act as the conduit between relevant stakeholders, such as the Yorkshire Dales National Park Authority, to ensure barriers are removed to enable development	
3.	Attract funding from enterprise partners for business growth, infrastructure improvements, workforce development etc	1. Identify and secure additional grants and investment funds to deliver our own priority projects/interventions	
		2. Support businesses (as a critical friend) with funding applications to secure greater levels of public/private sector investment into the district	
		3. Work closely with the Local Enterprise Partnership to ensure the districts specific needs/issues are adequately represented in scheme development	
		4. Support social enterprise partnerships and community groups where they contribute to the growth of the economy	
4.	Encourage and support new developments within Richmondshire such as Scotch Corner, Catterick Garrison etc	1. Engage with developers to maximise supply chain opportunities for local businesses and employment opportunities for residents	

Performance Objectives

Description	Target	Timescale	Actual (achieved)
Number of successful inward investment enquiries	2	March 2019	
Increase economic output (GVA) from £899m in 2016	+15%	December 2019	
Work with businesses to secure private sector investment	£4m	March 2019	
Develop "Invest in Richmondshire" branded website/portal	1	March 2019	

Priority Two: Supporting Local Businesses

Objectives to be achieved:

1. Encourage the growth of target sectors and clusters by encouraging new/existing businesses to develop new products/markets
2. Development of supply chain/public procurement opportunities
3. Increase in the economic output of those industries providing higher levels of GVA per filled job

What we will do:		How we will deliver this	By when
1	Provide advice, information and financial support for new and existing businesses	1. By supporting new start/micro businesses via our 'Business Investment Fund' to address a gap in provision	£75k required (September 2018 onwards)
		2. By supporting SME businesses via our 'Business Growth Fund' to address a gap in funding provision	£300k required (September 2018 onwards)
		3. By Signposting businesses to external funding schemes, including through the LEP and other relevant schemes	Ongoing
		4. Promote information about access to Small Business Rate Relief scheme for new and existing businesses	Ongoing
		5. Deliver a programme of business improvement workshops (i.e. access to social media and the google digital garage, meet the buyer's/suppliers events) and sponsor and support new business start-up or high growth events	£5 – 10k required (September 2018 onwards)
		6. Improve access to local procurement/supply chain opportunities for local businesses by delivering a procurement workshop	£2k required (September 2018 onwards)
2	Support our market towns and visitor attractions, including the National Park and Wensleydale Railway	1. Work with key stakeholders in each of our market towns (Richmond, Leyburn, Middleham, Hawes and Reeth) to identify the type of support required and establish a practical way to deliver it	Ongoing
		2. Work closely with our main visitor attractions to ensure we are supporting their sustainability and growth	Ongoing
		3. By working closely with developers/developments to ensure that the broader Richmondshire offer is understood and actively promoted at key developments	Ongoing
3	Support the development of local Business Associations to represent local enterprise	1. Develop and strengthen our engagement with the districts Business Associations	Ongoing
		2. Help businesses consider creating 'Business Improvement Districts' i.e. Gallowfields Trading Estate	Ongoing
4	Support and celebrate the achievements of local businesses	1. By promoting good/positive news stories in "Business in Richmondshire" and promoting on a bi-monthly basis	July 2018

		2. By supporting our businesses in their applications for external awards – Great British High Street, Flavours of Herriot, Purple Flag etc	Ongoing
5	Support the growth of higher value business sectors in Richmondshire	1. By gaining a better understanding of the strengths, weaknesses, opportunities and threats facing businesses within higher value sectors (GVA per filled job) in Richmondshire	2019
		2. By developing sector action plans to maximise existing and future economic growth	2019

Performance Objectives

Description	Target	Timescale	Actual (achieved)
Increase the births of new enterprises (per annum)	230	March 2019	
Reduce the number of deaths of new enterprises (per annum)	200	March 2019	
Provide bespoke business support and guidance to existing businesses	120	March 2019	
Increase job density ratio from 0.84	0.87	March 2019	
Increase workplace based earnings from 87% of national average to	90%	March 2019	

Priority Three: Improving Connectivity		
Objectives to be achieved:		
<ol style="list-style-type: none"> 1. Ensure that Richmondshire has the appropriate physical infrastructure to attract and sustain investment and employment growth 2. Bring forward development opportunities on new and previously unused land 3. To develop a portfolio of “shovel-ready sites” within the district 		
What we will do:	How we will deliver this	By when
1 Identify and promote infrastructure projects which will make a positive contribution to the economic development/growth of the district	1. By working with the Local Enterprise Partnership, YDNPA, landowners and developers to identify upcoming large developments which require additional or improved infrastructure	Ongoing
	2. Secure investment through the LEP and/or other identified streams to support the delivery of key regeneration/employment sites	2021
2 Lobby government/other key partners to prioritise investment in major local transport schemes to facilitate our economic growth e.g. A66	1. By working with other organisations (North Yorkshire County Council, Local Enterprise Partnership, TfN etc)	Ongoing
	2. Contribute to and inform the development of York & North Yorkshires Strategic Economic Plan	Ongoing
	3. Support proposed infrastructure improvements through financial support and project management input	Ongoing
3 Work closely with transport providers to promote local services (Arriva, Little White Bus, Wheels2Work and Voluntary Driver Schemes)	1. Continue to financially support the Wheels2Work Scheme	Ongoing
	2. Help community transport providers to maximise the marketing and promotion of their services	Ongoing
	3. Work with North Yorkshire County Councils Stronger Communities team to ensure the sustainability of voluntary led transport	Ongoing
	4. Work with transport providers to ensure the reliability of transport services to key employment locations	Ongoing
4 Support the work of Superfast North Yorkshire and other scheme providers to deliver high speed internet access across the district	1. Continue to work closely with North Yorkshire County Council and Superfast North Yorkshire to ensure delivery of 100% high quality broadband across the district	Ongoing
	2. Supporting and lobbying the need to improve mobile phone coverage and connectivity particularly in our more rural areas	Ongoing
	3. By signposting businesses to broadband voucher schemes to improve connectivity	Ongoing

4. Maximise the opportunities that superfast broadband can bring to our businesses through education and awareness raising

Ongoing

Performance Objectives

Description	Target	Timescale	Actual (achieved)
Attract LEP/public investment to support economic regeneration activities (unlocking sites/infrastructure upgrades to get sites shovel ready) across the district	£10m	March 2020	
Work with developers to bring forward schemes within the district	5 schemes per annum	March 2020	
Bring forward development opportunities on new and previously unused land			
Increase in commercial floorspace	Figure to be set		

Priority Four: Advocate for District economic growth

Objectives to be achieved:

1. That the economic challenges that Richmondshire faces are properly understood by Government and the agencies concerned with economic growth/change
2. That rurality is at the forefront of policy making rather than as an afterthought, and where appropriate, rural exceptions will be applied to national policy

What we will do:

How we will deliver this

By when

1	Work with partners and neighbours, including North Yorkshire County Council, the Yorkshire Dales National Park, the Local Enterprise Partnership and professional bodies such as Royal Town Planning Institute	1. Lobby to ensure rurality becomes a first consideration for policy makers	
2	Work with neighbouring authorities and regional partners to lobby for all issues affected by rurality housing, education, transport and health care which have a knock on effect on the economic growth of the district	<ol style="list-style-type: none"> 1. Maximise the opportunities that may arise from cross boundary working – including through devolution 2. Use our links with Government, regional and local bodies to influence economic change through proposals for policy and legislation that reflect the specific problems caused by rurality 	

Priority Five: Having the right labour force for present and the future business needs

Objectives to be achieved:

1. Improve Richmondshire’s economic competitiveness and growth prospects by increasing the supply of appropriately qualified workers
2. Maximise the opportunities to link residents to local employment opportunities

What we will do:		How we will deliver this	By when
1	Support and/or develop activity aimed at increasing apprenticeships (of all levels) in the district	1. Deliver the council’s (revised £2 – 4k); open expenditure – higher rate applic to Graduate) Apprenticeship Support Scheme	£75k annual allocation
		2. Develop a sound knowledge base of the economic and employment landscape (trends based) of the district	
2	Develop a bespoke project based on raising awareness with pupils/parents/education providers on the range of employment opportunities within the district	1. Deliver a Richmondshire “Foundation for Jobs” project	£10k initial allocation
		2. Develop promotional information on graduate/apprenticeships opps/case studies	£5k allocation

Performance Objectives

Description	Target	Timescale	Actual (achieved)
Work with pupils, schools and employers to raise awareness of employment opportunities within the district	100 pupils engaged	March 2019	
Support 35 businesses with the RDC Apprenticeship Support Scheme	35	March 2019	
Encourage businesses through the RDC Apprenticeship Support Scheme to take on graduate apprenticeships across the district	20	March 2019	