

Cabinet

20 February 2020

Economic Growth Strategy 2020-2025

Recommendation

That Cabinet approve the Economic Growth Strategy 2020-2025.

1.0 Key Issues

- 1.1 Warwickshire has a strong and growing economy. Indeed, since the recession of 2008/ 2009, the County has experienced some of the strongest economic growth (as measured by Gross Value Added (GVA)¹) of any upper tier local authority area in the country.
- 1.2 The growth in the economy has led to a very strong labour market, with our employment rate (the proportion of working age residents in employment) rising strongly to the highest levels seen this century, and unemployment at its lowest levels.
- 1.3 However, challenges remain. There is significant diversity across the county and highly variable levels of economic performance. In Nuneaton & Bedworth, GVA per head of population is just one third that of Warwick District, and average median annual wages are much lower in Nuneaton & Bedworth (£28,061 in 2018) than the best performing area of Warwick (£32,952).
- 1.4 Furthermore, while Warwickshire has seen strong rates of growth, it still lags behind better performing areas in the South East. Warwickshire's GVA per head has grown by 43.96% since 2009 compared to growth of 16.57% and 28.03% in Berkshire and Oxfordshire respectively. However, these two areas still have GVA per head of £41,727 and £34,016 compared to GVA per head in Warwickshire of £30,245 (2017 figures).
- 1.5 Warwickshire therefore needs to continue to build on and maximise its economic strengths, whilst also addressing areas of underperformance in order to fulfil our full potential. We also need to ensure that Warwickshire's economy is able to embrace future economic, social and environmental changes and opportunities, both in the shorter term as we deal with the uncertainties around future trading arrangements following Brexit, and in the medium and longer term through climate change and continued technological advancements.

¹ Gross Value Added (GVA) is the measure of the total value of all good and services produced in an area, industry or sector of an economy.

- 1.6 The Council Plan 2025 has a clear vision to make Warwickshire the best it can be, sustainable now and for future generations. One key action is the development of a new Economic Growth Strategy setting out how the County Council will deliver the priority outcome in the Council Plan around the economy – that *“Warwickshire’s economy is vibrant and supported by the right jobs, training, skills and infrastructure”*.

2.0 Options and Proposal

- 2.1 The new Economic Growth Strategy has been developed during 2019/ 2020 following a review of the evidence base, consideration of the key issues and opportunities, a period of internal consultation, and engagement with key stakeholders and partners. The Strategy has the following ambition:

“Our ambition is for the strong economic growth that Warwickshire has experienced over the past decade to continue into the future, and that our levels of productivity both soon exceed the national average and also achieve parity with the best performing local economic areas in the South East of England.

“However, we do not want this growth at any cost. We also want the county to take a path that is sustainable and inclusive. We will strive to ensure that we move towards a low carbon future, and that the whole of the population of Warwickshire benefits from the economic growth secured.”

- 2.2 Seven priorities have been identified in order to achieve this ambition. These are:
- Maximising the county’s economic strengths – building on our particular strengths in relation to automotive technology, advanced manufacturing, digital creative, video game development and tourism.
 - A green and sustainable economy – helping enable and support our businesses to transition to the low carbon economy.
 - Supporting business growth – pro-actively helping businesses start, grow and scale up, providing the right environment and support to enable this to happen consistently.
 - A well and appropriately skilled population – skills activity closely aligned with the needs of businesses, now and into the future; working to build a strong pipeline of diverse talent to support our future economic growth.
 - Inclusive Growth – ensuring that all residents - particularly our more vulnerable - have the support and opportunity to benefit from economic growth in the county.
 - A network of diverse and vibrant places – celebrating our diversity, supporting growth across all areas, securing the future of our town centres, and tackling areas of disadvantage and lower economic performance.
 - A connected county – ensuring we have the right physical and digital infrastructure to facilitate and enable future economic growth.

- 2.3 The Strategy itself (**Appendix**) provides more detail on the rationale for each of the identified priorities.
- 2.4 The Strategy sets out the high-level actions that the County Council will take to achieve the key corporate ambition and to deliver the priorities identified. It also sets out our approach including the importance of working with partners. The Strategy links to, and aligns with, the West Midlands Local Industrial Strategy (LIS), the Coventry and Warwickshire Local Enterprise Partnership's priorities and local level strategies, (e.g. Stratford-on-Avon's Industrial Strategy).
- 2.4 The Warwickshire economy makes a major contribution to the performance of these larger economic areas. The Strategy, therefore, seeks to set out the contribution that the County Council can make to the implementation of wider economic strategies such as the West Midlands LIS and the Government's national growth agenda whilst recognising and promoting our particular needs and opportunities. Similarly, the Strategy and associated action plan set out the role the County Council plays in supporting economic growth at the local level.
- 2.5 Finally, the Strategy sets out how it can support – or influence – the delivery of other County Council or Warwickshire-wide strategies and plans.
- 2.6 It is recommended that Cabinet approves the Economic Growth Strategy in the **Appendix**.

3.0 Financial Implications

- 3.1 There are no direct financial implications with the development of the new Economic Growth Strategy. However, it should be noted that there are indirect implications as the Strategy sets out our ambition, priorities and high-level actions for the short, medium and longer-term.
- 3.2 In a large number of cases, there are no additional financial requirements. The actions and activities identified will utilise identified budgets. In other cases, there are potential implications as budgets will need to be identified. Any new investment by the County Council in support of the Strategy will be considered in the context of the Medium-Term Financial Strategy and will be subject to approval.
- 3.3 In addition, opportunities for Government and other external funding will continue to be explored along with the potential to align and integrate activities commissioned by the County Council with those of our partners.

4.0 Timescales associated with the decision and next steps

- 4.1 An action plan will be developed for each priority. This will set out key actions in the short (one year or less), medium (one to three years) and longer term

(more than three years). A small number of key performance indicators will be used to track progress of the Strategy and monitor impact/ success.

- 4.2 An Annual Economic Review made up of quantitative statistics, a qualitative review of WCC activities and case studies will be produced and reported to Cabinet.

Background Papers

None

Appendix

Economic Growth Strategy

	Name	Contact Information
Report Author	Matthew Epps	matthewepps@warwickshire.gov.uk Tel: 01926 412566
Assistant Director	Dave Ayton-Hill	davidayton-hill@warwickshire.gov.uk
Strategic Director	Mark Ryder	markryder@warwickshire.gov.uk
Portfolio Holder	Cllr Izzi Seccombe	isobelseccombe@warwickshire.gov.uk

This report was circulated to the following members prior to publication:

Councillors Boad, Birdi, Warwick, Chilvers, O'Rourke, Butlin, Chattaway