

Public Document Pack



RUSHMOOR BOROUGH COUNCIL

CABINET

*at the Council Offices, Farnborough on
Tuesday, 26th April, 2022 at 7.00 pm*

To:

Cllr D.E. Clifford, Leader of the Council
Cllr K.H. Muschamp, Deputy Leader and Customer Experience and Improvement
Portfolio Holder

Cllr Marina Munro, Planning and Economy Portfolio Holder
Cllr A.R. Newell, Democracy, Strategy and Partnerships Portfolio Holder
Cllr M.L. Sheehan, Operational Services Portfolio Holder
Cllr P.G. Taylor, Corporate Services Portfolio Holder
Cllr M.J. Tennant, Major Projects and Property Portfolio Holder

Enquiries regarding this agenda should be referred to Chris Todd, Democracy and
Community, on 01252 398825 or e-mail: chris.todd@rushmoor.gov.uk

A G E N D A

1. DECLARATIONS OF INTEREST –

Under the Council's Code of Conduct for Councillors, all Members are required to disclose relevant Interests in any matter to be considered at the meeting. Where the matter directly relates to a Member's Disclosable Pecuniary Interests or Other Registrable Interest, that Member must not participate in any discussion or vote on the matter and must not remain in the room unless they have been granted a dispensation (see note below). If the matter directly relates to 'Non-Registrable Interests', the Member's participation in the meeting will depend on the nature of the matter and whether it directly relates or affects their financial interest or well-being or that of a relative, friend or close associate, applying the tests set out in the Code.

NOTE:

On 27th May, 2021, the Council's Corporate Governance, Audit and Standards Committee granted dispensations to Members appointed by the Council to the Board of the Rushmoor Development Partnership and as Directors of Rushmoor Homes Limited.

2. **MINUTES** – (Pages 1 - 4)

To confirm the Minutes of the meeting held on 15th March, 2022 (copy attached).

3. **P3 REVENUE BUDGET AND CAPITAL PROGRAMME MONITORING DRAFT OUTTURN REPORT 2021/22** – (Pages 5 - 28)

(Cllr Paul Taylor, Corporate Services Portfolio Holder)

To consider Report No. FIN2220 (copy attached), which sets out the Council's anticipated financial position for 2021/22, based on a monitoring exercise carried out March, 2022 and actual spend data from 1st April, 2021 to 28th February, 2022.

4. **SUPPORT FOR ENERGY BILLS - THE COUNCIL TAX REBATE 2022/23** – (Pages 29 - 32)

(Cllr Paul Taylor, Corporate Services Portfolio Holder)

To consider Report No. FIN2219 (copy attached), which sets out the Council Tax Rebate 2022/23, which is part of the Government's package of support known as the Energy Bills Rebate.

5. **STRATEGIC ECONOMIC FRAMEWORK** – (Pages 33 - 114)

(Cllr Marina Munro, Planning and Economy Portfolio Holder)

To consider Report No. EPSH2215 (copy attached), which sets out a proposed Strategic Economic Framework and Action Plan.

6. **EXCLUSION OF THE PUBLIC** –

To consider resolving:

That, subject to the public interest test, the public be excluded from this meeting during the discussion of the undermentioned item to avoid the disclosure of exempt information within the paragraphs of Schedule 12A to the Local Government Act, 1972 indicated against such item:

Item No.	Schedule 12A Para. No.	Category
7	3	Information relating to financial or business affairs

7. **NO. 168 HIGH STREET, GUILDFORD - INVESTMENT PROPERTY PORTFOLIO - AGREEMENT OF REVISED RENTAL OFFER** – (Pages 115 - 134)
(Cllr Martin Tennant, Major Projects and Property Portfolio Holder)

To consider Exempt Report No. PETS2203 (copy attached), which gives details of a proposed longer lease and revised terms on the Council's investment property at No. 168 High Street, Guildford.

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CABINET

Meeting held on Tuesday, 15th March, 2022 at the Council Offices, Farnborough at 7.00 pm.

Voting Members

Cllr D.E. Clifford, Leader of the Council
Cllr K.H. Muschamp, Deputy Leader and Customer Experience and Improvement Portfolio Holder

Cllr Marina Munro, Planning and Economy Portfolio Holder
Cllr A.R. Newell, Democracy, Strategy and Partnerships Portfolio Holder
Cllr M.L. Sheehan, Operational Services Portfolio Holder
Cllr P.G. Taylor, Corporate Services Portfolio Holder
Cllr M.J. Tennant, Major Projects and Property Portfolio Holder

The Cabinet considered the following matters at the above-mentioned meeting. All executive decisions of the Cabinet shall become effective, subject to the call-in procedure, from **28th March, 2022**.

72. MINUTES –

The Minutes of the meeting of the Cabinet held on 8th February, 2022 were confirmed and signed by the Chairman.

73. DECLARATIONS OF INTEREST –

Having regard to the Council's Code of Conduct for Councillors, no declarations of interest were made.

74. ADOPTION OF BASINGSTOKE CANAL AND MANOR PARK CONSERVATION AREA CHARACTER APPRAISALS AND MANAGEMENT PLANS – (Cllr Marina Munro, Planning and Economy Portfolio Holder)

The Cabinet considered Report No. EPSH2210, which set out proposed character appraisals and management plans, following a review of the Basingstoke Canal and Manor Park Conservation Areas.

Members were informed that consultation exercises had been carried out on the draft appraisals and management plans and ten responses in respect of the draft Basingstoke Canal document and eleven in respect of the draft Manor Park document had been received. Taking into account the comments received, it was now considered that the boundary amendments proposed in the draft documents should be implemented.

The Cabinet RESOLVED that

- (i) the Basingstoke Canal Conservation Area Character Appraisal and Management Plan, as set out in Appendix 1 of Report No. EPSH2210, be approved; and

- (ii) the Manor Park Conservation Area Character Appraisal and Management Plan, as set out in Appendix 3 of Report No. EPSH2210, be approved.

75. REGENERATING RUSHMOOR PROGRAMME - THE GALLERIES PROGRESS UPDATE AND NEXT STEPS –

(Cllr Martin Tennant, Major Projects and Property Portfolio Holder)

The Cabinet considered Report No. REG2202, which set out an update on the Galleries regeneration scheme in Aldershot town centre.

Members were informed that an opportunity had arisen to provide a public car park on the site of the former Conservative Club on Little Wellington Street. It was proposed that officers should explore a land transfer option to allow for this to take place, as an alternative to a new car park being provided on a long lease basis within the Galleries scheme, as had previously been agreed. The advantage of this solution would be that the new car park would be provided prior to the planned closure of the High Street Multi-Storey Car Park.

The Cabinet RESOLVED that

- (i) in principle, the disposal of the existing High Street Multi-Storey Car Park freehold to the developer of the Galleries scheme, in return for the transfer of the freehold interest of the former Conservative Club site at Little Wellington Street, Aldershot to the Council, on the basis that a new, purpose-built public car park of at least 250 spaces would be constructed by the developer prior to handover, subject to planning permission being granted, as set out in Report No. REG2202, be approved; and
- (ii) the above transaction being subject to due diligence, with further reports to be presented to the Cabinet for consideration in due course, be noted.

76. REGENERATING RUSHMOOR PROGRAMME - FARNBOROUGH PROJECTS FUNDING REQUIREMENT –

(Cllr Martin Tennant, Major Projects and Property Portfolio Holder)

The Cabinet considered Report No. REG2203, which set out a proposal for the release and allocation of grant and capital funding to enable the completion of key stages of projects relating to the Farnborough Civic Quarter and the wider Farnborough town centre area.

Members were informed that the three areas requiring additional funding to enable robust progression to the next stage of project delivery were the production of a business case for the Leisure Centre/Leisure and Civic Hub, the Leisure Centre demolition and the production of a town centre strategy for Farnborough. Members heard that a bid to the One Public Estate (OPE) fund, to support the work in relation to the preparation of the leisure centre business case, had been successful and that £300,000 had been received. It was reported that further asbestos had been discovered during the demolition of the Leisure Centre and that this had increased the cost of the demolition project overall.

The Cabinet RESOLVED that

- (i) the allocation of £103,000 of revenue funding to the ongoing delivery of the Leisure and Civic Hub detailed business case, as set out in Report No. REG2203, be approved;
- (ii) the allocation of £627,514 of capital funding from the current capital programme, following the discovery of significant asbestos in the existing Leisure Centre over and above that provided for in the approved demolition budget, as well as the provision of a further contingency to address any additional asbestos finds prior to completion, be approved, including a total of £10,000 to provide additional hoarding and anti-climb paint at the Leisure Centre demolition site; and
- (iii) the allocation of £35,000, for the development of a town centre strategy for Farnborough, be approved.

77. URGENT REPAIRS - PARTY WALL AT NOS. 35-39 HIGH STREET, ALDERSHOT-

(Cllr Martin Tennant, Major Projects and Property Portfolio Holder)

The Cabinet received Report No. ED2201 and a Record of Executive Decision, which set out an urgent decision made on 22nd February, 2022 by the Executive Director in relation to urgent works required to a party wall between Nos. 35-39 High Street, Aldershot. The matter had been reported previously to the Cabinet in December, 2021. Members were informed that, since that time, the cost of the repairs had increased and now stood at £294,000 plus VAT.

The Cabinet RESOLVED that the action taken, as set out in the Record of Executive Decision dated 22nd February, 2022, be noted and endorsed.

The Meeting closed at 7.21 pm.

CLLR D.E. CLIFFORD, LEADER OF THE COUNCIL

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CABINET
26 April 2022

COUNCILLOR PAUL TAYLOR
CORPORATE SERVICES PORTFOLIO HOLDER
REPORT NO. FIN2220

KEY DECISION: YES/NO

P3 REVENUE BUDGET AND CAPITAL PROGRAMME MONITORING

DRAFT OUTTURN REPORT 2021/22

SUMMARY:

This report sets out the anticipated financial position for 2021/22, based on monitoring exercise carried out with budget officers during March 2022 and actual spend data from 01 April 2021 to 28 February 2022.

RECOMMENDATIONS:

CABINET is recommended to:

- i Note the draft outturn report and anticipated financial position for 2021/22 financial year with regard to the risks highlighted within the report, the latest revenue forecasts and impact on reserve balances;
- ii Note the update on in-year savings achieved in Section 5;
- iii Note the £250k assumed level carry forwards included in the draft outturn forecast for 2021/22. A detailed list of budget carry forwards will be presented to Cabinet approval along with the final outturn report for the year (subject to external audit).
- iv Approve that any unspent budgets from 2021/22 that contribute positively to the Council's General Fund are added to the MTFs Equalisation Reserve in order to contribute positively to the financial stability of RBC;
- v Note the latest Capital Programme position, as set out in Section 9.

1 INTRODUCTION

- 1.1 Covid-19 has continued to have a significant impact on local authority budgets nationally and considerably so for borough and district councils due to significant income loss from services in both 2020/21 and 2021/22.
- 1.2 This report updates members with the likely impact on the Council's finances and the anticipated draft outturn position for 2021/22. The purpose is to advise

members of known significant variations to budgets for the current financial year, highlight key risks and issues, and to inform members where action needs to be taken.

- 1.3 Due to the volume of information contained in the report, members are invited to refer questions on matters of detail to the report author and/or the appropriate Head of Service in advance of the meeting.

2 REVENUE BUDGET – FORECAST OUTTURN

- 2.1 The original net General Fund Revenue budget for 2021/22 was approved by Council at their meeting in February 2021 of £12.869m.
- 2.2 Additional changes to the budget were agreed by Council in February 2022, with a further change to correct the ICE Programme budget. Therefore, the latest budget is now £13.360m (an increase of £80k since February 2022). Table 1 below shows the reconciliation between the original budget and latest budget.

Table 1: General Fund Revenue Budget reconciliation

General Fund Revenue Budget	2021/22 (£'000)
Original Budget, Council Feb 2021	12,869
Add: Aldershot Lido (Cabinet 20/04/2021)	0
Add: Food Waste (Council, 24/06/2021)	90
Add: FLC Demolition (Cabinet, 08/06/2021)	20
Add: Crematorium Feasibility (Council, 07/10/2021)	75
Add: 2020/21 Budget carry forwards (*)	390
Add: Reserve Funded expenditure (**)	123
Add: Covid Grant carried forward (*)	156
Add: Supplementary Estimates <£20k	22
Less: Additional Transfers from Reserves (***)	(669)
Latest Budget 31/12/2021	13,076
Revised Budget Adjustments (Council, 24/02/2022)	
Revised Budget Changes (SRE)	2,500
Corporate Income & Expenditure	(1,244)
Net Change in Movement in Reserves	(774)
Savings Plan/CREP	(278)
Subtotal	13,280
ICE Budget Adjustment	80
Latest Budget as at 31/03/2022	13,360

- 2.3 Prior to consideration of provisional carry forwards the forecast for the General Fund is a net favourable variation of £0.642m (4.99% of the Net Revenue budget) as shown in Table 2. Assuming net carry forwards of £0.250m are approved the variation will be £0.392m (2.93%).

Table 2: General Fund Revenue Budget Forecast (P3 2021/22)

	2021/22 Original Budget (£'000)	2021/22 Latest Budget (£'000)	2021/22 Outturn Forecast (£'000)	2021/22 Variation (£'000)
General Fund Revenue Budget				
Corporate Services	5,184	5,927	5,700	(227)
Customer Experience & Improvement	55	217	26	(190)
Major Projects & Property	(5,434)	(4,156)	(4,150)	6
Operational Services	9,869	10,939	10,444	(495)
Planning & Economy	2,303	2,464	2,374	(90)
ICE Programme	536	579	567	(12)
SUBTOTAL	12,513	15,969	14,961	(1,008)
Less: Reversal of Accounting entries	(2,901)	(2,901)	(2,901)	0
Net Service Revenue Expenditure	9,612	13,068	12,060	(1,008)
Corporate Income & Expenditure	3,430	2,186	2,164	(22)
Expenditure Pressures	0	0	0	0
Forecast Risk/Adjustments	0	0	245	245
Movement in Reserves	(103)	(1,546)	(1,404)	142
Savings Plan/CREP	(70)	(348)	(348)	0
Net General Fund Revenue Budget	12,869	13,360	12,717	(644)
Funded by:				
Council Tax	6,928	6,928	6,928	0
Business Rates	3,574	3,574	3,574	0
New Homes Bonus	863	863	863	0
Covid-19 Emergency Funding	589	626	589	(37)
Lower Tier Services Grant	101	101	137	36
Other Funding	(200)	(200)	(200)	0
TOTAL Funding	11,855	11,892	11,891	(1)
Core (Surplus) or Deficit	1,014	1,468	826	(642)
Carry Forward (Provisional)			250	250
				0
Balanced by:				0
General Fund Balance				0
Service Improvement Fund				0
Workforce Reserve				0
MTFS Equalisation Reserve	(1,014)	(1,468)	(1,076)	392
Core Surplus or Deficit after Transfers	0	0	(0)	(0)

Note 1: The Original budget, as approved by Council in February 2021, included Additional Items which have now been included with Service budgets.

2.6 The main variations on the revenue budget are outlined below by portfolio in line with the Table 2 General Fund Revenue Fund variances above.

Corporate Services - £227k net underspend

As a whole, Corporate Services are anticipating a final, year-end outturn underspend of 227k from the following services:

117k underspend on Finance budgets arising from:

- A **43k underspend on Internal Audit** function primarily due to 55k underspend on direct staffing due to maternity offset by 12k overspend on Agency costs on introduction fee for the Interim Head of Internal Audit.
- **Corporate Finance underspend of 30k** on direct staffing due to vacancies within the team, which are currently in the process of being recruited to.
- **64k net other underspends across** several cost centres predominantly:
 - A 14k underspend on Finance Support Services staffing due to staffing vacancies underspend of 72k, offset by additional recruitment/interim costs of 26k and Grant Thornton CREP support of 30k.
 - Council Tax and Business Rates Collection underspends of 27k on direct staffing and contract staff costs;
 - 12k underspend on Treasury Management brokers fees and net other minor underspends of 10k.
- The above underspends are forecast to be **offset by a 20k overspend on Rent Allowances** primarily due to 19k overspend on additional discretionary Test and Trace Payments, which will be covered by income from reserves.

57k underspend on the Democracy, Strategy and Partnerships comprises:

- A **28k underspend by Democratic Services** mainly due to 19k underspend on Local Election costs which the Head of Service has requested to be transferred to reserves as this was an allocation for the 2021 elections. The external accounts are yet to be agreed and this may be needed to fund the additional costs incurred in 2022/23.

- A **29k Strategy and Partnerships underspend** due to: 14k of additional LRC income for Covid response (which is likely to be transferred into reserves at year end); an 8k underspend on Lunch Club payments; and net other minor underspends of 7k.

25k Strategy and Communications underspend includes:

- A 16k underspend on Communications with an 8k underspend on Council Magazine and Website Support costs (4k each respectively); a 5k underspend on Public Relations and Citizen Engagement; and net other minor underspends of 3k.
- A 10k underspend on Corporate Policy because of a 10k underspend on direct salaries and includes a 10k carry forward request for Procurement costs into 2022/23 and is offset by net other minor overspend of 1k.

22k Human Resources underspend primarily due to: 16k underspend on staffing; an 8k underspend on Training due to additional budget added in 2021/22 per 2020/21 budget holder request that not required in the year; and offset by 2k net other minor overspends.

Customer Experience and Improvement (CE&I) - £190k net underspend

CE&I are anticipating an overall underspend of 190k before carry forward requests are proposed at year end for ELT review and Cabinet approval.

145k IT Service underspend because of:

- A **136k underspend on the IT Cloud Telephony** budget as the corporate Teams telephony project has just started. There is 87k in 2022/23 budget for this project and the Head of Service will be requesting a carry forward into 2022/23 from the underspend this year. Detailed workings for the project costings in 2022/23 have been requested by Finance to support the carry forward request and that will be spent in full in 2022/23. In the absence of this, the budgetary requirement to complete the work can be addressed through budget setting and the MTFS for 2022/23+.

The Cloud Telephony project will be delivered over the next 2 financial years with budget allocated in 2022/23 and 2023/24. A review of the total

project costs should be undertaken with a view to confirming whether a proportion of the underspend can be released.

- **49k favourable variance due to additional DLHUC Cyber Security grant** received in year. This will be transferred into reserves at year end, in line with the grant conditions which stipulate that: "Funds should be used to improve cyber resilience at councils. If there is any remaining balance, please ensure it is used for this purpose."
- **27k underspend on Security Testing** despite increase in security testing required to adhere to government requirements and move to cloud-based application delivery.
- **58k overspend on temporary staff** for Application Support and IT Service Desk as Consultant project resource engaged rather than additional temporary staff employed.
- Offset by **9k net other minor overspends** on IT budgets.

34k underspend on Council Offices

- Whilst there is no single variance on Council Offices greater than 20k, the main variances are: an Electricity underspend of 17k due to Covid and reduced office occupancy; a 12k underspend on temporary staff; and a 7k underspend on Trade refuse due to less skips being required. These underspends are offset by 2k net other overspends.

In addition to the above major variances, there are **11k net other underspend** across Customer Services, the Printing Unit and Facilities.

Major Projects & Property (MP&P) - £6k net overspend

Overall, MP&P budgets are showing a small overspend of 6k, however, within this there are significant variations on:

Regeneration – net overspend of 48k due to:

- **36k overspend on Aldershot Regeneration:** primarily due to 70k overspend on Consultancy fees to support the wider Regeneration

Programme including elements of Union Yard; a 21k overspend on direct staffing and offset by a 54k underspend on the Digital Hub; and 1k of income that was not budgeted for towards the Apprentice role within the Team.

- **25k overspend on Farnborough Town Centre Regeneration** cost centre consultancy fees for the Interim Head of Development.
- Offset by **net other nominal underspends of 13k**.

Property – net underspend of 49k due to several material overspends and underspends. The major Property variances are:

- **105k under-recovery of income on 35/39 High Street Aldershot** This variation relates to the under-recovery of prior year's rental income and service charges which has accrued from previous financial years but has not been invoiced. It is unlikely this will be recovered and therefore will not be accrued further – this will show as an adverse variation in-year.
- **Wellesley House 41k overspend** owing to: 47k overspend on service charges falling due to RBC during the year (the service charges are now the Landlord's responsibility due to tenant moving out and which were backdated and charged to the Council due to non-payment by the previous tenant); offset by 6k over-recovery of income from service charges and rents received.
- **26k Town Centres overspend** arising from: 13k overspend on additional Council Tax costs for several properties without tenants and where the Council Tax costs have come back to RBC to pay; 11k overspend on temporary staffing costs, which partially offset by 2k underspend on direct staffing budget; offset by minor other overspends totalling 4k.
- **20k overspend on Building Services Support** solely from the costs of contract staff who cost a higher daily rate than the permanent staff salary budget allows for.
- **47k net other overspends across Property budgets** (17 cost centres) that fall below the 20k materiality threshold set to report on for major variances.

- **68k underspend on Property & Major Works Programme costs** due to a 50k underspend on Consultancy Fees and 18k underspend on Feasibility costs as spend for feasibility studies and consultancy at Frimley and Hawley were not spent in year. The Head of Service will be submitting a carry forward request estimated to be 20k as part of year end, for review by ELT and Cabinet approval.
- **98k underspend/favourable variance on Ashbourne House, Voyager House, and Frimley Business Park** due to:
 - **50k underspend on Frimley Business Park General Repairs and Maintenance** budget with no spend incurred in year, including from 20k carried into 2021/22 from 2020/21.
 - A **39k favourable variance from Voyager House** electricity costs recharged to the CCG as other income.
 - **34k underspend on Ashbourne House Services charges** budget which includes an adjustment of estimated service charge costs from Avison Young that was shared with RBC on 23rd March.
 - **20k overspend on Frimley Business Park temporary staffing** costs due to contract staff working at a higher daily rate than permanent staff salary budget allows for.
 - Offset by 5k of net other minor overspends.
 - **For Ashbourne House and Frimley Business Park there remains a 150k risk due to late information from Avison Young in relation to service charges for the two properties** which the Head of Service and Accountant are meeting with AY and LSH to resolve in advance of year end.
- **47k underspend on 168 High Street Guildford** arising from: a 54k underspend on general repairs and maintenance which includes 30k of miscoded spend from Rushmoor Property Repairs and Maintenance codes, offset by net other overspend of 7k. The Head of Service will be requesting a £20k carry forward as part of year end for ELT review and Cabinet approval.

- **46k underspend on Rushmoor Properties** because of: 64k underspend on feasibility studies; 33k underspend on responsive repairs and maintenance; which are offset by a 33k overspend on contract staff and 23k on temporary staff; and net other nominal underspends of 5k.
- **29k favourable variance on 252 Ash Road** in Aldershot due to income recovery more than budget as when the budget was set a downward rent review was reasonably expected, however the time taken in resolving the legalities of this, and which are currently, ongoing the actual rent received was higher than budgeted for.

Other Highways overspend of 52k

- This is primarily due to under-recovery of Engineering Fee income of 58k and offset by net other underspends of 6k.
 - Due to Covid, the usual income from work for HCC has reduced with under 5k income invoiced.
 - This has been managed in part by work completed by the Team on Southwood Country Park (SCP) work, which the Project Accountant and Accountant are reviewing with the Head of Service to confirm what can capitalised.
 - The forecast outturn includes an estimate of this subject to the validation and confirmation of the costs and time involved on works at SCP.

Maintenance Team underspend/favourable variance of 30k because of:

- 24k additional income from Maintenance work completed internally for RBC and at a better value for money cost than external contractors; and 6k of net other favourable income variances/underspends.

MP&P major overspends, and underspends as detailed above, are **offset by 9k of net other nominal underspends**.

Operational Services - £495k net underspend

Operational Services have underspend by £495k due to several service budget underspends:

- **242k underspend on Commercial Services** with major variances on:
 - 87k favourable variance on Princes Hall mainly because of: 70k of additional Lettings income from the Vaccination Centre contract being extended and more hirings business than anticipated post-Covid; and net other underspends of 17k.
 - 83k Parking Management underspend mainly as a result of: an error in the formula applied to set the budget for the amount due to HCC of 96k (which has been corrected for 2022/23); and offset by 25k under-recovery of Parking Fines income due to loss of CEO member of staff and 12k net other underspends and favourable income variances.
 - 55k underspend on the Crematorium primarily due to: 43k Crematorium feasibility study underspend against the 75k budget which was approved in February 2022; and 20k of additional income from Cremations on the revised income budget; and offset by net other minor adverse variances of 8k.

- **85k Place Protection underspend** is primarily due to:
 - **65k underspend on CCTV** cost centre from: a 75k CCTV underspend on the 75k Decommissioning budget which was approved in February 2022. This has led to a 75k carry forward request for the CCTV Decommissioning work into 2022/23 (subject to ELT review and Cabinet approval); an 18k overspend on IT strategy/project management in relation to the plan for decommissioning; and 8k net other underspends.
 - In addition to the above, there are **20k of net other minor underspends** across several Place Protection budgets.

- **65k underspend on Place** arising from:
 - **110k Parks and Receptions Grounds underspend** caused by:
 - A 28k underspend on Playground apparatus as vandalism levels were low in the year and there was insufficient staff resource to undertake any additional works other than necessary and urgent repairs.
 - 20k over-recovery of income, primarily 11.5k of additional Parks and recreation licences.

- 17k underspend on direct salaries due to sickness absence and vacancy.
 - 17k underspend on general repairs and maintenance owing to lack of staff resources to initiate and process proactive works.
 - and net other minor underspends on expenditure budgets of 28k.
- **45k underspend on Street Cleansing** due to a 14k underspend on fly tipping costs; 10k underspend on non-routine highways works; 8k underspend on Specialist cleaning as none was required in the year; and net other underspends of 13k.
- **32k Environmental Health and Housing overspend** – this is primarily on direct staffing which will be corrected when staffing journal has been completed to allocate the staffing costs to correct cost centres.
- **26k overspend on Recycling** due to a 35k overspend on direct staffing costs and offset by net other minor underspends of 9k,
- **33k net other minor overspend** on other Place budgets (13 cost centres).
- **48k Housing Services underspend** has arisen because of:
 - A 35k underspend on Housing Strategy project budget with carry forward requested into 2022/23 for multi-year project. 5k has been spent in 2021/22 of the approved 40k project budget, with original Head of Service expectations that the project would run for more than one financial year. Carry forward request will be subject to year-end closing of the accounts and ELT review and Cabinet approval.
 - Offset by 13k of net other minor underspends.
 - 44k underspend on Other Operational Services from: a 33k underspend on the Health Support Service underspend on direct staffing; and net other minor spends of 11k.
- **10k net other nominal underspends.**

Planning and Economy - £90k net underspend

The 90k underspend is primarily due to:

- A **52.5k underspend on Town Centre Management** because of: 24k savings due to reconfiguration of Town Centre Management; a 12k underspend on the marketing and promotion; 9k vacancy saving on the direct staffing budget, and a 7k favourable variance on the high street re-opening after Covid.
- **32k underspend Economic Development due to:** 23k underspend on Economic Development Promotion as the carry forward was absorbed in the Local Plan due to delays in Government legislation; 13k underspend on grants paid out to Business Support; offset by 4k net other nominal overspends.

ICE Programme - £12k net underspend

The initial ICE Programme outturn forecast was for a 12k underspend, however due to the latest update from the ICE Programme Manager, it is now expected that the 547k programme budget for 2021/22 will be fully spent for the year.

Table 4: Corporate Income & Expenditure

	2021/22 Original Budget (£'000)	2021/22 Latest Budget (£'000)	2021/22 Outturn Forecast (£'000)	2021/22 Variation (£'000)
Corporate Income & Expenditure				
Minimum Revenue Provision (MRP)	2,457	2,457	2,457	0
Interest Receivable	(1,090)	(1,000)	(1,000)	0
Interest Payable	795	300	258	(42)
Service Loans to Housing Company	(186)	(20)	0	
Other CI&E	349	349	349	0
Cabinet/Council decisions	0	0	0	0
Additional Items/Growth	1,105	100	100	0
TOTAL CI&E	3,430	2,186	2,164	(42)

Please see section 4 for Treasury management explanations in relation to the key variations in table 4 above.

3. COMMERCIAL PROPERTY PORTFOLIO

- 3.1 The Council's asset management advisors, Lambert Smith Hampton Investment Management (LSHIM) have reported that property investment portfolio shows favourable rent collection rates under the current Covid rent collection restrictions that were in place until March 2022.
- 3.2 The risk to the portfolio, in terms vacancies, has been around the properties that are recommended for disposal or the office sector, where uncertainties around future levels of occupation have led tenants to serve notices to end or break tenancies. The mitigation work being carried out is to lower risk by actively managing and engaging with tenants and looking at the future options of assets to maintain or enhance income through site development.
- 3.3 Commercial Property income has remained robust, but challenges remain over the financial year. The next quarter day is in June 2022 given inflationary cost pressures, changes to disposable income, and fluctuating economic/trading conditions Covid remains a factor with high infection rates. Protections that have been in place around commercial tenants remained in place until March 2022.
- 3.4 The in-year impact on income from the Commercial Property portfolio will be met from the Commercial Property reserve, with the budget setting process for 2023/24 considering the impact across the medium-term.

4. TREASURY MANAGEMENT – INVESTMENT INCOME AND BORROWING

- 4.1 As reported to members throughout 2020/21 Treasury management income from the Council's investments was adversely impacted by the uncertainty in global financial markets. As outlined in the Treasury Management Strategy, the Council invests its surplus balances generating an income return of over £1m per annum. The Strategy sets out that the Council aims to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested.
- 4.2 The Council has two broad classes of investments – Money Market Funds (where balances are held for short periods until required) and Pooled Funds.
- 4.3 The Bank of England have raised the base rate twice since the start of the calendar year from 0.25% to 0.75% in response to inflationary pressures in the economy. The base rate increases have not had a material impact on the Council's investment income from Money Market Funds.
- 4.4 The Council holds a more significant element of its surplus balances in Pooled Funds. At the time the budget was set in February 2021 the performance of the Council's Pooled Funds had recovered significantly from the initial downward assessment made in Q1 2020/21. Whilst the economic recovery from the coronavirus pandemic has continued, there remains some economic uncertainty as support schemes such as furlough ended, and inflationary pressures continue.
- 4.5 The Council has £100m of external borrowing that has been utilised to support the Capital Programme (a net reduction of £2m). Whilst borrowing costs have remained low, the Council will need to assess its borrowing position over the coming months with particular reference to the profile of borrowing required for the Union Yard scheme that Council approved at their meeting on 29 July 2021. With both short-term and longer-term PWLB rates significantly above where they were in the latter half of 2021, there will be a need plan carefully any borrowing need in the new financial year.
- 4.6 The budget monitoring outturn forecast indicates a reduced borrowing requirement and a reduced cost of borrowing during the year gives rise to a forecast underspend on Interest Payable of £42k. Investment income is expected to be in-line with the revised budget as a cautious view on Pooled Fund performance for the remainder of the year was forecast.

5. 2021/22 SAVINGS PLAN UPDATE

- 5.1 The P2 outturn forecast that was reported in January 2022 assumed that the savings included within the MTFS would be fully delivered in 2021/22. This is updated below for the anticipated actual delivery of savings as at P3.
- 5.2 Table 5 below shows the overall delivery anticipated for 2021/22 against the revised savings targets identified through CREP/Savings and Transformation Programme. (Note: Investment income received from Rushmoor Homes has now been included within the Corporate Income and Expenditure element of the budget.)

Table 5: Savings Plan Forecast 2021/22

	2021/22 Original Budget (£'000)	2021/22 Latest Budget (£'000)	2021/22 Outturn Forecast (£'000)	2021/22 Variation (£'000)
Savings Plan				
Procurement Savings	(20)	(20)	(20)	0
CREP Savings	0	(278)	(278)	0
Salaries monitoring	(50)	(50)	(50)	0
TOTAL Savings Plan	(70)	(348)	(348)	0

- 5.3 Members will be kept informed of CREP/STP savings delivery in 2022/23 in the regular financial reports.

6. GOVERNMENT FUNDING, COUNCIL TAX AND BUSINESS RATES

- 6.1 As part of the 2021/22 Local Government Finance Settlement the Government provided additional funding to support Councils with expenditure and income loss due to the coronavirus pandemic.
- 6.2 Rushmoor's allocation for 2021/22 is £0.489m of funding and this was included in the Revenue budget as approved by Council in February 2021.
- 6.3 In addition to the additional Covid expenditure funding the government extended the Sales, Fees and Charges income loss scheme into Q1 of 2021/22. Where losses are more than 5% of a Council's planned income from sales, fees and charges, the Government will cover 75% of these losses. The claim for the

period was for £137k and this is reflected in the General Fund revenue budget forecast. No further income loss scheme is anticipated.

- 6.4 Covid-19 has several implications for the Council's Council Tax and Business Rate income as detailed in sections 6.5 to 6.8 below:
- 6.5 At the time of writing this report, the draft Council Tax collection rate for 2021/22 was 97.89%, with the equivalent figure from 2020/21 being 96.80%. This reflects both an improved collection rate for the year, a greater cash collected amount, and an increase in the level of prior year Council Tax collected. Prospects for 2022/23 remain uncertain. Whilst the performance in 2021/22 is positive, inflationary pressures and cost of living concerns may present the Council with a challenging collection environment.
- 6.6 Changes in the level of Council Tax collection is dealt with through the Collection Fund. If the level of Council Tax collected in the year is lower than budgeted, this gives rise to a deficit on the collection fund and will impact on the following year's budget. Any deficit is shared between Rushmoor and the precepting authorities (Hampshire County Council, Police and Crime Commissioner for Hampshire, and Hampshire Fire and Rescue Authority).
- 6.7 As highlighted in previous reports, it will take some time for the impact from Covid on business rates income to unwind. At the time of writing the outturn report, the relevant accounting treatment has been applied to ensure the General Fund revenue budget is protected in the current year. Further work will be undertaken over the coming months to work through the implications on the Council's MTFS.
- 6.8 At the time of writing this report, the draft Business Rates collection rate for 2021/22 was 98.5%, with the equivalent figure from 2020/21 being 96.80%. The Council has paid out 7,643 Business Rates grants over the last 2 years to support local businesses totalling £29.049m.

7. RESERVES AND BALANCES

- 7.1 As highlighted in previous financial reports, the level of reserves and balances held by the Council has increased since 2020/21. A significant element of the increase can be attributed to timing differences on Business Rates Income and Grants provided by the Government to support the Council's response to Covid.

- 7.2 However, the level of the MTFS Equalisation Reserve reduced at the end of 2020/21 and is forecast to reduce further in the current financial year. To set a balanced budget for 2021/22, there is a planned transfer of £1.328m (Original Budget £1.014m) from the MTFS Equalisation Reserve. Subsequent changes increase the level of MTFS Equalisation reserve transferred to the General Fund Revenue Budget to £1.468m – an increase of £0.454m. The outturn forecast indicates that the level of transfer will be £1.076m.
- 7.3 This is not a sustainable position going forward and the Council will need to review the level of MTFS Equalisation Reserve forecast to be held over the MTFS period.
- 7.4 Table 8 below shows the forecast of the impact on the key reserves supporting the General Fund revenue budget. The forecast has been amended to reflect the updated outturn position only. It is likely that the level of specific earmarked reserves will change from those indicated in the table below as the final outturn position will inform the level of reserve-funded expenditure.

Table 8: Reserves and Balances Forecast

	SOA Balance as at 31/03/2021 (£'000)	Estimated Balance 31/03/2022 (£'000)
Earmarked Reserve		
COVID BRR Earmarked Reserve	10,812	265
Stability and Resilience Reserve	4,577	
Business Rates Equalisation Reserve	-	2,500
MTFS Equalisation Reserve	-	2,807
Negative Balance of MTFS Equalisation *		
Service Improvement Fund	129	-
Commercial Property Reserve	1,750	1,362
Regeneration, Property & Major Projects	357	536
ICE Reserve	-	-
Climate Emergency Reserve ***	239	120
Deprivation Strategy Reserve ****	94	133
Pension Reserve	669	1,487
Workforce Planning Reserve	200	100
Treasury Earmarked Reserve	400	220
Covid-19/Recovery Grant reserve	393	98
CPE Rolling Fund	281	281
Budget Carry Forwards	390	-
All Other Earmarked Reserves (excluding SANG/s106) **	2,796	1,997
Commuted Sums/Amenity Areas	3,973	3,935
TAG Environmental Fund	96	96
Total of all Earmarked General Fund Reserves	27,156	15,937
Excluding SANG/S106/TAG & BRR	12,275	11,641

Note: Balance on 31 March 2021 subject to confirmation of the 2020/21 audit of the financial statements.

8. RISKS AND UNCERTAINTIES

8.1 There is a degree of uncertainty in the outturn forecasts provided by budget holders particularly due to the impact of Covid-19 on the local and national economy with the Omicron variant which emerged in December 2021. There are several risks and uncertainties in the outturn forecasts, which are set out below.

- 8.2 The risks and uncertainties are highlighted in this section as the impact on the Council's financial position has not been included within the outturn forecast. Whilst the issues discussed below remain a risk or uncertainty, they could have a material impact on the Council's finances.
- 8.3 Changes to the Council's Waste and Recycling services were implemented in the second half of 2021. These were agreed by Council at their meeting in July 2021 but the forecast of the net change to the cost of the service will be based on estimates and assumptions. Close monitoring of the contract and cost changes from the new service will be required to inform members of the financial impact of the change. The outturn forecast has assumed that these changes are cost neutral in revenue terms, although a reconciliation of income and expenditure of the changes on the contract will need to be undertaken in April 2022.
- 8.4 The Council started a new contract with Places Leisure for a 3-year period covering the provision of leisure services at Aldershot Pools and the Lido. Under the terms of this contract, the Council is exposed to greater financial risk should the net cost of service provision exceed the estimates contained within the report to Cabinet and Council in February 2021 (Report No. OS2101)
- 8.6 The over-riding risk is that Rushmoor (as a Borough and/or as a Council) does not fully recover from the impact of Covid-19 and inflationary pressures on expenditure cannot be mitigated adequately. This would lead to a weakening of the local economy longer-term impact on the financial sustainability of the Council reduce the ability for the Council to meet the needs of residents and businesses, and to fulfil the Council's statutory obligations.

9. CAPITAL PROGRAMME MONITORING UPDATE P3 2021/22

9.1 INTRODUCTION

9.1.1 This section updates Members on the latest forecast regarding the Council's Capital Programme for 2021/22.

9.1.2 There are some projects of material financial significance included in the Council's approved Capital Programme for 2021/22. These projects are:

- Regeneration - Aldershot;
- Regeneration - Civic Quarter;
- Replacement cremators; and,
- Housing PRS.

9.2 BACKGROUND

9.2.1 Financial Services, in consultation with relevant budget officers, carry out regular monitoring of the Capital Programme.

9.2.2 A summary of the overall position is shown in the tables below.

9.3 CURRENT POSITION

9.3.1 The Council approved the Capital Programme of £38.510m on 20 February 2021 and was revised to £31.102m at the Council Meeting on 24 February 2022. Based on the budget monitoring process Table C1 shows the reconciliation of budget changes together with the projected actual capital expenditure for the year 2021/22.

Table C1: Analysis of capital expenditure and approved budget 2021/22

	£'000
Total approved budget for the year 2021/22*	38,510
Plus: Additional budget approvals made for the year 2021/22 **	611
Slippage form 2020/21	2,176
Revised Estimate changes (Council, 24/02/2022)	(10,195)
Total approved budget for 2021/22	31,102
Actual expenditure at 31/03/2022 ***	7,864
Forecast capital expenditure for the year ***	8,864
Net favourable variance (against approved budget)	tbc
Projected Slippage/(Pre-spend) to 2022/23 ****	tbc

Table contains roundings

* As reported to Cabinet in the Revenue Budget, Capital Programme and Council Tax report FIN2106 (20/02/2021)

** Cabinet Reports RP21035 (08/06/2021)

*** Expenditure as at 31 March 2022 with an assumed accrual of £1m of expenditure recorded in 2022/23 for Union Yard but final figure will be subject to confirmation and review of accruals.

**** Projected slippage to be considered in context of capital programme for 2022/23.

9.3.2 Table 2 shows the actual expenditure and an estimated outturn forecast for each scheme with a Portfolio summary of all approved projects. A detailed review of capital expenditure and year-end adjustments will be undertaken by the finance team in consultation with Heads of Service and Service Managers. Narrative on the capital programme scheme variations has not been included in this report given the need to review capital expenditure and financing and will be included in the outturn report to Cabinet in July 2022.

Table C2: Capital Programme Outturn Forecast

Portfolio/Scheme	2021/22 Original Estimate (£'000)	2021/22 Revised Estimate (£'000)	2021/22 Actual Expenditure (£'000)	2021/22 Forecast Outturn (£'000)	2021/22 Forecast Variance (£'000)
Corporate Services					
Flexible Use of Capital Receipts	0	74	45	45	(29)
Subtotal CS	0	74	45	45	(29)
Customer Experience & Improvement					
Computer Systems	115	115	(2)	(2)	(117)
Council Offices	33	33	9	9	(24)
Subtotal CE&I	148	148	7	7	(141)
Major Projects & Property					
Aldershot Town Centre Projects	3,951	400	313	313	(87)
Civic Quarter Farnborough	19,383	19,383	987	987	(18,396)
Housing Matters	5,436	156	54	54	(102)
Property and Assets	0	320	13	13	(308)
Property Enhancements	90	307	35	35	(272)
Union Yard Aldershot	7,658	6,500	4,779	5,779	(721)
Subtotal MP&P	36,518	27,066	6,181	7,181	(19,885)
Operational Services					
CCTV	400	0	9	9	9
Crematorium	0	949	31	31	(917)
Depots	34	34	0	0	(34)
Manor Park	49	49	0	0	(49)
Parks & Open Spaces	20	115	48	48	(66)
Southwood SANG set-up	0	158	341	341	183
Playground Works	0	104	100	100	(4)
Refuse/Recycling inc Food Waste	231	466	299	299	(167)
Southwood SANG Visitor Centre	0	276	74	74	(202)
Improvement Grants	1,111	1,663	708	708	(955)
Subtotal OPS	1,844	3,813	1,611	1,611	(2,203)
Planning & Economy					
No Capital Schemes					
ICE-related schemes	0	0	20	20	20
TOTAL Capital Programme	38,510	31,102	7,864	8,864	(22,238)

9.3.3 The Capital Programme is a significant undertaking for the Council in terms of magnitude and complexity. The scale of the projected slippage into subsequent financial years and variation in programme highlights the need for close monitoring and clear project management across the whole Council.

9.3.4 Up to the reporting period actual expenditure is £7.94m. A broad assumption has been made for the purposes of this report of a further £1m of capital expenditure in the year predominantly as part of Union Yard regeneration

scheme. Therefore, £8.94m is forecast as the outturn position – a potential underspend of £22.238m. This is significant and indicates a degree of over estimation or unrealistic expectations of scheme delivery.

9.3.5 Given the level of underspend projected for 2021/22, consideration will be given to the appropriate level of capital slippage. At the time of writing this report it is anticipated that capital slippage will be limited to those schemes under contract.

9.3.6 The Council's capital programme has been underspent in previous financial years and has been subject to significant amendment between original and revised budgets and the approach to capital scheme budgeting and estimation will be reviewed by the Executive Head of Finance given the wider revenue and treasury management implications.

9.4 REVENUE EFFECT OF CAPITAL PROGRAMME AND CAPITAL CONCLUSIONS

9.4.1 Movement in the capital programme between years will impact on interest costs and MRP cost in the year in which budget was allocated.

10 LEGAL IMPLICATIONS

10.1 No additional legal implications arise from this report.

11. FINANCE AND RESOURCE IMPLICATIONS

11.1 The finance and resource implications arising from the draft outturn position for 2021/22 are set out within this report, and any additional financial implications will be addressed through the normal Council procedures and processes.

11.2 The Council needs to continue to carefully consider the financial impact of spending decisions and to ensure that unnecessary expenditure is avoided.

12. CONCLUSIONS

- 12.1 There will always be variances reported in-year against budgets due to the Council adapting its priorities to manage inevitable changes in demand pressures and having a flexible approach to changing circumstances. The Council will need to ensure budgets are monitored closely over the coming months and focus on high-risk income and expenditure service areas. Future updates to Cabinet must set out the management action that is available to address any adverse variation and any other action that can be taken to mitigate the impact on the Council's wider financial position.
- 12.2 It is important that the Council considers an appropriate range of options to ensure any shortfall is managed. Any utilisation of reserves in 2021/22 will need to be addressed in the budget strategy to ensure balances and reserves remain adequate.
- 12.3 The forecast variation of £0.392m will be funded from reserves in the short term. The Council is committed to several significant projects such as Union Yard Regeneration scheme and needs to ensure the financial and resource impacts are identified, monitored, and reported to members. It is important that the Council considers an appropriate range of options to ensure any shortfall is managed. Any utilisation of reserves in 2021/22 and 2022/23 will need to be addressed in the Budget Strategy for 2023/24 to ensure balances and reserves remain adequate.
- 12.4 Over the MTFS period, reduced levels of Council Tax and Business Rates income may put additional pressure on the Council's financial position. The achievement of the Savings Plan is integral to the MTFS forecast and will need to be reviewed in terms of savings profile and whether the savings can be delivered in the current economic climate. It is likely that further savings will be required over the MTFS period to balance the budget.

BACKGROUND DOCUMENTS:

None

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CABINET

COUNCILLOR PAUL TAYLOR
CORPORATE SERVICES PORTFOLIO HOLDER

26 APRIL 2022

KEY DECISION: NO

REPORT NO. FIN2219

**SUPPORT FOR ENERGY BILLS –
THE COUNCIL TAX REBATE 2022/23****SUMMARY:**

This report informs Members of the Council Tax Rebate 2022/23 as part of the Governments announced package of support known as the Energy Bills Rebate.

RECOMMENDATIONS:

Cabinet are requested to:

- a) To endorse and note the Council Tax Rebate scheme as set out in the report
- b) Delegate authority to the Executive Director and Deputy Chief Executive and the Executive Head of Finance, in consultation with the Corporate Services Portfolio Holder, to develop a discretionary Council Tax Rebate scheme and associated policy and to make the necessary arrangements to assess eligibility and determine award of funding to eligible households.
- c) Delegate authority to the Executive Director and Deputy Chief Executive and the Executive Head of Finance to make any further technical amendments to the scheme where further government advice is issued to and ensure that the Corporate Services Portfolio Holder is kept informed of any such amendments required.

1. BACKGROUND

1.1 On 3 February 2022, the Government announced a package of support known as the Energy Bills Rebate to help households with rising energy bills, worth £9.1 billion in 2022/2023. This includes:

- £200 discount on their energy bill this autumn for domestic electricity customers in Great Britain. This will be paid back automatically over the next 5 years.
- A £150 non-repayable rebate for households in England in council tax bands A-D, known as the Council Tax Rebate.
- £144 million in discretionary funding for billing authorities to support households, who are in need but are not eligible for the Council Tax Rebate, known as the Discretionary Fund.

- 1.2 On 23 February 2022, the Government released guidance on the Council Tax Rebate 2022-2023 intended to support billing authorities such as Rushmoor, in administering the core scheme of Council Tax Rebate for households in Band A-D. The guidance also sets out the scope of the Discretionary fund with suggested criteria which local authorities should have regard to when determining the award of support to other energy bill payers who are not eligible under the core scheme.

2. Funding Received

- 2.1 A total of £5,211,750 has been allocated to Rushmoor Borough Council. The sum consists of the following:

- £5,077,200 for the core scheme of Council Tax Rebate 2022-2023. This is equivalent to paying £150 to 33,848 households, which is required to be distributed to eligible households by 30 September 2022.
- £134,550 for the discretionary fund which is required to be distributed by 30 November 2022.

- 2.2 The Council will be required to comply with regular reporting requirements to the Department of Levelling Up, Housing and Communities (DLUHC) on distribution of funds through the scheme. There will be a reconciliation exercise in due course to confirm amounts awarded from the funding for both the Council Tax Rebate Scheme and the Discretionary Fund.

3. The Council Tax Rebate – Eligibility

- 3.1 The Government expects billing authorities to provide a £150 one-off payment to a liable council taxpayer (or person who would otherwise be liable where the property is exempt) for every household that occupies a property which meets all the criteria on 1 April 2022:

- It is valued in the valuation list on 1 April 2022 in council tax bands A – D. This includes property that is valued in Band E but has an alternative valuation band of band D because of a disabled band reduction scheme.
- It is someone's sole or main residence.
- It is a chargeable dwelling, or in defined exemption categories.
- 'Class N' dwellings occupied by students or college leavers or by spouses or dependents of students.
- 'Class S' dwellings occupied only by persons aged under 18.
- 'Class U' dwellings occupied by the severely mentally impaired.
- 'Class W' occupied annexes.
- The person who is liable to pay the Council Tax (or would be where the property is not exempt) is not a local authority, a corporate body or other body such as a housing association, the government or governmental body.

- 3.2 A property meets all the criteria but has a nil council tax liability because of Council Tax Support, will be eligible.

3.3 A property that has no permanent resident and is someone's second home will not be eligible.

3.4 An unoccupied property (for the purposes of calculating council tax) will not be eligible.

4. The Discretionary Fund

4.1 The guidance advises that councils can determine locally how best to make use of this funding to provide payments to other households who are energy bill payers, but not covered by the Council Tax Rebate. This could include households living in property valued bands E to H that are on income related benefits such as Council Tax Support (currently 71 claimants in Band E-H) or those where the energy bills payers are not liable for council tax like private tenants with private landlords and supported housing for vulnerable adults.

4.2 Given the speed which the Council is required to act, delegated authority is sought to be given to the Executive Director and Deputy Chief Executive to develop a Discretionary Fund Scheme and associated policy, and to make the necessary arrangements to assess eligibility and determine awards of funding to those eligible.

5. Council Tax Billing, communication, and payments

5.1 The Council Tax (Demand Notices and Reduction Schemes) (England) (Amendment) Regulations 2022 came into force on 12 February 2022. The regulations required the following explanatory sentence to be included in the council tax bills issued to households in respect of 1 April 2022: "The Government is providing a £150 one-off Energy Bills Rebate for most households in council tax bands A – D". The government also provided an information leaflet which was sent with the bills.

5.2 The Revenues and Benefits service are working closely with Customer Services, the Communications Team, and the IT team to ensure that households are provided with clear and timely information about the Council Tax Rebate scheme and the Discretionary Fund.

5.3 Where the Council holds live direct debit instructions for a liable Council Taxpayer of an eligible household, the guidance states that an automatic payment should be made as early as possible in the 2022-23 financial year, provided that there is assurance that the household is eligible and the band details have been verified. Where multiple residents of an eligible household are jointly and severally liable for Council Tax, and a live direct debt instruction exists for that household, then one full £150 payment will be made to that direct debit account. At the time of preparing this report, bank details were held for 24,506 council taxpayers out of 31,799, in Bands A – D in the Borough. There has been publicity to encourage Direct Debit take up since late February.

5.4 Where the Council doesn't hold live direct debit instructions for an eligible

household, all reasonable efforts to contact the household will be made to make them aware of the scheme and invite them to make a claim. The service is currently determining an appropriate claims method, considering the software solutions available, but will include an option for those residents who are digitally excluded, for example assisted applications over the phone. As part of the claims process, Councils can choose whether to offer £150 credit to an eligible household's Council Tax account as a payment option.

- 5.5 The Council is required to undertake pre-payment checks via Spotlight, the Government's due diligence risk proofing tool, prior to any payment, which is not awarded to a live direct debit holder.

6. LEGAL IMPLICATIONS

- 6.1 There are no specific legal implications resulting from this report.

7. FINANCIAL IMPLICATIONS

- 7.1 Payments of funds allocated by Government to the Council for the Council Tax Energy Rebate will be reconciled against spend based on the published eligibility criteria.
- 7.2 Any overfunding of grant to the billing authority will be paid back to Government.
- 7.3 Payment of funds allocated by Government for the Discretionary Fund will be reconciled against spend as for the main scheme. Any overfunding must be paid back, and the Government will not provide any additional funding which exceeds the allocation.

8. CONCLUSIONS

- 8.1 Cabinet are asked to consider the issues raised in this report and to consider the recommendation that authority be delegated as described.

BACKGROUND DOCUMENTS:

The following background documents were used:

- Department of Leveling Up, Housing and Communities Guidance
- Support for Energy Bills – the Council Tax Rebate 2022-23: billing authority guidance
- Draft Council Tax Rebate Discretionary Scheme April 2022

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CABINET

COUNCILLOR MARINA MUNRO
PLANNING AND ECONOMY
PORTFOLIO HOLDER
REPORT NO. EPSH2215

26 APRIL 2022

KEY DECISION: YES

STRATEGIC ECONOMIC FRAMEWORK

SUMMARY AND RECOMMENDATIONS:

Economic recovery and growth will play a vital part in ensuring that Rushmoor is a vibrant, thriving place, with opportunities for all and a sense of pride to make sure it is a great place to live, work and do business.

Over the last year the council has been working to develop a plan to help grow the economy and help local businesses recover from the coronavirus pandemic. The Strategic Economic Framework seeks to grow and sustain Rushmoor's strong, resilient economy recognising however that people and businesses have been impacted by the pandemic and need support to recover. It has been developed in consultation with key delivery partners and businesses.

The Cabinet is recommended to approve:

- 1) the Strategic Economic Framework and Action Plan 2022-2025

1. INTRODUCTION

- 1.1. The Strategic Economic Framework has been developed to support economic growth and recovery. It provides a framework through which the council will work with partners, notably businesses, to achieve a vision for Rushmoor as a thriving business destination.

2. BACKGROUND

- 2.1. Rushmoor has a relatively strong and resilient economy. The borough's economic performance and the presence of high value, high productivity sectors including aerospace, together with our rejuvenating towns, our cultural heritage and global strategic connections give us clear economic advantages.
- 2.2. However, Rushmoor must not stand still and must recognise the economic challenges arising from the coronavirus pandemic. The economic impacts of the pandemic have been significant. Unemployment (claimant count) in our Borough increased from 1.7% in March 2020, to a peak of 5% in August 2020. It remains above long-term averages. Whilst businesses have been supported with grants from Government, we know that businesses in sectors such as retail and hospitality have been particularly impacted.

Changes on our high streets present us with real challenges as the council seeks to keep the borough's town centres and communities vibrant.

- 2.3. In meeting these challenges the Strategic Economic Framework supports the priorities and activities in *Your Future, Your Place – A vision for Aldershot and Farnborough* and the Council Plan 2022 – 2025. The Council Plan notes that the council will develop a framework that will help businesses survive, grow and prosper. The Strategic Economic Framework delivers on that priority.
- 2.4. The Strategic Economic Framework also reflects current government policy, recently outlined in the Levelling Up White Paper, and is intended to inform the development of a UK Shared Prosperity Fund Investment Plan, helping to leverage funding into the borough.

3. DETAILS OF THE PROPOSAL

- 3.1. The purpose of the Strategic Economic Framework is to:
 - 3.1.1. provide a local economic vision with clear outcomes;
 - 3.1.2. set out the actions needed to deliver the outcomes over the next three years, including how the council will help the area recover from the economic effects of the coronavirus pandemic and meet the challenges and opportunities presented in the Council Plan 2022-25;
 - 3.1.3. inform the development of a UK Shared Prosperity Fund Investment Plan;
 - 3.1.4. identify the methods and resources needed to deliver the actions, including the council's role and responsibilities alongside other public sector partners and the business community; and
 - 3.1.5. establish how the council will measure and evaluate economic outcomes.
- 3.2. The Strategic Economic Framework sets out a summary of the economic issues and challenges that the local economy faces. The issues and challenges identified reflect the longer-term economic situation (the pre-coronavirus period) and also consider the more recent impacts of the coronavirus restrictions.
- 3.3. The document sets out an economic vision for the borough. The vision reflects *Your Future, Your Place – A Vision for Aldershot and Farnborough 2030* and the Council Business Plan 2022 – 2025. It is founded on the characteristics of the borough economy including opportunities for growth and the borough's competitive advantages as a place to do business.
- 3.4. The vision is:

Rushmoor, an outstanding place for business to thrive.

- An economy focused on the future supporting clean, low carbon growth.
 - A highly skilled workforce and a labour market able to provide a wide range of training, employment and education opportunities for everyone.
 - A supportive business environment with excellent transport and digital communications infrastructure.
 - Vibrant and distinctive towns offering a great quality of life and locations for businesses to flourish.
- 3.5. The vision is supported through four strategic pillars which represent the main aspects of economic growth in Rushmoor:
- Business environment – business support, retention, innovation and inward investment;
 - Skills, inclusion and prosperity;
 - Transport accessibility and communications infrastructure;
 - Place – our town centres, sites, homes and workspaces.
- 3.6. The council will measure the success and achievements of the Strategic Economic Framework by targeting a series of key outcomes. These link to the strategic pillars. Where relevant the key outcomes have been mapped against the key activities in the Council Plan 2022 to 2025 and the missions in the Levelling Up White Paper.
- 3.7. The action plan is intended to meet the vision and deliver on the key outcomes. It is organised around the four strategic pillars which provide a framework for individual projects and actions. The actions complement each other and build on Rushmoor’s strengths whilst recognising current challenges.
- 3.8. Each action is set out against a rationale and any interim timescales/ milestones that will be the focus of the council’s activity. Success measures have been included so that the council can clearly measure achievements and performance. These success measures align with the key measures in the Council Plan and the missions and metrics in the Levelling Up White Paper.

Consultation

- 3.9. The Strategic Economic Framework has been developed with the involvement of local partners and subject to a business-facing public consultation. Key business organisations consulted include the Federation of Small Businesses, Hampshire Chambers of Commerce and delivery partners such as Hampshire County Council and the EM3 Local Enterprise Partnership.

- 3.10. Businesses were invited to comment on the draft strategy during a six-week consultation period. Over 100 businesses responded, ranging from small retailers and SMEs to large corporates. The overwhelming majority of respondents were very supportive of the council's approach.
- 3.11. Members on Policy and Projects Advisory Board have been consulted on the development of the Strategic Economic Framework at various stages and made a number of suggestions and amendments which have been considered in the drafting of the document. Individual members have also been consulted.

4. IMPLICATIONS (of proposed course of action)

Risks

- 4.1. There are limited risks with regard to the framework itself. The Framework is intended to be flexible and responsive to the economic environment in which the council operates. The actions and interventions set out in the document are not static or isolated, but a programme of activity intended to respond to economic conditions and help grow the economy. In addition, the actions do not represent all the work that the Council and our partners do in delivering economic development.
- 4.2. The economic situation remains a relatively high risk environment at present and the Strategic Economic Framework will assist in supporting the economy, businesses and people through the challenges.
- 4.3. Whilst the vision, pillars and key outcomes will remain set, some of the actions and interventions will be more flexible and the purpose of ongoing performance management and review to ensure that changes and updates can be made as new challenges or opportunities emerge.

Legal Implications

- 4.4. There are no specific legal implications of the framework itself however they will be considered against any relevant actions in the action plan.

Financial and Resource Implications

- 4.5. The actions in the Strategic Economic Framework can be delivered within existing resources however to achieve fully the ambitions of the Council additional funding will be required. The actions will be co-ordinated and monitored by the Economy and Growth Team working closely with other services where relevant.
- 4.6. Essential to the effective delivery of the action plan will be the involvement of partners, including the county council, business support organisations and businesses themselves.
- 4.7. The Strategic Economic Framework will help to inform future funding bids. It is intended to feed into the development of the Shared Prosperity Fund

Investment Plan, (subject to further guidance from government) and could be used to inform other funding applications.

Equalities Impact Implications

- 4.8. Equalities impact implications will be considered against any relevant actions in the action plan.

5. CONCLUSIONS

- 5.1. The Council Plan 2022 – 2025 notes that the council will develop a strategic economic framework for the borough that will help businesses survive, grow and prosper in a sustainable way. This document, and the engagement that has taken place during its development, has shown that there is a key role for the council in delivering on this agenda.
- 5.2. The Strategic Economic Framework shows that the borough can meet new economic challenges and opportunities. The borough's economy faces many challenges; a climate emergency and the Government's 'levelling up' agenda might make it more difficult to attract investment into the area. The need for this Strategic Economic Framework; to guide and shape our work, is greater than ever.
- 5.3. Rushmoor has the ingredients needed to recover, to grow and to thrive as a great place for business. The Strategic Economic Framework looks to the future by ensuring the council has an ambitious vision, clear outcomes and deliverable actions to guide our work.

BACKGROUND DOCUMENTS:

Strategic Economic Framework

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Rushmoor Borough Council

Strategic Economic Framework

DRAFT

April 2022

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Foreword

Rushmoor Borough Council is committed to promoting a strong and growing economy and helping our local businesses recover from the effects of the Coronavirus pandemic. Our business community is critical to the prosperity and quality of life of our residents.

Rushmoor has a distinctive role and position within the UK and South-East economy. Our economic performance and the presence of high value, high productivity sectors including aerospace and digital software together with our rejuvenating towns, our cultural heritage and global strategic connections give us clear economic advantages.

The borough benefits from a positive business environment. Rushmoor has been successful in retaining and significantly growing a range of leading business sectors and industries in our towns, but Rushmoor must not stand still and must face the economic challenges arising from Coronavirus. The council is supported by good working relationships and strong connections with both businesses and public sector partners which will help us to meet these challenges.

The economic impacts of the Coronavirus pandemic have been significant. Unemployment (claimant count) in our Borough increased from 1.7% (March 2020) to a peak of 5% in August 2020. Whilst businesses have been supported with grants from Government, we know that businesses in sectors like retail and hospitality have been particularly impacted. Changes on our high streets present us with real challenges as the council seeks to keep the borough's town centres and communities vibrant.

As a council we need to ensure that the borough is ready for the future and able to meet new challenges and opportunities. We face a climate emergency and the Government's 'levelling up' agenda might make it more difficult to attract investment into the area. The need for this Strategic Economic Framework; to guide and shape our work, is greater than ever.

Rushmoor has the ingredients needed to recover, to grow and to thrive as a great place for business. I am pleased to present our Strategic Economic Framework which looks to the future by ensuring the council has an ambitious vision, clear outcomes and deliverable actions to guide our work.

Cllr Marina Munro
Planning and Economy Portfolio Holder

1. Introduction

Overview

Economic recovery and growth are central to Rushmoor Borough Council's agenda as the local economy recovers from the Coronavirus pandemic.

The council's approach seeks to grow and sustain a strong, resilient economy with flourishing high growth sectors, a highly skilled labour market with opportunities for all, a supportive business environment and vibrant town centres. This is set within a vision for Rushmoor as a thriving business location.

To achieve the council's corporate aims, the Strategic Economic Framework (SEF) shows what the council will do, with partners, and what the potential outcomes will be over the next three years. It supports the priorities and activities in *Your Future, Your Place – A vision for Aldershot and Farnborough* and the Council Plan 2022 – 2025.

The SEF builds upon the council's current understanding of the Borough's economy, tested through consultation, and reflects national priorities for recovery, investment and growth recently outlined in the Levelling Up White Paper.

Purpose

The purpose of the Strategic Economic Framework is to:

- provide a local economic vision with clear outcomes;
- set out the actions needed to deliver the outcomes over the next three years, including how the council will help the area recover from the economic effects of the Coronavirus pandemic and meet the challenges and opportunities presented in the Council Plan 2022-25;
- inform the development of a UK Shared Prosperity Fund Investment Plan;
- identify the methods and resources needed to deliver the actions, including the council's role and responsibilities alongside other public sector partners and the business community; and
- establish how the council will measure and evaluate economic outcomes.

The SEF is informed by and builds on the council's existing evidence base. It has been influenced by the views of local businesses and other key partners tested through consultation and engagement.

Economic Issues and Challenges

The core economic issues and challenges that we face are summarised below with more context and detail included in the appendices. The issues and challenges identified reflect the longer-term economic situation (the pre-Coronavirus period) and

also consider the more recent impacts of the Coronavirus pandemic (March 2020 onwards).

Core Economic Issues (Pre-Coronavirus)

Rushmoor plays an important role within the South East economy. It is a highly competitive economy and in 2021 was ranked 25th in the UK Prosperity Index reflecting performance across a range of economic, social and environmental indicators.

There were approximately 55,200 people economically active in the Borough (September 2021), an activity rate¹ of 85.4%, compared to 81.1% in the South East and 78.5% nationally.

There is a greater proportion of full-time jobs in the Borough than the average for the South East, with an above average proportion of people employed in significant value-added sectors, such as Information and Communications (nearly three times the national rate) and Professional, Scientific and Technical Activities (over 60% above the national rate). There are also important elements of support and back-office functions in the area, but a below average proportion of people employed in Human Health and Social Work and Education.

Whilst the Borough has a below average proportion of micro-businesses (below 9 employees), there is above average representation in other size categories. This is noticeably so in the small enterprise category (10-49). Rushmoor is home to some large multi-national businesses, clustered in Farnborough. Several of Rushmoor's largest businesses trade internationally so the impact of Brexit has been noted by some businesses as a potential challenge over the short to medium-term.

There are a significant number of 4,000 businesses based in the Borough engaged in high-productivity activities, many of these are linked to the aeronautical and digital applications sectors, which play a big part in the history of the area. This concentration of high value-added sectors leads to an ongoing demand for high quality, high skilled employees – an issue reported by the local business community, including competition for labour from other accessible business locations locally.

The proportion of the Rushmoor population with NVQ4² and above qualifications is below the regional average (38.4% in Rushmoor compared to 45.1% in the South East). This is acknowledged in the Rushmoor Local Plan (2019) and is identified by many businesses as an area for improvement and action.

The Economic Effects of Coronavirus

During the Coronavirus pandemic Rushmoor's economy was heavily impacted by Government-led controls, trading restrictions and financial measures.

The immediate impacts of Coronavirus on the Rushmoor economy have been partly hidden by significant Government intervention, in particular the Coronavirus Job Retention Scheme (CJRS, the 'furlough' programme) and the Self Employment Income Support Scheme (SEIS).

¹ People, who are economically active (employed or unemployed), expressed as a percentage of all people.

² HND, Degree and Higher Degree level qualifications or equivalent.

The extension of CJRS and SEIS a number of times during 2020 – 2021 is likely to have concealed unemployment levels across all business sectors. Government interventions will continue to unwind over the next year and beyond, reflecting the course of the pandemic and the introduction of any further lockdown measures.

Many of the core economic issues and challenges for Rushmoor have been aggravated by the pandemic which will also have impacted on aspirations for greater social inclusion. Changes in the labour market mean that those already excluded or low skilled might find it harder to find employment in the short-term.

The pandemic will have led to a reduction in economic activity across Rushmoor (and the South East and UK more widely) because:

- lockdowns, followed by other restrictions, mean that sectors such as retail, personal services, food & drink, and accommodation have suffered a marked decline in activity.
- the unwillingness and reluctance of consumers, both residents and visitors, to visit town centres has led to a reduction in spending on goods and services in the local area. Some of this has been substituted by online shopping, but this may not benefit the local economy in the same way as face-to-face transactions.
- reduced use of public transport means that people are less likely to travel for work and leisure.
- other sectors are impacted by disruption and changes in local, national, and global supply and demand, for example aviation, manufacturing, and logistics.
- school closures and isolation impact on parents' ability to work, will have reduced economic productivity and overall activity; and
- significant changes to working patterns and workplaces have led to some reduction and a re-shaping (at least temporarily) in the locations of economic activity.

All these effects can be seen in the economic, employment and Government business support data that is currently available.

There has been an impact on employment and economic activity in Rushmoor because of the pandemic. Key impacts have been:

- up to 15% of eligible jobs were furloughed (CJRS).
- up to 78% of the self-employed in Rushmoor have claimed from the Self Employment Income Support Scheme (SEISS) in the first round of support, decreasing to 56% by SEISS round 4.
- a total of £39.6 million of SEISS funding support (all four rounds) has been made available in Rushmoor.
- unemployment (model based) in Rushmoor increased from 2.6% in 2019 to 4.4% in 2020, almost twice the pre-pandemic level.
- claimant count levels started to increase in April 2020 (rising from 1.7% in March 2020 to 3.1% in April 2020, then peaked at 5% in August 2020).
- the largest claimant counts were in those aged 18 – 24 years (peaking at 9.1% of that age group in July 2020) and even further focused in the 18 – 21 years age group (increasing from 3.5% in January 2020 to a peak of 10.1% by

July 2020). Youth unemployment in Rushmoor remains higher than the Hampshire and regional averages.

- while there has been a direct and obvious impact on some sectors (such as aviation, hospitality and retail), there has been a more indirect negative impact on others such as manufacturing and construction, and a more positive effect on logistics and distribution where changes in global supply and demand and other market pressures have impacted.
- obvious increases in activity in the health sector related to the pandemic, but overall economic activity levels in this sector have declined as GP visits have been discouraged and routine surgery postponed.

The impacts of the pandemic will have affected some places more than others. A study by the Centre for Towns analysed the economic exposure of towns in England and Wales to lockdown measures³. This suggests that Rushmoor's towns are not as especially impacted in comparison with other regional or national centres and there is evidence that multifunctional⁴ and localised towns (such as Farnborough and Aldershot) have been relatively insulated and with some sectors benefitting from a growth in local spend and activity.

There is, however, much that may change over time as the longer-term economic effects of the pandemic continue to be revealed. For Aldershot and Farnborough the effects may be as a result of accelerated structural trends in the way people shop and work. The pandemic has witnessed major challenges and difficulties for national retailers, many of which have closed stores coupled with a continued shift to online shopping, although some growth has occurred in services that cannot be purchased online.

³ *The effect of the COVID-19 Pandemic on Our Towns and Cities*, Centre for Towns (2020)

⁴ Defined as offering a range of non-retail attractions.

Summary of the Main Challenges and Opportunities

A summary of headline issues and challenges are identified below.

Strengths	Weaknesses
<ul style="list-style-type: none"> • Population growth • Above average working age population • High job density⁵ • High skill levels • High value-added sectoral focus including aerospace and defence and createch/ digital clusters • Presence of a number of large multinational businesses and the Aldershot Garrison. • Geographic location and good transport links. 	<ul style="list-style-type: none"> • Relatively high youth unemployment. • Three areas of multiple deprivation – Lower Super Output Areas (LOSAs) that are in the 20% most deprived in the country. • Age dependency ratio increasing (but still below average) • High economic activity may mean less potential to take up job growth • Increase in the proportion of the workforce with no qualifications • High levels of NEETs⁶ • High cost of living e.g. housing affordability/ lower disposable income • Key economic sectors exposed to the effects of the pandemic.
Opportunities	Threats
<ul style="list-style-type: none"> • Increase in working age population provides potential to meet job growth internally • Improved business survival rates and recovery following Coronavirus business restrictions • Town centre renewal and rejuvenation - improved resident and business perceptions • Green, low carbon growth • Supply-chain opportunities from larger businesses • Growth of micro-businesses • A central geographic location 	<ul style="list-style-type: none"> • Increases in the cost of living hitting disposable incomes. • Job growth taken-up by skilled workers commuting from outside Rushmoor • Labour shortages impacting growth • Transport system under strain • Increased deprivation/ reduction in social mobility • Shortage of affordable housing • Climate change • Brexit/ Transition – impact on importers and exporters • Ongoing restrictions in response to the Coronavirus pandemic • Business exposure to debt

⁵ The level of jobs per resident aged 16-64. For example, a job density of 1.0 would mean that there is one job for every resident aged 16-64.

⁶ Not in Employment, Education or Training.

<ul style="list-style-type: none">• Emerging new sectors that will provide significant growth opportunities• Working with local colleges and other partners to identify and address skills shortages.• Opportunities to work with partners such as the Garrison and health sector on mutual economic and social priorities.	<ul style="list-style-type: none">• New working behaviours impacting the local office property market• Further changes in consumer behaviour impacting town centres.
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2. Vision and Strategic Pillars

Economic Vision

The vision reflects *Your Future, Your Place – A Vision for Aldershot and Farnborough 2030* and the Council's Business Plan 2022 – 2025. It is founded on the characteristics of the borough economy including opportunities for growth and the borough's competitive advantages as a place to do business:

- Excellent business growth and survival rates showing the resilience of the local economy over many years.
- Strong and established links between employers and skills training provision, high levels of economic activity and relatively low levels of unemployment.
- Mitigating, and adapting to, climate change is an opportunity to work with businesses, residents and partners to build a more sustainable, low carbon economy.
- One of the UK's most important digital application, createch, research and business clusters offer's the potential for further innovation, collaboration and economic growth and presents an opportunity for better promotion of the borough's national and global business reputation/ international competitiveness.
- Home to Farnborough Airport, one of the most significant private commercial airports in Europe, and a key focus for a significant aerospace and defence cluster.
- Location of the largest exhibition and conference centre in the South-East, attracting national and international visitors to the borough including the globally renowned bi-annual Farnborough International Airshow.
- The borough's major employers, including the Ministry of Defence, support a wide-ranging local supply network with further scope to strengthen and grow supply chain links.
- Allocated, available key employment sites and existing commercial floorspace which has the potential to suit the needs of a wide range of businesses.
- Ambitious regeneration programmes in Farnborough and Aldershot. Ongoing investment in town centre renewal to create high quality places to live, work and socialise.
- Good access to London, South East and South West national business markets and globally to international markets by road, rail and air.
- Opportunities to work with strategic partners such as the Arts Council England and Frimley Integrated Care Service to support broader social and economic development.

- Commitments to strengthen strategic access and local connectivity.

Vision:

Rushmoor, an outstanding place for business to thrive.

- An economy focused on the future supporting clean, **low carbon** growth.
- A highly skilled workforce and a labour market able to provide a wide range of training, employment and education **opportunities for everyone**.
- A supportive **business environment** with excellent transport and digital communications infrastructure.
- **Vibrant and distinctive towns** offering a great quality of life and locations for businesses to flourish.

Four Strategic Pillars

The vision will be supported through four Strategic Pillars which represent the main aspects of economic growth in Rushmoor. The four pillars complement each other and build on existing strengths and opportunities for growth whilst addressing key challenges.

The Strategic Pillars provide a framework for organising and managing the individual projects and actions described in the action plan. The pillars align with the core objectives outlined in the Levelling Up White Paper.

SP1: Business Environment – Business support, retention, innovation and inward investment

To help Rushmoor's businesses recover from the Coronavirus pandemic it is important that the council helps them to understand what support is available, how to access that support and to ensure businesses operate in an environment that over the long-term fosters innovation, greater productivity and sustainability.

This rests on business support networks where local supply chains can be strengthened and common approaches to challenges and opportunities developed.

In-depth, ongoing engagement with employers is critical for understanding immediate business needs and for long-term business retention and growth. An intensive approach to business support and engagement is required, particularly in our high growth digital/ createch and aerospace sectors, to ensure resources are focused, enabling the borough's businesses to grow to their full potential.

There is a need to work with partners on opportunities for research and development, to support start-up and retain grow-on businesses as well as maintain the strong link between intellectual property, research and innovation in the borough in key sectors. There is also a need to support businesses to become more sustainable, reach net-zero goals and adopt low carbon ways of working.

SP2: Skills, Inclusion and Prosperity

Rushmoor has a highly skilled and talented workforce. However, the right mix and breadth of skills will attract and support investment and will enable existing businesses to innovate, diversify and compete. It is a key driver of economic growth. Acquiring the right skills also gives individuals more choices in the labour market and enables them to secure better earnings and income. This is important in a borough with areas of relative economic and social deprivation.

Young people have been particularly impacted by the pandemic and will need support to help them back into employment, education and/ or training. The council will work with Aldershot College, Farnborough College of Technology and other training providers to support a range of job-based learning, including apprenticeships.

There is a need to continue to focus on increasing and up-skilling the resident workforce, both in the short term in a labour market recovering from the effects of the pandemic, and in the medium to long term in an economy transitioning to low carbon growth.

The council need to support and respond to local business and community skill requirements, so that residents can be economically active and embrace new opportunities in growth sectors, such as digital and aerospace, and support low carbon growth.

SP3: Transport Accessibility and Communications Infrastructure

Transport accessibility and the ability to provide physical connections in a sustainable manner are critical to long-term prosperity and encouraging low carbon, clean growth. Both Aldershot and Farnborough are characterised by good levels of access to the strategic road and rail networks and have excellent access by air through Farnborough Airport as well as relatively quick access to Heathrow and Gatwick. There is however a need to ensure that the road and rail infrastructure capacity is upgraded over time, and that connectivity e.g. public transport access to Heathrow Airport, is improved. There is also a need to improve Rushmoor's electric vehicle charging infrastructure.

The council will need to embrace and support clean, low carbon growth using smart technology and encourage sustainable modes of travel. To support low carbon growth the council will ensure local businesses have access to high quality, comprehensive digital communications infrastructure. Broadband and next generation (5G) mobile infrastructure is a key utility for modern business. Rushmoor benefits from good connectivity but there is a need to ensure that all businesses (and home working residents) have access to the fastest broadband speeds and that Rushmoor is positioned to benefit from the next generation roll out of communications infrastructure.

SP4: Place – Our Town Centres, Sites, Homes and Workspaces

For the local economy to be successful Aldershot and Farnborough must be attractive and desirable places to live, work and visit. The SEF will therefore support the council's ongoing programme of regeneration in Aldershot and Farnborough to

both encourage economic recovery and improve the quality of life for residents and the workforce over the medium to longer term.

The local economy will also be better placed to thrive and grow if the right range, choice and mix of employment land, sites for commercial development, and high-quality, flexible workspaces are created, managed and maintained.

The Council will deliver good quality rented accommodation directly via Rushmoor Homes Limited and will work with developers to deliver a range of housing tenures in the local housing market which support local housing need and the aspirations of the local workforce.

To support business prosperity and innovation, the council will encourage space for new and existing businesses to work, foster talent and grow. The council will support the development of shared working spaces to provide a more nurturing and supportive environment for new and existing businesses and allow opportunities for residents to work closer to home and embrace new working patterns.

Fast-growing businesses are found across economic sectors and the right type of business accommodation in the right locations is critical, linked to high quality transport access and world-class digital communications infrastructure.

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3. Driving Forces & Key Outcomes

Driving Forces

The driving forces are the main factors that are likely to influence the local economy. These present both opportunities and challenges and cut across the key outcomes and the actions in the action plan. These are:

- **Recovery from the economic effects of coronavirus**

The impacts of Coronavirus lockdowns and business restrictions on Rushmoor will continue to unfold. A critical priority is to address the immediate and longer-term impacts. This requires a mix of actions and interventions to support business and town centre recovery, enabling businesses to re-build and for those who are unemployed or under-employed to have access to skills, training and new employment opportunities.

- **Moving to a low carbon, clean growth and circular economy**

Meeting the challenge presented by climate change is an important driving force for Rushmoor but also an opportunity to work with businesses on addressing the challenge of climate change. The circular economy revolves around the principles of designing out waste and pollution, keeping products and materials in use, and regenerating natural systems as a means to cut greenhouse gas emissions.

- **Increasing economic inclusion and prosperity**

A key driving force for Rushmoor is achieving a more inclusive form of economic prosperity, with more people sharing in future economic success. This includes residents living in Rushmoor's more deprived communities. This requires a workforce with the right mix of skills and more diverse opportunities which allow individuals to participate in the labour market.

- **Supporting communities and the foundation economy**

The foundation economy involves providing households and communities with basic goods, services and care, and supporting and nurturing the workforce engaged in this is vital. It also requires securing the supply of basic services for all residents including in town centres.

- **Protecting and enhancing sectoral clusters**

Rushmoor benefits from high-value added sector clusters, which offer the potential for further diversification, innovation, collaboration and economic growth. The spin-off and local supply chain opportunities from these clusters will be a further driving force for economic success.

- **Matching skill needs**

There will be continued demand for both higher-level and more vocational skills within the local economy, as well as the need to incorporate people with more limited skill sets into the labour market. Increased flexibility, adaptability and on-going learning is important in this time of transition and change.

- **Maximising partnerships and collaboration**

A key enabler of success will be the creation of new and reinforcing existing business and community support networks. This will need to cover support for start-ups and grow-on businesses, strengthening supply chains, opportunities for research and development, and developing common approaches to existing and emerging challenges. Potential devolution settlements are likely to impact on how the council works with partners and present an opportunity for the council to address local economic challenges and opportunities.

- **Adapting to changing behaviours and new ways of working**

Hybrid working models are now the norm for many businesses and as such employment opportunities are not required to be locally based. It is vital that residents have the skills to fill local vacancies and embrace new opportunities. Rushmoor will need to have the right mix of workspaces to accommodate this shift in behaviour.

Key Target Outcomes

The council will measure the success and achievements of the Strategic Economic Framework by meeting the following key outcomes which link to the identified Strategic Pillars and a range of supporting actions, as set out in Section 2.

Where relevant the key outcomes have been mapped against the key activities in the Council Plan 2022 to 2025 and the missions in the Levelling Up White Paper.

Key Outcome	Strategic Pillar	Council Plan 2022-2025 key activities	Levelling Up White Paper Mission
Key Outcome 1: develop a focused approach to sector growth and inward investment to attract new and help existing businesses expand. This will allow us to work effectively with the borough's aerospace and digital/ creative media sector clusters and encourage innovation and growth.	SP1		Living Standards R&D
Key Outcome 2: develop a business support programme to help local	SP1		Living Standards R&D

Key Outcome	Strategic Pillar	Council Plan 2022-2025 key activities	Levelling Up White Paper Mission
businesses recover from the pandemic, become more productive, support exporting opportunities and transition to net zero, with a targeted 'key account' programme in place.			
<p>Key Outcome 3: promote opportunities for all in a labour market that better fosters improved economic inclusion, productivity and opportunities for growth including in the foundation economy and in higher skill sectors. Rushmoor will have a strong, well-equipped workforce with enhanced skill and career routes including through apprenticeships, work-based training and higher education qualifications. This will be supported by active, positive, partnerships with education providers and businesses.</p>	<p>SP1 SP2</p>	<p>2. Help people (especially young people) into employment through training, apprenticeships and upskilling.</p> <p>6. Support apprenticeships, research and innovation opportunities through the Aerospace Research and Innovation Centre (ARIC).</p>	<p>Education Skills</p>
<p>Key Outcome 4: support the transition to a greener and more sustainable economy, with businesses able to benefit from the opportunities of clean, low carbon growth.</p>	<p>SP1 SP4</p>	<p>6. Continue progress towards our goal of becoming a carbon neutral council by 2030 through reducing emissions in our facilities and operations</p>	
<p>Key Outcome 5: support public and private investment in the regeneration of Aldershot and Farnborough town</p>	<p>SP2 SP4</p>	<p>1. Complete the Union Yard development, support regeneration of the</p>	<p>Pride in Place</p>

Key Outcome	Strategic Pillar	Council Plan 2022-2025 key activities	Levelling Up White Paper Mission
centres that will deliver economic growth and improve the vibrancy and distinctiveness of the town centres.		Galleries and update the facilities at the crematorium in Aldershot. 2. Progress the regeneration of Farnborough town centre, including the civic quarter.	
Key Outcome 6: improve the ability of businesses to work digitally and access 5G and related technology. Digital connectivity infrastructure will be comprehensive for businesses and residents.	SP3		Digital connectivity
Key Outcome 7: enhance strategic and local connectivity by road, rail and public transport through support for committed schemes. The council will investigate and advocate further improvements with partners.	SP3	3. Develop a walking and cycling plan to encourage sustainable travel and to support our town centre regeneration plans.	Transport
Key Outcome 8: support the delivery of commercial employment land to help meet Development Plan objectives, including fostering a sufficient and appropriate range of deliverable sites and business premises. This includes businesses able to access a wide range of managed/ supported workspaces.	SP4		Living standards

4. Action Plan

Introduction

The action plan is intended to meet the vision and deliver on the key outcomes set out above. It is organised around the four strategic pillars which provide a framework for individual projects and actions. The actions complement each other and build on Rushmoor's strengths whilst recognising current challenges.

Each action is set out in more detail in this section together with the rationale and any interim timescales/ milestones that will be the focus of the council's activity.

For each pillar broad measures of success have been included so that the council can clearly measure achievements and performance.

Some of the actions outlined below are intended to align with and complement the Supporting Communities Strategy and Action Plan and the Climate Change Action Plans.

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Strategic Pillar 1: Business Environment – Support, Retention, Innovation and Inward Investment

Action/Project	Rationale	Timescale / Milestones
<p>1.1: Create and maintain a Key Businesses Account Management Programme</p> <p>1.1.a) The council will establish and maintain a CRM (Client Relationship Management) system to help coordinate dialogue with businesses.</p>	<p>The council needs to work proactively with local businesses, based on regular and direct contact, to ensure there is an understanding of business needs and to promote business collaboration. This will ensure public sector support for local business is focused on their needs.</p>	<p>Year 1 to establish and ongoing thereafter</p>
<p>1.2: Develop and promote innovation and collaboration through sector development plans in:</p> <p>1.2.a) Aerospace – linked to the completion of the Aerospace, Research and Innovation Centre (ARIC) at Farnborough College of Technology.</p> <p>1.2 b) Digital technologies – linked to the opening of the Digital Hub at the Old Town Hall, Aldershot.</p>	<p>The borough supports several key growth sectors, including aerospace/ advanced engineering and digital technology applications which together offer strong opportunities for growth. Working closely with public sector partners the council will investigate and encourage opportunities for innovation, improved productivity, expansion and new investment based on detailed sector development plans.</p> <p>The council will review existing support networks and initiatives to ensure local business are aware of opportunities for collaboration, diversification and new markets, including new low carbon technologies. This approach will also support higher value job creation and employment opportunities to help retain young talent and attract graduates after university.</p>	<p>Years 1 - 3</p>
<p>1.3: Improve business support provision and signposting, including sustainability information, advice and guidance.</p>	<p>The council needs to prioritise support for local businesses to enable them to grow and expand and</p>	<p>Years 1 - 3</p>

Strategic Pillar 1: Business Environment – Support, Retention, Innovation and Inward Investment

Action/Project	Rationale	Timescale / Milestones
	<p>provide employment opportunities.</p> <p>The council will evaluate the provision of existing business support services, address any gaps in business advice, particularly measures to encourage low carbon growth and sustainability, and aim to improve business information, advice and guidance.</p> <p>Specific support may include improved guidance on exporting; energy efficiency and sustainability; and support and advice for businesses seeking external investment (an 'investor readiness' programme).</p>	
<p>1.4: Attracting new inward investments through new marketing materials and enhanced business support.</p>	<p>Rushmoor's unique locational advantages have been successful in attracting and retaining new businesses and inward investment.</p> <p>It is critical that the council maintains and capitalises on these successes by working with partners to actively target potential inward investment and business expansion. This will be linked to the Account Management Programme (Action 1.1) and focused on the borough's sector clusters and potentially low carbon industries.</p> <p>The council's role will include ensuring appropriate protocols are in place between public organisations dealing with new investment enquiries.</p>	<p>Ongoing</p>

Strategic Pillar 1: Business Environment – Support, Retention, Innovation and Inward Investment

Action/Project	Rationale	Timescale / Milestones
	The council will also offer a 'soft landing' programme for new inward investment business arrivals in Rushmoor.	
1.5: Improve public sector procurement supply chains and purchasing.	The council will develop public supply chain and sustainable procurement protocols to encourage social value benefits and where possible embed circular and clean-growth economy principles.	Years 1 – 3
1.6: Promote a circular, low carbon, sustainable local economy.	The council will bring together local partners to share ideas and best practice. This could be targeted at certain sectors together with key local businesses identified as part of the key management account programme.	Years 1 - 3
1.7: Work with clean growth, circular economy and community wealth building thought leaders and case studies.	The council needs to drive forward clean and circular economic growth at the local level. In this, and on community wealth building it is important for us to develop an understanding of relevant research, initiatives and best practice that can be realistically adopted and deployed in Rushmoor.	Years 1 - 3
1.8: Co-ordinate and signpost access to finance for new and early-stage businesses with high growth potential.	<p>A significant barrier for many new and expanding businesses is the availability and access to finance.</p> <p>Working together with partners, the council will ensure new and expanding local businesses understand the options available for financial support to encourage the growth of their business, particularly in key</p>	Year 1

Strategic Pillar 1: Business Environment – Support, Retention, Innovation and Inward Investment

Action/Project	Rationale	Timescale / Milestones
	economic sectors and to support low carbon growth.	
1.9: Build relationships with commercial landowners and agents.	<p>The delivery and use of employment land and commercial floorspace require an ongoing understanding of market requirements, availability and viability.</p> <p>To inform this the council will continue to build relationships with local commercial agents and developers to help identify current and emerging property needs and potential opportunities for growth. This is particularly important as new ways of working emerge from the Coronavirus pandemic.</p>	Ongoing

Success Measures

- An up-to-date Key Business Account Programme and direct contact with key employers in Year 1 (number of businesses engaged) to understand business issues and opportunities to provide appropriate support. **(Key Outcome 2)**
- A business support programme focused on business needs (in the short term focused on recovery from the Coronavirus pandemic) and communicated more effectively to all Rushmoor's businesses **(Key Outcome 2)** – no of businesses supported.
- Number, type and change over time in the inward investment and business expansion enquiries received and handled by the council **(Key Outcome 1)**
- Drafting of sector development plans and expansion/ growth of existing key sectors and increase in the proportion of new growth sector representation in the Borough **(Key Outcomes 1, 2 and 4)**
- Gross Value Added (GVA) per hour worked
- Delivery of the Digital Hub at the Old Town Hall, Aldershot **(Key Outcome 1)**
- Increased number of local companies benefitting from projects and expenditure through local public procurement supply chain networks **(Key Outcomes 2 and 4)**
- Engagement with local businesses on clean growth and circular economic development principles **(Key Outcome 5)**
- Increase in the frequency and involvement of commercial landowners and agents in regular stakeholder engagement events and dialogue **(Key Outcomes 5 and 6)**

Strategic Pillar 2: Skills, Inclusion and Prosperity

Action/Project	Rationale	Timescale / Milestones
<p>2.1: Understand and identify skills gaps for business and the workforce.</p>	<p>To maintain and improve the borough's productivity, it is critical the council understand both the skills needs of businesses and the skills shortages of the local workforce. The evidence base and stakeholder feedback clearly identify changing skills demand across sectors and the need to ensure future business needs are matched with a sufficient supply of skilled workers. The council will work with partners and local businesses to identify current and future local labour skills demand and supply needs. This could include a detailed business survey.</p>	<p>Years 1 - 3</p>
<p>2.2: Enhance the Rushmoor Employment and Skills Zone to better coordinate and support job brokerage.</p>	<p>Using the existing Rushmoor Employment and Skills Zone to co-ordinate and support job brokerage.</p> <p>Working with key partners to deliver training and recruitment tailored packages to support the growth of existing businesses or facilitate the arrival of new businesses. This work complements and links with the Hampshire Employment and Skills Service and the Apprenticeship Hub and will provide a platform for sourcing and training staff.</p> <p>There is an opportunity to further enhance this work by linking Employment and Skills Plans to key building projects within the borough, whilst this occurs at some level further links and</p>	<p>Years 1 - 2</p>

Strategic Pillar 2: Skills, Inclusion and Prosperity

Action/Project	Rationale	Timescale / Milestones
	development of a process would help generate employment opportunities at a local level.	
2.3: Promote and encourage apprenticeships and other technical and work-based training opportunities	<p>There is great potential to raise the level of technical and work-based training, qualifications and apprenticeships in Rushmoor. This will address the shortages of technical level skills identified from the evidence base. This will support an inclusive labour market.</p> <p>The council will continue to strengthen the relationship between education and training providers, employers and other key partners such as the County Council to encourage greater participation and joined up pathways for non-traditional routes into the workplace.</p>	Years 1 - 2
2.4: Raise aspiration and future career opportunities for young people	<p>The changing nature of employment has significant implications for career and education choices for young people. The council need to ensure early proactive advice and support to raise aspiration goals, increase participation and educational attainment, and provide informed careers intelligence which link with education, skills and training. The council will work with education and training providers, supported by key partners such as the County Council, to identify and showcase the new skills and career opportunities available and to closely align learning opportunities in the future jobs market.</p>	Years 1 - 3

Strategic Pillar 2: Skills, Inclusion and Prosperity

Action/Project	Rationale	Timescale / Milestones
2.5: Support and encourage the upskilling and reskilling of the workforce, especially in digital, createch and soft skills	<p>The upskilling and reskilling of the workforce to meet changing workplace needs will help to raise skills levels, identify new opportunities and maximise the employment prospects of the workforce. This has significant benefits for both business and workers.</p> <p>The importance of digital, basic STEM and business leadership, management and softer skills is of core importance, particularly for SMEs and the foundation, and low carbon economy. The council will work with partners to encourage opportunities for upskilling and reskilling with particular attention focused on basic ICT and soft skills.</p>	Years 1 - 3
2.6: Develop enhanced education programmes linked to innovation and enterprise support for key sectors	<p>Working with education partners there is potential to develop higher level business and entrepreneurship programmes in the Borough and develop enhanced links to HE institutions outside Rushmoor. The evidence base identifies a need to raise attainment levels above Level 3 locally, especially at Level 4 and 5 given the importance of the digital economy. The council will investigate enhanced training capacity with employer involvement as a key part of the sector development plans.</p>	Years 1 - 3
2.7: Support self-employment and business start-up	<p>The council will support and encourage new business models of self-employment and start-ups aided by business support provision.</p>	Years 2 - 3

Strategic Pillar 2: Skills, Inclusion and Prosperity

Action/Project	Rationale	Timescale / Milestones
	<p>New business births contribute to job creation, innovation and economic growth. Rushmoor already has a business base which is dominated by micro businesses but a level of start-up rates which is below the national average.</p> <p>The council will work with partners to signpost business services, access to finance and training/ skills development. In particular, the council is keen to increase business start-up opportunities in the most deprived areas of the Borough together with ex-military personnel, military spouses and those who have lost jobs because of the Coronavirus pandemic. Start up support will also be promoted for graduates and young professionals to help attract and retain young entrepreneurs.</p>	
<p>2.8: Work to remove barriers to training, employment and the workplace</p>	<p>The council need to support and maximise opportunities for all residents to access training and employment to ensure inclusion and promote well-being. It is important that the under-represented, disengaged and vulnerable are provided with the training and support network to develop work readiness skills and support health and well-being priorities.</p> <p>The council will work with partners, including the third sector and Rushmoor Employment and Skills Zone to help deliver support programmes to address</p>	<p>Years 1 - 3</p>

Strategic Pillar 2: Skills, Inclusion and Prosperity

Action/Project	Rationale	Timescale / Milestones
	barriers for certain groups in Rushmoor.	
2.9: Support and help co-ordinating funding opportunities for social enterprises	The council will support and help coordinate funding opportunities targeted at foundation and social enterprises which provide important services and a range of advice, guidance and training for residents seeking to access the workplace and improve skills training.	Years 2 - 3
2.10 Work with the Frimley Heath and Care Integrated Care System (ICS), Integrated Care Provider (ICP) and Primary Care Networks on mutual social and economic objectives.	<p>The council will actively engage with the establishment of the new Frimley Heath and Care Integrated Care System (ICS), Integrated Care Provider (ICP) and Primary Care Networks (PCNs) to ensure that mutual social and economic objectives, including opportunities to address inequalities, are realised. Income, education and employment are among many wider determinants of health.</p> <p>The council will also encourage direct investment by promoting the borough as a place for NHS investment.</p> <p>The council will continue to invest in joint projects which make a difference to the social and economic wellbeing of the borough residents.</p>	Ongoing
<p>Success Measures</p> <ul style="list-style-type: none"> • Enhance the RESZ to further coordinate and support job brokerage (Key Outcome 3) • Increase in the number of apprenticeship starts, and achievements, on apprenticeships per 1000 (Key Outcome 3) 		

Strategic Pillar 2: Skills, Inclusion and Prosperity

Action/Project	Rationale	Timescale / Milestones
<ul style="list-style-type: none"> • Improvement in the levels of NVQ Level 3 and 4 and above started and completed in the Borough (Key Outcome 3) • Proportion of employed people in skilled employment (Key Outcomes 3 and 7). • Increase in the number of new business start-ups and increase in survival rates by Year 3 (Key Outcome 3) • Increase in the number of the local workforce undertaking reskilling and upskilling (Key Outcome 3) • Reduction of the number of NEETs (Not in Education, Employment or Training) recorded in the Borough (Key Outcome 3) • Decrease in the percentage of the working age population claiming benefits because of unemployment/ Employment rate for 16-64 year olds (Key Outcome 3) • Decrease in percentage of 18-24 year olds claiming benefits because of unemployment (Key Outcome 3) 		

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Strategic Pillar 3: Transport Accessibility and Communications Infrastructure

Action/Project	Rationale	Timescale / Milestones
3.1: Advocate increased rail services and reduced journey times to London and key centres	Increased physical connectivity will help improve market access, workforce flows and leisure/ tourism potential. The council will support key partners in lobbying for enhanced rail services and associated qualitative improvements for the Borough.	Years 1 - 2
3.2: Encourage modal shift and a switch towards more sustainable forms of travel to reduce dependency upon the private car and reduce carbon emissions. 3.2 a) Ensure a resilient and reliable transport network that reduces transport related carbon emissions.	To maintain and enhance economic attractiveness, it will be essential to maintain a resilient and reliable transport network. The council will work alongside key partners to deliver a high-quality transport system that encourages modal shift and improves connectivity. The council will work with partners to deliver mobility hubs in the town centres and deliver quality walking and cycling networks to reduce transport related emissions and deliver health benefits.	Ongoing
3.3: Promote infrastructure for electric vehicles	Increased provision of charging facilities and use of EVs for business travel and deliveries will be important to support low carbon growth and improve air quality.	Years 1 - 3
3.4: Support superfast digital and mobile connectivity to businesses Through: 3.4 a) Ensure all existing business parks and Key Employment Sites are connected to ultrafast broadband.	Connection coverage and speed are vital requirements in the business community. This is particularly important in some of the key growth sectors in Rushmoor such as the creative and gaming sectors but is also essential for wider economic growth. The council will map connectivity and ensure the	Ongoing

Strategic Pillar 3: Transport Accessibility and Communications Infrastructure

Action/Project	Rationale	Timescale / Milestones
3.4 b) Support enhanced connectivity to residents and businesses based at home.	borough's business parks are well provided for potentially by encouraging specific interventions.	
3.5: Ensure future rollout of digital fibre and mobile communication upgrades	<p>Developing future-readiness for and delivery of upgrades in technology will be essential in supporting the growth of businesses. This will include the delivery of a full 5G network and capacity for 6G and 7G in future.</p> <p>This may include 5G testbeds. The Borough is home to a growing digital sector and alongside other sectors it is vital that digital infrastructure remains first class and responsive to future technological enhancements.</p>	Years 1 - 3
<p>Success Measures</p> <ul style="list-style-type: none"> • Delivery of mobility hubs and improvements to walking and cycle networks, including to key employment locations to reduce transport related carbon emissions. (Key Outcome 5 and 8) • Improved digital coverage and speed (percentage of premises with gigabit-capable broadband) for businesses in the Borough, supporting the ability of businesses to work digitally and compete globally (Key Outcome 7) • Lobby for and where relevant support an agreed programme of future digital and mobile upgrades in the Borough (measured by the percentage of 4G (and 5G) coverage by at least one mobile network operator) (Key Outcomes 2 and 7) 		

Strategic Pillar 4: Place – Our Town Centres, Sites and Workspaces

Action/Project	Rationale	Timescale / Milestones
<p>4.1: Continue to deliver the regeneration programmes for Farnborough and Aldershot town centres</p>	<p>The council's focus will be to maximise the potential of both town centres to secure investment and development interest in accordance with the programmes of regeneration and Local Plan objectives. This will be supported by the Rushmoor Development Partnership's work to re-develop key assets. The council will bring forward the implementation of Union Yard and the Galleries in Aldershot and the regeneration of Farnborough town centre including the Civic Quarter.</p> <p>The crucial importance of the regeneration of the town centres is identified in the evidence base and is a priority reported by stakeholders.</p>	<p>Ongoing</p>
<p>4.2: Improve the vibrancy of the town centres.</p>	<p>The council need to ensure that the town centres are attractive environments which encourage footfall and increase patronage/ speed in local shops.</p> <p>As well as the regeneration programmes outlined above (4.1) the council will promote the vibrancy and distinctiveness of Aldershot and Farnborough, particularly to new residents in the borough and those based temporarily at the Garrison and encourage new town centre businesses to fill vacant premises.</p> <p>The council will ensure that retailers can access bespoke business support, promote businesses to encourage patronage and run a town centre events programme</p>	<p>Ongoing</p>

Strategic Pillar 4: Place – Our Town Centres, Sites and Workspaces

Action/Project	Rationale	Timescale / Milestones
	which encourages town centre footfall.	
4.3: Realise the economic, environmental and social opportunities arising from Rushmoor's arts, culture and heritage assets	<p>Work with partners to develop an understanding of the Borough's arts, cultural and heritage assets.</p> <p>Deliver an ambitious borough wide research, engagement and development programme that will set the direction for culture in Rushmoor for the next ten years.</p>	Years 1-3
4.4: Support investments to improve existing commercial floorspace in the borough's Strategic Employment Sites and Locally Important Employment Sites	<p>The council need to ensure the delivery of a range and choice of employment land and premises to support the needs of existing business, including opportunities for qualitative improvements of existing sites and stock.</p> <p>To help support the expansion of existing business and attract new investment to our Borough, it is important the council continues to promote and manage available Strategic Employment Sites and Locally Important Employment Sites. Focused on key sites, and in conjunction with the development industry, Hampshire County Council and other partners the council will promote the Borough as a quality destination for business.</p>	Ongoing
4.5: Support the delivery of new shared and flexible managed workspaces	There is a relative lack of new flexible and affordable workspace for modern business needs in Rushmoor, including for start-up, grow on space and managed workspace. This is	Years 1 - 3

Strategic Pillar 4: Place – Our Town Centres, Sites and Workspaces

Action/Project	Rationale	Timescale / Milestones
	<p>a key issue reported from in stakeholder discussions.</p> <p>The council will work with partners to help deliver new flexible workspaces in the borough for businesses to establish themselves and grow, recognising the changing requirements of business and the opportunities that may exist as part of the regeneration of Aldershot and Farnborough.</p>	
<p>4.6: Take forward a ‘make and trade’ area in Aldershot.</p>	<p>Aimed at showcasing creative and artisanal production and service businesses as well as supporting ongoing town centre regeneration initiatives, the council will examine the feasibility of establishing a ‘make and trade’ area potentially centred around Union Yard in Aldershot.</p> <p>This concept will connect the regeneration of Aldershot with emerging themes in the Cultural Strategy.</p>	<p>Year 2</p>
<p>4.7: Work with developers and through Rushmoor Homes Limited to support a local housing market that is accessible, and which meets the needs and aspirations of its working population.</p>	<p>Expanding the quality, choice and affordability of private rented sector accommodation will help to ensure that young adults are attracted to live and work in Rushmoor, and local residents remain in the Borough. Housing affordability has been identified as a key issue by local businesses.</p>	<p>Year 1-3</p>
<p>4.7: Continue to work proactively with Farnborough Airport and the cluster of aerospace companies the airport supports.</p>	<p>Farnborough Airport has a key role and function in the local economy and a wider aerospace cluster.</p>	<p>Year 1</p>

Strategic Pillar 4: Place – Our Town Centres, Sites and Workspaces

Action/Project	Rationale	Timescale / Milestones
4.7. a) The council will commission an Economic Impacts Study to confirm the wider economic benefits of the airport to the borough.	The council will continue to proactively engage and work with Farnborough Airport including for future enabling developments and investments to ensure the Airport's premier position is maintained.	
<p>Success Measures</p> <ul style="list-style-type: none"> • Decrease in the percentage of vacant and dormant premises rates in Aldershot and Farnborough (Key Outcome 5) • Employment land supply, including protection of Key Employment Sites and available commercial floorspace is provided to meet the objectives of the Local Plan and Employment Land Evidence Base (Key Outcome 10) • Programme of work to develop and support managed, shared and flexible workspaces at locations across the Borough completed (Key Outcome 9) • Regularly updated review of Key Employment Sites portfolio as part of the overall stock of business land, sites and floorspace available in the Borough (Key Outcome 10) • Completion of feasibility for the 'Make and Trade' Town Centre area (Key Outcomes 3, 5 and 6) • Create an ambitious Cultural Strategy for the borough that will inform planning and investment for the next 5 years and a delivery plan for the next 10 years. (Key outcomes 5 and 7). 		

APPENDICES

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Appendix A

Context I – Supporting Strategies and Policies

Introduction

This appendix provides an overview of relevant economic strategy and policy influences on the Rushmoor economy.

It is divided between national and regional strategies and policies (Enterprise M3 LEP and Hampshire County Council) and the local level (within Rushmoor).

To help Rushmoor to maintain and develop its place in a competitive economy, the SEF reflects overarching policies and strategies. This is to ensure that the SEF:

- aligns with relevant economic policies at national and regional levels of governance.
- underpins decision making for economic interventions.
- meets relevant and prioritised local needs.
- affords the best opportunities for effective partnership working.
- offers the best opportunity of securing external funding to support the aims and objectives of the SEF.

A summary review of the main policy and strategies is provided below.

National Policy Influences

Local economies do not operate in isolation, and are influenced by and interact with wider regional, national and international economies. There are limits to the ability of a local authority to determine economic change.

In that context there are broader national strategies and economic policy influences of relevance to Rushmoor over the past few years, including:

- Levelling-Up White Paper (February 2022)
- Build Back Better: Our Plan for Growth (March 2021)
- Government's National Industrial Strategy – Green Paper (January 2017) and White Paper (November 2017)
- Skills for jobs: lifelong learning for opportunity and growth (January 2021)
- Net Zero Strategy: Build Back Greener (October 2021).

Levelling Up White Paper (February 2022)

The Levelling Up the United Kingdom White Paper was published in February 2022 and sets out how the UK Government will spread opportunity more equally across the country. It covers the scale and causes of geographic disparities across the UK, as well as a programme of change grounded in twelve missions, improved central and local decision making through better information, incentives and institutions, and rigorous and independent monitoring and evaluation.

Its programme of change has four pillars with aims to:

- help ensure everyone, wherever they live, has the opportunity to succeed and thrive;
- ensure that businesses can invest, create jobs and drive productivity, particularly in areas that have previously struggled;
- empower local leaders and communities;
- enable people to take pride in the places they live and have a good quality of life.

It is a critical stepping stone on the UK Government's ambition to radically alter spatial disparities, ensuring that geography is no longer destiny and that all people and places in the UK are equipped to share in the country's substantial economic, social and cultural wealth.

Build Back Better: Our Plan for Growth

Published in March 2021 the *Build Back Better: Our Plan for Growth* policy paper sets out how the Government intends to invest in infrastructure, outlines support for the economy to recover post Coronavirus and lays the foundations for long-term sustainable growth. A key component of the Plan for Growth is stated to be investment in "high quality infrastructure".

For local areas investment will be channelled through initiatives such as the UK-wide Levelling-Up Fund and UK Shared Prosperity Fund, as well as the Towns Fund and High Street Fund which seek to support the recovery of town centres.

National Industrial Strategy – White Paper (November 2017)

At a national level it is apparent that Government has moved away from the National Industrial Strategy approach, however the work undertaken by Government over the period from 2016/17 – 2017/18 showed the extent of economic and infrastructure investment needed to drive future productivity. It therefore remains relevant to include reference to the former National Industrial Strategy policies.

The *Industrial Strategy: Building a Britain: Fit for the Future* (November 2017) was the published White Paper building from the ideas detailed in the earlier Green Paper, with a focus on five 'foundations of productivity'.

These five foundations of productivity are as follows:

- Ideas
- People
- Infrastructure

- Business environment
- Places

The Industrial Strategy White Paper identified a set of ‘Grand Challenges’ that would put the United Kingdom at the forefront of the industries of the future. This related to:

- **AI & Data Economy** - Putting the UK at the forefront of the artificial intelligence and data revolution;
- **Clean Growth** - Maximising the advantages for UK industry from the global shift to clean growth;
- **Future of Mobility** - Becoming a world leader in the way people, goods and services move;
- **Ageing Society** - Harnessing the power of innovation to help meet the needs of an ageing society.

The overall thrust of the Industrial Strategy was focused on improving productivity, which is also captured in relevant Enterprise M3 LEP and Hampshire County plans and strategies.

Skills for Jobs: Lifelong Learning for Opportunity and Growth (January 2021)

This white paper sets out reforms to post-16 technical education and training to support people to develop the skills needed to get good jobs and improve national productivity. The paper sets out 35 reforms for the sector which are split into five categories;

- Putting employers at the heart of post-16 skills;
- Providing the advanced technical and higher technical skills the nation needs;
- A flexible lifetime skills guarantee;
- Responsive providers supported by effective accountability, governance and intervention; and
- Supporting outstanding teaching.

Net Zero Strategy (October 2021)

This strategy sets out policies and proposals for decarbonising all sectors of the UK economy to meet the UK’s net zero target by 2050. It includes:

- decarbonisation pathways to net zero by 2050, including illustrative scenarios;
- policies and proposals to reduce emissions for each sector;
- cross-cutting action to support the transition.

Regional Policy Influences

Enterprise M3 Local Economic Partnership

Rushmoor Borough lies within the Enterprise M3 LEP area which covers parts of Surrey and Hampshire. Enterprise M3 LEP has produced the following strategies which are of relevance to Rushmoor’s Strategic Economic Framework. These are:

- Local Industrial Strategy: Developing Our Approach (2019)
- Local Industrial Strategy Evidence Base - Version for Analytical Panel Submission (2019)
- Revive and Renew (2021) - The Recovery and Renewal Action Plan
- A Strategic Economic Plan for the Enterprise M3 Area 2018-2030 (2018)
- Skills and Labour Market Analysis (2020)
- Enterprise M3 Towns Analysis; Part 1: Data Analysis and Town Classification and Part 2: Future Growth Opportunities (2019)

Local Industrial Strategy: Developing Our Approach (2019)

At a national level it is apparent that Government has moved away from the National Industrial Strategy and the need for Local Enterprise Partnerships to prepare Local Industrial Strategies, in favour of the new Plan for Growth and Levelling Up approach. There is however an existing body of economic evidence and work undertaken by the Enterprise M3 LEP looking at the basis for a Local Industrial Strategy (LIS) in the area. It therefore remains helpful to review this information set out in the *Local Industrial Strategy; Developing Our Approach*.

The document outlines the long-term strategic priorities around which the LIS will be built and reflects the LEP priority areas of Digital; Exports; Places; Innovation; Enterprise; Clean Growth; Skills – all identified in the Strategic Economic Plan and with a defined focus on enhancing productivity.

The Strategic Priorities are identified as follows together with supporting summary:

- Science, Innovation and Enterprise - stimulating more innovation and greater commercialisation of knowledge in the leading sectors in order to increase output, promote diversification and spread opportunities to other sectors.
- People and Skills - transforming the workforce to respond to new business models, particularly increased digitisation, and enhancing participation and inclusive growth through a better skilled, supported and healthier workforce.
- Towns - supporting the productive capacity of the networks of successful places which generate economic growth in the area.
- Housing - increasing the supply and diversity of housing to improve recruitment and retention of the people that business needs.
- A Gateway Region - growing the region through maximising access to global markets via airports and ports and the potential for the sub-regional economies associated with the gateways.
- Clean Growth – promoting better use of energy to improve productivity and the role of the natural capital in shaping future economic growth.
- Digital Connectivity – to build on the area's strengths in digital enabling technologies in order to open up opportunities to transform public services, develop new commercial applications and address those areas with poor mobile and broadband connectivity.

- Smart Mobility – make better and more efficient connections between businesses and staff, supply chains and markets in order to enhance productivity and explore new approaches to mobility that better suit the environment and resident’s needs.
- Exporting – increasing the levels of goods and services exported and companies involved to increase demand and stimulate investment.

Local Industrial Strategy Evidence Base - Version for Analytical Panel Submission (2019)

The *Local Industrial Strategy Evidence Base - Version for Analytical Panel Submission* published in November 2019 sets out the evidence base to underpin the emerging Local Industrial Strategy.

It provides an analysis of the overall economic growth, productivity and sector specialisms within the economy of the LEP and to ensure alignment with the National Industrial Strategy, an overview of the ‘five foundations of productivity’ focused on ideas, business environment, people, infrastructure and place.

In economy and productivity terms, key messages for the M3 area include the following:

- A £50.1bn economy by GVA and a growth of GVA by 12.9% from 2012-17;
- A highly productive economy, ranking 5th highest in terms of GVA per head (£31,952);
- The 5-year GVA growth rate from 2012 was 2.20%, the highest among comparator LEPs and higher than the national average (2.1%);
- The region contains 770,500 jobs although many areas experiencing employment decline (absolute and relative terms);
- 11 of 13 local authorities experienced GVA growth from 2012-17;
- The total value of services exports was £11.5bn, the highest among LEPs and goods exports at £14.6bn.

Regarding Rushmoor, the evidence base identifies the following headline facts:

- The Borough experienced the highest rate of GVA growth (+8.2%) over the period 2012-17;
- Supports 57,500 jobs – an increase of 1,000 over the period 2015-18;
- Farnborough (together with Guildford and Basingstoke) a primary hub for investment and innovation, which together accounted for 60% of all inward investments in the M3 area over the period 2013-19, with particular attention locally on space, aerospace, high value manufacturing and transport;
- Farnborough is identified as an important focus for patent applications (15% of the LEP area total) – a recognition of its focus on innovation;
- Aldershot is identified as one of 12 gaming sector hubs nationwide;
- Farnborough and Aldershot are identified as areas with high shares of young people ranging between 30%-40% together with high mobile and broadband coverage and higher levels of housing affordability; the focus on the young

urban resident group is a key element for growth and creating entrepreneurial activity.

Additional reports have been commissioned by Enterprise M3 which seek to focus on defined issues as follows:

- *Future Digital Connectivity and 5G Networks* (March 2020)
- *Low Carbon Economy Opportunities both Domestic & Export* (February 2020) and *Low Carbon Environmental Goods and Services (LCEGS) Sector Highlights* (November 2019)
- *Export Review Report* (December 2019)
- *Commercial Property Market Report* (2016)
- *Digital Technologies Report* (November 2015).

Revive and Renew (2021) - The Recovery and Renewal Action Plan

Revive and Renew is a '*Recovery and Renewal Action Plan*' for the Enterprise M3 area. The Action Plan draws on evidence gathered for the [Local Industrial Strategy](#), and on new and refreshed analysis in light of the impact of the Coronavirus pandemic.

The following priority areas have been identified:

- Job creation and Skills for Employment
- Digitisation and an ultra-fast digital infrastructure for business resilience, innovation and growth
- Growth in our low carbon economy
- Supporting business-led innovation, entrepreneurship, high-tech, scale-up businesses and international trade
- New Transport & Smart Mobility – Covid19-safe, sustainable, delivering good connectivity
- Town centres and Housing Supply – reimagined and fit for the future
- Convening people and organisations in shared projects.

A Strategic Economic Plan for the Enterprise M3 Area 2018-2030 (November 2017)

A Strategic Economic Plan for the Enterprise M3 Area 2018-2030 was published in November 2017 and outlines the LEPs approach towards meeting the challenges outlined in the National Industrial Strategy which it considers represent Grand Opportunities for the area to embrace. It also provides the basis for the Local Industrial Strategy for the M3 area.

The Strategic Economic Plan (SEP) sets out an ambitious growth vision and growth for up to 4% per year to 2030 and identifies Farnborough as a Growth Town and Aldershot as a Step-up Town.

The Plan seeks to enhance the performance of the economy and to unlock greater growth with attention directed towards a number of issues, including:

- addressing an uneven distribution of economic activity and disparity of prosperity and opportunity in the area;

- achieving more levels of growth in high value sectors especially by making the area more attractive to Young Urban Residents;
- recognition that the Growth Towns and Step-up Towns have not performed to their full potential;
- the existence of considerable skills gaps despite the Enterprise M3 being a relatively highly skilled area;
- ensuring improvements to ensure a high-quality transport infrastructure which connects markets, people and goods within the area to London and internationally, to help attract and retain businesses and highly skilled residents.

The document outlines five strategic priorities for growth which underpin two major stimulants for growth in its economy; digital and data technologies and clean growth.

The priorities for growth relate to the following:

- Priority 1: High Value Sectors for a Globally Facing Economy;
- Priority 2: Enterprise and Innovation for Scaling Up High Productivity SMEs;
- Priority 3: Skills for a High Value, High Growth Economy;
- Priority 4: Connectivity for a 21st Century Advanced Digital and Low Carbon Economy;
- Priority 5: Dynamic Communities and Sustainable Growth Corridors.

The SEP identifies the defence and aerospace clusters at Farnborough and Aldershot as part of an internationally focused high value business base together with strong digital and creative technology (createch) sectors. Other high value sectors include space and satellite technology, life sciences, especially Med Tech and professional services. Significant opportunities for growth are also identified where these sectors intersect with digital technologies including AI, 5G and cyber security.

The Strategic Economic Plan sets out strategic interventions and actions for unlocking and driving growth in the context where digital innovation in a low carbon economy is identified as an existing strength which can act as the driver for economic growth both locally and nationally, including delivery of the National Industrial Strategy.

It also sets high priorities for exports and foreign investments together with an emphasis on skills that meet the requirements of business and the existing workforce, including those in education. Equally the importance of digital and transport infrastructure and housing are identified as key enablers and inhibitors of economic growth.

EM3 Skills and Labour Market Analysis (2020)

The *EM3 Skills and Labour Market Analysis* (February 2020) outlines the challenges faced in the M3 area despite its characteristics of high productivity, high employment, incomes and skills.

The study identified the following important issues:

- Decline (absolute and relative terms) in the growth of jobs (-1.7%) over 2016-18 including a fall in the frontier industries of digital and professional services;

- A high churn and competitive labour market including net loss of graduates given its proximity and access to London and other large labour markets areas such as the Thames Valley;
- Need to improve business attractiveness and the attraction and retention of talent in the town-level economy;
- A high educational attainment area reflecting the dominance of the academic route (especially to level 3) but relatively low levels of engagement in apprenticeships and less focus on more technical qualifications which better reflect local labour market demand;
- Acute gaps between projected business demand and the current pattern of education provision for certain skills (sales and marketing; teaching; analytical; administrative; and customer service);
- Career's intervention to align young people and mid-career workforce with new opportunities.

Enterprise M3 Towns Analysis (2019)

The *Enterprise M3 Towns Analysis* (December 2019) is presented in two reports (Part 1 and 2) and provides an analysis of the performance of the LEP's towns, the functional relationships that link them and future growth opportunities.

It identifies Farnborough and Aldershot as forming part of the Southern Surrey / Eastern Hampshire Functional Economic Market Area which is not based on a formal analysis but draws on other studies.

The study identified the potential contribution of Farnborough and Aldershot to supporting the SEP and LIS focused on the regeneration of both town centres together with potential growth in aerospace, digital, ICT and conferences (Farnborough), and in Aldershot the digital and gaming sector together with potential redevelopment of the football ground, including hotel provision.

Key headline data from the study identified the following for the Rushmoor towns:

- Farnborough the 4th largest centre by population and Aldershot the 8th and characterised by above average levels of working age population but equally a significantly younger workforce;
- Total employment of 34,000 in Farnborough with important sectors of information & communication, and professional, scientific and technical and key clusters in aerospace, advanced engineering, data and communications, and gaming. In Aldershot, total employment of 17,000 with motor trades, property and information & communication key sectors;
- Higher than national average productivity index for both towns;
- Aldershot well below the national average for qualifications at NVQ4+ with Farnborough College of Technology the sole HE institution in Rushmoor;
- Relative affordability of housing compared to other EM3 towns.

Enterprise M3 European Structural and Investment Fund Strategy (updated 2019)

The *Enterprise M3 European Structural and Investment Fund Strategy* was updated in October 2019 to ensure that the targeted themes for funding for enterprise, innovation, skills and employment, and infrastructure and place, take account of the latest economic data.

North Hampshire Narrative

Rushmoor Borough Council, working with Test Valley, Basingstoke & Deane and Hart District Councils, has produced a North Hampshire Narrative to help articulate what North Hampshire has to offer, its aspirations for development and what is needed to address housing, economic and infrastructure challenges based on existing local plans, strategies and evidence.

Hampshire County Council

Hampshire County Council has prepared a number of strategies and policy documents related to economic development although the *Hampshire Economic Assessment update* (2013) and *Hampshire Economic Assessment* (2011) are now dated. The following are considered of relevance:

- Hampshire Skills Strategy & Investment Plan 2030 (and supporting Hampshire Skills Strategy 2030 Evidence Base)
- Hampshire 2050 – Vision for the Future: Commission of Inquiry (2019)

Hampshire Skills Strategy & Investment Plan 2030 (2019)

The *Hampshire Skills Strategy & Investment Plan 2030* has still to be published although the County Council are seeking to develop a county wide vision for the employment and skills needs of Hampshire to 2030, to help achieve strong, sustainable and inclusive economic growth.

The emerging Plan is focused on three priorities as follows:

- Priority 1: A future-ready Hampshire which matches skills supply and demand and drives forward productivity for a prosperous resilient economy;
- Priority 2: An inclusive local labour market that develops talent and maximises opportunity for all communities;
- Priority 3: A high quality skills infrastructure and facilities to raise aspiration and achievement, meet employer demand and create industry standard training in the post 16 sector.

Hampshire Skills Strategy 2030 Evidence Base

The emerging skills Plan is supported by the *Hampshire Skills Strategy 2030 Evidence Base*. This identifies core issues for consideration which include:

- Over 54,000 new jobs in the county by 2030 which matches job demand to skills plans to avert any emerging skills deficits;
- The importance of 'soft' skills in planning for future skills provision;
- Engagement of the further education sector and local employers to match learners, especially young people with skills needed by local employers.

Hampshire 2050 – Vision for the Future: Commission of Inquiry (2019)

The findings of the Commission of Inquiry have informed recommendations on a high level and long-term Vision for Hampshire to 2050 which seeks “a thriving and prosperous economy is essential to support excellent public services, provide high quality and inclusive employment and business opportunities, maintain and enhance the quality of life in Hampshire, and reduce inequality and economic exclusion”.

To achieve the vision, policy will foster a knowledge-based and sustainable Hampshire economy, with close working with businesses and relevant agencies across the county. Specific recommendations include:

- maximising employment and inclusion through targeted upskilling in key sectors and softer skills (creativity, innovation, work readiness);
- maximise and prioritise support for key sectors such as digital/creative, aerospace, defence and marine to build on existing strengths;
- embrace the opportunities of advances of digital and other technology;
- maintain, regenerate and develop vibrant settlements across Hampshire to offer attractive environments for business, culture and living;
- secure economically critical infrastructure investment and greater internationalisation through international trade and inward investment.

Rushmoor Borough Policy Context

Within Rushmoor Borough, the Council has published the following strategies and plans that are relevant influences to guide and shape the Strategic Economic Framework:

- Your Future, Your Place - A vision for Aldershot and Farnborough 2030 (2019)
- Rushmoor Council Plan 2022 – 2025 (2022)
- Supporting Communities Strategy and Action Plan
- Rushmoor Economic Profile (2019) and updated key facts and figures (available online)
- Rushmoor Local Plan (2019)
- Hart, Rushmoor and Surrey Heath Joint Employment Land Review (2016)
- Rushmoor Functional Economic Area Analysis (2014)

Your Future, Your Place: A Vision for Aldershot and Farnborough 2030 (2019)

The document *Your Future, Your Place - A vision for Aldershot and Farnborough 2030* outlines the future ambitions for Aldershot and Farnborough over the period to 2030.

It is shaped by six themes with the improvement of the town centres, enabling opportunities for high quality education and skilled local jobs identified as core objectives.

For the local economy, the vision places a strong emphasis on creative technology, digital business and gaming and recognises the continued importance of attracting high quality aerospace and global business alongside support for SMEs. Aldershot and Farnborough will be locations for actively encouraging entrepreneurs and business start-ups whilst to ensure sustainable growth, proactive support will be given to help set up and grow green businesses and environmentally friendly technologies in Rushmoor and to encourage all businesses to be environment aware and energy efficient. This will all be supported by high quality infrastructure connectivity (transport and digital).

The promotion of opportunities for all through quality education and a skilled local workforce is another objective to be driven by strong links between schools, colleges and employers to inspire young people, deliver skills, inclusion and prosperity, and meet local business needs. It identifies that all residents and businesses will have digital skills to benefit from digital technology opportunities.

Rushmoor Council Plan (2022 - 2025)

The updated Rushmoor Council Plan covers the period April 2022 to March 2025 and supports the delivery of 'Your Future, Your Place – A vision for Aldershot and Farnborough 2030'. The Plan sets out the council's aspirations against two key areas of work – People and Place.

The People section of the plan sets out the Council's plans to empower and connect communities and to enable them lead healthy and sustainable lives. These include:

- Roll out the second phase of the Council's weekly food waste recycling service to households with shared bins
- Help people (especially young people) into employment through training, apprenticeships and upskilling
- Develop a walking and cycling plan to encourage sustainable travel and to support town centre regeneration plans
- Develop a new leisure centre in Farnborough
- Working with partners, encourage more residents to be active and have healthier lifestyles
- Support apprenticeships, research and innovation opportunities through the Aerospace Research and Innovation Centre (ARIC).

The Place section of the plan sets out the Council's plans to ensure that Rushmoor's towns are family-friendly, safe, vibrant, and sustainable places now and in the future. These include:

- Complete the Union Yard development, support the regeneration of the Galleries and update the facilities at the crematorium in Aldershot
- Progress the regeneration of Farnborough town centre, including the civic quarter
- Develop Southwood Country Park, including providing a new visitor centre and improving its access, environment and facilities
- Support the creation of quality, new homes
- Progress an aerospace heritage project.
- Continue progress towards our goal of becoming a carbon neutral council by 2030 through reducing emissions in our facilities and operations.

Supporting Communities Strategy and Action Plan

The Supporting Communities Strategy focuses on the improvements the council and its partners are prioritising over the next three years. It supports the Council Plan and the longer-term delivery of *'Your Future, Your Place' – a Vision for Aldershot and Farnborough 2030*. The overall objective of the strategy is to work with partners, to tackle the effects of poverty and deprivation, and to have a positive impact on people's daily lives.

The priority themes of the Strategy are:

- Economic Hardship
 - To support people back into employment, raising skills and confidence
- Young People
 - To raise aspirations - increase access to businesses and role models
 - To improve the participation of young people in education and employment through training
 - To support people back into employment, raising skills and confidence
- Physical and Mental Health
 - To support physical and mental health and wellbeing provision
 - To support the objective of Public Health England to increase life expectancy at birth by two years and reduce the gap in healthy life expectancy between the least and most deprived communities by three years
- Connecting Communities
 - To increase levels of community engagement and specifically engage Black and Minority Ethnic (BAME) communities
 - To reduce social isolation and loneliness
 - To support digital enablement.

Climate Change Strategy Statement and Action Plan

This strategy statement and action plan sets out how the council will help tackle the impacts of climate change, make the council carbon neutral and the borough more sustainable by 2030.

The Climate Change vision for Rushmoor is: "Rushmoor Borough Council will seek to have a positive impact on future generations by working with businesses, communities and organisations to protect and enhance Rushmoor's environment. Through direct action and by encouraging and supporting others, Rushmoor will address the challenges and opportunities presented by climate change"

The ten-year vision is underpinned by the following principles which summarise what the Council is seeking to achieve for the Borough:

- Protect and enhance the environment and conserve and encourage biodiversity
- The built environment and infrastructure reflect sustainability whilst enabling prosperity
- Natural resources will be used sustainably and waste will be minimised
- Raise awareness of the challenges and, through engagement, build resilience and involvement within the local community

Rushmoor Economic Profile (2019)

The *Rushmoor Economic Profile* dated September 2019 prepared by the County Economic Business Intelligence Service provides a comprehensive analysis and economic overview of Rushmoor.

A summary of the key economic data for the Borough is set out in Appendix B and is not repeated in this Appendix.

Rushmoor Local Plan (2019)

The *Rushmoor Local Plan 2014 – 2032* was adopted in February 2019. The Local Plan seeks to improve the quality of life for Rushmoor's residents, businesses and other stakeholders.

The Spatial Portrait of the Borough includes commentary on employment and economic growth noting the strategic business location, low costs of the area for business and the positive image of the Borough in relation to Farnborough Airport. The Spatial Portrait identifies the strength of the office location and an existing industrial cluster with good access to the local and strategic highway network.

The Local Plan Vision set out in Section 4 highlights the importance of creating a prosperous and healthy local economy by 2032. It states:

'The role of the Borough at the heart of the Blackwater Valley remains strong, and the Borough is recognised as a centre of excellence for knowledge-based industries, reflecting the role of Farnborough as a 'Growth Town' as part of the Enterprise M3 LEP Sci:Tech Corridor. Farnborough Business Park, Cody Technology Park and Farnborough Aerospace Centre provide business accommodation in a first-class environment to continue to build on Farnborough's reputation for high-tech research and development. As a 'Step-Up Town', Aldershot provides a focus for industrial employment in traditional and high-value manufacturing sectors, with a cluster of industrial activities to the east of the town and at other locations along the A331 Blackwater Valley Relief Road. The diverse range of employment provision in the Borough makes a significant contribution towards delivering the employment needs of the Functional Economic Area of Hart, Rushmoor and Surrey Heath.'

Strategic Objectives are established in the Plan, the most relevant of which to economic growth and employment are:

- **Strategic Objective C** - to protect the land required to fulfil the Borough's role in enabling strong economic performance across the Functional Economic Area and wider Enterprise M3 LEP area through the safeguarding of Strategic and Locally Important Employment Sites;
- **Strategic Objective D** - To enhance the vitality and viability of Aldershot and Farnborough town centres as retail and leisure destinations to meet the needs of residents, and to support the vibrancy of North Camp District Centre;
- **Strategic Objective E** - To support the continuation of business aviation flying and the biennial Airshow at Farnborough Airport.

Strategic Employment Sites and Locally Important Employment Sites are identified in the Plan's Key Diagram (Section 4.2).

Key relevant policies include:

- **Policy SS2 (Spatial Strategy)** identifies that the Borough's Strategic Employment Sites and Locally Important Employment Sites will be protected and supported for employment uses. These sites are intended to contribute to meeting the forecast increase in the total number of B-Class jobs of around 9,000 in the Functional Economic Area.
- **Policy SP1 (Aldershot Town Centre)** supports the development of Aldershot Town Centre to enhance its vitality and viability, including the development of offices suitable for local businesses outside the primary shopping area.
- **Policy SP2 (Farnborough Town Centre)** supports the development of Farnborough Town Centre to contribute to the strategy of revitalisation. This includes town centre uses as well as support for the development offices outside the primary shopping area and better integration of the Town Centre with the Railway Station, edge-of-centre development and Farnborough Business Park.
- **Policy SP4 (Farnborough Airport)** supports development within the defined Airport Planning Policy Boundary for business aviation and associated airport-related uses.
- **Policy SP5 (Wellesley)** provides that land to the north of Aldershot Town Centre is identified for a sustainable, residential-led, mixed use development. This includes the delivery of a local neighbourhood centre as well as the potential for new offices.
- **Policy PC1 (Economic Growth and Investment)** supports the growth and retention of existing business and inward investment in the Borough by protecting Strategic Employment Sites for B Use Class employment and enabling their regeneration for future employment uses; protecting Locally Important Employment Sites for B class uses; and supporting the delivery of infrastructure to contribute to the improvement of the skills and education of residents.

The policy also identifies key employment sectors: a) specialist / advanced manufacturing at Cody Technology Park and Farnborough Aerospace Park; b) manufacturing and distribution at established industrial locations including the East Aldershot Industrial Cluster, Springlakes and Southwood Business Park; and c) business services in Aldershot and Farnborough town centres and at Farnborough Business Park and Frimley Business Park.

- **Policy PC2 (Strategic Employment Sites)** designates nine Strategic Employment Sites for B Use Class employment floorspace and activities. The policy identifies these sites as the most important employment sites and floorspace in the Borough.
- **Policy PC3 (Locally Important Employment Sites)** identifies the contribution and importance for future economic growth needs of 12 Locally Important Employment Sites. Such sites are protected for B class

employment floorspace subject to various criteria that define whether they could be released for other land uses.

- **Policy PC4 (Farnborough Business Park)** is identified as the Borough's flagship office development site. Development is to respect the listed buildings and heritage characteristics of the area.
- **Policy PC5 (Cody Technology Park)** is protected and supported by business use comprising offices, research, test evaluation and light industrial processes (B1a – B1c uses) to further secure research and development and utilise the high-capacity communications and energy infrastructure available at the site.
- **Policy PC6 (East Aldershot Industrial Cluster)** protects the role of the Cluster as the Borough's largest industrial area for a range of B1c, B2 and B8 uses.
- **Policy PC7 (Hawley Lane South)** is allocated as a Locally Important Employment Site and is intended to deliver small and start-up industrial units from 70 sqm to 1,000 sqm in size.
- **Policy PC8 (Skills, Training and Employment)** seeks to permit development which provides adult learning opportunities, enhances partnerships between developers, employers and training establishments, provides new training facilities and supports local skills and employment providers.

Hart, Rushmoor and Surrey Heath Joint Employment Land Review (2016)

The *Hart, Rushmoor and Surrey Heath Joint Employment Land Review Update* published in November 2016 updates the 2015 Employment Land Review for the three authorities which together form a single Functional Economic Area (FEA) referred to as the HRSH area. It covers the period 2014-2032.

The evidence base identified Rushmoor as the largest office market in the FEA with provision dominated by Farnborough and a healthy industrial supply broadly split between Aldershot and Farnborough. The main employment areas in the Borough were identified at Farnborough Business Park, Farnborough Aerospace Park and Cody Technology Park alongside a range of other business parks and industrial estates in and around Farnborough and Aldershot.

Rushmoor Functional Economic Area Analysis (2014)

The *Rushmoor Functional Economic Area Analysis* (October 2014) established the context for the preliminary work which informed the Functional Economic Area and joint working with Hart and Surrey Heath. The review confirmed Rushmoor to be at the heart of the Blackwater Valley commercial property market area with its concentration of strategic employment sites and high value technology sector clusters such as advanced engineering, aerospace and defence activities.

Appendix B: Context I – Performance, Successes, Issues and Challenges

Since this report was drafted more up to date data has become available. The latest data held by the council can be found at <https://www.rushmoor.gov.uk/factsandfigures>.

Introduction

This Appendix summarises the current performance and successes of Rushmoor Borough Council in terms of key economic-related measures, and some of the critical issues and challenges that Rushmoor faces. It starts by looking at headline economic indicators reflecting the effects of the Coronavirus pandemic since the beginning of 2020.

This Appendix builds upon the detailed data contained within the Rushmoor Economic Profile 2019 report.

Coronavirus Impacts and Effects

(i) Headline Job and Business Support Effects

Table 1 shows the Coronavirus Job Retention Scheme (CJRS) take-up in Rushmoor was similar to Hampshire County and national levels, and with limited difference between female and male recipients. Approximately 11-12% of those eligible in Rushmoor were supported by the Scheme.

Table 1: CJRS Take-up Rates

Coronavirus Job Retention Scheme (CJRS -31 st Dec 2020)	Rushmoor	Hampshire	England
Female (Furlough Take-up Rate -%)	12%	12%	12%
Male (Furlough Take-up Rate -%)	11%	11%	12%
Total (Furlough Take-up Rate -%)	11%	11%	12%

Source: Coronavirus Job Retention Scheme (CJRS) Statistics: January 2021. HMRC Published 28 Jan 2021 <https://www.gov.uk/government/statistics/coronavirus-job-retention-scheme-statistics-january-2021>

The Self-Employed Income Support Scheme (SEISS), set out in Table 2, was taken-up to a greater extent in Rushmoor than the County average, although the difference was not significant. The take-up rate declined from 78% for SEISS 1 to 64% for SEISS 3 in Rushmoor, with a similar pattern of decline evident at county level.

Table 2: SEISS Take-up Rates: 3rd Grant

Self Employed Income Support Scheme (SEISS Claims for 3 rd Grant -31 st Jan 2021)	Rushmoor	Hampshire
Female (Total Value Claims £m and % Take-up Rate)	£1.9m (61%)	£32.9m (57%)
Male (Total Value Claims £m and % Take-up Rate)	£7.7m (65%)	£100.4m (64%)
Total (Total Value Claims £m and % Take-up Rate)	£9.6m (64%)	£133.3m (62%)

Source: Self-Employment Income Support Scheme (SEISS) Statistics: February 2021. HMRC
Published 25 Feb 2021. Table 5

Table 3: SEISS Take-up Rates: All Grants

Self Employed Income Support Scheme (SEISS Claims for 1 st , 2 nd , 3 rd Grant -31 st Jan 2021)	Rushmoor	Hampshire
SEISS 1 (Total Value Claims £m and % Take-up Rate)	£12.2m (78%)	£168.4m (75%)
SEISS 2 (Total Value Claims £m and % Take-up Rate)	£9.3m (69%)	£128.5m (66%)
SEISS 3 (Total Value Claims £m and % Take-up Rate)	£9.6m (64%)	£133.3m (62%)

Source: Self-Employment Income Support Scheme (SEISS) Statistics: February 2021. HMRC
Published 25 Feb 2021. Table 5A

(ii) Wider Headline Employment and Economic Effects

Employment

The economically active population in Rushmoor during January - December 2020 was slightly above the regional average and above the national average. There were above average levels of unemployment in Rushmoor compared to the South East regional average as shown in Table 4.

Table 4: Employment and Unemployment in Rushmoor

Employment and unemployment Jan-Dec 2020 – (%)	Rushmoor	South East	GB
Economically Active	82.7	81.60	79.1
Unemployed (Model Based)	4.4	3.9	4.6

Source: NOMIS Labour Market Profile - Rushmoor (April 2021)

Whilst unemployment in Rushmoor was above the regional average (and similar to the national average), this reflects a marked deterioration of trends over the previous two years and set out in Table 5. Unemployment in Rushmoor was below the regional and national average for 2018 and 2019.

Table 5: Unemployment in Rushmoor over time

Claimant Count – Unemployed (Model Based- Jan to Dec %)	Rushmoor	South East	GB
2018	2.7	3.4	4.2
2019	2.6	3.0	3.9
2020	4.4	3.9	4.6

Source: NOMIS Labour Market Profile - Rushmoor (April 2021)

Earnings

The level of earnings of full-time workers in Rushmoor in 2020 was above the regional and national average. This was the case whether for both resident workers in Rushmoor and those who only worked in Rushmoor but lived elsewhere. The difference in average gross weekly earnings between Rushmoor and the national average was more than 10%.

Table 6: Average Earnings

Earnings – 2020 (Gross Weekly Pay)	Rushmoor	South East	GB
Full Time Worker (Place of Residence)	660.60	631.80	587.10
Male Full Time Worker	691.00	683.70	622.90
Female Full Time Worker	604.70	560.60	544.30
Full Time Worker (Place of Work)	650.10	608.60	586.70
Male Full Time Worker	716.30	658.90	622.90
Female Full Time Worker	598.60	543.60	544.00

Source: NOMIS Labour Market Profile - Rushmoor (April 2021)

Average earnings have shown a marked difference over time in Rushmoor, as Table 7 highlights, compared with the South East and national trends. While the national and regional picture has shown no appreciable change or a small decline in average earnings between 2019 and 2020, potentially reflecting the economic impacts of the pandemic, in Rushmoor there was an increase in average earnings (up approximately 4%).

Table 7: Average Earnings – Change over time

Earnings – 2020 (Gross Weekly Pay) Full Time Worker (Place of Residence)	Rushmoor	South East	GB
2018	609.2	614.9	570.5
2019	635.5	636.3	587.5
2020	660.60	631.80	587.10

Source: NOMIS Labour Market Profile - Rushmoor (April 2021)

Claimants

Overall, the proportion of people claiming some form of benefit in Rushmoor as at January 2021 was slightly below the regional average and below the national average (shown in Table 8). This was similar for males and females. However, there was a more noticeable difference by age. While the overall over 16 claimant rate in Rushmoor was below the regional and national average, there was a higher proportion of claimants in Rushmoor aged 18-24 than the regional average. This was also the case for the 18-21 aged group, with Rushmoor also having a higher proportion of claimant counts in this age group than the national average.

Table 8: Claimant Count – Age Breakdown

Claimant Count (Not Seasonally Adjusted March 2021 %)	Rushmoor	South East	GB
All People	5.1	5.4	6.5
Male	5.8	6.3	7.7
Female	4.3	4.5	5.3
Aged 16+	5.1	5.4	6.5
Aged 16-17	0.3	0.2	0.4
Aged 18-24	8.1	7.8	9.1
Aged 18-21	9.2	7.6	9.0
Aged 25-49	4.9	5.8	7.1
Aged 50+	4.6	4.2	5.1

Source: NOMIS Labour Market Profile - Rushmoor (April 2021)

Table 9 shows when the impact on the 25-49 age group in Rushmoor took hold in relation to regional and national trends. Claimant levels start to increase in April 2020 in Rushmoor (rising from 1.7% in March 2020 to 3.3% in April 2020, then 5% May 2020).

Table 9: Claimant Count – Age Breakdown over time (25-49 Age Group)

Claimant Count 25-49 Age Group (Not Seasonally Adjusted - %)	Rushmoor	South East	GB
Jan 2020	1.5	2.2	3.1
Feb 2020	1.6	2.3	3.3
Mar 2020	1.7	2.3	3.3
Apr 2020	3.3	4.4	5.7
May 2020	5.0	6.0	7.1
Jun 2020	4.7	5.5	6.8
Jul 2020	4.8	5.7	6.9
Aug 2020	4.9	5.8	7.1
Sep 2020	5.0	5.8	7.0
Oct 2020	4.8	5.5	6.7
Nov 2020	4.8	5.6	6.8
Dec 2020	4.8	5.5	6.8
Jan 2021	4.6	5.4	6.7
Feb 2021	4.9	5.8	7.0
Mar 2021	4.9	5.8	7.1

Source: NOMIS Labour Market Profile - Rushmoor (April 2021)

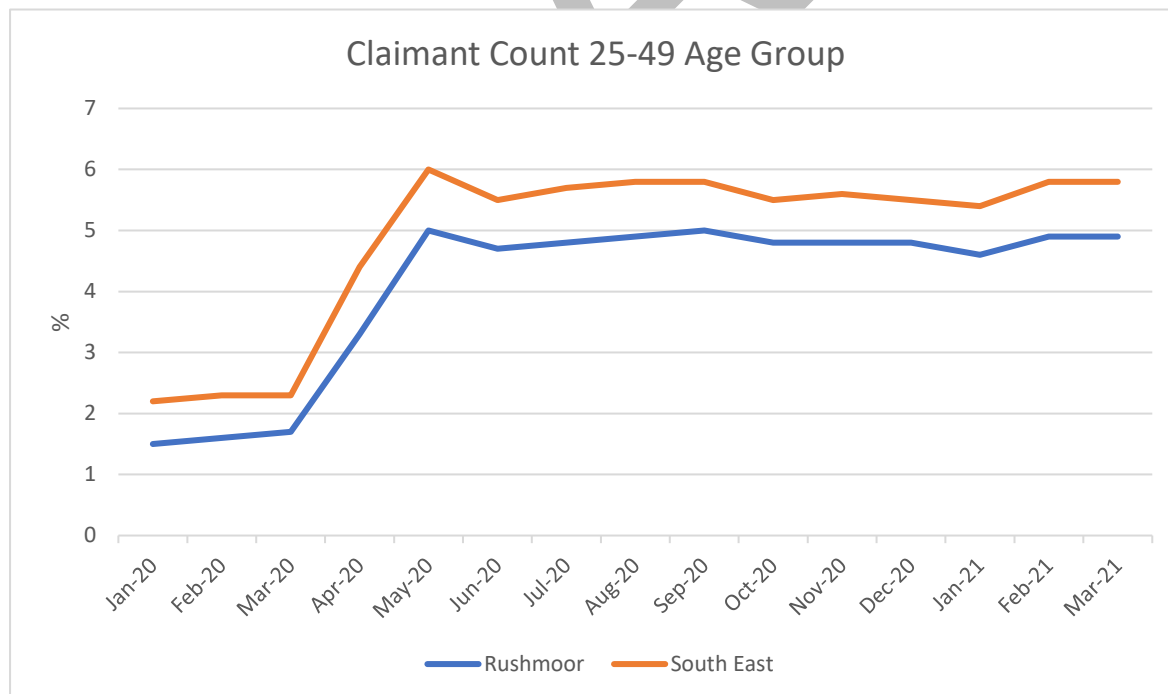


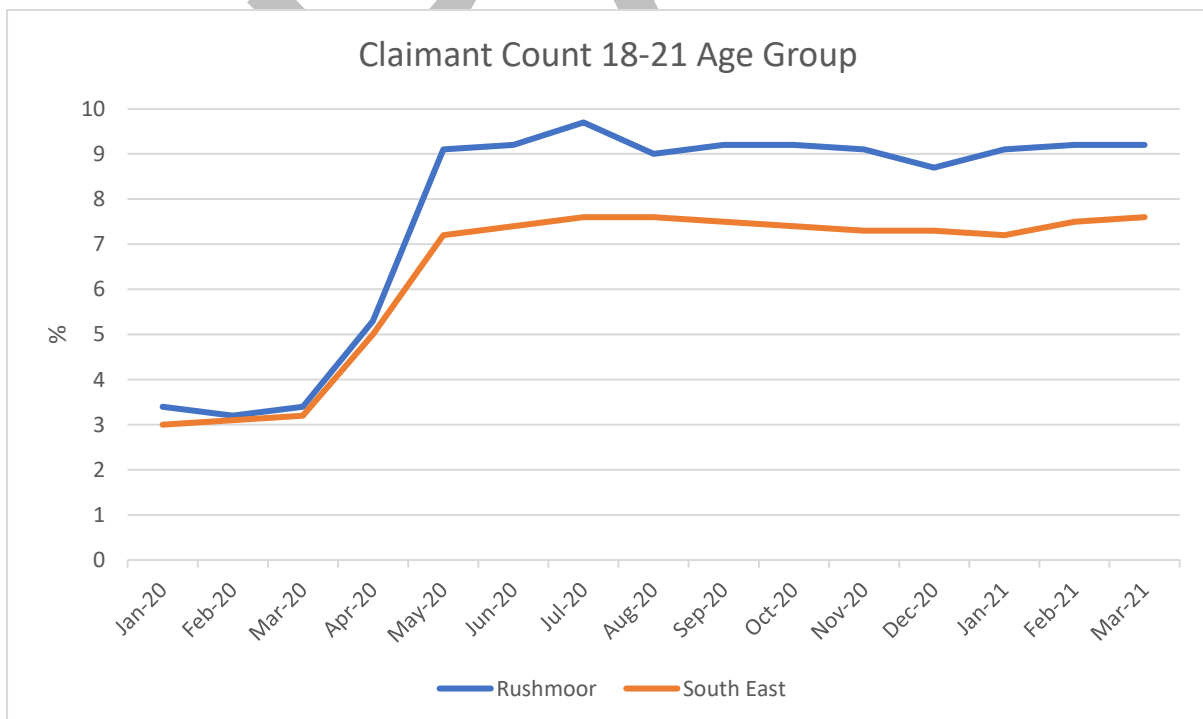
Table 10 shows that the impact on the 18-21 age group in Rushmoor took hold at the same time as the other age group cohorts, with claimant count levels rising from 3.4% in March 2020 to 5.3% in April 2020 in Rushmoor. However, the level of

increase in the 18-21 age group was above that of the 25-49 age group, increasing from 3.4% to 9.2%, as opposed to 1.7% to 4.9% for the 25-49 age group.

Table 10: Claimant Count – Age Breakdown over time (18-21 Age Group)

Claimant Count 18-21 Age Group (Not Seasonally Adjusted - %)	Rushmoor	South East	GB
Jan 2020	3.4	3.0	4.2
Feb 2020	3.2	3.1	4.4
Mar 2020	3.4	3.2	4.5
Apr 2020	5.3	5.0	6.6
May 2020	9.1	7.2	8.6
Jun 2020	9.2	7.4	8.9
Jul 2020	9.7	7.6	9.1
Aug 2020	9.0	7.6	9.1
Sep 2020	9.2	7.5	9.0
Oct 2020	9.2	7.4	8.8
Nov 2020	9.1	7.3	8.8
Dec 2020	8.7	7.3	8.7
Jan 2021	9.1	7.2	8.6
Feb 2021	9.2	7.5	8.8
Mar 2021	9.2	7.6	9.0

Source: NOMIS Labour Market Profile - Rushmoor (April 2021)



Current Performance, Successes, Issues and Challenges

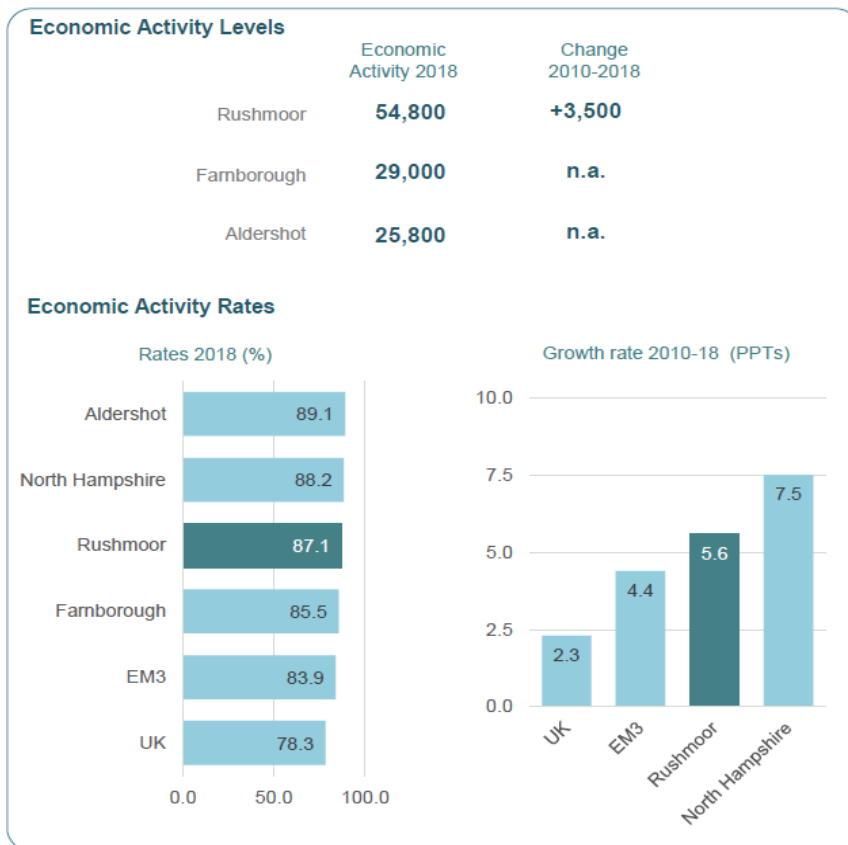
The following aspects of the Rushmoor economy have been examined:

- Population and Labour Market
- Skills and Occupation
- Business and Economy

The evidence is based on published material, primarily summarised in the Rushmoor Economic Profile (Sept 2019 – RBC), Summary of English Indices of Deprivation (Sept 2019 – RBC), and Functional Economic Area Analysis Final Report (Oct 2014 – RBC).

Population & Labour Market – Key Drivers

- Rushmoor is likely to have significantly higher rates of **population growth** between 2019-2025 (10.6%) than the Hampshire Economic Area (HEA -6.7%) and North Hampshire (8.5%) averages. (Rushmoor Economic Profile 2019, RBS. Page 7)
- There is an above average proportion of **residents of working age**. (Rushmoor Economic Profile 2019, RBS. Page 3)
- This could increase, with Rushmoor forecast to see 5,600 **additional working age residents** by 2025, with over 80% (+4,600) of those located in Aldershot, and 20% in Farnborough. (Rushmoor Economic Profile 2019, RBS. Page 5)
- There is an **above average proportion of younger working-age residents**. (Rushmoor Economic Profile 2019, RBS. Page 4)
- However, whilst the age dependency ratio is below average in Rushmoor, **the age dependency ratio will increase**. (Rushmoor Economic Profile 2019, RBS. Page 8)
- There is relatively **high resident economic activity** in Rushmoor comparatively, which means there is limited scope to increase resident employment rates beyond their current level (Rushmoor Economic Profile 2019, RBS. Page 15-16 – see graphic below)



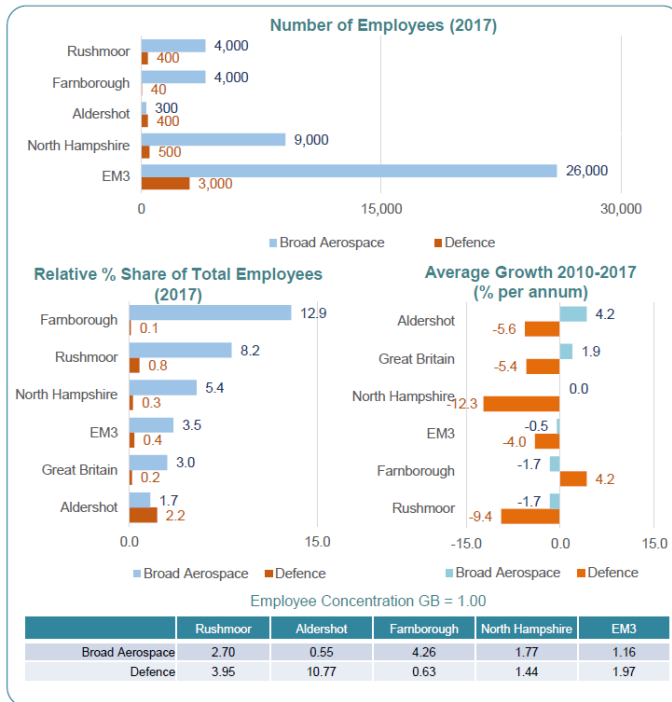
- Rushmoor also had **relatively high employment growth** (which helps drive productivity), although not as much as North Hampshire. (Rushmoor Economic Profile 2019, RBS. Page 16 – see graphic below)



- Rushmoor has relatively high full-time employment and **strong full-time employment growth**. There has been a **relative decline in part-time employment**. (Rushmoor Economic Profile 2019, RBS. Page 17 – see graphic below)



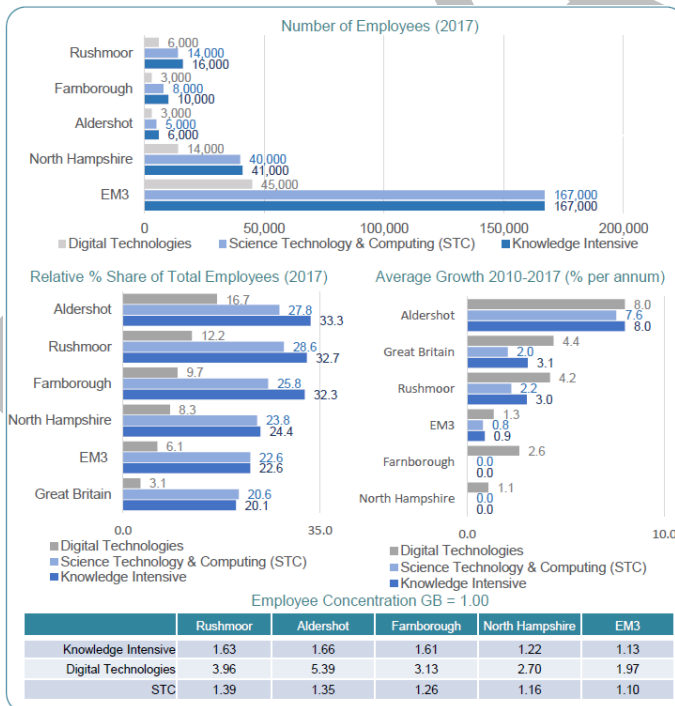
- Rushmoor has **relatively high job density** (0.92) but not a surplus. Many jobs are filled by highly skilled commuters. If future job creation is not filled locally, then there may be higher resident out-commuting.
- Largest **absolute employment growth** is in the ICT, business admin and support, health & social work and construction sectors between 2010-17. Largest **absolute employment decline** is in the wholesale & retail, public admin, education and financial & insurance sectors. (Rushmoor Economic Profile 2019, RBS. Page 21)
- **Employment concentrations** are in the ICT, business admin & support, professional, scientific & technical and real estate sectors. Aldershot also has above average employment concentrations in the primary and utilities sector, and Farnborough in the financial and insurance and other services sectors. (Rushmoor Economic Profile 2019, RBS. Page 27)
- Rushmoor has **high employment concentration in the aerospace and defence sector**, a high-growth, high value-added sector of the UK economy. (Rushmoor Economic Profile 2019, RBS. Page 28, 61, 62 – see graphic below)



Source: ONS (2018). Due to rounding the sum of Aldershot and Farnborough may not sum to the Rushmoor total.

- The UK aerospace & defence sector is a high-growth, high-value added sector driven by innovation and a high degree of expenditure on research & development (R&D). The South of England has long been recognised as one of the prime locations for the aerospace & defence sector in the UK. The area is not known for building aircraft, it instead specialises in research & development.
- The aerospace sector is 'traditionally' associated with the design, manufacture and in-service support (maintenance, repair, overhaul) of aircraft, from original equipment manufacturers who design and assemble aircraft and key elements such as engines but this definition fails to capture the strong interlinkages between the traditional production and maintenance, repair & overhaul (MRO) activities and other sectors such as engineering and professional, scientific and technical, the kind of activities often found in the supply chain.
- The broad aerospace sector employ an estimated 4,000 workers, almost wholly in the Farnborough sub-area, and close to half of the North Hampshire total (9,000). The defence sector figure of 400 does not include the estimated Aldershot Garrison population of 10,500. Adding this to the workplace employee figures could potentially bring the total defence sector numbers to 11,000. Unsurprisingly Aerospace has employee concentrations in Rushmoor, particularly in Farnborough. Defence is concentrated in Aldershot. In relative terms the broad aerospace sector accounts for approximately 8% of all Rushmoor employees but 13% of the Farnborough sub-area
- Employee growth has not been strong in the broad aerospace & defence sector. There has been some broad aerospace growth in Aldershot, but this is from a small base.

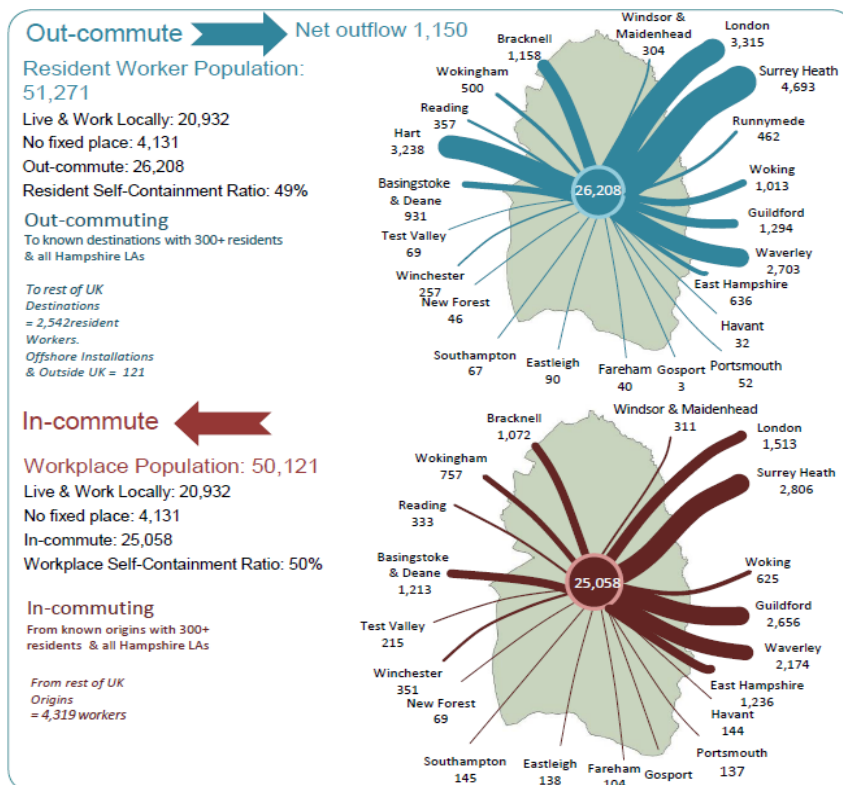
- **Rushmoor has high employment concentration in the knowledge intensive, Science Technology and Computing, and digital sectors.** This is particularly so in the digital technologies sector. (Rushmoor Economic Profile 2019, RBS. Page 30, 60 – see graphic below)



Source: ONS (2018). Due to rounding the sum of Aldershot and Farnborough may not sum to the Rushmoor total. Swinney, P & Thomas, E (2015), A century of cities Urban economic change since 1911, Centre for Cities, London.

- Knowledge is increasingly seen as the key to making more effective use of the traditional factors of production such as labour and physical capital. The sectors are major contributors to both employment and output (GVA) in Rushmoor. Research by Centre for Cities suggests that at a local level there is a strong correlation between concentrations of knowledge intensive activity with access to skilled workers, knowledge agglomeration and spill-over, which in turn affects firm location. The three sectors are linked by the need for high skills
- While all three 'knowledge' sectors have discrete elements there is a high degree of overlap between them and as such cannot be aggregated. Rushmoor has sizeable employee numbers in each of the three areas.
- Digital technology appears to be evenly split between Farnborough and Aldershot with 3,000 employees respectively, but in relative terms Aldershot has a higher local share (16.7%).
- Farnborough has more Science, Technology & Computing (STC) and Knowledge Intensive employees but in relative terms is more or less aligned with Aldershot.
- However, in all three sectors Rushmoor and the two sub-areas have larger shares of employees and also greater employee concentrations than North Hampshire, EM3 and national averages.
- This gives Rushmoor an advantage in these industries and it could be argued that these activities are at a lower risk of offshoring. However, over the past decade there has been exponential growth in chip processing speed and memory capacity, with fears that impressive advances in computer technology (i.e. from improved industrial robotics to automated translation) are going to have a significant impact on service sector jobs in industrialised economies.

- **Over half of Rushmoor's resident workforce out-commute to a place of work.** Similarly, **half of the local workforce is supplied by in-commuters** from outside Rushmoor, particularly in skilled sectors. (Rushmoor Profile 2019, RBS. Page 11, see graphic below)

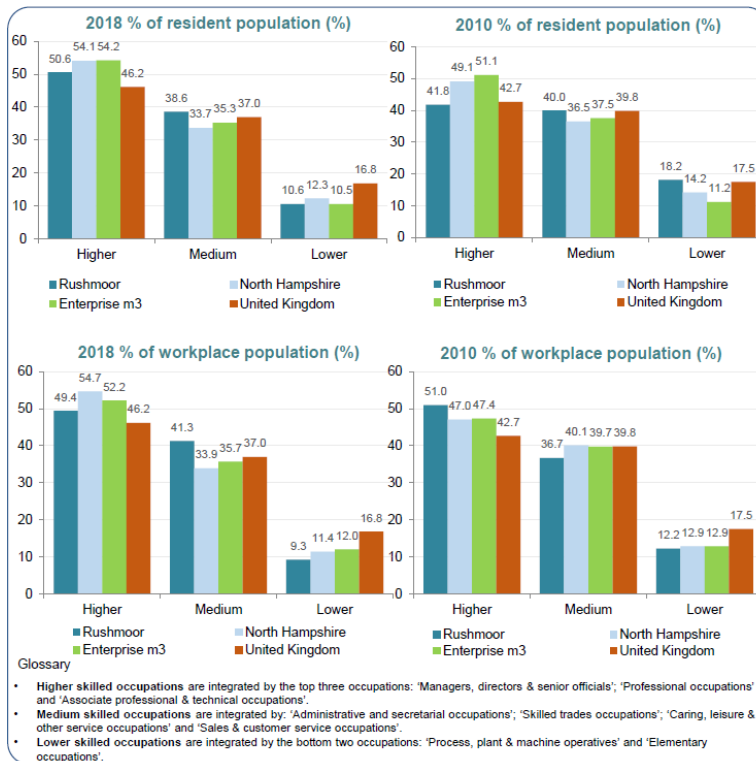


- There is an above average proportion of non-white ethnic population (notably Nepalese population). There are reasonable levels of social mobility. However, there are likely to be highly localised neighbourhoods experiencing poorer social mobility. (Rushmoor Economic Profile 2019, RBS. Page 38)
- Rushmoor is ranked 205th out of 326 districts on the IMD, placing it within the third decile and broadly relatively low on deprivation. However, within Rushmoor there are **pockets of deprivation** in both Farnborough and Aldershot. (Rushmoor Economic Profile 2019, RBS. Page 39)

Skills & Occupation– Key Drivers

- There is a **relatively high skill level** in Rushmoor (over one third of Rushmoor residents (37.7%) are educated to degree level or higher - the single largest educational class in the Borough, but still **slightly below average**. However, there has been a major skill improvement since 2010. (Rushmoor Economic Profile 2019, RBS. Page 43)
- However, Rushmoor has seen an **increase in working age residents with no skills** since 2010 while the rest of the comparison areas saw a decrease. (Rushmoor Economic Profile 2019, RBS. Page 43)
- There are large sub area disparities between Aldershot and Farnborough at the top end of the skills distribution. (Rushmoor Economic Profile 2019, RBS. Page 44)
- Rushmoor (2.0%) has **one of the highest NEET rates in Hampshire** and is above the Hampshire and North Hampshire averages (1.7%). The national rate calculated by Department for Education was (2.7%) for 2018. (Rushmoor Economic Profile 2019, RBS. Page 45)

- There has been a **shift towards higher skilled occupations** among residents, as well as growth in medium occupations. (Rushmoor Economic Profile 2019, RBS. Page 48 – see graphic below). The data suggests **Rushmoor residents have become more highly skilled** since 2010, while the **workplace population has seen proportionately more medium skilled occupations**.



- **Education, skills and training, and income deprivation were the primary areas of deprivation** in Rushmoor, with one LSOA in Aldershot Town Centre identified as the worst in England for Income Deprivation Affecting Older People. (Rushmoor Economic Profile 2019, RBS. Page 39)

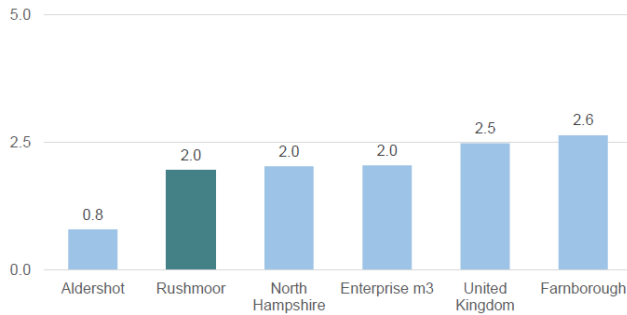
Business & Economy

- Rushmoor **accounts for over a fifth (22%) of all businesses in North Hampshire** and is seen as a prime location for businesses looking to remain close to London and the M25 but also access the South and South West. (Rushmoor Economic Profile 2019, RBS. Page 52)
- In relative terms Rushmoor has seen average annual business growth rates of 2.0% per annum between 2010-2018. **Business growth is below national average** but in line with North Hampshire and EM3. However, **Farnborough has seen robust business growth** compared to local comparators and marginally above the national rate of growth per annum. (Rushmoor Economic Profile 2019, RBS. Page 52 – see graphic below)

2018 Business Numbers and Absolute Change 2010-2018

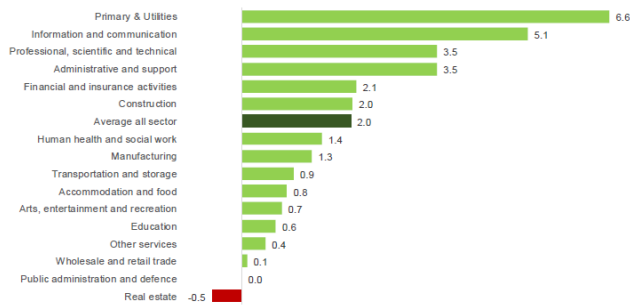
	Businesses 2018	Change 2010-2018
Rushmoor	4,115	+590
Aldershot	1,460	+90
Farnborough	2,665	+500
North Hampshire	18,465	+2,750
Enterprise M3	90,535	+13,565

Business growth 2010-2018 (average % per annum)

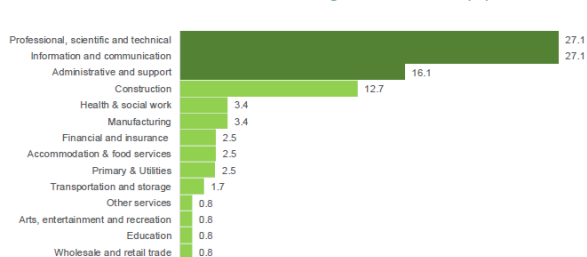


- The relative success of the Rushmoor economy is found in its industrial structure which is characterised by a number of high skilled and high value added service industries, an indication that the **local economy is not as dependant on local demand** as most other sub-regional economies in the UK. (Rushmoor Economic Profile 2019, RBS. Page 66)
- **Business growth was driven by high value-added knowledge intensive services**, primarily information and communication and professional services followed by business administration & support and finance & insurance. (Rushmoor Economic Profile 2019, RBS. Page 58, 59 – see graphic below)

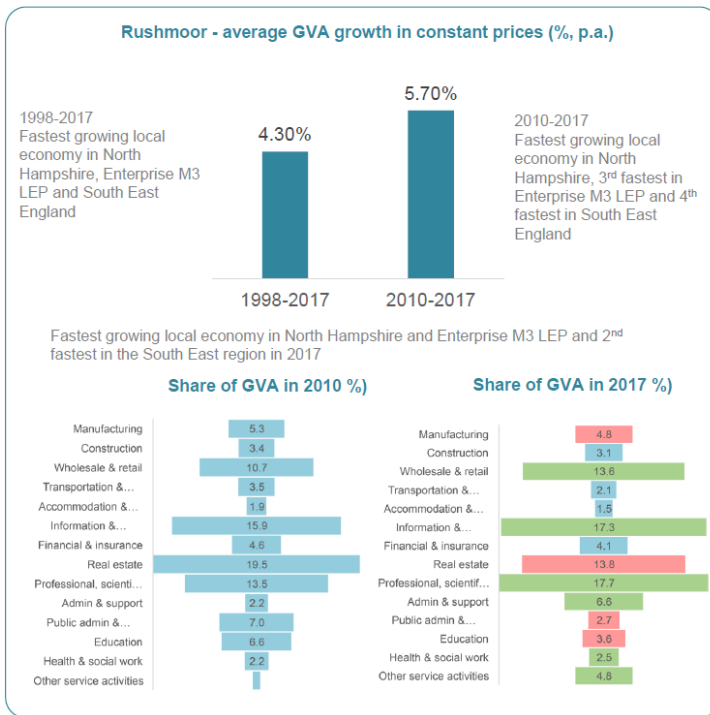
Business growth, 2010-2018 (% p.a.)



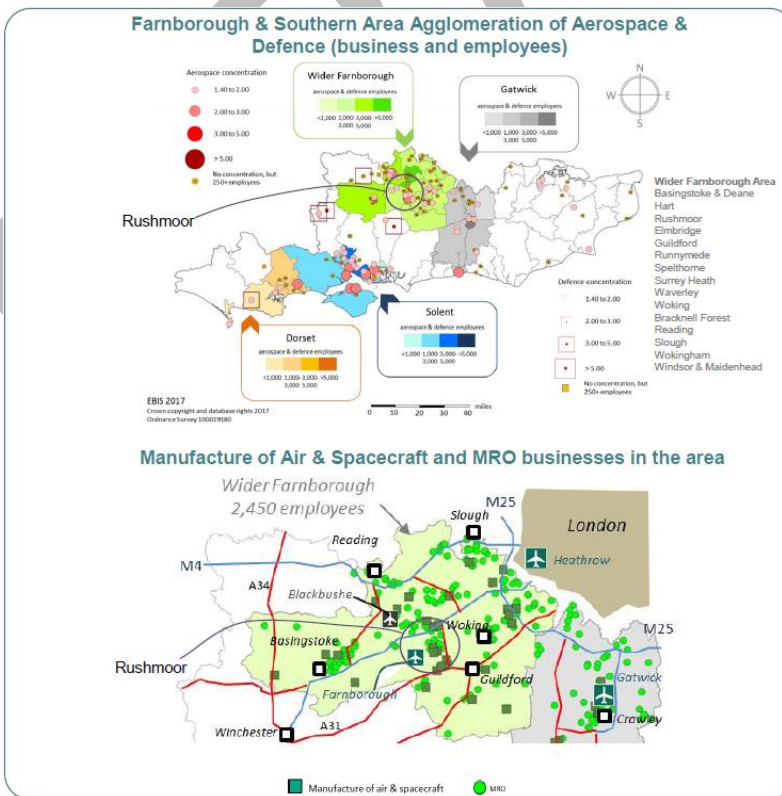
Share of business growth 2010-2018 (%)



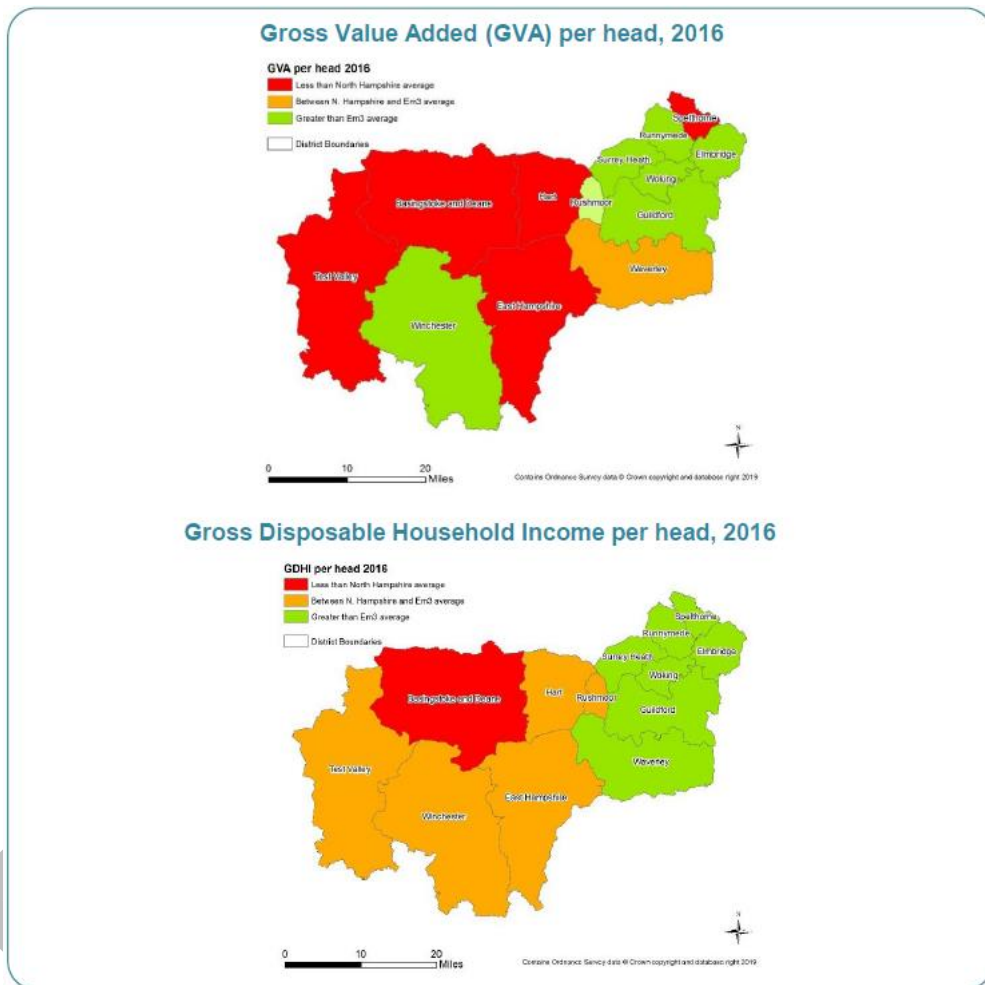
- Rushmoor has seen **strong economic growth**, driven by a shift in activity towards knowledge intensive services. (Rushmoor Economic Profile 2019, RBS. Page 67 – see graphic below)



- There is a **particular focus on aerospace & defence businesses**, creating a recognisable business cluster. (Rushmoor Economic Profile 2019, RBS. Page 62 – see graphic below)



- The **concentration of larger businesses** helps account for the relative strength of the economy. There is **below average proportion of micro-businesses**. Net business gains are relatively low, but this is only based on 2017 data. (Rushmoor Economic Profile 2019, RBS. Page 53, 54)
- Discrepancy between **relatively high output per head and lower average household income**. Although Rushmoor average disposable household income 20.8% above national average, it is 10% below the EM3 average. (Rushmoor Economic Profile 2019, RBS. Page 70 – see graphic below).



Delivering the Actions: Leadership, Collaboration & Partnering

Introduction

The following section outlines how the council will deliver the actions that are at the centre of the Strategic Economic Framework.

Key to this is leadership and the clear identification of roles, responsibilities and partnering arrangements that are needed to deliver the actions effectively and efficiently. A summary table, linking actions to roles and responsibilities, provides more detail on how the council will deliver.

Leadership and Strategic Direction

It is vital that the council delivers the actions outlined in the Strategic Economic Framework. To do this the council will provide committed and consistent corporate leadership as well as playing supporting, influencing and lobbying roles with public and private partners.

The challenge for Rushmoor is to know where the council should lead, where the council should support or partner, and where the council should contribute resources so that actions and interventions have the greatest impact.

The council will explore how a locally focused stakeholder group could assist in supporting delivery, advocating the vision and help shape future reviews of the SEF.

Collaboration and Partnering

The council needs to work directly with a range of organisations and stakeholders to ensure the delivery of the Strategic Economic Framework, including:

- Enterprise M3 Local Enterprise Partnership (and/ or a successor body)
- Hampshire County Council
- Education and training providers including Farnborough College of Technology
- The local business community, established networks and representative groups including the Federation of Small Business, Chambers of Commerce and similar bodies
- Developers and commercial agents
- Third Sector Representatives (Housing Associations and Voluntary Organisations)

- Government Departments and agencies such as Arts Council England; and
- Frimley CCG and Frimley Health and Care Integrated Care System.

This is not an exhaustive list. These partners and organisations will have a central role to play in helping us to deliver the actions outlined above.

The council will use existing structures to deliver priorities, share expertise, and identify joint approaches with partners and neighbouring authorities where there are clear benefits in doing so.

Outlined below are the expected delivery and partnership arrangements that will be needed to ensure that:

- each of the projects and actions set out in the action plan are successfully progressed and delivered;
- risks of duplication and wasted resources are effectively managed and resolved;
- links are made with other partners and resources are pooled where it is sensible to do so.

Roles and Responsibilities

Action/Project	Roles & Responsibilities
Strategic Pillar SP1: Business Environment - Support, Retention, Innovation and Inward Investment	
<p>1.1: Create and maintain a Key Businesses Account Management Programme</p> <p>1.1.a) The council will establish and maintain a CRM (Client Relationship Management) system to help coordinate dialogue with businesses.</p>	<p>Rushmoor Borough Council – Leading, Commissioning and Delivering</p> <p>Partners – Business Community, Hampshire County Council</p>
<p>1.2: Develop and promote innovation and collaboration through sector development plans in:</p> <p>1.2.a) Aerospace – linked to the completion of the Aerospace, Research and Innovation Centre (ARIC) at Farnborough College of Technology.</p> <p>1.2 b) Digital technologies – linked to the opening of the Digital Hub at the Old Town Hall, Aldershot.</p>	<p>Lead Partners – FCoT, Hampshire County Council, Enterprise M3, Business Community</p> <p>Rushmoor Borough Council – Supporting and Brokering</p>

1.3: Improve business support provision and signposting, including sustainability information, advice and guidance.	<p>Lead Partners – Hampshire County Council, Enterprise M3, Third Sector</p> <p>Rushmoor Borough Council – Coordinating, Supporting and Delivering</p>
1.4: Attract new inward investments through new marketing materials and enhanced business support.	<p>Lead Partners – Enterprise M3, Hampshire County Council, Government Agencies</p> <p>Rushmoor Borough Council – Supporting and Brokering</p>
1.5: Improve public sector procurement supply chains and purchasing	<p>Rushmoor Borough Council – Leading, Commissioning and Delivering</p> <p>Partners – Business Community, Hampshire County Council</p>
1.6: Promote a circular, low carbon, sustainable local economy	<p>Rushmoor Borough Council – Leading, Commissioning and Delivering</p> <p>Partners – Business Community, Hampshire County Council, Third Sector</p>
1.7: Work with clean growth, circular economy and community wealth building thought leaders and case studies	<p>Lead Partners – Business Community, Third Sector</p> <p>Rushmoor Borough Council – Coordinating</p>
1.8: Co-ordinate and signpost access to finance for new and early-stage businesses with high growth potential	<p>Lead Partners – Hampshire County Council, Enterprise M3, Third Sector</p> <p>Rushmoor Borough Council – Coordinating and Supporting</p>
1.9: Build relationships with commercial landowners and agents	<p>Rushmoor Borough Council – Leading, Commissioning and Delivering</p> <p>Partners - Developers and Commercial Agents, Business Community</p>
Strategic Pillar SP2: Skills, Inclusion and Prosperity	
2.1: Understand and identify skills gaps for business and the workforce	<p>Lead Partners – Hampshire County Council, Enterprise M3, Business Community, Education and Training Providers, Third Sector</p> <p>Rushmoor Borough Council – Coordinating and Supporting</p>
2.2: Enhance the RESZ to better coordinate and support job brokerage	<p>Lead Partners – Hampshire County Council, Enterprise M3, Business Community, Education and Training Providers, Third Sector</p> <p>Rushmoor Borough Council – Coordinating and Supporting</p>

2.3: Promote and encourage vocational apprenticeships and other technical and work-based training opportunities	<p>Lead Partners – Hampshire County Council, Enterprise M3, Education and Training Providers, Business Community, Third Sector</p> <p>Rushmoor Borough Council – Coordinating and Supporting</p>
2.4: Raise aspiration and future career opportunities for young people	<p>Lead Partners – Hampshire County Council, Enterprise M3, Education and Training Providers, Business Community, Third Sector</p> <p>Rushmoor Borough Council – Coordinating and Supporting</p>
2.5: Support and encourage upskilling and reskilling in the workforce, especially in digital, createch and soft skills	<p>Lead Partners – Hampshire County Council, Enterprise M3, Education and Training Providers, Business Community, Third Sector</p> <p>Rushmoor Borough Council – Coordinating and Supporting</p>
2.6: Develop enhanced education programmes linked to innovation and enterprise support for key sectors	<p>Lead Partners – Education and Training Providers, Hampshire County Council, Enterprise M3, Third Sector</p> <p>Rushmoor Borough Council – Coordinating and Supporting</p>
2.7: Support self-employment and business start-up	<p>Rushmoor Borough Council – Leading, Coordinating and Supporting</p> <p>Partners – Hampshire County Council, Enterprise M3, Third Sector</p>
2.8: Work to remove barriers to training, employment and the workplace	<p>Rushmoor Borough Council – Leading, Coordinating and Supporting</p> <p>Partners – Education and Training Providers, Third Sector, Hampshire County Council</p>
2.9: Support and help coordinate funding opportunities for social enterprises	<p>Rushmoor Borough Council – Leading, Coordinating and Supporting</p> <p>Partners – Third Sector, Hampshire County Council, Government Agencies</p>
2.10: Work with the Frimley Heath and Care Integrated Care System (ICS), Integrated Care Provider (ICP) and Primary Care Networks (PCNs) on mutual social and economic objectives.	<p>Rushmoor Borough Council – Leading, Coordinating and Supporting</p> <p>Partners – Frimley Heath and Care Integrated Care System, Integrated Care Provider and Primary Care Networks</p>
Strategic Pillar SP3: Transport Accessibility and Communications Infrastructure	
3.1: Advocate for increased rail services and reduced journey	<p>Lead Partners – Government Agencies, Enterprise M3, Hampshire County Council</p>

times to London and key centres	Rushmoor Borough Council – Supporting, Influencing and Brokering
3.2: Encourage modal shift and a switch towards more sustainable forms of travel to reduce dependency upon the private car and reduce carbon emissions. 3.2 a) Ensure a resilient and reliable transport network that reduces transport related carbon emissions.	Lead Partners – Government Agencies, Enterprise M3, Hampshire County Council Rushmoor Borough Council – Supporting, Influencing and Brokering
3.3: Promote infrastructure for electric vehicles	Rushmoor Borough Council – Leading, Coordinating and Delivering Partners – Hampshire County Council, Enterprise M3
3.4: Support superfast digital and mobile connectivity to businesses across the Borough Through: 3.4 a) Ensure all existing business parks and Key Employment Sites are connected to UltraFast and Gigabit broadband. 3.4 b) Creating Smart Business Areas by delivery of local full-fibre networks. 3.4 c) Supporting advanced connectivity to public wi-fi facilities, with enhanced and wider coverage.	Lead Partners – Hampshire County Council, Enterprise M3, Business Community Rushmoor Borough Council – Coordinating and Supporting
3.5: Ensure future rollout of digital fibre and mobile communication upgrades	Lead Partners – Hampshire County Council, Enterprise M3, Business Community Rushmoor Borough Council – Supporting, Influencing and Brokering
Strategic Pillar SP4: Place – Our Town Centres, Sites and Workspaces	
4.1: Continue to deliver the regeneration programmes for Farnborough and Aldershot town centres	Rushmoor Borough Council – Leading, Supporting, Influencing and Delivering Partners - Developers and Commercial Agents, Business Community
4.2 Improve the vibrancy of the town centres	Rushmoor Borough Council – Leading, Supporting, Influencing and Delivering

	Partners - Developers and Commercial Agents, Business Community, Third Sector
4.3 Realise the economic, social and environmental opportunities arising from Rushmoor’s arts, culture and heritage assets	Rushmoor Borough Council – Leading, Supporting, Influencing and Delivering Partners – Third Sector e.g. Hampshire Cultural Trust, Business Community, Education and Training Providers.
4.4: Support investments to improve existing commercial floorspace in our Strategic Employment Sites and Locally Important Employment Sites	Rushmoor Borough Council – Leading, Influencing and Brokering Partners - Developers and Commercial Agents, Business Community
4.5: Support the delivery of new shared and flexible managed workspaces	Rushmoor Borough Council – Leading, Influencing and Brokering Partners - Developers and Commercial Agents, Business Community
4.6: Investigate the feasibility for a ‘Make and Trade’ Town Centre Zone	Rushmoor Borough Council – Leading and Commissioning Partners - Developers and Commercial Agents, Business Community
4.7: Continue to work proactively with Farnborough Airport and the cluster of aerospace companies the airport supports.	Rushmoor Borough Council – Leading, Coordinating and Delivering Partners – Farnborough Airport, Hampshire County Council, Hart District Council

Rushmoor Borough Resources

The Rushmoor Council Plan (2022 – 2025) aims to grow the local economy in a sustainable way and the council is committed to ensuring that this is delivered by making best use of the resources available to us.

The Strategic Economic Framework and particularly the identified action plan will enable the Council to effectively match economic priorities to delivery needs over time to ensure the delivery of the vision. The performance management and review processes will allow us to respond swiftly to emerging opportunities and changing economic circumstances over the lifetime of the SEF.

Finance and Funding

The SEF is a tool by which the council can inform future funding bids. There are limited opportunities for external public funding currently available. The SEF offers the opportunity to focus funding and investments from funding bodies and help to co-ordinate project funding requirements, alongside Hampshire County Council and appropriate partners, for economic development projects. This will include supporting

bids to relevant sources, such as Innovate UK and the Science & Technology Facilities Council.

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Appendix D: Performance Management and Review

Introduction

The Vision and actions set out in our Strategic Economic Framework have been designed to focus the Council's resources on a select range of actions that will over the next three years support the local economy.

Securing maximum economic return from our actions will require robust planning and performance management. The approach to this is based on three inter-linked themes:

- Foresight
- Research & Evidence
- Intelligence.

It is important to recognise that the actions and interventions set out in our SEF are not static or isolated but are a coherent programme of activity. In addition, the actions do not represent all the work that the Council and our partners do in delivering economic development. There are additional activities that the council and its partners will undertake.

While the Strategic Economic Framework will therefore remain set, some of the actions and interventions will be more flexible and the purpose of ongoing performance management and review is to ensure that changes and updates can be made as new opportunities emerge.

Foresight

Foresight based on proactive analysis is essential in anticipating any changes to our Strategic Economic Framework programme and individual projects/actions. It will help to meet future funding bid spending deadlines and provide a means by which future funding for economic development initiatives can be identified.

Foresight is also critical to ongoing re-profiling of project/action priorities, resources and funding expenditure. This will be based on the emerging outcomes and outputs of projects or packages of work.

Research & Evidence

Effective research and evidence are a key performance management and review tool. Quantitative and qualitative evidence has been used as the basis for our Strategic Economic Framework and evidence will guide delivery and review of the individual actions. It is essential, therefore, that performance management and review is set against a reference base of current economic, business sentiment, planning and infrastructure delivery evidence.

Research is needed to collate and update information on:

- Key, standardised, economic development and socio-economic measures and trend indicators relevant to the Borough (and suitably benchmarked with the wider Hampshire County and Enterprise M3 LEP area)

It is important that the research evidence base is available and shared with partners. Shared research and evidence can then be prepared and updated in a more resource efficient and targeted way.

For this reason, the council will seek to ensure it takes an active role in collective research and evidence base development including sharing key lessons and good practice. This may include joint working on econometric modelling and forward projections with the County Council and other partners; and cross theme working to harness specialist skills and intelligence of our partners.

Intelligence

Intelligence will ensure that records are kept up to date (particularly in relation to 'key account' relationships with our businesses and investors in the Borough which is absolutely critical to success) and that any potential external economic development funds available are identified and applied for.

The intelligence theme is also concerned with regularly ensuring that there is capacity within the Economy and Growth team resources (and those of other partners) to deliver projects that successfully secure capital or revenue funding from external sources in future.

Evaluating Performance

The council will monitor performance in delivering actions over time. This allows us to assess the ongoing deliverability of the vision and key outcomes. To do this, the council will monitor, evaluate and report:

- On the success measures identified under each pillar.
- progress of actions to completion against any identified milestones. This will determine how the Strategic Economic Framework's key outcomes are being achieved.
- performance of the Framework as a whole on an annual basis.

Updating and refreshing the Strategic Economic Framework

Ongoing performance management and review of the SEF over its lifetime is critical, but it is likely that there will be future events (such as significant changes to economic circumstances, national policy or infrastructure funding for example) that will result in the need to undertake a more detailed refresh of the overall Strategy.

The council's performance management and review approach, based on foresight, research & evidence and intelligence themes, will mean the council will be well positioned to undertake updates to the SEF quickly when required.

To give greater structure to the update and refresh of the Strategic Economic Framework, the document will be monitored on an annual basis, with a full refresh of the overall SEF undertaken at the end of Year 3.

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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