

10.5. Economic Development Strategy

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ATTACHMENTS	Nil
CSP LINK	3. Our Innovative City 3.1 Our commercial centres are prosperous and vibrant 5. Our Civic Leadership 5.1 Lead North Sydney's strategic direction

PURPOSE:

The purpose of this report is to seek Council's approval to reprioritise the operational budget for economic development from the adopted 2023/24 budget towards the preparation of a new revision of Councils' Economic Development Strategy.

EXECUTIVE SUMMARY:

- It is proposed that the operational budget of approximately \$116K allocated in the 2023/24 budget for 'business engagement' be redirected (as one-off non-recurrent funds) for the purposes of preparation of a new revision of the Economic Development Strategy
- To inform our operational priorities, it is critical that we have a clear direction and goals through a well-informed strategy. Councils current Economic Development Strategy was adopted in 2016 and has therefore not take into consideration significant changes, challenges and opportunities in the current and emerging economic environment.
- The preparation of an Economic Development Strategy will involve engagement with local businesses.
- Council will continue to engage with and support local businesses through its strategic planning activities, and events and activations initiatives as the strategy work takes place.
- The Economic Development Strategy will be one of seven key strategies that will inform the development of the new Delivery Plan in 2024/25. Other key strategies being developed this financial year include Arts and Culture, Open Space and Recreation and Integrated Transport.

RECOMMENDATION:

1. THAT Council endorse the redirection of \$116K in the 2023/24 operational budget for business engagement towards the preparation of a new revision of the Economic Development Strategy.

Background

Council's current *Economic Development Strategy* was prepared in 2016. Since 2016, there has been considerable change in the economic environment, with new challenges and opportunities requiring consideration.

The Economic Development Strategy will be one of seven key informing strategies critical to the development of review of Councils Community Strategic Plan and the development of the new Delivery program for the next term of Council. These strategies include:

- Open Space and Recreation
- Arts and Culture
- Social Inclusion
- Integrated Transport
- Housing
- Environmental Sustainability
- Economic Development

Prior to the next term of Council, it is our priority to review and redevelop the Open Space and Recreation, Arts and Culture, Integrated Transport and this report recommends including the Economic Development Strategy.

Report

The vision created through the development of the 2016 Economic Development Strategy is as follows:

“North Sydney LGA will continue to evolve and diversify as it provides a diverse set of options for business looking to locate in the area. Led by a reinvigorated North Sydney CBD, North Sydney LGA will re-establish its status as one of Sydney’s premier employment centres. St Leonards, Crows Nest and a number of other centres will supply alternative options for businesses searching for a more niche locale.”

The strategy considered the role of government in stimulating economic outcomes.

Since the development of the strategy, Council has actively worked towards economic outcomes through strategic planning, traffic management and events and activations, such as the NTHSYD program and other initiatives. This work will continue as the new strategy is developed and priorities reviewed.

The pandemic, and the resultant change to the way people work, live and play; the opening of the Metro in 2024; and the broader economic environment are all new drivers to change which must be explored.

There is currently no budget available for the redevelopment of the Economic Development Strategy. Given Councils current financial position, it is recommended that current operational budgets be reprioritised to allow for the review to take place.

An operational budget of \$116K is included in the adopted 2023/24 budget for the economic development/business engagement. It is recommended that Council use this budget to reset the strategy and create clear goals and directions to assist in the future prioritisation of resources to achieve economic outcomes.

Options

Council has the following options in relation to this matter:

1. Do nothing/take no action - review of the Economic Development Strategy is delayed until future financial years pending budget allocation.
2. Re-direct the current operational budget to enable the preparation of a new Economic Development Strategy, which in turn will set priorities and guide resources.

These options are assessed in the table on the next page.

Option	Finance/Resourcing	Risk/Opportunity	Consultation
1.	The impact of not reviewing the strategy would be that resources may currently be used without maximum benefit as priorities may need to change in response to the changed environment since 2016.	The current plan is out of date, and an updated plan will improve business decision-making following the identification of the medium to long-term needs of the local business community.	No consultation would be required.
2.	There is no direct finance/resourcing impact as the recommendation is to reallocate budgets. The strategic impact will be positive as a clear action plan will ensure resources are allocated towards those initiatives that have the most significant impact.	The opportunity to review and reset priorities prior to the next Delivery Program and while the organisation is working through realignment and resource review is advantageous.	A project-specific communications and engagement plan will be prepared, as part of the project brief, enabling two-stage stakeholder engagement to be undertaken, including preliminary engagement and public exhibition of the draft strategy.

Option 2, is recommended for the following reasons:

- It presents the best use of the available funds, providing Council with the opportunity to review the economic outlook and levers for positive change ahead of the next term of Council. Having a clear and current strategy will also ensure effective use of limited resources through informed decision-making and prioritisation.

Consultation requirements

Community engagement is not required at this stage. A project-specific communications and engagement plan will be prepared, should the Council adopt this proposal, enabling stakeholder engagement to be undertaken in due course.

Financial/Resource Implications

The recommendation requests the reallocation of resources.