

Report to:	Cabinet	Date of Meeting:	Thursday 3 rd November 2022
Subject:	Sefton Economic Strategy		
Report of:	Assistant Director: Economic Growth and Housing	Wards Affected:	(All Wards);
Portfolio:	Cabinet Member - Regeneration and Skills		
Is this a Key Decision:	Yes	Included in Forward Plan:	Yes
Exempt / Confidential Report:	No		

Summary:

To:

1. Update members on the outcome of the Sefton Economic Strategy consultation.
2. Give approval of the final version of the Sefton Economic Strategy.

Recommendation(s):

That Cabinet Members:

- (1) Note the outcome of the Sefton Economic Strategy 2022 consultation and its key findings;
- (2) Approve the final version of the Sefton Economic Strategy for publication;
- (3) Note that further work is to be undertaken in Autumn/Winter 2022 on the Sefton Economic Strategy Action Plan and Monitoring Reports. This Action Plan will include specific activities and actions to be undertaken by the Council to achieve the strategic priorities as identified in the Economic Strategy document; and
- (4) Give authority to the Assistant Director of Place (Economic Growth and Housing) in consultation with the Cabinet Member for Regeneration & Skills to approve the Economic Strategy Action Plan and Monitoring Reports as set out under recommendation (3)

Reasons for the Recommendation(s):

To update members on this key decision and seek permission to delegate approval for the final version of the Sefton Economic Strategy to Cabinet Member Regeneration & Skills

Alternative Options Considered and Rejected: (including any Risk Implications)

Do nothing and update the existing Economic Recovery plans - this was rejected as officers also needed to update and factor in the prevailing cost of living crisis into its economic planning for the borough. To have delayed this work would not have provided officers with the necessary economic data and evidence base on which to develop an up-to-date strategy framework which could help prioritise delivery to businesses, residents and communities.

What will it cost and how will it be financed?

(A) Revenue Costs

The cost of this work is £19,880 (including £5,000 contingency) to be met by existing consultancy budget. The work was commissioned to Mickledore who were retained following their work on previous Covid-19 Recovery planning and investment prospectuses for Bootle and Southport.

(B) Capital Costs

Implications of the Proposals:

Resource Implications (Financial, IT, Staffing and Assets):	
Consultation co-ordination and ongoing delivery activities is being undertaken by Economic Growth & Housing staff within existing budgets	
Legal Implications:	
None	
Equality Implications:	
The equality Implications have been identified and mitigated as shown in the Equalities Impact Assessment	
Climate Emergency Implications:	
The recommendations within this report will	
Have a positive impact	No
Have a neutral impact	No
Have a negative impact	Yes
The Author has undertaken the Climate Emergency training for report authors	Yes
The Sefton Economic Strategy will have an associated action plan and some of the delivery activities (e.g new development, business expansion, inward investment) will have a negative impact on the footprint of the Sefton borough. These include direct emissions which result from the redevelopment of any vacant sites as well as long-term carbon emissions from each new building / operation created.	
However, the development of sites and buildings will be required to go through the planning system which will help to minimise the carbon impact of the building by applying the nationally required environmental standards.	
Economic growth will also impact businesses and transport negatively, but this could be minimised by adopting green policies e.g., green growth where companies use green renewable energy, use electric vehicles, low carbon options. InvestSefton works closely with the LJMU Eco Innovatory Centre who provide expert support to businesses seeking to reduce energy costs and introduce low carbon solutions to their operations. The team has already referred over 40 Sefton businesses for support.	

Contribution to the Council's Core Purpose:

<p>Protect the most vulnerable:</p> <p>Social Inclusion and Access for all is a core objective of the strategy framework to set a direction for action so that the impacts of economic growth reach many more of Sefton's residents including the most vulnerable</p>
<p>Commission, broker and provide core services:</p> <p>The Strategy Framework will help in identifying key priorities for action including services that require direct delivery or sub-contracting and commissioning</p>
<p>Place – leadership and influencer:</p> <p>Regenerated Places is a core objective of the strategy framework, and the Council is already active in this work in terms of delivering area action plans, covid recovery plans and promoting Sefton a place to attract visitors and new inward investment.</p>
<p>Drivers of change and reform:</p> <p>The Strategy framework provides a platform to prioritise and develop support economic interventions where they are most needed and allows the council to refresh and update areas of work that require change and reform.</p>
<p>Facilitate sustainable economic prosperity: -this is the overarching objective of any Sefton economic strategy and the four key objectives-Employment & opportunities for work; Business Growth and Investment; Social Inclusion and Access for all and Regenerated Places- are all geared to help maximise sustainable economic growth that will benefit residents, businesses, and communities in Sefton.</p>
<p>Greater income for social investment:</p> <p>Opportunities for supporting income for social investment will be covered under the strategy's core objectives of Business Growth & Investment and Social Inclusion & Access for all</p>
<p>Cleaner Greener</p> <p>Under Regenerated Places reference is made to the mitigation of any adverse environmental impacts because of economic regeneration growth; the strategy also focuses on attracting new cleaner greener investment. e.g. Digital, particularly the roll-out of ultrafast broadband.</p>

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Executive Director of Corporate Resources and Customer Services (FD6956/22) and the Chief Legal and Democratic Officer (LD5156/22) have been consulted and any comments have been incorporated into the report.

(B) External Consultations

The Strategy has been the subject of extensive external consultation with businesses, stakeholders, community groups/charities and residents.

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Appendices:

The following appendices are attached to this report:

- (a) Sefton Economic Strategy O&S report (November 2021)
- (b) Sefton Economic Draft Strategy (October 2022)
- (c) Equalities Impact Assessment (October 2022)

Background Papers:

The following background papers, which are not available elsewhere on the Internet can be accessed on the Council website:

[Sefton Economic Strategy Public Consultation](#)

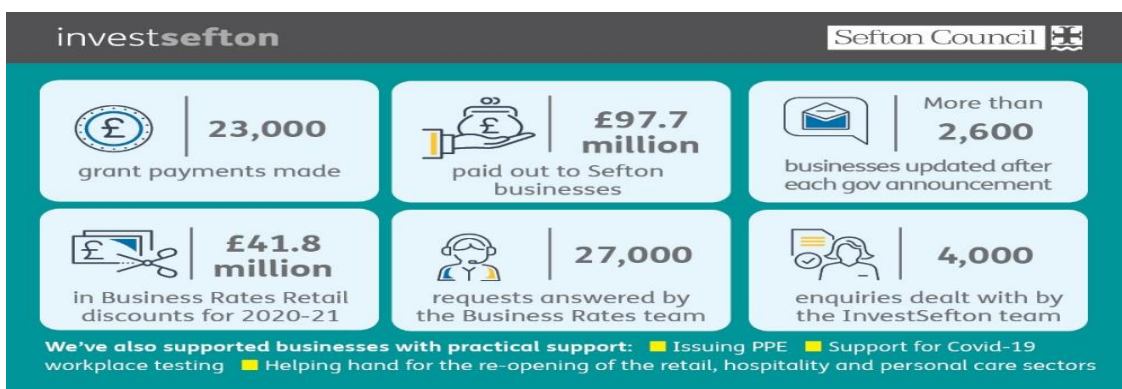
[Sefton Economy](#)

1. Introduction/Background

- 1.1 Cabinet Members will be aware that the Sefton Economic Strategy was last produced in 2018 and delegated approval for the subsequent Action Plan to Cabinet Member Regeneration & Skills. The Sefton Economic Strategy Action Plan was approved by Cabinet Member Regeneration & Skills in December 2019.
- 1.2 The delivery of the Action Plan was almost immediately disrupted in March 2020 with the outbreak of the Covid-19 pandemic and part of the emergency response was the production of the Council's Sefton Strategic Recovery Plan to help the council prioritise its emergency support activities.
- 1.3 Sefton commissioned Mickledore to undertake further work in the refresh and repurposing of the Sefton Economic Strategy 2022. This followed previous well received work undertaken by Mickledore during the pandemic which resulted in a Covid-19 Response report and Sefton Prospectuses outlining key opportunities for attracting new inward investment with a specific focus on Bootle and Southport.
- 1.4 Cabinet members will also recall that an update of the Sefton Economic Strategy was a recommendation of the initial Local Government Association review in 2019 and its more recent assessment in 2022. The initial work focussed on the economic evidence base on which the strategy could be updated and refreshed.

2. Sefton Economic Strategy 2018/19 Performance

- 2.1 Despite the massive economic impact and disruption caused by the Pandemic in March 2020 It is worth reflecting on the performance against delivery which were reported on two occasions to Overview and Scrutiny (Regeneration & Skills) in March and November 2021. Both reports were well received by members and the November 2021 report is attached as **Annex A**. Key highlights included:



- A new Business Grants team was recruited under InvestSefton to support the Trading on Grant scheme and assist in post assurance checks on all schemes delivered
- Progress reports on
 - Marine Lake Events Centre & The light Fantastic
 - Southport Market completion
 - Enterprise Arcade, Southport
 - Crosby Village
 - Bootle Strand
 - Crosby Lakeside
 - Cambridge Road

- Business engagement, online and face to face events
 - Covid-19 help page visited by over 46,000 visitors
 - Over 4,434 business enquiries handled/supported
 - Several business growth projects supported
 - New inward investment secured in Mersey Reach, Atlantic Park
 - Support to residents & businesses from Public Health
 - Public Protection advice & guidance to food related businesses (150 enquiries per months)
 - Ways to Work support to Sefton residents seeking job opportunities from Sefton@work plus delivery of the Restart programme
 - Sefton Community Learning Test & Learn Pilot for People with Lived Experience of Care
 - NEET Reduction & Early Intervention Programme
 - Delivery of education programmes by Sefton Adult Community Learning service
- A review of the planning-led recovery measures aimed at assisting with economic recovery is demonstrating that they have had considerable success and playing a vital role in attracting investment in the Borough. This is demonstrated by a 40% increase in planning applications, with an estimated value of £60M to the economy. The Council has received national recognition for its innovative approach and tangible achievements.
 - Supporting homelessness and new housing development
 - Delivery of £558 welcome back funding supporting town centre initiatives in March 2021

3 2022 Consultation

3.1 Sefton Council's Economic Growth & Housing service led the public consultation exercise which started on 20th July and ended on 17th August. Proposals for consultation were approved by the Sefton Public Engagement & Consultation Panel on 15th July. The draft evidence base report was circulated (on two occasions) to over 2,600 businesses, developers/investors with a link to an online survey- in addition:

- A dedicated Council webpage and on-line consultation portal was produced
- The consultation report and questionnaires were also produced in easy read formats
- Several Sefton Communications tweets/press and social media releases on a weekly basis

3.2 Specific face to face briefings and online consultation forums included:

- *Sefton Economic Forum-15 July attended by over 100 business delegates*
- *Sefton in Mind-27 July attended by over 10 representatives*
- *People First Merseyside-11 August attended by over 20 Board members*
- *Sefton Partnership Board-15 August attended by over 15 board members*

3.3 The report was circulated to a wide range of internal and external groups, networks, and organisations to maximise reach including:

Sefton Council members and MPs
 Sefton CVS
 Community organisations
 Sefton Council Senior Leadership Board
 LCR Combined Authority
 LCR Growth Platform/Local Enterprise Partnership

Industry sector groups/boards
LCR Local Authorities
Chambers of Commerce
Southport BID
Federation of Small Businesses
Marketing Southport
Housing Associations
FE/HE Colleges

4. Results

- 4.1 In total, 192 people took part in the survey. Of these, 60.4% were members of the public who live in Sefton and 27.6% were local businesses. Several other stakeholders and organisations also submitted responses to the consultation outside of the survey that have been factored into the analysis. These included responses from LCRCA, People First Merseyside and Youth Advisors, among others.
- 4.2 Overall, there was support for the chosen themes: **Employment and Opportunities for Work, Business Growth and Investment, Regenerated Places, and Social Inclusion and Access for All**. Generally, there was agreement that the themes work well together due to their interconnectedness, but that ***growing and investing in business is the starting point for the other themes to follow from.***
- 4.3 The survey asked respondents to rate the themes and **corresponding key issues based on how important they are to them. On average Employment and Opportunities for Work** was rated the highest.
- 4.4 Survey respondents were also given the opportunity to answer qualitative questions. The comments have been analysed and summarised to represent the frequently recurring key points and combined with feedback taken from consultation sessions and individual contributions outside of the survey. Key issues included **parking and transport, sustainability, and support for both the younger and older generations.**

5. Qualitative results

- 5.1 Overall, there was generally positive support for the choice of themes. A frequent comment was that business growth is the starting point for success in the other three thematic areas, and the interconnectivity between the themes should be highlighted in the strategy. A recurring theme was sustainability. In their response, LCR Combined Authority suggested that the **Net Zero theme** could flow throughout the whole strategy.
- 5.2 The following thematic comments appeared frequently throughout the consultation:

5.3 Employment and Opportunities for Work

- More opportunities for training and reskilling to fill vacancies.
- Provision of advice and guidance, and opportunities for employment and gaining skills particularly for school leavers and young people
- Ensure that messaging around public sector employment does not come across as negative.
- Focus on boosting private sector employment that will automatically reduce public sector role.

5.4 Business Growth and Investment

- Support for SMEs to grow. Suggestions include financial support, community events, advertising via networks etc.
- Concerns raised about the lack of affordable, usable office space and employment land available in Sefton.
- Emphasise Sefton's growing sectors in the strategy e.g. Southport's technology industry opportunities, help for Sefton's digital & creative businesses, Financial , professional & business services

5.5 Regenerated Places

- Concerns raised about the unregulated growth of private accommodation in tourist areas, and growing unaffordability of housing.
- Prioritise attractive town centres that will attract and retain young people.
- Focus on making tourist areas and town centres accessible for all local residents by creating sustainable local transport hubs.
- The strategy needs to consider the sustainability agenda.
- More green spaces around Sefton.

5.6 Social Inclusion and Access for All

- Consider the environment, sports, recreation facilities etc. and how these can impact health and wellbeing in Sefton.
- Emphasise how deprivation impacts health inequality and consider the infrastructure needed to improve this e.g., schools, healthcare facilities etc. Address the impact health inequality has on economic activity rates.
- Consider how town centres need to adapt to manage the impacts of an ageing population.

6 Sefton Economic Strategy 2022

6.1 The consultation feedback has been analysed and, where applicable, fed into a revised draft Sefton Economic Strategy which is attached as **Annex B**.

6.2 Key headlines are as follows:

Economy & Income levels

- At a local authority level, Sefton records economic data which is **generally favourable compared to the North West Region although slightly less so nationally**.
- Whilst at headline levels, Sefton may appear to be an area of average economic performance, **the local authority does have areas of severe deprivation**.
- When income is considered, Sefton has a number of areas where income is in the lowest 10% in England and a few in the highest 10%.
- Even these figures mask the scale of deprivation. One area of **Bootle is now ranked as the 28th most deprived in terms of income across England (out of 32,844 areas) and its ranking is falling (ranked 197th in 2007)**.
- Income deprivation is not only a serious issue at an individual / family level – a concentration of low levels of **income undermines the entire local economy reducing disposable income which can be spent in the area and creating challenges for the Local Authority in terms of income (lower Council Tax revenues) and expenditure (social support mechanisms) resulting in reduced opportunity for discretionary investment by the Local Authority**.

Business Activity

- One issue impacting on local income is the range of businesses and employment opportunities in Sefton. Sefton has continuously and significantly created fewer businesses than England as a whole. **The gap was the narrowest in 2020 although even in this year Sefton created 21% fewer businesses per working age person than England.**
- Year-on-year under-performance in business creation is undermining the wealth creation potential in the area and whilst this is a City Region wide issue, it is also an indicator that can be influenced at a Local Authority level.
- It is possible that some private sector start-up activity has been crowded-out by the extent of public sector employment, but whatever the cause, in the majority of Wards within Sefton, the proportion **of public sector employment is higher than the average for England.**
- In 3 Wards within Bootle and Maghull (Ford, Derby and Sudell) the proportion of employees employed by the public sector is **>50%. Many public sector jobs also remain relatively low paid**
- Whilst some work can be undertaken to stimulate private business start-up and investment, it is certainly the case that the public sector has been an important employment generator in Sefton. **And as public sector employment is decentralised from London, Sefton can be presented as a contender for Government relocations.**

Out-Commuting

In common with many LCR local authorities, Sefton has high levels of out-commuting. **46% of Sefton's working residents earned their income from outside the Borough at the time of the 2011 census (the last published data). Whilst out-commuting as a percentage of the workforce is not the highest of the local authorities in LCR, the number still represents a significant proportion of residents.** This data will be updated upon the release of the new census in 2022.

- **Over 12,000 net out commuters travelled to work in Liverpool, with high levels also travelling to Knowsley (-920) and Warrington (-840).** Sefton did receive net in commuters from Wirral (+724) and West Lancashire (+256).
- However, train borne out-commuting fell dramatically during the pandemic. Changing work patterns lasting from the impacts of the national lockdowns provide the possibility of a reset. **It is likely that many residents will have reconsidered their previous commuter lifestyle. There is the potential for a future reset to increase earning and retained spending in the area.**
- Whilst working patterns have returned towards previous trends in 2022, it will be important to monitor how changing working patterns impact the number of people choosing to out commute from Sefton in the future and whether this returns to previous levels.

Employment & Skills

- Media commentary describes the ageing population at a national level. According to ONS population projection data, the issue will be more acute in Sefton with projections suggesting a decline of 5,663 in people aged 16-64 (still used as a proxy for 'working age' despite changing retirement ages). This represents a shrinkage of 3.5% in the available workforce. **This has a double impact because as the workforce is shrinking, those in need of adult social care is likely to increase as a result of the same ageing demographic trends.**
- The scale of change is expected to be greater in Sefton than in England as a whole. **Estimates beyond 2038 (when the situation is expected to ease) are somewhat speculative since the population that will be within the working age group by this date have not yet been born.**

- Economic development policies of the next decade are likely to include a focus on the attraction and retention of talent and this has **implications for housing and the creation of attractive locations to both live and work**
- **Data available from the annual population survey in 2021 shows that overall skill levels in Sefton have been improving.** The number of people of working age in Sefton achieving NVQ level 4 and above has been increasing whilst the number of people with no skills has been declining. In 2021, 54,500 people in Sefton had qualifications up to NVQ4+ whilst 20,900 people achieved NVQ1 or lower.
- **Sefton and England are comparable in terms of the proportion of the working age population with no skills.** There has been a downward trend since 2012, although Sefton saw a slight jump between 2019 and 2021 likely to have been impacted by the pandemic.
- Covid-19 had a very significant impact on employment despite national government intervention. **The impact of a lockdown on the visitor economy and the hospitality industry was particularly severe. Despite concerns about Sefton's resilience given the importance of the visitor economy, Sefton has out-performed the national picture when claimant count levels are considered with a less pronounced impact of Covid-19 on out of work benefits and a more rapid recovery than England as a whole.**
- **At the peak of the pandemic Sefton reached 11,945 people claiming out of work benefits, but this figure has dropped significantly to 7045 in 2022.** This does however remain **13.4% above pre pandemic levels** and in many cases the pandemic's impact has been extremely serious at an individual level.
- Comparing Sefton to the UK against a 2013 index of 100, in 2022 Sefton's total out of work claimant count stood at 91.3 versus 113.6 in the UK. **Even during the lockdowns in 2020 Sefton performed better, with an index score of 154.8 compared with 185.3 in the UK on average.**
- At a Sefton wide level skills and employment data can be viewed in a positive light although, as ever, **the average figures mask areas of severe deprivation.**

Place

- Economic development is increasingly about place – employment and a living environment at the confluence of transport routes and growth creates a critical mass of activity and generates ideas and opportunity.
- Key to this critical mass is the work / life balance and this can be measured in terms of residential demand. **Sefton has a strong demand for new housing provision and the house price affordability ratio is lower than elsewhere in the LCR as a whole with a ratio of 6.8 versus 5.5 (although recently affordability is slightly ahead of Wirral at a Local Authority level).** These ratios indicate the strength of demand although clearly unaffordable housing is now a significant problem for many residents seeking to access the housing ladder.
- **There is a clear need for additional housing provision and to create a mixed variety of properties including both affordable properties in areas of high demand and more aspirational housing in areas of income deprivation.** This priority is reflected in Sefton's emerging Housing Strategy which focusses on ensuring that housing needs are met over the next 5 years through the provision of the right type of housing in the right locations. The Council will achieve this through closer working with private sector providers and social landlords, as well as through the direct provision of high-quality housing for both outright sale, intermediate home ownership products and social rent in

areas where demand is highest. **Recent employment land studies also suggest that there is a shortfall of available land against current demand.**

Disparities in Sefton

- When setting out an economic narrative for Sefton it is important that the story of the Borough is told in sections. At a Local Authority level, for many economic measures, average performance is unremarkable but this masks fundamental issues.
- When data is presented at a Sefton level the case for intervention is often lost. Sefton has some areas (**Lower-Level Super Output Areas**) in the **10% least deprived in the country** – but double the average proportion in the most deprived. These are generally (but not exclusively) in the south of the Borough.
- On average measures, such as resident income, Sefton records average resident incomes (2021) at **3% higher than the North West average and this is clearly a misleading story in terms of the key economic narrative.**
- Data and interventions can be more strongly aligned to the requirements of place. **Sefton is not a one size fits all Authority but nor is it as simple as a north / south split.**

Conclusions

6.3 The strategy will focus on four key thematic objectives:

- **Employment and Opportunities for Work**-Continued work on pathways into work and skills & development activity underpins the entire strategy and is likely to be increasingly important given economic challenges, the changing nature of employment and the ageing demographic
- **Business Growth and Investment**-Sefton has a number of core private and public investments which can generate greater opportunities for local business growth and more start-up activity and smaller scale inbound investment – all broadening the business base, key sectors and employment opportunities
- **Regenerated Places**-An improved environment to live, work and attract visitors and investment is a key pillar of the strategy – but the ambitious investment programme can, itself, create opportunities for local business, help develop supply chains and create employment and skills development programmes
- **Social Inclusion and Access for All**-It is clear that any 'trickle down' benefits of economic growth do not reach all communities without proactive work to enable access to employment and wider services. Extreme deprivation undermines communities and also undermines the ability of the Local Authority to work on wider initiatives.

7.0 Action Plan

7.1 It is proposed that the strategy be divided into two sections:

- (i) **Evidence base**-this sets out the economic data evidence base. While data changes the key underlying issues for the economy in terms of jobs, business growth, attracting new investment and regeneration in Sefton remains the same. Most Local

Authorities are now updating their economic data on two/three yearly cycles as a standard evidence base.

- (ii) **Action Plan**-This will set out what council services will deliver under each of the four key thematic objectives. The current draft took account of the key objectives (7 in total) in 2018/19 and compared with the priorities identified for 2022. It is recognised that delivery of these priorities will be ongoing and require associated performance Indicators. Bearing this in mind one of the recommendations is to delegate final approval of the strategy and action plan to Cabinet Member Regeneration & Skills.

7.2 A copy of the consultation Equalities Information Assessment is attached as **Annex C**. Sefton's consultation and engagement officer is also producing an easy read version of the Sefton Economic Strategy which will be launched alongside the main report when approved.