

**REPORT TO:** CABINET MEMBER - REGENERATION

**DATE:** 27<sup>TH</sup> OCTOBER 2010

**SUBJECT:** LOCAL ECONOMIC ASSESSMENT AND SUSTAINABLE ECONOMIC DEVELOPMENT STRATEGY

**WARDS AFFECTED:** ALL

**REPORT OF:** PLANNING & ECONOMIC DEVELOPMENT DIRECTOR

**CONTACT OFFICER:** MARK LONG x3471

**EXEMPT/ CONFIDENTIAL:** NO

**PURPOSE/SUMMARY:**

To update members on progress with preparing the Local Economic Assessment, and the Sefton Sustainable Economic Development Strategy.

**REASON WHY DECISION REQUIRED:**

For purposes of accountability in the implementation of a statutory duty.

**RECOMMENDATION(S):**

That members note the report and request an appropriate officer to make further stage reports.

**KEY DECISION:** No

**FORWARD PLAN:** No

**IMPLEMENTATION DATE:** Immediately following the call-in date for this Committee.

**ALTERNATIVE OPTIONS:** N/a

**IMPLICATIONS:**

**Budget/Policy Framework:**

**Financial:** The costs of consultancy work and printing and distribution costs associated with the Local Economic Assessment will be around £45,000. This will be met from 2010/11 Area Based Grant Resources awarded for the purpose.

<b><u>CAPITAL EXPENDITURE</u></b>	<b>2010 2011 £</b>	<b>2011/ 2012 £</b>	<b>2012/ 2013 £</b>	<b>2013/ 2014 £</b>
Gross Increase in Capital Expenditure				
Funded by:				
Sefton Capital Resources				
Specific Capital Resources				
<b><u>REVENUE IMPLICATIONS</u></b>				
Gross Increase in Revenue Expenditure		£45,000		
Funded by: LEA allocation within ABG		£45,000		
Sefton funded Resources				
Funded from External Resources				
Does the External Funding have an expiry date? Y/N		When?		
How will the service be funded post expiry?				

**Legal:** N/a

**Risk Assessment:** N/a

**Asset Management:** N/a

**CONSULTATION UNDERTAKEN/VIEWS**

**FD 528** The Interim Head of Corporate Finance & Information Services has been consulted and his comments have been incorporated into this report.

**CORPORATE OBJECTIVE MONITORING:**

<b><u>Corporate Objective</u></b>		<b><u>Positive Impact</u></b>	<b><u>Neutral Impact</u></b>	<b><u>Negative Impact</u></b>
1	Creating a Learning Community		✓	
2	Creating Safe Communities		✓	
3	Jobs and Prosperity	✓		
4	Improving Health and Well-Being		✓	
5	Environmental Sustainability	✓		
6	Creating Inclusive Communities	✓		
7	Improving the Quality of Council Services and Strengthening local Democracy		✓	
8	Children and Young People		✓	

**LIST OF BACKGROUND PAPERS RELIED UPON IN THE PREPARATION OF THIS REPORT**

--

## **Background**

1. On 16<sup>th</sup> December 2009, members received a report detailing a new statutory duty placed on local authorities under the Local Democracy, Economic Development and Construction Act 2009, to undertake a Local Economic Assessment (LEA).
2. Members noted progress and requested the Planning & Economic Regeneration Director to report back on plans for the preparation of the Sefton LEA, and any financial implications.
3. Members also agreed in principle to the preparation of a Sustainable Economic Development Strategy for Sefton (SEDS).
4. This report reports progress with the LEA, and sets out how we intend to prepare a strategy for the sustainable prosperity of the borough.

## **Local Economic Assessment – update**

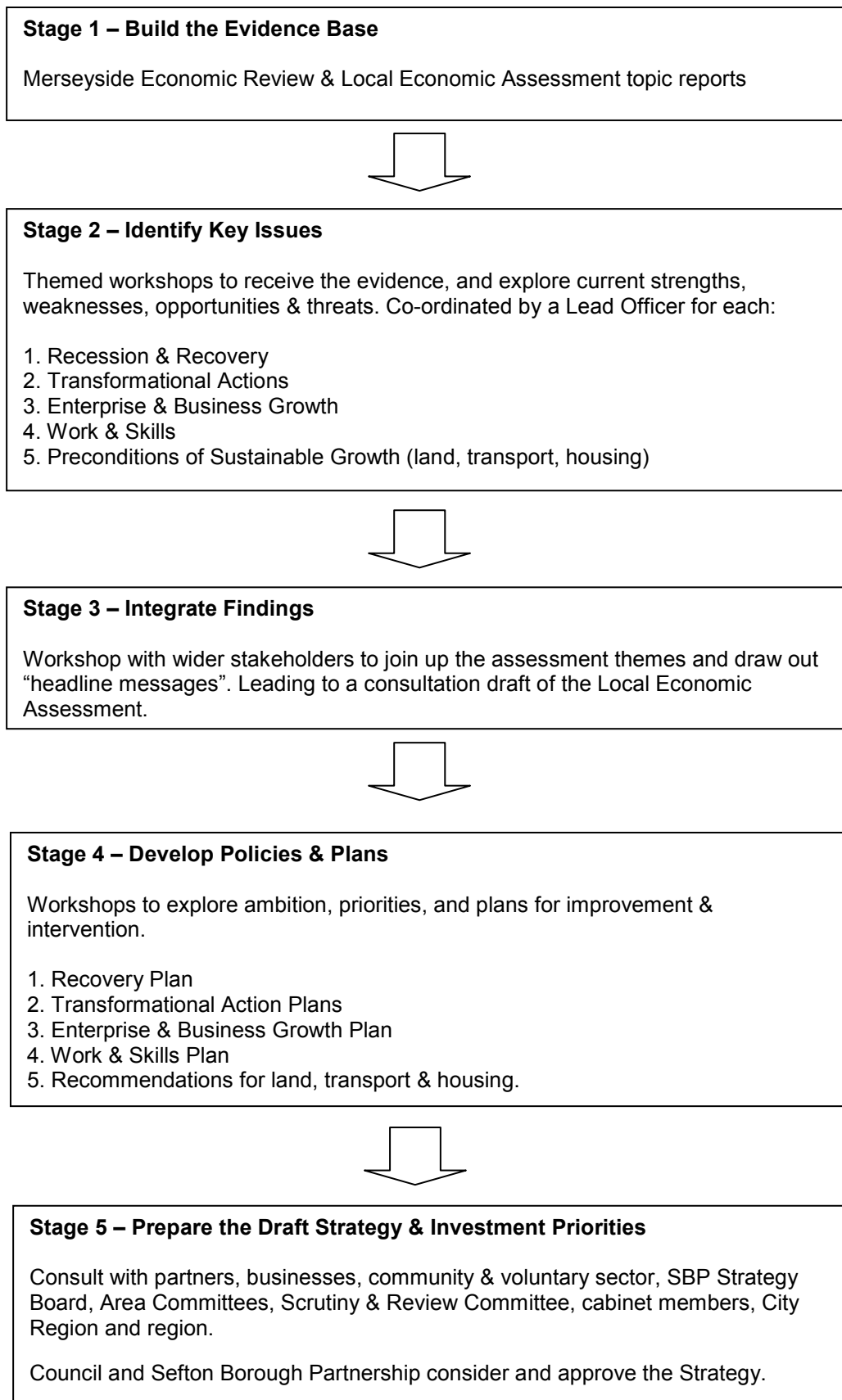
5. The original intention, reported in December 2009, was to prepare a two-tier economic assessment, with The Mersey Partnership co-ordinating a Merseyside-wide assessment, picking up key cross-border and strategic issues, while the individual local authorities prepared individual borough assessments. The city region assessment was to be supervised by an independent private sector led panel, along the lines of the Manchester Independent Economic Review.
6. The government's decision to wind-down the Regional Development Agencies meant that the North West Development Agency had to withdraw its offer to Merseyside of financial support for the strategic tier of assessment. The local authorities have received an allocation (£65,000) within their Area Based Grant for 2010/11 to deliver an LEA, but as ABG is not ringfenced the opportunity has been taken by several to reallocate the resource. Therefore it has not been possible to pool the local authority resource and replace the lost NWDA funding. In order to achieve savings in this year's budgets, Cabinet agreed on 8 July 2010, to reduce the use of some of its Area Based Grant resources and this particular resource identified for LEA, has been reduced by £20,000 to a level of £45,000. It is felt that this reduced level of resource will however be sufficient to fund the costs of consultants (£40,000) and go towards document production and distribution (£5,000) associated with the LEA work.
7. The current position is that TMP will produce a light-touch assessment looking very similar to the Annual Merseyside Economic Review they would normally publish, while the local authorities are at liberty to produce a local assessment if they wish. The case for Sefton to prepare an LEA remains strong:
  - The recession has rendered all previous assessments and plans obsolete
  - Local partners need a route map that will rebalance the economy and guide us down the path of "green growth"
  - Shortage of resources means public sector investment decisions need to become smarter and better informed about our prospects

- A strong local assessment and strategy will allow Sefton to “punch its weight” at city region level.
8. The government issued Statutory Guidance on preparation of LEAs in March 2010. The Coalition Government has subsequently placed the Statutory Guidance (but not the duty itself) on a list of parliamentary items to be repealed. This means the LEA can be prepared in almost any form the local authority prefers.
  9. Sefton has convened a Steering Group to prepare its Local Economic Assessment. It includes officers from across the Council, a representative from TMP, and officers from West Lancashire and Preston MBCs (in recognition of our cross-border linkages). The key step is creating capacity to deliver the assessment. Having received permission to appoint a consultant from the Establishment Control Panel, a tendering process is underway. Officers will provide a verbal update at the meeting.
  10. The LEA work programme anticipates a consultation draft will be available by January 2011. The duty requires Sefton to consult with a number of statutory partners, and their feedback will be returned to this committee in March, before formally approving the assessment.
  11. The local economic assessment will contribute to the Core Evidence base of the Sefton Borough Partnership, and the LEA will be developed with the support of Sefton Understood.

### **Sustainable Economic Development Strategy – update**

12. Neither Sefton Council nor the Sefton Borough Partnership has an up-to-date and forward looking statement of policy on economic development. This impedes decision-making on the use of scarce resources, setting priorities, or promoting resilience in a turbulent world.
13. We also need a strategic framework that checks and completes all the necessary links between prosperity, employment, and environmental sustainability. To show that economic growth must be capable of being repeated across the generations and without depletion of vital natural resources or damaging ecosystems, we have designated this a Sustainable Economic Development Strategy (SEDS).
14. The starting point for the preparation of the strategy is the recent world economic turmoil:
  - The reality of double-dip recession, and “jobless growth” to 2014
  - The anticipated impact of public deficit reduction on jobs and services
  - The longstanding performance gap between Merseyside and the rest of the country
  - Persistent concentrations of economic deprivation and worklessness in certain neighbourhoods within Sefton
  - The opportunities for Sefton and Merseyside presented by the city region’s Transformational Actions and other “green shoots” of recovery.

15. The preparation of the Strategy is being approached with a “light touch”, to avoid repeating work that has already been done, and to avoid overburdening partners. Therefore engagement will be principally through a series of themed workshops, allowing participants to contribute in just the policy areas they prefer to be involved.
16. The diagram below summarises the process:



17. A Strategy Steering Group has been formed, with lead officers designated for each workstream, and chaired by the Assistant Director – Regeneration. This group will guide the preparation of the Strategy, provide support for each stage, and supervise the development of policies and plans. Stage reports will be brought to this committee.
18. The target date for a draft Sustainable Economic Development Strategy for Sefton is March 2011.
19. A Consultation and Engagement Plan, in line with corporate standards, will be prepared, and reported to the Public Engagement & Consultation Standards Panel.
20. An Environmental Impact Assessment and Equalities Impact Assessment will be produced at consultation stage to improve the quality of the final Strategy and ensure compliance with corporate standards.
21. The costs of preparing the Assessment and Strategy will be met from within the ABG allocation for this activity.