

REPORT TO: Cabinet Member – Technical Services
Cabinet Member – Regeneration
Cabinet Member – Leisure and Tourism
Cabinet

DATE: 10th February 2010
17th February 2010
24th February 2010
4th March 2010

SUBJECT: An Economic Strategy for Rural Merseyside and Action Plan –
Phase 2

WARDS AFFECTED: All

REPORT OF: Andy Wallis Planning & Economic Development Director

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**EXEMPT/
CONFIDENTIAL:** No

PURPOSE/SUMMARY:

To inform Members of the completion of the Merseyside Rural Economic Strategy, and the start of the phase 2 of the study, which involves the development of a detailed Action Plan.

REASON WHY DECISION REQUIRED:

To comply with standard portfolio reporting procedures.

RECOMMENDATION(S):

It is recommended that:-

Members:-

1. Note the content of the report, and progress made to date in the completion of the Merseyside Rural Economic Strategy, and
2. Request further progress reports.

KEY DECISION: No

FORWARD PLAN: No

IMPLEMENTATION DATE: After the call in period

ALTERNATIVE OPTIONS:

The Merseyside Rural Economic Strategy, being undertaken by the five districts, the RDA, and the TMP has now been completed. The next phase is the development of a detailed, integrated Action Plan, which would support the preparation of bids to draw down funding from the RDA, ERDF and other appropriate sources. Not to proceed with this option would jeopardise Sefton Council's, its partners' and the relevant local business' ability to attract funding.

IMPLICATIONS:**Budget/Policy Framework:**

Financial: There are no additional financial implications as a result of this report.

<u>CAPITAL EXPENDITURE</u>	2009/ 2010 £	2010/ 2011 £	2011/ 2012 £	2012/ 2013 £
Gross Increase in Capital Expenditure				
Funded by:				
Sefton Capital Resources				
Specific Capital Resources				
<u>REVENUE IMPLICATIONS</u>				
Gross Increase in Revenue Expenditure				
Funded by:				
Sefton funded Resources				
Funded from External Resources				
Does the External Funding have an expiry date? Y/N				
How will the service be funded post expiry?	N/A			

Legal: N/A

Risk Assessment: N/A

Asset Management: N/A

FD 297 - The Acting Finance and Information Services Director has been consulted and has no comments on this report.
Legal, Technical Services, Leisure and Tourism Services

CORPORATE OBJECTIVE MONITORING:

<u>Corporate Objective</u>		<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
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

Report to Cabinet dated 5th February 2009 entitled 'Rural Development Programme for England, and Merseyside Rural Economy Action Plan'.

1.0 Background

- 1.1. Cabinet at their meeting on 5th February 2009 considered a report entitled 'Rural Development Programme for England, and Merseyside Rural Economy Action Plan'. The first element of the report provided information on the £3.9 billion Rural Development Programme for England (RDPE), and indicated that whilst vast majority of this money was earmarked for agri-environment and other land management schemes in rural areas, however some £2.2 million was available for projects within the Merseyside sub-region. The report highlighted the structure created for the management and delivery of the Merseyside element of the RDPE, and how officers were working in partnership with a range of stakeholders to ensure that Sefton benefited from this programme. Reports entitled 'Funding Opportunities' are presented regularly to the Cabinet, which shows some of the projects currently seeking funding from this source.
- 1.2. The second element of the report focused on need for the sub-region to develop a Merseyside Rural Economic Strategy. For a number of reasons rural areas in Merseyside have generally been undervalued and underexploited, and yet they have significant potential to grow and prosper and add value to the overall economic base of the region. Linked to this is the fact there are significant areas of deprivation in rural areas, which the government has recognised as need addressing. The development of a Merseyside Rural Economic Action Plan would provides an opportunity to get a comprehensive picture of the rural economy and to identify actions required.
- 1.3. This report provides information on the initial findings of the study undertaken by specialists Consultants 'Rural Innovation', and the next steps required for the development of an Action Plan, which should attract funding from a number of sources, including the RDA.

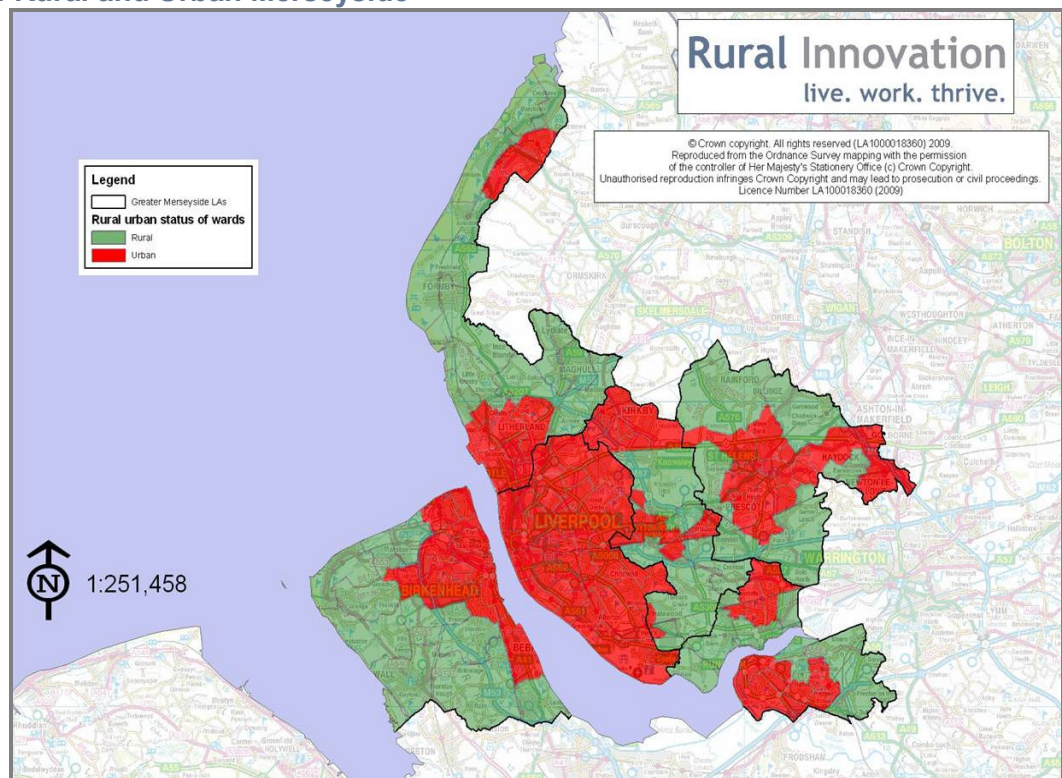
2.0 Key Findings – Rural Merseyside

- 2.1 The study undertaken by Consultants 'Rural Innovation' show that 'rural areas of Merseyside play their part in delivering the sub-region's economic output. Their contribution of £5.3 billion equated to 25.5% of total sub-regional GVA in 2006 (£20.7 billion), slightly in excess of their 24.5% share of total employment. The rural areas host some of Merseyside's most important wards in GVA terms. For example Daresbury and Knowsley Park provide in the region of 3.5% of regional GVA. Rural wards are consistent contributors to sub-regional GVA (there are only 5 rural wards in the 35 lowest contributors) and provide the space and raw materials for some of the sub-region's most important employment sites'.
- 2.2 This level of contribution is all the more impressive when it is considered that much of the rural area operates with inherent disadvantages such as limited access to working age population, the influence of the green belt and a planning system which seeks to focus growth in urban areas. Despite these constraints the evidence shows that improvements in productivity in rural areas have kept pace with urban growth, and that the rate of overall growth in GVA is higher in some parts of the rural area (notably St.Helens, Knowsley and Wirral) than in parts of the urban area, and across Merseyside as a whole.
- 2.3 The economic contribution of the rural areas extends beyond workplace GVA. They also attract, and host a significant proportion of sub-region's highly qualified labour force. This is an important function in economic terms, although

these travel to work patterns are likely to become an increasing challenge in planning towards a low carbon future.

- 2.4 The rural area of Merseyside has been defined by the five local authorities, plus Halton. It has been created by allocating each ward as being either urban or rural. This allocation was based on the extent of the Merseyside Green Belt, the incidence of open countryside and the predominant land use. It also aligns to the area defined as eligible for investment under the Merseyside RDPE Programme managed by the NWDA¹ on behalf of Defra. It is important to note that the rural area, as so defined, is very different from that identified by the government's rural / urban definition. This is based on population density and classifies virtually all of Merseyside as urban. The area defined as rural for the purpose of this study is shown in Map 1 below.

Map 1: Rural and Urban Merseyside



- 2.5 The rural area does not relate exclusively to open countryside. It includes some settlements and built up areas. It also includes some major employment sites, such as the Science and Innovation Park at Daresbury and the hospitals at Arrow Park and Clatterbridge on the Wirral. This is entirely consistent with rural areas beyond Merseyside which include large market towns (such as Northwich and Ormskirk) and major employment sites such as the BAE campuses and Salmesbury and Warton and the former BNFL site at Clifton to the north of Preston.

2.6 Notwithstanding the above, Officers have challenged the inclusion of Dukes Ward, as it was felt that this skews the findings too much in Sefton's case, and this has been accepted by the consultants.

2.7 The bullet points below highlights some of the key findings of the study:-

- Rural Greater Merseyside (GM) hosts 29% of the total population
- Fewer 20 – 24 year olds, more 50 year olds
- Total population of GM has fallen (2001 – 2007); falling at lower rate in rural GM than urban GM
- Working age population has fallen slightly in rural GM (2001 – 2007)
- Working age population has risen in urban GM, in the NW and nationally
- Higher household income in rural GM than urban GM
- Higher skill levels in rural GM than urban GM
- Lower deprivation (IMD) in rural GM than urban GM
- Distribution of business stock by sector v similar rural and urban GM
- Largest % of businesses in rural area is the business services sector (c.25%)
- Other major sectors for stock are construction (c.11%) and retail (c.14%)
- Size profile of business stock v similar rural and urban GM – lower % of small businesses than regional and national average
- Rural GM contributes 25.5% of the sub regions GVA
 - > than share of employment (24.5%)
 - < than share of population (29%) and business stock (30%)
- Rural GM contributes:
 - 35% of GVA from the production sector (agriculture < 1% GVA)
 - 32% of GVA from the construction sector
 - 28% of GVA from the distribution, transport and communication sector
 - 21% of GVA from business services and finance sector
 - 21% of GVA from public administration, education, health and other services sectors

2.7 The Consultants undertaking the Merseyside Rural Economic Strategy presented their final findings on 3rd December 2009 at Bootle Town Hall. Should Members wish to explore in more detail the findings of the report, a copy of the final report is available on request.

3.0 Development of Integrated Action Plan

3.1 The purpose of Phase 2 is the production of a detailed, integrated Action Plan (to incorporate the RDPE programme) with related monitoring and programme management structure. This Action Plan should then support the preparation of

master bids to draw down funding from the NWDA, ERDF and other appropriate sources (i.e. Heritage Lottery Fund).

- 3.2 This work will then lead to the development of an Integrated Action Plan, which will set out a programme of activity and interventions across the study area to deliver the aims and objectives developed in the Strategy in Phase 1.

This Action Plan will:-

- Comprise a series of individual projects (local and sub-regional);
- Define costs, funding sources, responsible bodies and timescales;
- Encompass the RDPE / Leader programme (and funding); and
- Include an Assessment Framework with appropriate key performance indicators, targets and outcomes (aligned with NWDA, ERDF and other relevant programme criteria).

- 3.3 On completion of the Action Plan, Consultants will also:-

- Define and set out the programme monitoring and programme management structure required for implementation; and
- Prepare bids to draw down funding from the NWDA, ERDF and other identified sources.

- 3.4 As part of on going Phase 1 work, but clearly linked to the development of the Action Plan, Consultants will also:-

- Review and define the resources and stakeholders needed to implement any actions / action plan and identify their likely source;
- Map relevant local, sub-regional and regional programmes that may support delivery of the REAP (and vice versa); and
- Provide recommendations on the appropriate structures, actors and partnership arrangements to delivery the strategy

3.5 The Table below provides an indicative time scale for the development of the Action Plan and related activities.

Table 2 – Phase Two – Project Delivery Timetable

	04/01/10	11/01/10	18/01/10	25/01/10	01/02/10	08/02/10	15/02/10	22/02/10	01/03/10	08/03/10	15/03/10	22/03/10	* 30/04/10	31/05/10
Phase 2														
Inception		█												
9. Resource Audit			█	█	█	█								
10. Action Plan														
Identify actions / projects	█	█	█	█	█									
Work up with champions				█	█	█	█	█	█	█	█			
Partnership Structure									█	█	█	█		
Write up							█	█	█					
Client Review					█									
11. Monitoring Framework														
Identify KPIs					█	█	█	█	█	█				
Set and agree Targets								█	█	█	█			
Client Review											█			█
12. Programme Management									█	█	█	█		
13. Funding Applications													█	█
Meetings					☺						☺			☺
Payment Milestones					£						£		£	£
* Weeks compressed for formatting														

4.0 Summary

- 4.1 The development of an Economic Strategy and Action Plan for Rural Merseyside is partially complete. Phase 1 has provided an overarching analysis of the economic performance and function of Rural Merseyside. This has demonstrated the material contribution that Rural Merseyside makes to the economy of the sub-region. It has shown that a productivity gap remains between parts of the rural and urban areas, and that Rural Merseyside has the potential to increase its economic contribution.
- 4.2 Further analysis of the future challenges and opportunities facing Merseyside in the transition to a sustainable, low carbon economy has shown the importance of rural areas and the role that they can play. This analysis has also shown the need for a debate around the future role and function of Merseyside’s countryside, its relationship with the “urban core” and the role of rural settlements.
- 4.3 The project to develop a Rural Economic Strategy and Action Plan is now moving into the second phase. The purpose of Phase 2 is the production of a detailed, integrated Action Plan with related monitoring and programme management structure. This Action Plan should then support the preparation of master bids to draw down funding from the NWDA, ERDF and other appropriate sources (i.e. Heritage Lottery Fund).

- 4.4 In order to facilitate the development of the Action Plan, and in particular to ensure the Action Plan reflects the need and aspiration of Sefton Council, its partner organisations such as Parish Councils, relevant Area Committees, and local stakeholders, consideration is being given to Consultants hosting a number of meetings within Sefton. Members will be kept informed of these meetings, should they wish to attend.