

ECONOMIC RECOVERY PLAN

1. EXECUTIVE SUMMARY

This report sets out proposals for an Economic Recovery Plan for Wirral. It outlines a number of responsive measures to mitigate the impact of the recession on businesses and local residents, whilst at the same time maintaining focus on the medium and longer term economic goals of the Investment Strategy. Members are asked to endorse the Recovery Plan attached as Appendix 1; and agree that regular updates be brought back to Cabinet in order to:

- continue to understand changing economic conditions;
- assess the impact of the proposed Recovery Plan interventions;
- continue to develop appropriate and effective responses in the short, medium and long term.

2. BACKGROUND

- 2.1. Since the onset of the recession the Council and its partners have worked hard to ensure that we properly understand how the recession is impacting on the local economy, and in response have launched a number of initiatives aimed at mitigating the impact of the recession on businesses and the local community. As part of this, the Council continues to lead partners in the development and implementation of a co-ordinated and coherent response to the economic situation.
- 2.2. Previous recession update reports have outlined the latest impact of global economic conditions on Wirral's economy, and identified the various steps taken by the Council and its partners to respond to the recession.
- 2.3. However, this report represents a new dimension in Wirral's strategic response to the recession, through the development of a Recovery Plan. Wirral's Recovery Plan emphasises the need to maintain a focus on the long-term economic vision whilst also planning short and medium term responses to the recession.
- 2.4. It is proposed that the Recovery Plan be taken to LSP partners for their consideration, and that a summary external version be produced for members of the public and Wirral businesses.
- 2.5. Regular (quarterly) updates will be brought to members and partners so that we:
 - (a) continue to understand changing economic conditions;
 - (b) assess the impact of the proposed Recovery Plan interventions;
 - (c) continue to develop appropriate and effective responses in the short, medium and long term.

3. STRATEGIC CONTEXT

- 3.1. Wirral's Recovery Plan reflects the increasingly strong role placed on Local Authorities to support local people and businesses in rebuilding the local economy and increasing jobs and skills. This is incorporated in the new Local Democracy, Economic Development and Construction Act which places a new duty on local authorities to prepare an assessment of the economic conditions of their area. A separate report on proposals for Wirral's economic assessment will be brought to members in due course.
- 3.2. The new economic duty takes forward one of the key recommendations of the Review of Sub-National Economic Development and Regeneration, published in July 2007. The Review set out a series of reforms to enable regions and local areas to respond better to economic challenges and play a more significant role in promoting economic development.
- 3.3. This strategic approach aligns well with Wirral's overarching vision to build a more prosperous and equal Wirral. In terms of responding to the recent economic climate, the strategy being pursued by the Council is to work with partners to mitigate the impact of the recession locally, and at the same time continue to ensure that Wirral is best placed to move forward when the recession is over.

4. PLANNING FOR ECONOMIC RECOVERY

- 4.1. The Council and its partners continue to meet regularly to agree the best ways to support Wirral residents and businesses in the current situation. The interventions outlined in the attached Recovery Plan detail some of the existing and planned approaches, developed using our detailed understanding of the impact.
- 4.2. In responding to the recession, Wirral's Recovery Plan considers three issues:
 - **Survival:** Local businesses must be provided with appropriate support to increase their resilience to the economic downturn. In particular, micro-businesses (which make up the majority of the Wirral business base) have the potential to grow and to generate wealth and jobs, but at present may be at risk from a drop in demand from a few key customers. Without appropriate targeting these businesses may miss out on the vital support or funding to help them ride out the recession.
 - **Bounceback.** Local residents who are made redundant or who have found it difficult to access employment during the recession must be provided with the necessary support to help them get back on their feet. Raising awareness of enterprise and helping people to become enterprise-ready can provide an important route back into the labour market and the world of work. This will not only prevent a generation of workers from being lost from the economy due to short-term cyclical difficulties, it will help to stimulate demand and employment and increase the resilience of the local economy during this period of uncertainty.

- **The next generation.** There is a need to ensure that we continue to bring through Wirral's talented people, who bring new ideas and provide the role models to inspire the brightest individuals of the next generation. If this issue is not addressed now, then the problem of worklessness among young people will not just remain, it will get worse, and will result in an increase in worklessness, a rise in long-term unemployment and greater disengagement from the labour market. We must ensure that our young people do not end up outside the labour market.

5. Conclusion

- 5.1. Despite prevailing economic conditions, the prospects for Wirral's economy remain good. The attached Recovery Plan proposes a twin track approach of providing support to individuals and businesses to mitigate the effects of the recession, whilst also continuing to deliver our longer term aims for a strong and inclusive economy. This approach will position Wirral to continue generating economic growth and deliver on the vision set out in its Investment Strategy.

6. Financial implications

- 6.1. None arising directly from this report.

6. Staffing implications

- 6.1. No implications arising directly from this report.

7. Equal Opportunities/Equality Impact Assessment (EIA)

- 7.1. All of the activities outlined promote equal opportunities. An initial EIA has been completed and is attached as Appendix 3.

8. Community Safety implications

- 8.1. There are no direct Community Safety implications arising from this report.

9. Local Agenda 21 implications

- 9.1. None as a direct result of this report.

10. Planning implications

- 10.1. There are no direct planning implications arising from this report.

11. Anti-poverty implications

- 11.1. All of the activities outlined will help to reduce poverty and deprivation.

12. Human Rights implications

- 12.1. There are no implications arising directly from this report.

13. Social Inclusion implications

13.1 The approach outlined helps to promote social inclusion.

14. Local Member Support implications

14.1. There are no implications arising directly from this report.

15. Background Papers

- The Recovery Plan is attached as Appendix 1.
- A summary of latest labour market data is attached as Appendix 2.

16. Recommendations

Members are asked to:

- (i) endorse the Recovery Plan attached as Appendix 1;
- (j) agree that quarterly updates be brought back to Cabinet in order to:
 - continue to understand changing economic conditions;
 - assess the impact of the proposed Recovery Plan interventions;
 - continue to develop appropriate and effective responses in the short, medium and long term.

J. WILKIE

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This report has been prepared by Rose Boylan who can be contacted on 691 8037.