

WIRRAL COUNCIL

CABINET 21ST JULY 2011

SUBJECT:	WIRRAL INVESTMENT STRATEGY 2011-2016
WARD/S AFFECTED:	ALL
REPORT OF:	INTERIM DIRECTOR OF CORPORATE SERVICES
RESPONSIBLE PORTFOLIO HOLDER:	COUNCILLOR PHIL DAVIES REGENERATION AND PLANNING STRATEGY
KEY DECISION?	YES

1.0 EXECUTIVE SUMMARY

- 1.1 This report provides members with a revised Investment Strategy for 2011-2016. It reviews Wirral's ambitious aims to grow our economy against the context of changing economic conditions and a rapidly shifting national policy landscape.
- 1.2 This review of the Investment Strategy sets out a transformational level of ambition for Wirral's future economic growth, building on the work of the previous four years. The Investment Strategy sets out the drivers needed to create an internationally competitive economy where local employers succeed, and businesses choose to invest; an economy with high levels of private sector employment, which retains and attracts young people and provides the job opportunities for all Wirral residents to realise their full potential.

2.0 RECOMMENDATION/S

- 2.1 That the detail of the refreshed Investment Strategy is noted (Appendix 1) and that members agree the strategic priorities set out within it to drive forward economic regeneration in Wirral.

3.0 REASON/S FOR RECOMMENDATION/S

- 3.1 The Investment Strategy sets out an ambitious vision for Wirral to secure its economic future by attracting investment and creating sustainable employment opportunities for the people of the Borough. The delivery of this vision requires a co-ordinated approach to economic regeneration by Wirral Council and its partners to ensure targeted investment and the efficient use of resources. The interface between the Council and the private sector is an area that has improved significantly since the inception of the Investment Strategy in 2007, and this report sets out how this can be improved over the next five years to

ensure that Wirral develops itself as an investment friendly location for appropriate regeneration interventions.

4.0 BACKGROUND AND KEY ISSUES

- 4.1 In recent years, Wirral Council has, together with our partners, identified the need to prioritise the economic well being of the Borough through increasing enterprise and reducing economic inactivity. We originally developed a comprehensive Investment Strategy (2007) and formed a Public/Private partnership that includes significant regional and national players amongst its board.
- 4.2. Against the backdrop of changing economic conditions and a rapidly shifting national policy landscape, we have now reviewed and updated our original Investment Strategy. We have reviewed our economic priorities in consultation with our strategic partners, including Wirral Economic Development & Skills (WEDS) Partnership; the Investment Board; and Wirral's Business Forum. Alongside these extensive consultations, we have also carried out in-depth analysis of Wirral's current economic profile, using a number of key indicators of economic performance.
- 4.3 Wirral Council has made steady improvements to its interface with the Private Sector over the last four years, with Invest Wirral being re-configured to be the primary business facing arm of Wirral Council and delivering key support services. This has resulted in the development of relationships with key businesses and is evidenced by the fact that Invest Wirral has engaged over 1800 businesses during the course of the last three years.
- 4.4 Wirral's planning function has been subject to a review to improve the services offered by aligning the planning teams to offer a better interface with key developers and the appointment of a major projects officer has seen a significant improvement in how the Council handles large planning applications.
- 4.5 The creation of dedicated Investment Strategy team has also improved the Councils interface with the private sector and along with the appointment of the major projects officer, this investment by the Council is one of the principal reasons why the Council was able to deal efficiently and effectively with the UK's largest planning application to receive approval, the East Float Development at Wirral Waters.
- 4.6 Also, the alignment of strategic economic policy with the delivery of regeneration programmes, including housing has further enhanced the Councils ability to co-ordinate regeneration activity.
- 4.7. As one of the largest employers in the borough, Wirral Council has also worked hard to improve its economic influence and to maximise accessible employment and skills opportunities for Wirral people. Internal policies on procurement and human resources have been redesigned to create opportunities for targeted employment and stronger inter-departmental linkages have been forged to embed the Investment Strategy's influence.

- 4.8. The Council has worked with strategic employment and skills partners to ensure that economic growth is linked to tackling worklessness, so that Wirral residents can benefit from sustainable employment opportunities. This approach will become increasingly important as more imminent regeneration developments start to come to fruition.
- 4.9. Since the launch of the Investment Strategy in 2007, Wirral Council has targeted its investment within a more co-ordinated strategy to achieve better results. For example, the Business Support activities delivered by Wirral Council have been highly successful in supporting Wirral companies and promoting growth. However, the development of the Investment Support Services Framework has further aligned the existing activity with the introduction of new interventions to promote business growth by aligning access to finance, business advice and other investment activity to be delivered through Invest Wirral maximising the use of this resource through the co-ordination of these services.
- 4.10. Similarly, the alignment of employment and skills activity under the stewardship of the Wirral Economic Development and Skills (WEDS) Partnership has seen the co-ordination of significant amounts of European Social Fund (ESF) resources matched by Council resources.
- 4.11. This report sets out the key programmes and projects that form the direction of travel for the Investment Strategy from 2011 through to 2016. However, it also sets out key principles to build on the significant progress made over the last four years to further enhance the responsiveness of the Council to working in partnership with key Private Sector partners. It also sets out how Officers will co-ordinate activity to achieve maximum value for the investment into economic regeneration, in line with the same principles behind the development of the Investment Support Services Framework.

5. ECONOMIC PERFORMANCE

A full economic profile is set out in Appendix 2, which has informed the refresh of the Investment Strategy and its delivery plan. Key headlines include:

5.1. PEOPLE

- **Job Seekers:** Wirral has the second lowest rate of Job Seekers Allowance (JSA) in the Liverpool City Region (LCR).
- **Employment:** The gap between the regional, national and local employment rates has reduced, but Wirral's employment rate remains lower than average at 65.9%.
- **Economic Inactivity:** Although performing well in comparison to the Liverpool City Region authorities, Wirral continues to have a higher percentage of people claiming out of work benefits than the regional and national averages at 17.7%. Wirral also has high concentrations in deprived areas at 36.0%.

- **Young People:** 18-24 JSA remains high at 10.1% compared to local, regional and national figures but improvements have been made over the last 12 months.
- **Young People:** 16-18 year olds not in Education, Employment or Training (NEET) remains higher than regional and national figures at 9.1% with concentrations of NEET in deprived areas reaching up to 16% in some areas.
- **Skills Disparities:** Wirral continues to perform well in the percentage rates of qualified residents particularly NVQ Level 2 at 70.6%, however this does not correlate into reductions in worklessness or increased workplace earnings.
- **Skills Deficiencies:** Wirral performs on a par with the national average for the number of employers reporting skills gaps. However, across all occupational groups, the percentage of vacancies reported as hard to fill due to 'low number of applicants with the required skills' is significantly high.

5.2. PLACES

- **Population:** Wirral's population has declined by 2.6%, over the last ten years and is also ageing.
- **Index of Multiple Deprivation (IMD) 2010:** Wirral remains 60th most deprived nationally in the IMD 2010, even though 11% of all LSOA's in the borough are in the top 3% most deprived nationally. Wirral is ranked 10th in the Employment Domain, an improvement of 2 places since 2007.
- **Gross Value Added (GVA):** Wirral significantly lags behind other local areas in the growth of GVA, and has the lowest GVA per head in England at £11,478.
- **Job Density:** Wirral has the lowest job density ratio in the Liverpool City Region with 57 jobs per 100 residents.
- **Average Household Income:** Wirral compares well against the rest of the Liverpool City Region with the highest average household income at £34,452. This masks stark contrasts in the borough with a difference of £53,692 between the highest and lowest wards.
- **Child Poverty:** Wirral is the second least deprived authority in the Liverpool City Region but is still behind both regional and national averages with 24.2% of all children in the borough in poverty.

5.3. BUSINESS

- **Industry:** Wirral is heavily public sector dependant making up 37% of employee jobs in the borough; this is 9% above the national average.
- **Enterprise:** Wirral has increased its enterprise base by 39% since 2005 this is faster than local, regional and national averages.

- **Floorspace:** Business floorspace in Wirral has decreased since 2005, with industrial floorspace seeing the biggest decrease, land values for both Wirral and Liverpool have also decreased over this period.

6. REFRESHED INVESTMENT PRIORITIES

- 6.1. Building on the above economic analysis and our extensive consultation and review with partners and stakeholders, this report and its associated documents sets out how Wirral Council and its partners will radically drive up economic growth and increase investment in Wirral over the next 5 years. The Strategy sets out a number of drivers that we will use to develop the employment and entrepreneurial skills of Wirral people, and to make Wirral the most business friendly place to invest and locate. It is focused on three themes: People; Places and Business. The key priorities for each theme are summarised overleaf and set out in full in Appendix 1.

Table 1: Wirral Investment Strategy 2011-2016

Our Vision	Key Policy Statement	Strategic Actions
<p><u>People</u></p> <p>Our vision is to improve access to employment and skills opportunities and tackle barriers to work</p>	<p>We will tackle barriers to work and low skills in parts of Wirral and within disadvantaged groups</p> <p>We will increase the number of jobs and employment opportunities for Wirral residents</p> <p>We will ensure our young people have excellent skills and opportunities into employment</p> <p>We will ensure that economic growth is linked to tackling worklessness</p>	<p>Continue to develop Employment and Skills Strategies and Programmes that will train, attract and retain talented, skilled and knowledgeable people in the Borough</p> <p>Use of European Social Fund (ESF) and Integrated Labour Market (ILM) initiatives</p> <p>Ensure that business growth is linked to increasing employment opportunities through targeted Recruitment and Training, including Wirral's Apprentice Programme</p> <p>Co-ordinate effective outreach and engagement employment and skills activity to directly target hard to reach people and groups</p> <p>Continue to build economic data and robust intelligence about Wirral's economy, to inform and develop effective policy and projects</p> <p>Continue to speak to businesses about their recruitment and skills requirements to inform delivery of key services</p>
<p><u>Place</u></p> <p>Our vision is to position Wirral as a leading, vibrant global location for businesses and visitors</p>	<p>We will promote and expand our portfolio of high quality opportunity employment sites</p> <p>We will support the development of key sectors by facilitating investment into specific key projects, such as the infrastructure for Offshore Wind</p> <p>We will continue to improve our</p>	<p>Develop and Implement the Wirral Waters Enterprise Zone to support the Wirral Waters proposals</p> <p>Support local businesses to access new or alternative opportunities to create exciting investment opportunities such as JESSICA and the Regional Growth Fund</p> <p>Identify and facilitate the delivery of a number of priority projects including: Wirral Waters; International Trade Centre; Woodside; and new Town Centre redevelopments.</p>

	<p>interface with the private sector to attract key investment</p>	
<p><u>Business</u></p> <p>Our vision is to Make Wirral Council the most business friendly and supportive Councils in the country</p>	<p>We will maximize the available resources by co-ordinating all business support services through an Investment Support Services Framework delivered by Invest Wirral</p> <p>We will enable an increasing role for social enterprises in Wirral's economy</p> <p>We will play a lead role promoting Wirral as an investment location on an international stage and we will support Wirral businesses in accessing new markets and opportunities</p> <p>We will attract and support the development of successful businesses, particularly those in key growth sectors</p>	<p>Develop a streamlined and efficient single contact point for business</p> <p>Deliver a series of comprehensive business support service with access to advice, finance and project development</p> <p>Targeted Investment marketing to specific international markets and support for Wirral businesses to access new international markets and opportunities</p> <p>Target the following key growth sectors that (i) build on existing local business specialisms and; (ii) offer most growth potential:</p> <ul style="list-style-type: none"> • Research and Development • Offshore Energy • Low carbon • Advanced technology and manufacturing • Biomedical

7. SUMMARY

- 7.1. Wirral's updated Investment Strategy demonstrates that Wirral is a borough with enormous potential and opportunity. We will continue to engage our local businesses through our Business Forum and networking activities to promote economic growth. Wirral has seen significant improvements in its delivery activities since the inception of the Investment Strategy and whilst the global recession has had effects in Wirral, the Council has ensured its strategy has supported businesses and individuals through targeted support. However, it has also been able to continue to improve its ability to respond to investment opportunities, working with strategic partners and enhancing its interface with the private sector during difficult economic conditions.
- 7.2. In addition to our ongoing support for businesses to start up and grow, the new Investment Strategy also proposes an increased emphasis on developing a number of key growth sectors that (i) will build on existing local specialisms and; (ii) offer most growth potential. These include:
- Research and Development
 - Offshore Energy
 - Low carbon
 - Advanced technology and manufacturing
 - Biomedical
- 7.3. The focus on key growth sectors and high profile projects will be underpinned by a range of effective support services and enabling measures to attract new investment; to support businesses and to ensure that people have access to the right employment and skills services to benefit from these new opportunities.
- 7.4. We are clear that much still remains to be done to deliver the significant opportunities available to the Borough. Co-ordinated and effective actions are required to achieve this and to provide the necessary uplift in economic performance. Our refreshed Investment Strategy has shown that we have identified that achieving this uplift requires activity that both:
- supports the underlying conditions for growth. These are set out in the strategic actions of the Investing in Wirral's People and Places themes;
 - enables investment and business growth that plays to the Borough's competitive strengths – Investing in Wirral's Business.
- 7.5. However, this approach has also been built upon a number of principles that underpin the delivery of our Investment Strategy, namely:
- A greatly improved interface between council departments and the private sector to capture investment resulting from the co-ordination of activity through the Investment Strategy team and Invest Wirral;
 - The prioritisation of key regeneration activity to ensure a focused approach to investment;
 - More effective use of resources through a targeted approach to interventions;
 - Greater internal co-ordination to enable more efficient engagement with government on renewal and regeneration matters.

- Developing initiatives to ensure that local people have the skills to meet employer demand and are supported to access job opportunities.
- 7.6. The sum total of this approach adds up to an extremely competitive offer that will realise our ambition to position Wirral as a leading, vibrant global business location. The delivery proposals will be set out within the Investment Prospectus currently being developed by officers. The Prospectus will be promoted as part of the development and relaunch of www.investwirral.com in Autumn 2011.

8. RELEVANT RISKS

- 8.1. There are some indirect risks associated with non-delivery of the Investment Strategy. These relate to poor future economic performance, and failure to address current economic challenges. In addition, there is a risk that non-delivery of the Investment Strategy means that Wirral does not realise the significant economic opportunities and full potential, and remains an area in which high levels of worklessness and associated inequality exist.
- 8.2. Control factors are in place to mitigate the risks, which include the continued improvements of Wirral's interface with the private sector to promote business engagement; deliver support mechanisms; and facilitate investment opportunities. This will be delivered via the Councils' Invest Wirral and Investment Strategy Teams. Additionally, Officers will ensure that the impact of regeneration activities is maximised by continuing to align activity where appropriate, and increase the quality of services offered to facilitate the investment opportunities.

9. OTHER OPTIONS CONSIDERED

- 9.1. A comprehensive review of Wirral's original Investment Strategy has taken place, along with extensive consultation with key stakeholders to consider a number of options for achieving Wirral's economic regeneration (see section 5).

10. CONSULTATION

- 10.1. As explained above, Wirral's original Investment Strategy has been reviewed through an extensive and in depth consultation with our partners.

11. IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

- 11.1. Wirral's Investment Strategy builds on proposals for a number of regeneration initiatives, many of which are taken forward in close consultation with – and delivered by – partners from the private, public and voluntary, community and faith sectors.

12. RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSET

- 12.1. This report sets out the direction of travel for the delivery of the Investment Strategy, which will be achieved through existing resources.

12.2. As stated in paragraph 7.6, detailed delivery proposals will be set out within the forthcoming Investment Prospectus. However, members have already agreed proposals for the delivery of Investment Support Services (Item 47, Cabinet, 23rd June 2011 [Investment Support Services Framework](#)). Additionally, proposals for future delivery of International Investment are outlined in a separate report on this Cabinet Agenda.

11. LEGAL IMPLICATIONS

There are no direct implications arising from this report.

12. EQUALITIES IMPLICATIONS

12.1. The Investment Strategy includes a number of initiatives which adhere to current legislation including those relating to equal opportunities. Wirral's approach directly supports priority customer groups currently under-represented in the labour market to access sustainable employment.

13. CARBON REDUCTION IMPLICATIONS

There are no direct implications arising from this report.

14. PLANNING AND COMMUNITY SAFETY IMPLICATIONS

The Investment Strategy will be used to inform the content of the Core Strategy Development Plan Document for the Borough, which when adopted will set the land-use planning policy framework for development and investment over the next 10 to 15 years and will replace the strategic policies contained within the Unitary Development Plan for Wirral adopted in February 2000.

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APPENDICES

- Appendix 1: Wirral Investment Strategy 2011-2016
- Appendix 2: Wirral Economic Profile June 2011

REFERENCE MATERIAL

(Include background information referred to or relied upon when drafting this report, together with details of where the information can be found. There is no need to refer to publicly available material: e.g. Acts of Parliament or Government guidance.)

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Working Wirral Commissioning	13 th March 2008
Working Neighbourhoods Fund	9 th July 2008

Working Neighbourhoods Fund – Report to Cabinet	16th October 2008
Working Wirral: European Social Fund Complementary Strand report to Wirral Council Cabinet	23rd July 2008
Wirral Apprenticeship	23rd April 2009
Wirral Apprenticeship	26th November 2009
Economic Recovery Plan	4th February 2010
Extension of Wirral Apprentice Programme report to Wirral Council Cabinet	14th October 2010
Liverpool City Region European Funding Proposal report to Wirral Council Cabinet	4th November 2010
Tackling worklessness and supporting apprenticeships in Wirral through the European Social Fund	9th December 2010
Council Budget 2011-2012	21st February 2011
Tackling worklessness through the European Social Fund: Wirral Intermediate Labour Market programme	14th April 2011
Business Support Services	14th April 2011
Investment Support Services	23rd June 2011