

**Summary and Response to the RS2010 Regional Strategy for England's North West: Principles and Issues Paper**

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**1. Executive Summary**

- 1.1 This report provides a summary of the RS2010 Regional Strategy for England's North West: Principles and Issues Paper presented for consultation by the North West Development Agency (NWDA) and the Regional Leaders Forum 4NW. A proposed Wirral Council consultation response is attached at Annex A. Members are asked to support the response and authorise officers to participate as appropriate in the development of the Regional Strategy on behalf of Wirral Council.

**2. Background**

- 2.1 In 'Prosperous Places: Taking forward the Review of Sub National Economic Development and Regeneration (SNR), The Government Response to Public Consultation' the Government confirmed its intention to legislate to establish a new regional strategy to replace the existing spatial and economic strategies. The Government believes that the regional strategy should set the framework for the activities, plans and investment decisions of the RDA, the Homes and Communities Agency and other public bodies in the region along with local authorities and other regional partners in order to ensure sustainable economic development. It should set out which places and sectors should be priorities for development and investment providing clarity and incentivising private sector investment in a region.
- 2.2 The regional strategy for the North West is being developed in four broad stages by the NWDA and 4NW on behalf of the region. Work has been underway throughout 2008 to develop the evidence base for the Principles and Issues Paper released in February 2009. The Principles and Issues Paper sets out the challenges and opportunities facing the region and is subject to an open consultation until 30<sup>th</sup> April 2009. Subsequently, a draft strategy will be prepared over the summer and be subject to consultation toward the end of 2009 with the aim of agreeing a strategy in mid 2010. Throughout this time, further evidence will be gathered to shape and support the strategy.
- 2.3 The initial Regional Strategy will be a high level strategic document, which will not seek to replicate national policy. The aim will be to produce a concise and succinct document which broadly covers:
- an overview of the key regional challenges;
  - how sustainable economic growth can best be delivered;
  - a distribution of increased housing supply figures consistent with the Government's long term housing supply, affordability and quality targets;
  - how the region will tackle climate change;
  - areas within the region identified as priorities for regeneration, investment and intervention;
  - strategic requirements and provision for transport, waste, water, minerals, culture, energy and environmental infrastructure.

### **3. Key Consultation Areas**

3.1 Set consultation questions are presented in the Principles and Issues Paper under a number of theme headings. The detail of the Paper is summarised below by heading area.

#### **Introduction and Context**

3.2 The Paper sets the context for exploring the principles and issues of developing a strategy for a future fundamentally changed due to the recession, issues of climate change, low carbon economy, competing land pressures and the nature of future growth:

- The Northwest region has made significant progress in the last 20 years. Skills levels have risen and overall prosperity has increased. But important challenges remain such as ill health, worklessness, productivity, and social inclusion.
- As part of the world economy the region has the opportunity of rapidly emerging markets in Brazil, Russia, India and China. It also faces the global challenges of ever scarcer natural resources including food and energy security, improving sustainable consumption and production patterns, and adapting to climate change.
- There will be many lessons to learn from this recession, as well as dealing with the aftermath of it and identifying the nature of future growth. The future is very uncertain, with the likelihood of rapid technological and social changes, which themselves could drive growth.
- There will be increasing, and sometimes competing, land-use pressures on the countryside, urban fringe, open spaces and brownfield land. Climate change may be the single most important issue facing the region, country and world at this time, so developing a low carbon economy will therefore be essential to delivering sustainable growth and remaining competitive.

3.3 The Paper suggests that these issues mean that fundamental questions need to be asked about how our economy and society work, with a need to be radical in considering how we can integrate environmental, economic and social issues to achieve economic prosperity without unsustainable use of resources. For example, future models of growth may rely less on consumerism and credit and be based on more efficient use of natural resources.

3.4 Despite being in a global economy some of these pressures on resources could lead to increasing "localism" with stronger clustering of activities, increased home working and increased focus on local communities. The Paper promotes the need to understand how we can develop alternative models and measures of growth that reflect the importance of quality of life, culture and quality of experiences.

#### **Assumptions**

3.5 A number of major issues which will affect our society and environment in the years ahead are assumed in the paper:

- The Northwest is likely to become increasingly integrated into the European and wider world economy (which is potentially good for the region) and will need to compete harder to generate sustainable economic growth.
- The imperative for the region to compete on quality, rather than just price, will increase, at the same time as the need for the region to differentiate what it does.

- Climate change is happening and will fundamentally affect the way we live our lives and run our businesses. We will have to innovate in order to adapt and find solutions, not least to deliver against a Government target of 80% carbon reductions by 2050.
- Gas and Oil prices are likely to increase in the long term, and display increasing volatility. There will be issues surrounding availability of supply - prompting a need and incentive to reduce consumption, increase efficiency of use and develop alternative and local sources of energy.
- Some natural resources will become scarcer and this may lead to fluctuations in food & commodity prices – to counteract this we will need to manage natural resources sustainably and reduce consumption. These natural resources, including air, water, soils, landscapes and bio-diversity provide services which both directly and indirectly benefit the region, its economy and its communities.
- People will still need to commute and travel round, and in/out of, the region (not necessarily by car) for work and leisure. Work/life balance and ICT, new technology and digital infrastructure will become increasingly important though and will continue to influence the way in which we live and work.
- Cities/large towns will remain a major focus for living (residential development), economic activity and growth. Pressure on the green belt and ageing infrastructure services will increase.
- There will be an ageing population, declining cohort of school leavers and lower levels of inward migration unless we specifically set out to attract talent. However there is an expected growth in intermediate and higher level occupations. We will therefore need to make better use of our existing population by valuing equality and diversity, up-skilling and releasing the potential of the whole workforce. People will have to work longer to accumulate a pension. Older people will have higher expectations and contributions to make. The region will become more ethnically diverse.

### **Strategy Development Aims and Goals**

3.6 It is proposed that the strategy will detail a set of objective principles against which future investment decisions are made. A set of potential aims and goals are presented:

- Good levels of health;
- Affordable, appropriate, good quality, well designed, energy efficient housing;
- High standards of education available both for children and adults and training which enables people to participate in society and in work;
- A broad range, depth and attractive choice of quality employment opportunities, which reflect and recognise everyone's potential and inspire and enable ambition to be realised;
- Excellent sustainable connectivity within and to/from the region;
- Sustained and sustainable consumption, production, economic growth and investment;
- High levels of productivity, investment and enterprise, driven by innovation/research, leadership excellence and high skills;
- High employment rates and few concentrations of low employment rates with decent work in sustainable workplaces;
- Vibrant (cultural offer, activities, lifestyle choices) cities, towns, coastal and rural areas;
- Communities and places in which people feel safe and proud have a sense of belonging and get on well together with people from different backgrounds;
- A regionally distinctive natural and marine environment which has rich biodiversity;
- Good quality green infrastructure and public open space/parks accessible to all;

- Low levels of carbon emissions.

### **The Role of the North West – What Makes the Region Unique**

3.7 A number of elements are presented to define the North West's unique contribution to the future UK, European and World economy:

- The people, diverse culture, sport, positive external image and trading heritage with a critical mass of activity (from Liverpool and Manchester brands through to the Lake District - a juxtaposition of huge metropolitan areas and high quality landscapes). A welcoming and attractive place to live, work, invest and visit.
- Relatively high skill, low cost location able to service the world due to connectivity and time zones.
- Quality, diversity and character of natural and coastal environmental assets, including sustainable land management and food production, and availability of brownfield and employment land providing the potential for growth with minimal environmental impact.
- Potential renewables and nuclear energy offer.
- Advanced Engineering/Materials strengths.  
Small, but highly productive bio-medical strengths and, potentially, an emerging digital and creative sector.
- History in, and critical mass of, innovation, science, research and university assets.
- International Port and Airports.

### **Challenges**

3.8 The region has a number of persistent challenges which must be addressed if our social, environmental and economic goals are to be met. The following significant challenges for the North West are presented:

- Ill-Health, including mental health, and the economic/social impacts of this. The Northwest has over 400,000 incapacity claimants.
- Relatively poor quality, ageing house stock and limited choice in parts of the region and the need to increase the new build supply (across tenure, type, and affordability). The Northwest has a higher rate of dwelling stock deemed unfit than the England average.
- Areas of entrenched (and often intergenerational) deprivation and inequality and poor levels of social cohesion in some areas. Fifteen out of the top twenty most deprived lower super output areas in the 2007 Indices of Multiple Deprivation are in the Northwest.
- External perceptions of the region and some evidence of low expectations or aspirations within some of our communities.
- Attraction and retention of highly skilled and talented people.
- Low education and skills levels, including leadership, in parts of the region. In 2007 nearly 10% of 16-18 year-olds in the Northwest were understood to be Not in Education, Employment, or Training, the third highest level amongst English regions.  
Low employment rates. Only 12 local authorities in the Northwest have an employment rate of more than 70%.
- Lower levels of enterprise, enterprise culture & entrepreneurship, with the Northwest performing below national averages on surveys and recorded business starts.
- Growing congestion on the transport networks in parts of the region, and constraints in other places from poor connectivity and poor public transport.

- High levels of energy use & relatively poor utility infrastructure.
- Integration of urban areas more effectively with their rural hinterlands to tackle remoteness from growth and deliver sustainable markets for rural businesses.
- Volume and management of waste.
- Dealing with threats to and protection, management and enhancement of environmental, cultural and historic assets.
- Risks to markets and sectors of global climate change and to businesses, homes and places from flooding.
- Productivity and competitiveness relative to other international economies and emergence of BRIC countries (Brazil, Russia, India, China).

## Issues

3.9 In preparing the Principles and Issues Paper, NWDA and 4NW believe that the following points are particularly pertinent from the evidence base to date:

- **Low Carbon Economy, Resource Use and Water:** the need to improve efficiency of energy and resource use, reduce waste generation and manage waste and define what sustainable consumption and production mean for the North West. The region could become a net exporter of electricity from low carbon sources given its nuclear, wind and tidal resources.
- **Urban Growth:** growth will continue to be driven by our cities and towns. Manchester will continue to be central to the North West as a major driver of growth and together with Liverpool, offers huge assets and opportunities for the region.
- **Connectivity:** the region will need to significantly improve its sustainable transport infrastructure and wider connectivity. There is also the importance of strong digital connectivity in a future which is likely to see continued rapid technological change.
- **Places and Communities:** the regional strategy will need to be clear about the potential future strengths of places and their inter-relationships alongside addressing issues to do with spatial disadvantage.
- **Natural Environment and Rural Areas:** the outstanding natural environment and rural economy are clear assets for the region. The natural environment, including air, soils, water, landscapes and bio-diversity provide crucial eco-system services to the region and we need to manage these to achieve sustainable growth.
- **Skills and Talent:** the region needs to develop, retain and attract talent if it is to achieve sustainable growth and increased productivity. Ensuring access to high quality education/training, supporting sustainable, vibrant and safe communities across the region and ensuring a balanced housing offer will be essential to retaining and attracting talent.
- **Health and Worklessness:** ill-health, health inequalities and worklessness have not improved significantly in the region over the last thirty years. An integrated and fresh approach to change the culture and raise people's aspirations should be considered.
- **Innovation:** the region has strengths in science, R&D and the size of its Higher Education base and a long history of innovation. We need to encourage more people to study STEM (science, technology, engineering and maths) subjects in order to maintain and keep the skills for this sector in the region.

- **Advanced Manufacturing:** the region has clear strengths in advanced manufacturing and the importance of 'making' and exporting products and services cannot be under-estimated as has been seen in the current recession.
- **Nature of Growth and Role of the Public Sector:** there will be a need to think carefully about the nature of economic growth post recession and the public sector has an important role to play in setting the conditions to enable sustainable growth. Sustainable public sector procurement is vital to the North West economy in terms of purchasing, locational and employment decisions made by the sector.

#### **4. Wirral Council Consultation Response**

- 4.1 The full proposed consultation response from Wirral Council addressing each of the questions posed in the Principles and Issues Paper is attached at appendix A to this report. We broadly agree with the Principles and Issues as presented in the consultation paper but suggest some additional comments.
- 4.2 We have emphasized the importance of acknowledging the wider City Regions as opposed to the Paper's focus on Liverpool and Manchester as key areas for growth. As part of this emphasis, we have put forward the case for Wirral to be considered as the 'next big opportunity' within the Regional Strategy priority areas for investment.
- 4.3 We have also put forward the infrastructure challenge as an additional priority issue for the Regional Strategy to address. We have highlighted the significant challenges in facilitating major investment both at a regional and Wirral level due to major infrastructure constraints such as limited power and digital capability in specific locations.

#### **5. Financial implications**

- 5.1 There are no direct financial implications arising directly from this report. The Regional Strategy will set out a 3-5 year investment/implementation plan. All decisions and investment locally, regionally and by central Government are expected to achieve the goals laid out in the Strategy.

#### **6. Staffing implications**

- 6.1 No implications arising directly from this report.

#### **7. Equal Opportunities implications**

- 7.1 The Regional Strategy will be subject to an Equality Impact Assessment.

#### **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 The legislative changes to integrate the Regional Economic Strategy with the Regional Spatial Strategy represent a significant change to the current process, particularly with the transfer of responsibility for regional planning to the NWDA.

#### **11. Anti-poverty implications**

11.1 The Regional Strategy will aim to enable central and local government and other partners to work together to help maximize prosperity in all parts of England and tackle social deprivation and inequality.

#### **12. Human Rights implications**

12.1 There are no implications arising directly from this report.

#### **13. Social Inclusion implications**

13.1 The Regional Strategy will promote social inclusion.

#### **14. Local Member Support implications**

14.1 There are no implications arising directly from this report.

#### **15. Background Papers**

15.1 The Principles and Issues Paper and associated documents can be found at:  
<http://www.nwregionalstrategy.com/>

### **16 RECOMMENDATIONS**

16.1 A corporate group met on 20th March 2009 to develop a response to the Principles and Issues Paper on behalf of Wirral Council. The consultation questions and draft response are attached at Appendix 1 of this report.

16.2 Members are recommended to:

(1) consider the content of the RS2010 Regional Strategy for England's North West Principles and Issues Paper and endorse the proposed consultation response attached at Appendix 1 for submission to NWDA on behalf of Wirral Council.

(2) authorise officers to continue to work on associated North West Regional Strategy development issues and return further reports as appropriate.

**J. WILKIE**

Deputy Chief Executive/Director of Corporate Services

## Appendix 1

### Wirral Council Proposed Response to RS2010 Regional Strategy for England's North West: Principles and Issues Paper

#### INTRODUCTION AND CONTEXT

##### Question A

**Do you believe that things will have fundamentally changed as a result of this recession and that issues of climate change, low carbon economy, competing land use pressures and the nature of future growth are important to consider?**

It is likely that the recession will change some of the assumptions that we have made about the future. Due to the nature of the current economic recession, there is little intelligence on the sectors/industries at risk both in the short and long term therefore confidence in predicting growth areas is less clear. This will fundamentally impact both individual and organisational investment decisions in skills and employment in the short term. In the longer term, the impact of investment decisions within the global economy, in particular the BRIC countries, needs to be taken into account in the development of a 20 year regional strategy. Noted 'fast-moving' sectoral developments in China and Brazil are likely to impact on European markets and the North West will need to consider this alongside recession impacts in its long term strategies to manage spatial disparities and capitalise on emerging growth areas. Given the current lack of certainty regarding the future economy, it is vital that there is a premium on flexibility, allowing the Regional Strategy to take advantage of the opportunity to launch a re-fitting and re-consideration of the drivers of the emerging economy in the up-turn.

Although we agree that the recession will re-base the economy, it is also true that our existing regional priorities remain including: tackling deprivation; maintaining and creating nice places to live; ensuring a good skill base and providing a good infrastructure. Also, some locations will always make economic sense for new development, when market demand returns, such as highly accessible locations close to existing centres, infrastructure, markets and workforce and as such, should be supported to continue development. We can assume an inevitable shrinking of public finances, therefore the Strategy will need to identify the most sustainable locations for regionally significant regeneration, growth and expansion taking into account the Growth Points, priority needs for regeneration and the promotion of mixed uses in the most accessible areas.

We agree that the issue of climate change is important to consider and should represent a key and integrating theme in both the Regional Strategy and local Core Strategies. Proper account of Climate Change Planning Policy Statement key planning objectives and decision making principles will need to be included to ensure consideration of how these principles and mechanisms for tackling climate change respond to the diversity of the local area and region, including supporting sustainable rural communities.

#### ASSUMPTIONS

##### Question B

**Do you agree with the assumptions listed? If not, what alternative assumptions would you make? Are there any assumptions missing?**

We broadly agree with the list of assumptions presented in the paper but would suggest some additional comments.

Assumption 1: taking into account our agreement with the paper that the recession will have a fundamental impact, we would suggest that the needs and demands derived from **local** economies will provide the underlying background for economic recovery in the first instance, which will then provide opportunities to expand local specialisms back into the global economy.

There may be a need to focus on smaller scale investments and on preparing strategic sites for the future in the intervening period. The promotion of indigenous enterprise should not be ignored.

Assumption 5: environmental quality, development of renewable energy technology, infrastructure provision, quality of life and conservation of valuable resources will continue to be paramount considerations.

Assumption 6: while travel demands will remain, high and rising levels of car and road use and fossil fuel driven vehicles are still likely to be unsustainable in the longer term. Opportunities for realistic alternative forms of transport, such as water and rail, should continue to be promoted as a high priority. We need to acknowledge that there will be an increasing demand for effective engineering solutions to deliver sustainable infrastructure improvements and carbon reduction.

Assumption 7: we would argue that pressures on the green belt will not necessarily need to increase, particularly if the recession has led to high levels of vacancy in urban areas. Existing underused urban areas will have the potential to be reconfigured to provide for more compact sustainable growth, with higher levels of compatible mixed use in the most accessible locations.

Assumption 8: the impact of an increasingly ageing population, particularly those over 80 years, will lead to significant pressures on health and social care provision and will have implications for infrastructure (transport, housing: including adaptations to existing stock and the provision of specialist supported accommodation) and workforce planning.

## **STRATEGY DEVELOPMENT AIMS AND GOALS**

### **Question C**

**Do you agree that the focus of strategy should be on sustainable economic growth and contribute to sustainable development?**

A balance needs to be reached between sustainable economic growth and sustainable development and we suggest that the focus should be sustainable development which will contribute to sustainable economic growth.

### **Question D**

**In the delivery of this, do you agree with the elements outlined? Are there elements missing? How would you prioritise them?**

Take with Question E.

### **Question E**

**How do you believe these aims/goals should best be measured?**

It is unclear how the strategy development will take account of spatial differences, local and sub-regional governance drivers, and compatibility with respective measurement indicators. For example, the timing of this exercise is at odds with the timetable for local intelligence led priority setting through the economic impact assessment duty placed on local authorities as recommended in the Sub National Review. We would like to see greater flexibility introduced into the strategy to take account of existing and future localised issues and priorities over the lifetime of the document. This also has implications for the prioritisation of elements and measurements of success. We would question the effectiveness of a 'one size fits all' regional approach which limits recognition of challenges and solutions by type, area or situation. Similarly, measurements of success set by regional indicators can mask localised success or failure rates. We would welcome further work to explore and consult on options for flexible activity and performance frameworks underpinning the strategy development.

## **THE ROLE OF THE NORTH WEST – WHAT MAKES THE REGION UNIQUE**

### **Question F**

**Do you agree that these elements adequately summarise the North West's unique offer in a world economy? Are there any current or future potential elements missing?**

We broadly agree with the elements selected to summarise the North West's unique offer in a world economy but would offer some comments to strengthen the basic principles.

Element 1: the regenerated city regions centred around Manchester and Liverpool represent a superb urban offer which is on the doorstep of an equally renowned rural offer. The affordability and high connectivity between the two presents a unique marketable offer.

Element 5: the long history of expertise in manufacturing and commercial sectors should be highlighted with reference to the birth and scale of the Industrial Revolution in the region.

Element 8: the long history of expertise in the maritime economy should be highlighted with reference to Liverpool's world trade links and ship building heritage.

We would suggest that the identification of recognised Urban Growth Points supported by long term public and private investment presents an additional potential offer.

### **Question G**

**Do you disagree with any of these statements?**

The availability of brownfield land providing potential housing and employment space warrants a separate statement to highlight the unique offer.

### **Question H**

**Do you believe these elements will still be unique about the North West in 20 years time?**

Investment and promotion in the unique offer of brownfield land should result positively in the reduction of available sites. For this reason, we would hope that this would no longer be a unique offer of the North West in twenty years time.

## **CHALLENGES**

### **Question I**

**Do you agree with the challenges outlined for the North West over the coming 20 years? Are there any missing?**

Yes we would agree with the challenges identified in the paper with some additional comments offered.

Challenge 2: Housing Stock. There is a need to recognise the gaining importance of the Private Rented Sector as a sector of choice but with the challenge of raising and maintaining standards both in property condition and in management.

Challenge 3 and 6: Worklessness and Skills issues. Significantly, Wirral has the highest rate for National Indicator 153: *worklessness in the worst performing neighbourhoods* amongst all of the local authorities in the North West region and also the second highest rate nationally. This identifies the significant scale of the challenge in the borough and the acute spatial concentrations which have to be addressed. Wirral is a significant regional and national economic player due to the range and scale of challenges and opportunities presented. This is further demonstrated when we conduct analysis of the worklessness challenge across the North

West as of the 43 local authority areas in the region, Wirral is the third largest contributor to the worklessness challenge. By expanding the focus of investment to the wider City Regions however, Wirral is ideally placed to become the 'next big thing' making significant inroads into addressing the overall regional performance challenges.

Challenge 9: Transport. The customer cost of public transport trips should also be recognised as a challenge and barrier to bus and rail use. In addition, the lack of integrated transport systems eg: bus with rail etc presents an additional challenge to the effectiveness of our existing transport systems. The new Local Transport Act gives powers to encourage partnership working with transport operators and we would suggest that the North West could pilot the implementation of regional partnerships.

There are a number of significant challenges not presented in the paper which we offer for inclusion as follows:

Role of Public Sector: the Principles and Issues Paper presents the scale and resource of the public sector as an opportunity for growth. We agree that we need to examine the potential of the public sector to support growth, however the paper needs to reflect the likely contraction in resource (both human and financial) due to recession impacts on public finance. As the North West is heavily reliant on this sector, changes in funds and/or structures could quickly become a significant challenge for the region.

Border Challenges: the North West is unique in its border positioning with both Scotland and Wales, each with their own legislative and devolutionary powers. This presents a significant challenge for the region, particularly played out in Wirral/Cheshire with transport, business and education funding, planning, development and customer use. The Dee Estuary has a significant role to play in green infrastructure and tourism developments as part of the North West offer and investment in the transport infrastructure ie: the Wrexham to Bidston line, would open up access as well as providing the wider economic benefits of linking areas of opportunity to communities of need.

Inward Investment: how we address inward investment as a region is a significant challenge due to the size and breadth of offer across the region. Retaining focus on Liverpool and Manchester as drivers of the economy potentially limits the offer to the core urban zone and potentially misses the opportunities in the outlying city region economies. The danger is that the outlying areas become 'dormant' economies (predominantly residential areas serving a city workforce) which in turn presents an increasing strain on sustainable transport issues.

Infrastructure: enabling the region to maximise its re-development and inward investment potential is reliant on the supporting infrastructure. Key strategic areas of the North West suffer significant challenges in lack of power supplies (parts of the Wirral Business Park) and lack of adequate digital capability (fibre optic links into Wirral).

## ISSUES

### Question J

**Do you agree that the list of major issues for the region to address via the Regional Strategy are correct and will lead to sustainable and equitable economic, social and environmental wellbeing? Are there any issues you would remove? Are there any issues missing from your perspective? How would you prioritise these issues?**

The issues arise from the challenges for the North West presented in the paper and as such are appropriate. The infrastructure challenge as highlighted in our response to Question I: Missing Challenges, warrants inclusion as a significant issue for the region to address via the Regional

Strategy in order to enable economic growth. The impact in Wirral highlights how the lack of adequate infrastructure presents a significant issue for the region.

Wirral faces a number of significant challenges in facilitating major investment and development over the next five years, particularly in relation to major infrastructure constraints. In fact, the ability to resolve these infrastructure issues is one of the biggest challenges in overcoming market failure. Whilst a number of brownfield sites have been identified for development for employment use, the utilities required for facilitating the private sector investment require updating and upgrading. Without the necessary power supply to support new investment and development, many opportunities will never get beyond feasibility stage. The majority of sites in Wirral's two regionally strategic sites (Wirral International Business Park and Birkenhead's Docklands and Enterprise Zone) potentially require power supply to make them viable.

Alongside the general utility issues, there is a strategic requirement in Wirral to drive new investment technologies by promoting Wirral more competitively as an investor location, creating employment opportunities and contributing to the delivery of the Investment Strategy and the Sustainable Community Strategy. Fast and reliable internet connectivity can influence business decisions on where to locate and support organisational innovation and access to new markets. There is currently insufficient bandwidth in Wirral to support high-speed services along the 'last mile' via domestic telephone cables. In Wirral, as in other areas across the region, an adequate local fibre-optic broadband infrastructure could provide an important source of competitive advantage.

### **Question K**

**Do you agree with the assertions made in these issues? Have you got any specific comments on the issues raised or the inter-relationships between them?**

With regards to the assertions made in the issues outlined in this paper, we offer some additional comments for consideration.

Low Carbon Economy, Resource Use and Water: policies need to be justifiable and robust to deliver growth and provision in the renewable energy sector through a credible evidence base and well developed and deliverable policy. Sustainable appraisal needs to be an integral part of gathering of evidence and policy testing for any climate change strategy. In order to start the process, there needs to be a thorough exploration and mapping of all renewable energy providers, partnerships and stakeholder arrangements to make the best use of existing climate change skills and knowledge in developing policy. Monitoring and review processes will need to be undertaken in a timely way, focusing on measuring outcomes and refining policy and practice to deal with climate change, mitigation and adaptation throughout the life of the plan period. There needs to be recognition of locational and technical constraints and opportunities for renewable energy development with the potential sensitivities around sustainable energy installations.

Urban Growth: the focus of the narrative is too narrow with a concentration on the growth of Liverpool and Manchester. It is vital that the Regional Strategy acknowledges the need to take the next steps to drive opportunities arising from the wider central areas of the **City Regions**, enhancing the overall City offer by expanding the focus towards neighbouring Boroughs in order to spread the opportunities for investment and wealth. Regionally, unless a unique opportunity is identified, a strategic review of the green belt should be opposed until opportunities in the urban areas have been fully exploited eg: Woodside, Wirral Waters as specific Wirral examples. The new Growth Points will be significant areas of opportunity for urban growth and merit greater significance in the regional strategy as do the areas of HMRI.

Connectivity: all themes support growth with the exception of transport which is subject to constraint policies. We need to acknowledge that while constraint policy supports the development of alternative, sustainable solutions, we are still going to require adequate systems for car use in the short to medium term. An acknowledgment of this enables the inclusion of selective areas that require expansion to meet 'over demand' such as car parking solutions and highway improvements. Alongside this, the Regional Strategy needs to prioritise key existing and potential transport developments which themselves contribute to reducing car use such as:

- Borderlands: extending transport solutions to reduce car use and improve employment opportunities for people from areas of high deprivation;
- Rail Freight Link: reducing the need for reliance on lorry distribution, making the best use of existing infrastructure and increasing port activity;
- Port Wirral: post panamax developments and making use of the ship canal by bringing the waterways into modern use.

Digital connectivity is not given sufficient weight within this issue and we would suggest is fully explored within a separate infrastructure issue as presented within our response at Question J.

Places and Communities: We agree that an important part of contributing to regional prosperity and economic growth is creating places and balanced communities that offer a quality of life to existing residents and are attractive to potential residents particularly those who are driven to move home due to employment reasons. A key contributor to this is the place-shaping role that the Housing Market Renewal (HMR) programme is delivering as part of the restructure of failing housing markets in the inner urban core of Merseyside. The HMR programme is now, after 5 years, starting to transform some of the places in Merseyside where housing market decline and low demand was most concentrated. The programme is now at a key stage of seeing large sites being assembled for new-build housing of a type, mix and density to sustain places in the long term, and innovative solutions are being adopted to sustain a house-building programme in Wirral through the period of recession to support the local economy and meet immediate local housing needs.

We welcome the inclusion of identified additional areas with unique opportunities and challenges which are offered for consideration as part of the strategy. We believe Wirral offers the mix of significant challenges and opportunities that warrants its inclusion in this analysis of places and communities. Wirral faces a number of challenges that must be addressed if it is to become a thriving place for employment and enterprise. Key issues are:

- Low rate of business start-ups (although survival rates are improving)
- Low stock of VAT-registered businesses
- Very low job density
- Decline in employment in Wirral since the late 1990s
- Low rate of self-employment
- Below national average productivity in both manufacturing and services
- Growing gap in skill levels and prosperity within Wirral
- A shortfall in quantity and quality of sites/premises for modern business need

Gross Value Added (GVA), a standard indicator of wealth creation is relatively low, given the number of working age residents. In 2003, GVA per working age adult was 30% below the North West average, and there have been few signs of the gap closing in recent years. GVA per worker also falls short of the North West level by 20%.

Despite the significant challenges facing the borough, the future strengths and opportunities are clear:

- Wirral Waters is a transformational, 30 year, £4.5 billion, dockland regeneration scheme being taken forward through a partnership with Peel Holdings (the major land-owner) and Wirral Council.
- The Mersey Heartlands New Growth Point offers unique opportunities and includes the entire HMRI area in Wirral. Major private sector investment is already being delivered and a significant amount is being proposed over the next 30 years with a potential value

in excess of £10bn. The area represents a significant opportunity to deliver transformational economic development in inner Merseyside, providing thousands of new jobs and delivering new housing to support economic growth.

- Wirral has two areas in scope as part of the present review of Regional Strategic Sites for the North West, namely Wirral International Business Park and Wirral Docklands.

Natural Environment and Rural Areas: we would make a general point about the need to use a range of relevant evidence and information sources. For example, with regard to the 'State of the Rural North West Report' recently produced by SQW, there is an issue about using this as the key rural economy evidence base for the NW. Because of the (Defra) classifications and data used, Merseyside is not featured at all within this report.

It is important to therefore consider a range of additional evidence and information about the rural economy – such as the Merseyside Rural Economy Strategy currently being developed. This is using some proxy definitions and data sets to capture the extent of the rural economy across Merseyside. For example, this research includes analysis of the substantial areas within the green belt in Merseyside, as well as the significant coast and countryside swathes. It is important to consider local and sub-regional priorities and to deliver resources and solutions at the appropriate spatial level. Furthermore, there are a number of important messages at the local and sub-regional level that should be reflected in RS2010. These include:

- rural and urban economies are strongly integrated and inter-dependent
- issues, challenges and opportunities vary across different types of rural areas
- important economic contribution of businesses located in rural areas and home to highly skilled populations
- high quality distinctive environments that attract visitors, highly skilled people and businesses to the NW
- Quality of Life and health benefits
- important role in tackling climate change (eg biomass) and taking advantage of low carbon opportunities, energy and food security, sustainable consumption/production
- need to consider high earnings differential between resident and workplace earnings

There is a need to consider the use of a number of data sets. For example when considering Business Support in rural areas, reliance of numbers of VAT registrations as an indicator will underestimate the large numbers of farmers whose businesses are operating at sub-VAT levels. Within BSSP, need to consider challenges in delivery of business support in rural areas.

It is essential that detailed consideration is given to land usage and food production – both in the short term and also as part of wider strategic international discussions. Clear differentiation is needed between open countryside in rural areas and open countryside in Green Belt areas.

We would raise a number of general points that need further consideration as the Regional Strategy is developed – including:

#### Challenges

- micro/small businesses rely more heavily on personal finance;
- low wages for rural workers create difficulties
- difficulties in raising awareness of support available
- stalled infrastructure investments

#### Opportunities

- government support for low carbon future, opportunities for biomass
- some evidence of upward trends in business starts in rural areas
- increased opportunities for tourism due to falling personal wealth and Euro exchange rate

Skills and Talent: In light of the uncertainty in the current jobs market the Regional Strategy should be cautious in its focus on specific sectors for drivers for growth. Over marketing of specific sectors has a significant impact on both institutional and personal investment decisions in skills training. We would suggest careful consideration on how to present the emerging growth sectors beyond recession and reflect the need for broad skills to meet any uncertainty in future markets. To support this, there is a need for flexible qualification routes and a change in the traditional education and skills landscape. The paper is relatively weak on utilising the education sector and the need to drive institutional change eg: vocational HE and industry-based skills at secondary school level.

Health and Worklessness: we welcome the inclusion of health and worklessness as a significant issue for the Regional Strategy and agree that the region has not seen significant improvement in the last 20-30 years. Partners across the Liverpool City Region are currently developing a **Fit for Work** activity, to support those on sickness absence back into employment and reduce the flow of people from work onto Employment Support Allowance. This approach has been taken to accelerate this model of early intervention as recommended by Dame Carol Black in Working for a Healthier Tomorrow. Partners in Wirral have established a Wirral Working for Health partnership that consists of NHS partners, Wirral Council, Jobcentre Plus, Trade Unions and organisations from the third sector. The Partnership has been commissioned through Working Wirral (WNF) to deliver a programme of interventions to tackle the health and worklessness issue. We would argue, however, that there are additional worklessness issues outside of the health theme that remain a clear focus for addressing and warrant worklessness as a single issue in its own right. This would provide the flexibility and opportunity to support innovative pilot programmes that are tailored to the specific needs of individuals living in our most deprived areas through the Regional Strategy.

Innovation: we would welcome a focus on exploiting the potential of our innovation spin-out companies within our SME base and attracting existing and new incubator enterprises from the knowledge based industry sector. With our strong Further and Higher Education base, the North West could further capitalise on its advantages as a region to develop and grow this sector. Whilst the focus of the paper is on exploiting the research, innovation and post-graduate potential of the HEI sector, it is also important to recognise the potential of the under-graduate element and the issue of connecting HE with surrounding communities.