

WIRRAL COUNCIL

ECONOMY & REGENERATION SCRUTINY COMMITTEE

5 SEPTEMBER 2011

SUBJECT	ECONOMY & HOUSING BUDGET ISSUES 2012/13
WARD/S AFFECTED	ALL
REPORT OF	INTERIM DIRECTOR OF CORPORATE SERVICES
RESPONSIBLE PORTFOLIO HOLDER	CLLR PHIL DAVIES & CLLR GEORGE DAVIES
KEY DECISION	YES

EXECUTIVE SUMMARY

- 1.1 As part of the 2012/13 Budget Consultation process Cabinet are asking Scrutiny Committees to consider the functions within their portfolio and offer suggestions as to how to close the estimated £25 million budget gap and limit any Council Tax increase in 2012/13.
- 1.2 The responses will be considered along with the responses from the other engagement processes to inform the budget setting process. Further consultation will be undertaken regarding any specific service changes.

2.0 RECOMMENDATION

- 2.1 That the views of Scrutiny Committee are requested.

3.0 REASONS FOR RECOMMENDATION

- 3.1 Cabinet has requested the views of Scrutiny Committees to inform the 2012/13 Budget Consultation process.

4.0 BACKGROUND AND KEY ISSUES

Financial projections for the Council

- 4.1 Cabinet is regularly updated on the financial position of the Council and the latest Budget Projections report was considered on 21 July 2011. The Director of Finance reported that the shortfall between likely spend and likely resources was £25 million for 2012/13 with shortfalls of £31 million and £30.3 million identified for 2013/14 and 2014/15 respectively.
- 4.2 The Government is presently considering options for the future funding of local authorities and the level of any Government Grant supported is affected by population numbers. Both could result in further reductions in available resources to the Council. The Leader of the Council requested Members and employees to consider carefully what was included in budgets and let him have any suggestions for making savings.
- 4.3 The key issues and challenges facing the Department are set out in Appendix 1 of this report.

5.0 RELEVANT RISKS

5.1 Schedule 1 sets out the functions of the Department and risks can only be assessed once Members have given their views.

6.0 OTHER OPTIONS CONSIDERED

6.1 None as this report is seeking the views of Members.

7.0 CONSULTATION

7.1 Consideration by the Scrutiny Committee is one of the means which is being used to inform the setting of the 2012/13 Council Budget.

8.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

8.1 None arising directly from this report.

9.0 RESOURCE IMPLICATIONS

9.1 None arising directly from this report.

10.0 LEGAL IMPLICATIONS

10.1 None arising directly from this report.

11.0 EQUALITIES IMPLICATIONS

11.1 None arising directly from this report.

12.0 CARBON REDUCTION IMPLICATIONS

12.1 None arising directly from this report.

13.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

13.1 None arising directly from this report.

REPORT AUTHOR: **Rose Boylan**
telephone: 0151 691 8037
email: rosemaryboylan@wirral.gov.uk

APPENDIX 1: ECONOMY & HOUSING BUDGET ISSUES 2012/13

REFERENCE MATERIAL

SUBJECT HISTORY

Council Meeting	Date
None	

APPENDIX 1:

ECONOMY & HOUSING BUDGET ISSUES 2012/13

Corporate Plan theme Your Economy
Service Area Business Support and attracting Inward investment Planning- Development management and Building Control Forward Planning Economic Development Private Sector Housing Supporting People and Adaptations Housing Strategy and Homelessness Tourism
Budget: £21,378,200

Contents

- Section 1: Corporate Objectives
- Section 2: Department Budget
- Section 3: Departmental Overview
- Section 4: Impact and achievements
- Section 5: Challenges
- Section 6: Opportunities
- Schedule 1: Breakdown of service delivery

1. CORPORATE OBJECTIVES

1.1. Introduction

The Corporate Services Department leads the delivery of the following core services:

- The delivery of the Investment Strategy
- Addressing the strategic housing and support needs of Wirral residents and improving housing markets
- Providing advice to the planning committee and providing an effective enforcement and conservation service

The primary focus of the Department is the delivery of Wirral's Investment Strategy. The key aim of this is to build a Borough founded on a strong, vibrant economy, with high levels of employment and investment, where businesses flourish, and all Wirral residents have the skills and opportunities to work. It ensures the housing needs of the Borough are delivered, more jobs are created and that Wirral is promoted nationally and overseas as a destination for investment and tourism. Planning policies are produced; planning applications are processed and building developments are inspected to ensure the sustainable delivery of the Investment Strategy.

- 1.2. The department also contributes to the delivery of several Council-wide aims; and specifically, to the following objectives within the Corporate Plan:

Your Family – Children and Young People

- Increasing the numbers of 16-18 young people in education, employment and training including vulnerable groups
- Improving outcomes for children and young people where poverty and disadvantage affect their achievement

Your Family – Adults

- Delivering the Care Quality Commission DASS Improvement Plan (specifically: improving Employment opportunities for people with Learning Disability)

Your Neighbourhood

- Reduce Wirral's carbon footprint
- Support vulnerable people in maintaining their independence in the community
- Prevent and alleviate homelessness
- Make best use of the existing housing stock across all sectors
- Provide new and affordable homes

Your Economy

- Grow Wirral's economy and improve access to employment and skills opportunities and tackle barriers to work
- Market Wirral as a world class location for businesses and visitors
- Make Wirral Council the most business friendly and supportive Council in the country

Your Council

- Ensuring the Council meets the legal requirements of the 2010 Equality Duty
- Review the delivery of the Planning Service in light of the Localism Bill

2. DEPARTMENT BUDGET

2.1. The Department has a budget of £21,378,200 which is detailed in Schedule 1.

The Capital Programme allocation for the Corporate Services Department is shown below:

Expenditure	2011/12	2012/13
Think Big Investment Fund	400	300
West Wirral Schemes	206	0
Destination West Kirby	1,100	150
Wirral Country Park (£1.3m in 2013/14)	0	1,600
Mersey Heartlands New Growth Point	0	0
Improvements to Stock	850	800
Clearance	0	0
Disabled Facilities – Adaptations	1,550	1,550
New Brighton Phase 2	0	0
Quarry Bank Affordable Housing	345	0
Wirral Healthy Homes	105	105
Cosy Homes Heating	250	250
Empty Property Interventions	125	125
Power Solutions to Strategic Investment Areas	250	4,750
Total Expenditure	5,181	9,630

2.2. Budget Issues

Key challenges are as follows:

- Significant reduction in external Community Fund resources which are due to end March 2012 - £1.2 million to support Homelessness Teams and Private Sector Housing Teams from the Community Fund and carry over of HMRI funds
- £500k shortfall in income target against actual income for Development Control
- £740k in year grant to tackle worklessness will not be received in 2012/13. This will impact on the delivery of worklessness schemes.
- The vast majority of Revenue Budget relates to staffing costs, as a result of £20 million reductions from April 2011 due to loss of Working Neighbourhoods Funds; HMRI; and the Regional Housing Pot

3. DEPARTMENTAL OVERVIEW

3.1. Investment Strategy

The Corporate Services Department leads the delivery of Wirral's Investment Strategy, a key corporate priority. Wirral's Investment Strategy recognises that a successful economy is fundamental to the Borough's future prosperity and to achieve social equity outcomes. The Strategy aims to deliver a Borough founded on a strong, vibrant economy, with high levels of employment and investment, where businesses flourish, and all Wirral residents have the skills and opportunities to work.

We recognise that areas with an under performing economy, and significant concentrations of deprivation and disadvantage requires additional innovative approaches to grow the economy. Furthermore, it is essential to understand the significant impact of Wirral's economic challenges on wider inequalities and deprivation. Apart from the limited individual life opportunities, this puts massive pressures on wider services that the Council delivers.

Against the backdrop of changing economic conditions and a rapidly shifting national policy landscape, we have recently reviewed and updated our original Investment Strategy. **The Investment Strategy 2011-16** was agreed by Cabinet in July 2011 and sets out how Wirral Council and its partners will drive economic growth and increase investment in Wirral over the next 5 years.

The Strategy is based on robust economic data and a strong understanding of Wirral's economy. We continue to produce regular economic updates, and ensure that this evidence base is used to inform and develop effective regeneration policy and projects in Wirral across the 3 main themes of Place, People and Business.

3.2. Core Services of the Department

3.2.1 Economic Regeneration: The department continues to play a leading role in driving forward our local economy, working to attract new investment to the borough, and creating skilled jobs that will increase employment and improve the lives of families.

This includes the development and implementation of a number of initiatives to facilitate investment and make Wirral the most business friendly location in the country. Key priorities for this year will be taking forward our Enterprise Zone, International Trade Centre, and supporting businesses to access new opportunities such as the Regional Growth Fund (RGF) and New Enterprise Allowance.

The department continues to lead on the delivery of Wirral Waters and to help secure private investment on a scale that will transform the local area. The £4.5 billion project has the potential to provide up to 20,700 jobs. We will ensure the project is integrated into the wider regeneration of Birkenhead and Wallasey and delivers economic benefits for the whole of Wirral.

The alignment of strategic economic policy with the delivery of regeneration programmes, including housing, has further enhanced the Council's ability to co-ordinate regeneration activity.

3.2.2. Tackling worklessness and improving skills: We are committed to increasing employment in all parts of the borough and working with the Government to help those people who can work back into employment. This year, we have continued to develop the Wirral Apprentice Programme, as well as implement a number of new employment and skills projects to support those unemployed Wirral residents who most need it.

3.2.3 Implementation of the Local Development Framework: We continue to prepare a Core Strategy Development Plan Document, for adoption in late 2012, to set out the Council's vision and spatial strategy for the social, economic, and environmental regeneration of the Borough. The Core Strategy will replace the Council's Unitary Development Plan and will be used to identify the land needed for homes, jobs and infrastructure and to guide decisions on individual planning applications, legal agreements and the Community Infrastructure Levy.

We are also jointly preparing jointly a Waste Development Plan Document, in partnership with the councils of Halton, Knowsley, Liverpool, St Helens and Sefton, to identify suitable sites to maximise recycling and minimise landfill.

3.2.4. Support to business and social enterprise: The department supports businesses to start up, grow and become sustainable. We are co-ordinating all business support through Invest Wirral to offer a seamless and single point approach that improves how businesses are supported throughout the business life cycle.

In addition, we will continue to support international trade links to maximise inward investment and enable Wirral businesses to access new markets and opportunities.

3.2.5. Investment Marketing: The Department leads the delivery of a clear Wirral investment package and brand. It manages and maintains Wirral's tourism and investment marketing web presence including www.visitwirral.com. The nationally recognised www.investwirral.com website continues to attract significant interest, and research recently conducted by Ipsos MORI will inform and target future campaign activity to attract inward investment.

3.2.6. Tourism: The objective of this business service area is to effectively and efficiently market Wirral as a quality visitor and investment destination, and help create a sustainable environment that benefits the local community and businesses. An annual implementation plan has been developed to help achieve this objective and includes:

- **Encouraging Business** – supporting a 100 plus private, public and community sector Wirral Tourism Business Network and six Partnerships (ie accommodation, attractions, coast, food and drink, golf and, history and heritage)
- **Excellent Events** - Develop, support and deliver an annual programme of new and existing events to raise the positive profile of the Borough nationally and regionally, including Mersey Pirate Muster in New Brighton, Christmas Food Fayre in Port Sunlight and Wirral Golf; International Kite Festival in New Brighton; Port Sunlight Summer Festival, Hoylake RNLi Open Day in Hoylake, Wirral Food and Drink Festival in Bebington, Birkenhead Park Festival of Transport Festival, Tourism Awards, etc.

3.2.6. Housing Services: The service continues to meet the Council's statutory homelessness and housing advice duties. This includes homeless prevention services, incorporating mortgage rescue, housing and debt advice, private sector tenancy bond/support scheme and emergency temporary accommodation for those who have lost their homes. Provisions of a range of housing options and improving access to housing of all tenures including delivery of the CBL service on behalf of most of the social landlords in Wirral. This includes working with key partners such as the Citizens Advice Bureau to provide support and early intervention to prevent homelessness. Key elements of our approach will be determined by a strategic review of homelessness services and development of a new Homelessness Strategy.

Statutory functions also include strategic housing services including assessments of local housing needs and conditions and development of housing strategies/plans to address these needs. The service delivers and manages revenue and capital budgets

totalling £6.5m; this includes the Councils Home Insulation Scheme's £2.098m per annum.

The Supporting People and Adaptation services provide preventative services, designed to assist the most vulnerable people in society to achieve and maintain independent living through the delivery of support services such as sheltered housing and disabled adaptations such as stairlifts and ramps. By providing these services it reduces the financial burdens on other, more costly, budgets such as Social Care and enables people to remain in their own homes.

The Council's strategic direction in relation to housing is set through the Housing Strategy Statement 2011 – 2026. The Strategy and Strategic Housing Plan has been developed following an extensive process of evidence reviewing and public consultation, to obtain specific views on all of the key issues which inform housing policies and initiatives for the future. The Strategic Housing Plan clearly determines the approach to meeting the needs of the Borough, it supports housing market and economic growth and promotes inward investment whilst also addressing and supporting the needs of vulnerable people in our communities. The Housing Strategy Statement 2011 - 2026 was endorsed by Cabinet on 23rd June 2011 and its implementation is driven forward by the Housing Service. The Strategic Housing Plan clearly aligns with the Sustainable Communities Strategy and Corporate Plan objectives and as such the broad range of statutory and non-statutory activity delivered by the Housing Service supports all objectives within the Corporate Plan.

Supporting vulnerable people in maintaining their independence in the community, preventing and alleviating homelessness, making the best use of existing housing stock across all sectors and providing new and affordable homes are all key corporate priorities and the primary focus for the delivery of these priorities is through the Housing Service.

3.2.8. Development Control and Building Control

The service processes planning applications, taking into account local plan policies, government guidance and the individual merits of each scheme, in order to control development in the Borough in the public interest. It ensures that buildings are properly designed and constructed and encourages the sustainable use of resources.

The service is also responsible for enforcing planning decisions and for conserving the Borough's heritage assets.

The Government's intention is to radically reform the planning system in order to make it clearer, more democratic and more effective. The Service will need to respond to these changes and review its service delivery in light of the Localism Bill while continuing to provide advice to the Planning Committee, meet performance targets for determining planning applications, defend Appeals effectively and provide an effective enforcement and conservation service.

The Department is currently undertaking a costing process of staffing time and duties in conjunction with other authorities in the Liverpool City Region and the wider North West region, together with benchmarking exercises carried out by the Planning Advisory Service and CIPFA. This exercise is extremely important should the Government, as has been suggested, give authorities the opportunity for Councils to set their own individual planning fees for planning applications.

The Service's handling of an existing backlog of Enforcement complaints is well underway and it is proposed that the Planning Enforcement Policy will be reviewed and overhauled in 2011/12. This project will also introduce an effective policy for

dealing with works to protected trees that will enable resources to be focused, taking account of all the relevant issues arising from the Government's growth agenda and the increased workload of applications and the need to formally discharge planning conditions.

The Service continues to maximise the contribution of heritage assets to the economic development and visual enhancement of the Borough and to provide urban design lead & guidance to improve the quality of development. It also continues to advise members of the public and community groups on development in relation to historic buildings and conservation areas.

4. ACHIEVEMENTS AND IMPACT

4.1. Tackling worklessness: Ensuring that business growth is linked to increased employment opportunities for local people requires our workforce to have the necessary skills to meet the needs of investors and businesses. We work closely with employers and new businesses to ensure that economic growth is linked to tackling worklessness. The department has worked extensively with partners to bring a focused and co-ordinated approach to tackling worklessness and improving skills levels. This approach has led to the Department securing some significant resources to support Wirral residents secure employment including:

- Sourcing, securing, developing and subsequent contracting of Future Jobs Fund budget, resulting in 650 jobs created;
- Wirral Apprentice programme directly secured – resulting in 313 direct apprenticeship job outcomes
- Wirral Worklessness programme directly secured – resulting in 702 direct job outcomes

This approach will become increasingly important to ensure that Wirral residents can benefit from sustainable employment opportunities particularly as imminent regeneration developments start to come to fruition.

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.

4.2. Economic Analysis: We continue to build and capture robust intelligence about Wirral's economy. This has been particularly important during the recession, informing Wirral's Economic Recovery Plan and enabling delivery of responsive and effective projects to support Wirral residents and businesses. Clearly the recession has impacted upon business growth at both a national and international level, but the actions that the Council has taken to address the economic downturn have both minimised the negative effects upon the Borough and ensured that it is well placed to take advantage of new and emerging opportunities.

4.3. Business Support: Wirral Council has made steady improvements to its interface with the Private Sector over the last four years, with Invest Wirral being 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 Invest Wirral has engaged over 1,800 businesses during the course of the last three years and captured inward investment projects which have generated an investment value of over £23 million into the local economy.

In addition, funding support has been provided through the Think Big and Big Business investment grants with 179 investment projects being supported in 2010/11. This also included supporting companies to access regional and national funds. This work enabled Wirral to put in place a robust Economic Recovery Plan to respond to the economic downturn in ways that both minimised the negative effects upon the Borough and ensured that it is well placed to take advantage of new and emerging opportunities. Actions included financial planning assistance, targeted resources through a grant programme, business advice and project management support. The total grants distributed from April 2009 to date amount to over £1.9M. As a result of

the activity above Invest Wirral has generated an investment value of more than £23M and has helped create and safeguard 1689 jobs.

Recognising the importance of supporting businesses to grow, to strengthen the economy and provide employment, Wirral Council has committed significant resources to build on Invest Wirral's successful approach. The recently agreed Investment Support Services Framework will ensure that Invest Wirral provides a single point of contact and a seamless service for the business lifecycle by providing a range of co-ordinated and innovative services that assist businesses to set up, grow and maintain competitiveness.

- 4.4. Securing Investment:** The creation of a dedicated Investment Strategy team and improved integration with Wirral's planning function, including the appointment of a major projects officer, has enabled the council to carry out a range of activity that supports the offer to the private sector and ensures that the underlying conditions to attract investment are in place by facilitating opportunities whilst still fulfilling statutory obligations. This has included dealing efficiently and effectively with the UK's largest planning application to receive approval, the East Float Development at Wirral Waters and ensuring that this will be linked to the wider regeneration of Birkenhead and Wallasey and delivers economic benefits for the whole of Wirral. It also includes taking forward our Enterprise Zone, working with businesses to access new opportunities such as the Regional Growth Fund (RGF) and New Enterprise Allowance and maximising opportunities from the International Trade Centre proposals.

We continue to work with other private sector and strategic partners to develop the wider City Region and Regional economies. In addition to the Investment Board, this will include supporting the newly established Local Enterprise Partnership (LEP) and Mersey Dee Alliance. We are developing proposals to increase inward investment, that will add value to TMP's LCR 'umbrella' investment strategy and allow the Council to target specific sectoral and project based opportunities that identifies market opportunities.

- 4.5. Tourism and Visitor Economy:** This service helped to sustain a tourism economy worth over £250 million and which employs almost 4,000 people in Wirral. Wirral events have an economic impact worth over £2.5million. Recent initiatives include:

Making It Easy (for visitors and businesses): Wirral tourism marketing literature is developed, delivered and distributed around the north west (eg Visitor Guide, Food and Drink Guide, Walk and Cycle Trails, Nature Guide, Events Leaflet, etc). Wirral Investment marketing literature is also developed and delivered (ie targeted to specific potential investors both nationally and internationally).

Intelligence Led: Research is managed and conducted at each event to evaluate past performance and plan future activity. External funds are sourced and secured, and support is provided to Wirral's businesses to develop projects for external funding (eg 11 tourism businesses have accessed over £625,000 of grant from the Rural Development Programme for England over the past 18 months).

- 4.6. Improving Infrastructure:** We are taking forward a number of projects aimed at increasing the number and quality of business sites and premises and to improve our Town Centres. In addition, we will continue to develop the infrastructure required to enable business growth and investment. In particular, through the procurement of a super-fast next generation broadband network, we aim to create a world-class business environment that will allow companies to thrive by reaching new customers, increasing sales, reducing time to market and greatly lowering operating costs. The project also aims to improve Wirral's premier brand as an enterprising location for high

growth inward investment. The supply of sufficient power to support development of Wirral's business parks is also of strategic importance; consequently we will strengthen the links established with key players within the electricity industry and seek to shape future investment decisions.

- 4.7. Housing:** The recent alignment of strategic economic policy with the delivery of regeneration programmes, including housing, has further enhanced the Council's ability to co-ordinate regeneration activity. We recognise that delivering economic growth is inter-linked with developing a strong housing and quality of life offer. It is clear that achieving high value growth must be driven alongside an improved offer of quality and appropriate housing. Our approach is based on the co-location of areas of need and opportunity for housing and economic growth on an unparalleled scale to achieve new growth and investment at the heart of an area of very substantial and sustained deprivation.

We continue to build upon work to improve housing standards for our residents to reduce inequalities and will explore all means to deliver alternative ways of delivering housing renewal and growth as a transition from the HMRI programme to other housing interventions in line with the new housing policy framework. This may include clearance of poor quality, obsolete housing that no longer meets the needs of our residents or refurbishment or improvement where this is more appropriate, and taking enforcement action, where appropriate, to ensure reasonable standards in the private sector stock. Work will be continued to reduce the energy consumption of residents and provide greater affordable warmth. The delivery of the Cosy Homes Insulation Programme will provide up to 24,000 measures in residents homes by 2012, assisting to reduce energy consumption, and provide a positive outcome for residents.

The service has secured investment from Government and attracted external agencies and partners to deliver housing to benefit Wirral residents and support employment opportunities (£54.2m secured during 2008-2011).

The numbers of long term empty properties in Wirral have been steadily increasing in recent years. Wirral's Empty Property Team has developed an effective toolbox of measures to address empty properties and last year was instrumental in bringing back into use over 280 long term empty properties. Targets have been stretched to 300 long-term empty properties this year as well as 60 empty property grants approved. In addition the team have successfully introduced a range of new incentives from private sector leasing, developer liaison and proactive monitoring and targeting hot-spot areas to encourage owners of long term vacant properties to either refurbish and re-let or dispose of them to help meet the boroughs housing needs.

Through Supporting People and Adaptations services we assist approximately 8,000 Wirral residents per year to remain independent in their own homes through the provision of aids and adaptations and support services such as sheltered housing. The positive impact of these services is realised by increasing the length of time clients remain in their own home and the quality of life they experience. In addition they do not have to access more costly residential care service, thereby alleviating the financial burden on other Council Departments and services.

- 4.8. Securing external resources:** At a time when public sector resources to support economic regeneration are being radically reduced, departmental expertise has enabled Wirral to successfully identify, bid for and secure some significant external funding for local initiatives. These include:
- A bid of £4m being made for transitional funding for HMRI schemes. A decision on this bid is awaited.

- A Regional Growth Fund bid of £4,115,315 with Keepmoat Homes to develop a number of sites in the former HMRI area. A decision on this is awaited.
- As part of the contract discussions regarding the Newlands 2 Programme between the NWDA and Forestry Commission, the Council has been able to negotiate and secure £2.204m to restore the former Bromborough Landfill site and £1.4m for a green infrastructure project which will help to set the scene for growth as part of the Wirral Waters project.
- The Council has also supported a local developer to secure a £1.3m European grant to provide 1,896²m of Grade A office accommodation in Birkenhead.
- Wirral Worklessness/ILM Programme £2,440,620 budget resulting in 702 direct job outcomes.
- Assisted Peel in securing Land Remediation funding for West Float

5. CHALLENGES

5.1. Economic Performance

Wirral's updated Investment Strategy demonstrates that Wirral is a borough with enormous potential and opportunity. 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 during difficult economic conditions. However it is clear that much remains to be done.

Key Economic Indicators

- **Employment:** Wirral has the second lowest rate of Job Seekers Allowance in the Liverpool City Region (LCR). 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 LCR 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 9.0% 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.
- **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 LCR with 57 jobs per 100 residents.
- **Child Poverty:** Wirral is the second least deprived authority in the LCR but is still behind both regional and national averages with 24.2% of all children in the borough in poverty.
- **Industry:** Wirral is heavily public sector dependant making up 38% 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.

In summary, Wirral faces a number of key economic challenges as follows:

People

- The main challenge for Wirral's workforce is to overcome the high levels of economic inactivity in disadvantaged groups and in the most deprived parts of Wirral
- Overall the borough performs well in terms of skill levels, however, there are pockets of the borough with concentrations of low skills and young people not participating in education, employment and training
- There is a need to engage with the long term unemployed
- There is also a need to ensure the skills base of the existing workforce is developed to match the emerging employment opportunities in high growth sectors
- A key goal is to ensure that the curriculum in schools provides young people with relevant skills so that they can secure future job opportunities

Place

- The key challenge is to address the shortfall in the quantity and quality of employment land and premises to meet the economic growth targets of the Investment Strategy, maximising the opportunities that Wirral's geography provide
- There is a need to radically increase levels of inward investment and increase jobs

Business

- The key challenge to growing Wirral's economy is to improve Wirral's business base and increase jobs.
- There is a need to increase the number of business start-ups, levels of self-employment.
- There is also a need to speed up economic growth, and achieve significant growth in higher value sectors

Housing

- The changing economic climate has provided challenges for the housing service, particularly through high demand for housing, debt advice and an increase in the numbers presenting as homeless resulting in greater demand for support services to assist vulnerable people.
- Wirral's ageing population will require greater investment in aids and adaptations to properties to enable Wirral residents to remain in their own homes.
- Housing affordability in Wirral is not just limited to the more affluent areas where property prices are well in excess of the average householder's financial capacity to obtain a mortgage. Affordability is just as much prevalent in a wide range of neighbourhoods which fall within the eastern side of the Borough where resources are being focused to restructure local housing markets.
- The average earnings in the borough compared to the average sales prices presents particular problems in house affordability, especially for those at the lower end of the earnings scale such as young first-time buyers who also have limited savings to assist with deposits.
- Vulnerable people exist in a variety of groups and we will work to provide support to those individuals to maintain independent living, participate in mainstream community and contribute to the local economy. We will, based on evidence of need, commission appropriate housing and support services and refocus services where required. In 2011/12 this will include renegotiating service provider contracts to ensure value for money for the client and authority and refocusing key services such as the Black and Minority Ethnic support service and Disabled Persons Housing Register.

5.2. External Challenges

- (i) **Public Sector economy:** It is important to consider potential implications of reductions in public sector budgets on the local employment landscape and the effects on the local economy. This is particularly important, since indicative analysis shows that Wirral has a significant reliance on public sector employment.

- (ii) **Policy Landscape:** Against a rapidly changing policy landscape, the department has been providing effective expert economic analysis and responses to ensure that Wirral's priorities are reflected, and also to identify and secure external resources wherever possible. This is particularly important given the significant shift away from central government intervention and support, and reduction in available regeneration resources. Wirral needs to maximise opportunities for investment through the LEP and City Region governance arrangement. It will be essential to ensure that Wirral continues to secure a share of any future public sector resources and attracts increasing levels of private investment in order to deliver our Investment Strategy goals. This approach will build on some of the recent successes outlined earlier in paragraph 4.8.

Housing: Key to supporting this work will be to work with housing provider partners to maximise opportunities through the Homes and Communities Agency Affordable Housing Programme (2011-15) to regenerate priority areas and provide housing that meets peoples needs. This will be further enhanced following the recent alignment of strategic economic policy with the delivery of regeneration programmes including housing to co-ordinate regeneration activity, enabling a more joined up approach to working with private developers and funding agencies to identify and bring forward the development of strategic development sites across the borough.

Whilst sales values in Wirral's inner area would be within reach of some individuals, the quality and choice of offer is not consistent with aspirations of purchasers so there is still work to do on investing in those areas where unpopular, poorer quality housing is not attractive to would-be buyers.

Business Support: National policy changes are particularly impacting on Business Start/Support programmes, and Wirral needs to consider how it will ensure that businesses continue to receive targeted advice and support to develop and grow sustainably.

Welfare Reform: In addition, there have been extensive changes to Welfare Reform that will significantly impact on Wirral residents. It will be essential to ensure that Investment Strategy aims to grow our economy are linked to reducing worklessness so that residents can benefit from sustainable employment opportunities created by regeneration projects such as Wirral Waters. This is particularly important to directly target people and groups who may be hard to reach; or who may have specific multiple barriers to accessing employment; and to develop skills within our workforce that will drive economic growth in priority sectors. In relation to the new Work Programme, it will be essential to monitor and scrutinise local delivery of Prime Contractors, in order to pro-actively identify and address any issues of local impact and performance. This is particularly important given DWP's decision not to permit any data sharing about Primes' performance until Autumn 2012.

- (iii) **Population demographics:** Many Wirral residents enjoy an excellent quality of life. However between the most affluent and the most deprived areas there is a stark mortality gap, with those in the most affluent areas living on average over 10 years longer than those in the most deprived areas. Addressing this disparity and related deprivation are at the heart of the Investment Strategy vision.

Wirral has an ageing population; the number of older people is set to increase considerably over the next two decades. By 2031 it is estimated that 26% of Wirral's population will be aged 65 or above¹. This will have a considerable impact on health

¹ Wirral Joint Strategic Needs Assessment (JSNA) 2009/10

and social care services, as the number of older people presenting with health related problems increases. This also clearly has implications for Wirral's economy, not least that there will be more people claiming benefits such as state pensions and less people working and paying income taxes.

Wirral's Investment Strategy is focused on priorities to tackle worklessness, improve skill levels; and increase enterprise, business growth and investment. It is important to have a strategic and coordinated approach to economic regeneration, tackling worklessness and related child and family poverty. Tackling child and family poverty is particularly pertinent to Wirral's economic regeneration, given the borough's persistent concentrations of high levels of worklessness and low income households.

- (iv) **Global competition:** Wirral's Investment Strategy recognises the importance of attracting new inward investment to Wirral in order to deliver a strong and dynamic economy and provide employment opportunities for Wirral's residents. In order to secure new inward investment, Wirral Council will need to work with its strategic partners to maximise the use of key resources to target specific companies in countries that are interested in the UK as an investment location and use the products and opportunities on offer to generate interest and where possible, secure investment for Wirral

6. OPPORTUNITIES

The department continues to play a leading role in driving forward our local economy, working to attract new investment to the borough, and creating skilled jobs that will increase employment and improve the lives of families. The housing offer in the Borough underpins economic growth and sustainable communities and forms a key strand of our corporate Investment Strategy. We will be actively seeking to improve the housing offer, by making best use of our existing housing stock, including bringing empty properties and derelict land back into use, and supporting investment and planning gain to provide new and affordable homes. Wirral has a number of specific investment opportunities that have been developed since the inception of the Investment Strategy in 2007. The quality of these opportunities and products are now recognised as extremely high, particularly for promotion internationally. Key opportunities include:

- 6.1. **Wirral Waters:** In 2010, Planning permission was given to Peel Holdings' Wirral Waters East Float development, which is the UK's largest regeneration project to have been given planning approval. The £4.5 billion regeneration scheme will take place over the next 25 years and will create in excess of 20,000 new jobs. Peel Holdings is beginning to promote the development on an international basis using a renowned team of property specialists to build a strong and recognisable brand for Wirral Waters, specifically identifying key investment projects within the short, medium and long term.
- 6.2. **Enterprise Zone:** The whole of the Wirral Waters site has been designated as one of the four named 21st Century Enterprise Zones (EZ) by central government. EZ status will assist businesses through tax incentives, superfast broadband, improved infrastructure and simplified planning rules. The EZ provides a clear opportunity to promote the Borough as a preferred location for inward investment and it is anticipated that Wirral will receive an increased number of investment enquiries, which needs to be secured by being able to offer a high quality investment product. It also provides an opportunity for the Council to maximise its investment in business support.
- 6.3. **International Trade Centre:** The Council will also work to maximise the opportunities created by the recent planning application from Peel Holdings to develop an International Trade Centre at the West Float site of the Wirral Waters development

and support the co-ordination of this opportunity with other sector development proposals. The 4 phased development totals in excess of 2.5 million square feet that would enable up to a 1,000 separate companies from China, India, South Korea or other emerging economies, to exhibit, sell, assemble and distribute their goods into the UK, Irish and European markets. The facility will include showroom spaces, warehousing/ storage and assembly facilities. The ITC will be the first of its kind in the United Kingdom and the largest and most sustainable Trade Centre in Europe.

6.4. Wirral International Business Park: One of the region's most impressive regeneration success stories is Wirral International Business Park (WIBP). However, there is over 70 hectares of employment land still to be developed at WIBP and its strategic importance is higher than ever in terms of its ability to support the opportunities of key sector developments.

6.5. Offshore Energy opportunities: The port related facilities of the Eastern end of the Borough offer a unique opportunity of available land, skilled workforce, port and harbour facilities and access to an established supply chain to serve the West coast, East coast and Scottish West coast offshore renewable energy markets. Cammell Laird offers the offshore wind industry an excellent range of opportunities for both manufacturing and pre-assembly as well as operation and maintenance bases for the wind farms. At the heart of the UK economy's shift to low carbon, by 2020 the offshore wind industry alone could be worth £75bn and support up to 70,000 jobs in the UK and the uniqueness of the Cammell Laird offer, alongside high quality port related land, is a key investment offer for Wirral as a place to target appropriate investment to support this sector.

6.6. Birkenhead Town Centre: Wirral's Integrated Regeneration Strategy for Birkenhead outlines the potential for new opportunities and development in and around Birkenhead. The Council will be working with Partners to ensure that Birkenhead is developed and strategically linked with the wider regeneration aspirations for the area. This includes ensuring that new development is physically integrated with the surrounding area so that connectivity with Birkenhead Town Centre is maximised.

Work is underway to bring together a range of activities that directly support the unlocking of the development potential of sites adjacent to Wirral Waters to deliver private sector led economic growth and to optimise the linkages with Birkenhead and the surrounding areas.

6.7. Brand New Brighton: Phase 1 was completed in 2008 with the opening of the new Floral Pavilion Theatre. Phase 2, a £40 million mixed-use, retail and leisure development is due for completion in 2011.

6.8. Tourism and Visitor Economy: The Ricoh Women's British Open Championship will take place in Wirral during September 2012, the Wirral Year of Coast and Countryside, and The Boys British Amateur Championships will take place in 2013. The Open Championship will return to the Royal Liverpool Golf Club in Hoylake in 2014.

SCHEDULE 1: Breakdown of service delivery

Corporate Plan theme Your Economy
Service Area Housing Strategy & Homelessness
Budget £3,223,800 – this includes £2.098m revenue budget for delivering the Councils Home Insulation Scheme
Brief service description (max 100 words) This service is responsible for:- <ul style="list-style-type: none">• Statutory homeless and housing advice and assistance service. This includes homeless prevention services, incorporating mortgage rescue, housing and debt advice, private sector tenancy bond/support scheme and emergency temporary accommodation for those who have lost their homes.• Securing investment from Government and attracting external agencies and partners to deliver housing to benefit Wirral residents and support employment opportunities (£54.2m secured during 2008-2011).• Statutory functions relating to strategic housing services including assessments of local housing needs and conditions and development of housing strategies/plans to address these needs.• Delivering and managing capital programmes of £3.6m in addition to the revenue budget identified above.

Corporate Plan theme Your Economy
Service Area Forward Planning
Budget <i>Pay - £282,700</i> <i>Running costs - £64,100</i>
Brief service description (max 100 words) The Forward Planning service consults with members of the public to set out how Wirral's land should be used to support long term growth and protect our environment. This Plan is called Wirral's Local Development Framework and it includes how much land is needed for homes, jobs and roads, how the Borough's town centres could be supported and policies for the protection of the environment, such as open space and the Green Belt.

Corporate Plan theme

Your Economy

Service Area

Business Support and attracting Inward Investment - Invest Wirral and Inward Investment

Budget

Employees: £298,000

Running Costs: £1,559,300

Brief service description (max 100 words)

Wirral Council recognises the importance of attracting investment to the Borough and supporting businesses to set up and grow. Invest Wirral is the Council's single point of contact and offers a range of support for business development.

This includes providing specialist advice, help for businesses to enter new markets at home and abroad, access to targeted business grants and support for social enterprises. Invest Wirral runs a business forum which increases trading and networking opportunities for businesses. The service also keeps a database of available commercial properties, actively promotes Wirral as a business investment location and will specifically target companies to attract inward investment projects to Wirral.

Corporate Plan theme

Your Economy

Service Area

Economic Development - Investment Strategy, Economic Policy and Regeneration

Budget

Employees: £1,193,900

Running costs: £1,637,500

Supporting Apprentices: £500,000

Supporting Next Generation Access: £1,075,000

Brief service description (max 100 words)

The service supports the growth of the Borough's economy by:

- progressing major developments, such as Wirral Waters, New Brighton, Wirral International Business Park;
 - attracting private sector investment and public sector funds;
 - developing sites and improving the quality of business premises;
- taking forward programmes to support Wirral residents to gain the skills necessary to meet employers' needs and to overcome the high levels of unemployment in the Borough, which has pockets of deprivation amongst the worst in the country.

Corporate Plan theme

Your Economy

Service Area
Planning – Development Management and Building Control
Budget <i>Employees</i> £1,535,500 <i>Running Costs</i> £372,700 (Income is generated through Building Control and Planning Applications)
Brief service description (max 100 words) The Planning service processes planning applications, taking into account local plan policies, government guidance and the individual merits of each scheme, in order to control development in the Borough in the public interest. It ensures that buildings are properly designed and constructed and encourages the sustainable use of resources. The service is also responsible for enforcing planning decisions and for conserving the Borough’s heritage assets.

Corporate Plan theme Your Economy
Service Area Housing Services Private Sector Housing
Budget Revenue Budget £1,026,800
Brief service description (max 100 words) Delivers significant elements of Wirral’s statutory housing responsibilities, protecting public health through housing interventions targeted at sub standard housing conditions, improving neighbourhoods and assembling land for housing development by securing investment into housing in the Borough. This includes housing clearance, improvements and new-build programmes; protecting the health and safety of residents in higher risk Houses in Multiple Occupation, improving standards in the private rented sector through Landlord Accreditation, bringing empty properties back into use and protecting the health and wellbeing of vulnerable residents through Healthy Homes. The service is also delivers a capital programme of £5.3million in addition to the revenue budget shown above.

Corporate Plan theme Your Economy
Service Area Supporting People and Adaptations
Budget Employees: £958,400 Running Costs: £9,045,000 Total: £10,003,400

Brief service description (max 100 words)

The Supporting People and Adaptation programmes provide preventative services, designed to assist the most vulnerable people in society to achieve and maintain independent living through the delivery of support services such as sheltered housing and disabled adaptations such as stairlifts and ramps. By providing these services it reduces the financial burdens on other, more costly, budgets such as Social Care and enables people to remain in their own homes.

The service also includes the additional delivery of £3m capital programme for adaptations in addition to the revenue budget shown above

Corporate Plan theme

Your ECONOMY

Service Area

Tourism

Budget

- Employees - £242,400
- Running Costs: £200,600 (including contribution to Tranmere Rovers Football Club)
- Tourism Events: £139,100 (including Investment Marketing)

Brief service description (max 100 words)

This service is responsible for the effective marketing and promotion of Wirral as a quality visitor destination and providing advice and support to tourism businesses. 2012 has been designated the Wirral Year of Coast and Countryside to encourage visitors for day and short breaks in Wirral which will provide much needed support for the tourism sector during the current economic downturn.

The service is also responsible for attracting potential investors to Wirral and supporting major tourist events which attract visitors to the area and help increase income which is vital for the sustainability of Wirral businesses.