

REPORT TO: Employment, Learning, Skills and Community
Policy and Performance Board

DATE: 15 September 2014

REPORTING OFFICER: Strategic Director, Children and Enterprise

PORTFOLIO: Economic Development

SUBJECT: Growing Economic Prosperity in Halton –
Knowing we Are Making a Difference

WARD(S) Borough-wide

1.0 **PURPOSE OF THE REPORT**

1.1 The purpose of this report is to inform members on research being undertaken to identify and prioritise future resources and actions aimed at growing economic prosperity in Halton.

To do this, the report outlines that HBC and its partners should firstly undertake an evaluation of previous regeneration activity and secondly, should undertake a detailed business survey to better understand Halton's business base.

This will enable us to better measure the economic impact of our interventions and ensure that future resources are deployed to maximum benefit.

2.0 **RECOMMENDATION: That**

The PPB notes work the Council and its partners are undertaking to:

- i) Evaluate existing economic regeneration initiatives;**
- ii) undertake a research project and in-depth business survey aimed at better understanding Halton's business base;**
- iii) Undertake research to determine views from property developers, investors and commercial property agents about their perceptions of the attractiveness and obstacles to inward investment in Halton;**
- iv) complete a desk top exercise which maps existing business support activity provided to local businesses and evaluates the economic impact of these interventions;**
- v) produce a policy report identifying key national policies focused on helping UK businesses to grow and how this**

- relates to Halton activities;**
vi) **produce an action plan identifying key future interventions.**

3.0 **SUPPORTING INFORMATION**

- 3.1 Growing the economic prosperity of the borough is a key priority for the Council and its partners. If we grow our economy, it not only increases the wealth and well-being of our residents, it will generate increased revenue for the Council through, for example, increased business rates and Council Tax payments.
- 3.2 Few can argue that the physical transformation of the borough over the last 15 years has been considerable, and Halton Council has successfully adopted a spatial strategy and Master planning approach to supporting the economic regeneration of Halton. This is because, despite being a relatively small borough, it contains a number of important sites and strategic regeneration assets within its boundaries. 'Big opportunities' and 'Big Projects' have been used to drive the economic transformation of the borough. In transforming the borough, the Council has provided sites and locations that are attractive to inward investors.
- 3.3 The Council has also set aside resources to improve and grow the business base in Halton.
- 3.4 It has also worked hard to raise skills and reduce unemployment in the borough because there is recognition that educational attainment and skills have a huge impact on the economic prospects of Halton and there is a strong correlation between skills and qualifications and the potential for increasing business growth and productivity.

Similarly, resources have been set aside to improve the borough's infrastructure to ensure that we are well-connected both physically and digitally.

However, a reduction in human financial and physical resources will require the Council and its partners to review its economic growth strategy. This may result in the Council placing greater emphasis on different priorities.

For example, the balance between place and people orientated interventions may change.

But until we undertake the research, it will be difficult to draw any firm conclusions on what our future strategy should be.

How Will the Evaluation be conducted?

The evaluation of previous regeneration activity will present some considerable challenges mainly due to the time that has passed between the end of regeneration programmes and the gathering of this information.

There may be incomplete and sometimes contradictory programme data on finance given changes to the regional funding and governance landscape.

Some stakeholders and former project managers are no longer available to engage with the evaluation.

Nevertheless, a 'desk top' exercise will be undertaken to ascertain 'what has worked, what has not worked'? The evaluation will be short and sharp and will focus on:

- A review and evaluation of data relating to HBC-led schemes for example, Castlefields, 3MG and the Widnes Waterfront; Information gathered will also consider the human, as well as financial resources the Council as allocated to bring forward these schemes;
- a review of other research undertaken. This could be research already completed at a regional and city region level, for example ex ante evaluations of SRB and ERDF programmes.
Information gathered will be quantitative focusing on for example, costs, jobs created, jobs safeguarded, people trained etc.;
- an analysis over a five year period of borough wide economic indicators, as outlined in the Council's Local Economic Assessment 2013 and Sustainable Communities Strategy;
- an in depth analysis of the contribution Halton has made to the business rates pool over the last 5 years i.e. which businesses pay the most? In which sectors are they based? In which areas of Halton are they based, and would investment in some of our industrial sites lead to uplift in business rates?

Undertaking a Halton Business Survey

The main focus of our research will relate to the undertaking of a Halton Business survey. In 2010, the Council and its partners commissioned ECOTEC to conduct a Business Perceptions Survey across the borough. Whilst this was a useful piece of work, its purpose was to gauge the views of employers in relation to identifying current and potential future skills needs and did not consider other factors that would contribute to the success of our businesses.

It is felt that a comprehensive survey of businesses in Halton is required to not only better understand the needs of businesses in Halton, but also to ensure that our resources are deployed to deliver maximum added value. For example, do we focus on our 'Top 100 Businesses?' Are we sector led etc.?

The survey will seek responses in the following areas:

- Profile of businesses in Halton
- Details on Business growth
- Changes in employment and turnover
- Drivers of, and barriers to, growth Cost pressures
- Financing growth
- Local area and community Satisfaction with the local area
- Potential relocation
- Support for the local economy and community
- Use of business support and advice
- Ways businesses would like to be kept up to date with our services
- Business mentoring
- Areas in which likely to look for support and advice
- Export, Trade and Connectivity
- Relationships with international markets
- Use of public transport
- Innovation
- Innovation activities undertaken or planned
- Constraints to innovation
- Use of the Internet
- Ways in which businesses connect to the internet
- Internet connection speed
- Recruitment and Skills
- Training plans
- Proportion of the workforce qualified to degree level
- Employment of Apprentices

A review of existing data sources will refer to existing intelligence HBC holds on types of businesses and sectors in Halton, as well as, research we have completed on the 'Commercial Property Offer' in Halton. In addition, the work will refer to industry-led research, research in other parts of the North West (New Economy, Business Leaders Team), as well as policy papers produced by the Government i.e. the department for Business Innovation and Skills. We have made an approach to the University of Chester, and we have appointed a post-graduate for 6 months, to work with us to develop this research project.

4.0 **POLICY IMPLICATIONS**

4.1 It is expected that the work described above will help Halton to continue to develop an 'evidence-based' approach to economic regeneration.

4.2 It is anticipated that the proposals will complement work that the Liverpool City Region Combined Authority is developing through the Economic Development portfolio, and the implementation of the Local Growth Plan and European Structural and Investment Plan/Fund.

4.3 The Local Enterprise Partnership (LEP) is undertaking some evaluation work at City Region level. Although this is at a wider geographic basis, it would be worth having a better dialogue with the LEPs (including Cheshire and Manchester) to better evaluate and understand the contribution Halton makes to the wider City Region economy.

5.0 **OTHER/FINANCIAL IMPLICATIONS**

5.1 Some existing in-house resources are being set aside to progress this work. The Council's Business Improvement and Growth Team and Customer Intelligence Unit can adjust existing work priorities to support this project. Their role would be to analyse and interpret rather than gather the data.

5.2 It is suggested that a small project management team comprising representatives from Halton Chamber, Riverside College and HBC is established to oversee the development of these proposals.

6.0 **IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

6.1 **Children & Young People in Halton**

It is suggested that the research will support schools and colleges in better understanding the employment and career opportunities that local businesses require.

6.2 **Employment, Learning & Skills in Halton**

Some of the research will focus on the skills local businesses require to sustain and grow their businesses.

6.3 **A Healthy Halton**

N/A

6.4 **A Safer Halton**

N/A

6.5 **Halton's Urban Renewal**

As mentioned some of the research will consider the physical transformation of the borough and how we can build on this success to further improve the borough's urban environment

7.0 **RISK ANALYSIS**

7.1 There is a risk that the project will 'drift' and become less focused on delivery. However, the research project is for a finite period and the brief is to consider how we learn from our previous experience in regenerating the borough, and apply practical steps needed to continue to grow Halton's economy.

8.0 **EQUALITY AND DIVERSITY ISSUES**

8.1 There are no Equality and Diversity issues directly arising from this report.

9.0 **LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

There are no background papers under the meaning of the Act.