

**REPORT TO:** Executive Board

**DATE:** 4<sup>th</sup> June 2009

**REPORTING OFFICER:** Strategic Director Corporate Policy

**SUBJECT:** Liverpool City Region Multi Area Agreement

**WARDS:** All

## 1.0 PURPOSE OF THE REPORT

- 1.1 This report seeks Executive Board approval for the development of the second phase of the Liverpool City Region's Multi Area Agreement (MAA). One of the proposals set out in the Government's Sub-National Review of Economic Development and Regeneration (published in July 2007) was for Government to strengthen the role of local government in delivering economic growth through supporting collaboration by groups of local authorities via the development of voluntary MAAs. As a result the first element of the Liverpool City Region (LCR) MAA, the Employment and Skills Platform, was approved and signed by the Prime Minister in January 2009.
- 1.2 The remaining three Platform papers for Economy, Housing and Transport, together with a revised background paper, the Story of Place, have now also been developed and it is proposed that they be submitted to Government for agreement on the 9<sup>th</sup> June 2009. This report will therefore give an outline of each of the three Platform papers together with the 'Asks' of Government and related indicators and targets. The report requests that Members endorse the elements of the MAA to be negotiated with Government.
- 1.3 The report will also provide Members with an update on:
- The implementation of the Employment and Skills Platform;
  - Delivery/performance management arrangements for the MAA.

## 2.0 RECOMMENDATION: That the Board

- (1) **Endorses the elements of the Multi Area Agreement to be submitted to Government on the 9<sup>th</sup> June 2009, namely the revised Story of Place and the Economy, Housing and Transport 'Asks' of Government;**
- (2) **Agrees the timetable and process for the submission of the MAA in June 2009, including the production of an Equality Impact Assessment for the MAA; and**

- (3) Notes the progress made in implementing the Employment and Skills Platform of the MAA which was signed with Government in January 2009.**

### **3.0 SUPPORTING INFORMATION**

#### **3.1 BACKGROUND**

- 3.1.1 In September 2008 Executive Board considered and agreed proposals to develop further the City Region governance model, including the setting up of a shadow City Region Cabinet and associated policy boards. Members also endorsed the submission to Government of the first element of the LCR MAA – the Employment and Skills Platform together with a background paper – the Story of Place and agreed that three further Platform papers covering the Economy, Housing and Transport should be developed. (Agenda Item 6b, Minute No.41 refers).
- 3.1.2 The proposals for strengthening city region co-operation that were agreed in October 2008 are based on a long history of partnership working between six Liverpool city region local authorities of Halton, Knowsley, Liverpool, St Helens, Sefton and Wirral as well as with Joint Boards. This reflects the understanding that issues such as worklessness, job creation and housing can be more effectively addressed and co-ordinated at a city region level. The proposals recognised that there are a number of policy and programmes where collaboration to address common issues at a city region level can bring added value to the work of each local authority. It was therefore agreed that LCR joint working would build on the current structures and focus on those activities that:
- individual local authorities cannot undertake alone;
  - will achieve better value outcomes through collaborative decision making;
  - will lever in additional/maximise existing public funding.
- 3.1.3 The proposals also recognised that formalising the city region structures also provided opportunities to strengthen linkages with neighbouring local authorities and that Warrington, Cheshire West and Chester, and West Lancashire would be invited to be 'Associate' local authorities.
- 3.1.4 It was also noted that the sharing of experience and exchange of best practice across the city region will lead to improvements in service delivery in respect of the level of activity delivered and also its quality. Joint working should also result in benefits through achieving economies of scale and thereby provide the opportunity to maximise spend on front facing public services. The principle of providing value for money underpins the rationale for city region working with

structures being based on existing sub regional partnerships wherever possible.

3.1.5 In agreeing to progress joint working through the development of the MAA, city region partners recognised that this would be a voluntary agreement between local authorities, their partners and Government to work collectively to improve local economic prosperity. As such it has provided LCR partners with an opportunity to identify common issues where collaborative working can bring added benefits and, in addition, where freedoms and flexibilities granted by Government could increase the effectiveness and impact of this joint working. Government outlined the key elements that should be contained in an MAA, namely that it should:

- Contain a Story of Place which shows a sound understanding of the economic issues and challenges to be addressed at the sub-regional level and the added value which can be delivered through an MAA;
- clearly articulate what the city region will deliver in the longer term and what specific 'Asks' are requested of Government which will help to achieve delivery on the ground;
- Demonstrate robust and accountable governance mechanisms.

3.1.6 As a result the LCR MAA reflects issues which each local authority has identified as being ones where they see the benefits of working together at the city region level and where collaboration will increase local effectiveness.

## 3.2 THE LIVERPOOL CITY REGION MAA

3.2.1 Building on the City Region Development Programme agreed in 2006 which set out a number of key strategic priorities for the city region, the MAA has been developed by identifying areas where joint working is currently taking place across the local authorities and where greater collaboration with Government could increase the effectiveness of this work. The work falls broadly into four areas and the LCR MAA therefore consists of a Story of Place and four elements – the Economy, Employment and Skills, Housing and Transport Platforms.

3.2.2 It was agreed that the development of the MAA would be an iterative process with the Story of Place and Employment and Skills Platform being agreed with Government in January 2009 and the remaining Platforms (together with a new Story of Place) being submitted in June 2009 for negotiation and agreement with Government.

3.2.3 The MAA is now being developed in a time of global economic recession. The focus of the MAA is on the longer term and aims to address the underlying weaknesses of the LCR economy – this includes low skill levels, low workforce productivity, low business base and high levels of worklessness. However, the MAA also provides an opportunity to work in partnership with Government to aim to minimise

the adverse impact of the economic downturn for our residents, communities and businesses, as well as ensuring that we are better positioned for future sustainable recovery and growth.

3.2.4 The Story of Place and the three Platform papers - Economy, Housing and Transport will be placed on the intranet with the approved Employment and Skills Platform. As was the case with the Employment and Skills Platform, these papers will be subject to the negotiation process with Government which will progress during June 2009, following approval of the Platforms' Asks by each of the six local authorities. However, any amendments that result from these negotiations are likely to provide further explanation of the Asks together with greater clarity of the impact on the city region. As such the main principles are unlikely to change.

### 3.3 THE REVISED STORY OF PLACE

3.3.1 The Story of Place was submitted and agreed with Government in January 2009 and it covers the key issues and challenges faced by the city region. Since its submission a number of changes have taken place, including the economic downturn, and the Story of Place has now been updated to reflect these changes and provide the background to why developing the MAA will bring added value to the work of the city region partners.

### 3.4 THE ECONOMY PLATFORM

3.4.1 The Story of Place outlines the vision for economic growth over the next twenty years, the good progress that has been made over the past ten years and the challenges and opportunities still facing the economy. The Economy Platform builds on this to recognise that whilst the underlying prospects for growth across the LCR show an improvement on their historical performance, that a 'business as usual' approach will not close the gap between the city region's performance and that of the North West and UK. What is needed is a step-change in economic performance and the platform focuses on four transformational actions, which it evidences as providing the stimulus for accelerating this growth. These actions are Culture and Tourism, SuperPort, Low Carbon Economy and the Knowledge Economy.

3.4.2 It is important to recognise that the actions laid out in the economy platform comprise only part of the efforts that are being made to improve the economy of the City Region. This includes local employment and enterprise initiatives (including LEGI), local neighbourhood renewal, infrastructure investment, inward investment, sector development and the business support simplification programme. These are not mentioned in detail in the economy platform other than in the context of a) the transformational actions or b) where Government can do something specific to address a particular barrier.

- 3.4.3 The Economy Platform identifies the key features underpinning the choice of these transformational actions as being that they will deliver:
- Greater outcomes – able to contribute to closing the gap;
  - Build on the distinctive features of the LCR economy – ie reflecting those areas where we have existing market advantage;
  - Be future looking – re-engineering the economy to be globally competitive by building on our existing strengths;
  - Require greater co-operation – no individual district can deliver the scale and extent of the gains needed to close the gap
- 3.4.4 As a City Region we have put in place mechanisms to develop and deliver the four transformational actions. These actions are long term strategies, and are at different stages of development. The Asks of Government in this Platform are therefore concentrated on entering into a long term, strategic relationship with Government to progress these transformational actions. These are set out in Appendix 1 to this report, but in summary focus on:

**ASK 1: Implementing a Liverpool City Region Visitor Economy Strategy**  
A Liverpool City Region Strategy for the Visitor Economy will be published by September 2009.

**ASK 2: Establish effective dialogue mechanisms with Government**  
Government and LCR will convene a time limited task-and-finish group to develop Liverpool SuperPort.

**ASK 3: Developing a Low Carbon Economy**  
LCR together with Government and its agencies will jointly review the emerging Low Carbon evidence base. Subsequently, by March 2010 we will develop and agree a strategy and initial action plan to implement a low carbon economy in the City-Region which secures significant job creation and environmental benefits.

**ASK 4: Potential major projects**  
Government and LCR will explore by March 2010 the viability of a Mersey Tidal Energy project, a Northern BRE centre and a LCR trial site for next-generation distribution networks [such as the Smart Grid concept].

**ASK 5: Partnership on the Knowledge Economy Group**  
Government departments and their agencies agree to work with LCR to develop and agree a Knowledge Economy Plan by July 2010

- 3.4.5 Whilst the Asks reflect longer term aspirations, the Platform also recognises that closer collaboration between the LCR partners to progress this programme will result in benefits to the city region over the lifetime of the MAA – up to 2012. As a result performance indicators have been identified for this platform with the aim of increasing the growth rate in the areas of Level 4 skills, GVA growth and VAT business density. The summary of these outcomes is to

remain above the North West growth rates with the ultimate aim of closing the economic performance gap over the medium term. These indicators are set out at Appendix 2.

3.4.6 The performance indicators for the MAA do not attract any additional funding. The indicators reflect the Government's new performance framework for local authorities and their partners and from which the indicators and targets agreed by local authorities through the Local Area Agreement (LAA) process have been drawn. However, the MAA is an agreement to deliver activity at a City Regional level that cannot be achieved at a local level and is therefore a separate and distinct process from that of the LAA.

### 3.5 THE HOUSING PLATFORM

3.5.1 The Housing platform builds on a history of joint working across the six local authorities and has been progressed by the Housing and Spatial Planning Working Group. Joint working also includes:

- Development and delivery of NewHeartlands HMR programme (2003--present)
- Evidence base for Regional Spatial Strategy (2005--08)
- Liverpool City Region Housing Strategy (2006--07) and Action Plan (2007--08)
- Two joint Growth Point bids (Liverpool--Wirral and Halton--St Helens--Warrington)

3.5.2 The platform has been progressed to reflect the following principles:

- Good quality housing can underpin economic performance
- We need to balance aspirations for housing growth with the need to 'finish the job' of housing renewal
- Our priorities are based on the joint working we have already done
- Our proposals will accord with regional priorities set out in RSS and RHS

3.5.3 These principles have given rise to the following housing priorities in the Liverpool City Region:

- Continue to improve the quality of existing housing
- Deliver appropriate numbers - and types - of new homes in the right places
- Ensure that people have appropriate and affordable housing
- Help residents of vulnerable areas access education, training, employment, and other relevant services.

3.5.4 The housing 'Asks' are summarised below and are included at Appendix 1.

- Supporting growth and renewal
  - Development of a Joint Investment Board (based on the Homes and Communities Agency ‘single conversation’) and the agreement of a single joint investment plan. This will align key infrastructure funding schemes and associated policy in housing, regeneration and transport.
- Affordable warmth
  - In light of the adoption of the regulation allowing European Structural Funds to be used for energy efficiency projects, aligning the City Region’s allocation for affordable warmth programmes with, in order to support the development of training programmes for the unemployed to implement the programme
- An effective private rented sector
  - The opportunity to pilot extended selective licensing in order to drive up the quality of housing in the private sector.

3.5.5 The Indicators relating to these Asks are set out at Appendix 2 and targets will be developed in negotiation with Government.

## 3.6 THE TRANSPORT PLATFORM

3.6.1 The vision for the Transport Platform is of a fully integrated, sustainable and safe transport network, which supports economic and social regeneration, ensures good access for all, and which is operated and maintained to the highest standards to protect the environment and ensure good quality of life for all. This vision supports the LCR MAA aspirations across economic growth, skills and employment, and housing.

3.6.2 The aim of the proposals in the Transport Platform is to seek to assist business and regeneration, reduce our carbon output and provide all members of the community with equal opportunity to access jobs, training and other opportunities.

3.6.3 The proposals are designed to integrate the key LCR priorities with our responsibilities for delivering the shared national transport priorities. In particular, we will work with the DfT to take forward Delivering a Sustainable Transport System, (DaSTS) at LCR level so we can develop a transport system designed to grow the economy in parallel with reducing carbon outputs. Finally, our proposals will help to deliver against appropriate Public Service Agreements (PSA) and Department Strategic Objectives (DSO) targets, and we will link with Local Strategic Partnerships (LSPs) Local Area Agreements (LAA) to help deliver their transport targets.

3.6.4 The Asks of the Transport Platform are set out at Appendix 1 and have been developed to progress three key proposals:

Proposal One - Improving accessibility to employment and opportunities

Access to employment and education opportunities are essential for the City Region. All evidence supports the view that this is not simply a transport issue and that land use/location choice are critical, as are the policies and funding of key agencies such as DWP through Job Centre Plus.

**Summary** - Government Departments and its agencies agree to work with the LCR Transport Partnership to facilitate a package of measures to secure a long term planning and funding framework that provides clear equality of opportunity to those without access to private transport.

Proposal Two - Improving the capacity and connectivity of the LCR network.

The geographic location of the LCR means that connectivity to the regional and national networks is critical. Its importance as a major port and centre of an extensive logistics sector reinforces this importance. The LCR has agreed to build on this strength in developing 'Superport' as one of its transformational programmes. This is seen as a potential key area in the future economic recovery of the LCR post recession. DaSTS has confirmed this by its recent upgrading of port access to national/international status. Linking between Proposal 1 and Proposal 3 is critical and there are concerns about capacity constraints on the local rail network.

**Summary** - Government Departments and its agencies agree to work with the LCR Transport Partnership to examine and develop improved national, regional and local connectivity, addressing network capacity issues.

Proposal Three - Low Carbon Transport Demonstration City - Reducing emissions and addressing climate change

Supporting national economic competitiveness and growth whilst reducing transport's carbon dioxide emissions and tackling climate change is identified in DaSTS as the single greatest challenge facing transport. The LCR Transport Partnership is committed to meeting these twin goals and the requirements of the Climate Change Act, and supporting the LCR transformational programme around a low carbon economy. The preferred outcome, as detailed in DaSTS, the Climate Change Act and the LCR low carbon economy vision, is clear, but developing the options and most cost-effective solutions is the next stage.

**Summary** - DfT and its agencies agree to work with the LCR Transport Partnership to examine and develop the options that will deliver the DaSTS challenges of supporting economic growth and tackling climate change.



3.6.5 Indicators and targets for this platform draw upon the LAA indicators selected by local authorities and the existing indicators within the two LTPs that aim to measure the key national outcomes and local priorities. They are set out at Appendix 2.

### 3.7 THE EMPLOYMENT AND SKILLS PLATFORM- UPDATE

3.7.1 The Employment and Skills Platform was agreed with Government in January 2009 and it sets out a programme which addresses worklessness and skills in order to improve outcomes for communities across the city region. It was informed by the work of the City Employment Strategy Board, one of fifteen pathfinders agreed by the Department for Work and Pensions (DWP) in 2007 in areas where there was a need to significantly improve employment rates.

3.7.2 The performance indicators and targets agreed with Government are set out in the table at Appendix 2 and are supported by a number of Asks. A progress update for each Ask is summarised below:

3.7.3 A new Employment and Skills Board, with a strong private sector focus, will set the strategic approach to employment and skills for the city region. This will be established in summer 2009. Terms of reference are under development.

3.7.4 An early priority is to develop a LCR Employment and Skills Strategy and Commissioning Plan by September 2009, and a set of actions for city region partners to agree and progress. An Advisory Group has been established and is taking forward this work, including the development of robust labour market assessment and comprehensive stakeholder consultation during the summer months.

3.7.5 Flexible New Deal – Local funding is being used to enhance services delivered under the DWP's Flexible New Deal and Specialist Support Contract. Additional provision for Liverpool City Region residents who live in our most disadvantaged areas has been agreed with DWP as part of their tendering activity. We are still awaiting a decision from DWP on whether Halton is included within a single Merseyside commissioning geography.

3.7.6 Fit for Work Service Pilot – Partnership bid submitted to the Department of Health and DWP for c£1m pilot programme linking health and employment programmes across the city region, targeting support on SMEs and third sector organisations. In developing the bid the City Employment Strategy Board has worked closely with the Directors of Public Health and PCT Chief Executives.

3.7.7 Data Sharing - The LCR is participating in a data sharing pilot led by CLG and DWP along with Leeds and Kent local authorities. A business case has been submitted to DWP requesting a suite of data at the lowest spatial level available so that it remains anonymised to

inform the LCR Commissioning Plan and subsequent targeting of partnership resources at the small area level.

### 3.8 DELIVERY OF THE MAA – PERFORMANCE MANAGEMENT ARRANGEMENTS

3.8.1 In October 2008 Cabinet confirmed that the shadow LCR Cabinet would be the Accountable Body for the MAA with delivery through the appropriate Policy Boards once they were in place. Development of the MAA has been overseen by the shadow LCR Cabinet and progressed by existing city region partnerships to enable input from each local authority area together with key partners from a range of sectors.

3.8.2 It is intended that the actions to deliver the Asks identified within each of the MAA Platforms will be taken forward by a range of city region partners. Progress will be monitored by the relevant city region partnership group / Policy Board and reported to the shadow LCR Cabinet as part of the performance management arrangements.

### 4.0 POLICY IMPLICATIONS

4.1 **Implications for Halton:** The development of the Liverpool City Region MAA is allied to the assertion that strong city regions are crucial to economic growth and in order to achieve this, Local Authorities and other partners need to place strategic priorities and actions within a coherent policy framework.

4.2 The development of an LCR MAA presents a number of opportunities for Halton. Primarily, this approach places Halton firmly within the Liverpool City Region governance arrangements and as such enables Halton to participate more fully in sub-regional decision-making processes.

4.3 It cements the borough's position as one of the six Liverpool City Region core authorities.

4.4 There will also be examples where Halton's ability to lobby will be strengthened, through the joint working outlined above and there will also be occasions where Halton's 'offer' will be enhanced by our ability to draw on assets from the sub-region as a whole.

4.5 In addition, we will have an opportunity to raise our profile with other sub-regional partners particularly when we can show case best practice in service delivery.

## **5.0 OTHER IMPLICATIONS**

- 5.1 Further work is required by sub-regional partners to both map and align MAA and LAA targets and it is suggested that the achievement of some macro-economic targets will best be achieved through a coordinated sub-regional approach. If this work is progressed it could free Halton partners to concentrate on meeting more clearly defined local targets for local people.

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

- 6.1 The Liverpool City Multi Area Agreement could have a positive impact on the delivery of all the Council's priorities. An improved strategic framework which clearly presents sub-regional priorities could potentially lead to the delivery of improved local outcomes through synergy and economies of scale gains, stronger partnerships and greater flexibilities.

## **7.0 RISK ANALYSIS**

- 7.1 The MAA sets out a proposed contract with Government to establish the Liverpool City Region as a thriving international City Region by 2030. However, in light of the current economic climate, there are risks associated with presenting over-ambitious targets to Government. This risk is currently being minimised through continued dialogue with Central Government departments.

## **8.0 EQUALITY AND DIVERSITY ISSUES**

- 8.1 The development of an Equality Impact Assessment has been included in the work programme for the ongoing development, monitoring, review and evaluation of the MAA. However, it is also worth noting that all the MAA platforms recognise the need to support both disadvantaged areas and vulnerable residents in presenting our asks of Government.

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

<b>Document</b>	<b>Place of Inspection</b>	<b>Contact Officer</b>
Liverpool City Region Multi Area Agreement Story of Place and Platforms	Municipal Building, 1 <sup>st</sup> Floor, External Funding Division	Wesley Rourke