

Commission Questions

1. Introduction

This note is intended to supplement the **LCR Economic Commission** proposal paper that has been recently distributed. For a full elucidation of the proposal, please see that paper.

This note focuses on setting the groundwork for part of the first phase of the Commission, namely, the development of a set of important, fundamental questions about the LCR Economy that will need to be answered. The questions given below represent the first attempt at composing these fundamental questions. They have been sorted by theme and sub-theme depending on the focus of the question (however a number of them do encompass more than one theme). This list is by no means exhaustive and there are a number of omissions and gaps in themes and questions that are quite conspicuous (for example, within the recession sub-theme). These gaps will be filled by consultation with colleagues.

At this early stage, these questions are inevitably generic – it is anticipated that as they are discussed in more detail and developed into something more cogent, they will become more specific to the LCR and its constituent areas. We will also aim to reduce the number of questions in order to make them easier to answer.

2. Economy

2.1. Economic Performance

- What are the strengths and weaknesses of the local economy?
- What aspects of the LCR add to the competitiveness of the local economy; what factors make it poorer (regionally, nationally and internationally)? Are they quantifiable? Can they be ranked?
- What are our future aspirations?
- To what extent is our performance dependant on outside influences?
- What trends – from the global to the local – will influence its future? And what opportunities and challenges will these present?
- How well equipped are policies to maximise local assets while responding to the key challenges?
- Four transformational areas have been identified with potential for making the step change in economic performance. What can we quantify about the scale of potential in each of these areas?
- What is the scale and extent of transformation needed - can we quantify it? What is a reasonable timescale for transformation – how long will it take?
- What does being world-class mean in the context of the four transformational actions?

2.2. Productivity

- What is the City Region's workforce productivity? How has this changed over time?
- How does workforce productivity differ between geographies and sectors and against areas outside of the LCR? What are its determinants?
- What is productivity and why is it so important for the LCR economy? What are the drivers of productivity and how does the Liverpool City Region perform in each of these? How do we make the economy more productive?

- What is the multi-factor productivity (MFP) of the LCR? To what extent does deficiency in QALI and VICS help explain the difference between local and national productivity?

2.3. Wealth

- What is the size of the economy? How has that changed over time?
- What has driven economic growth in recent years? How does recent strong growth in the LCR compare with growth elsewhere in the UK?
- What are the wage differentials between groups?

2.4. Sector composition

- What is the sectoral make-up of the local economy? How does this differ between districts and relative to regional and national averages? What does this say about the local economy?
- Which sectors are particularly important to the CR and individual districts?
- What industries/sectors (sub-sectors) might be important in the future? What is the local distribution of them?
- How do we promote growth in future growth clusters?
- What does the sector structure say about the comparative advantages or resource allocations of particular areas?

2.5. Recession

- What is the impact of recession on the LCR economy? How has it affected future prospects?

2.6. Characteristics

- Is the City Region economy self-contained? Labour markets, capital markets (venture capital, equity / debt market), goods/service markets, investment, migration, knowledge transfer (capacity to internalise innovations)? Which companies and sectors are most open?
- How has its economic history influenced its path?
- What insights can we get from a complex economic view of the LCR? In particular, hysteresis (path dependence) in relation to growth; inequalities / deprivation?

3. Labour Market

3.1. Employment

- What has been the driver of employment growth within the City Region? How does this vary in other more successful locations? How has employment changed over time? Which sectors and occupations are predominant in the economy?
- Where, geographically, are the areas of employment within the LCR and where is the workforce drawn from?
- What factors affect the ability to gain employment?
- What has been the impact of workforce development programmes on employability, alleviation of poverty and overall economic growth?

3.2. Unemployment

- How have the different measures of unemployment, worklessness and inactivity changed over time? What differences are there in age, gender, ethnicity, spatial level components? Under-represented group? – women, ethnic minorities and people with disabilities
- Why are unemployment and inactivity levels so high in LCR?
- What are the socio-economic determinants of unemployment and long-term worklessness; do they vary across the City Region? What are the barriers to employment and how do they differ between different areas? What's the impact of worklessness on the LCR economy? What would the costs and benefits of tackling worklessness be – now and in the future?
- What is the relationship between employment and deprivation? How does LCR make the link between new job creation and unemployment? Will increasing job numbers tackle deprivation?
- Why are vacancies not filled by the available local labour supply? What are the labour market links between areas with high job growth and areas of high unemployment and deprivation? How would we strengthen them?

3.3. Skills Demand and Supply

- What is the qualification attainment in the workforce? How does this compare with other comparator areas? How does this differ across the City region?
- Qualification attainment in young people? What factors determine it?
- Are the skill needs of local employers met by the local workforce? What do we know about skills needs in key sectors and transformational actions? What future skill requirements are likely?
- What is the long term economic impact of early years education on the economy? How does this relate to family situation and distribution of wealth?
- What do we know about existing provision of further and higher education courses and how they relate to the transformational actions?

4. Enterprise

4.1. Entrepreneurship

- How many micro-businesses (predominantly sole-traders) are there in the LCR?
- How many people are self-employed? How has that changed over time?
- What are the causes of local variation in entrepreneurship and business start-up rates?
- What determines peoples movement into self-employment? What are the behavioural characteristics? What resources are open to successful entrepreneurs?
- What barriers exist to starts? What are the determinants of growth and survival? How quickly do businesses grow? How well do we support them? Does this explain the enterprise gap between the City Region and the regional / national average?

4.2. Established Businesses

- How many VAT and PAYE enterprises are there in LCR? What industries are they in? How has it changed over time?
- What are the characteristics of local enterprise? How are they different from national / regional characteristics?
- What is the survival rate of businesses? How has that changed over time?
- Why are there so fewer businesses in the LCR?
- How many high-growth businesses (Gazelles) do we have? What sectors and geographies are they predominant in? How does this compare to other comparator areas, NW and UK?

- What local factors improve individual business performance, what factors degrade it?
- Do established businesses feel that the business support services of local partners support their needs? How well do local partners engage with businesses?
- Where do businesses find their customers and suppliers?

5. Deprivation and Exclusion

- Which wards and neighbourhoods are particularly deprived? What causes deprivation in particular wards?
- How many young people are NEET? What spatial variations are there? What factors determine the incidence of young people NEET within different geographies?
- What is the impact of inter-generational worklessness?
- Do children have a good quality of life in LCR and its constituent parts? What are the quality of life issues for the LCR population, in general?
- How does poor health impact on economies, both in terms of unemployment and loss of productivity? How does the LCR perform in this regard?
- What are the factors inhibiting and enhancing job seeking behaviour in workless groups?
- How does anti-social behaviour and retail crime endanger the sustainability of shopping parades and district centres?

6. Population

- What is the population of the LCR? What is the split between different demographics?
- To what extent has natural change and migration driven population change in LCR? What factors affect natural change and migration?

7. Environment

7.1. Environmental performance

- What is the LCR's current performance relating to carbon emissions and what is this driven by? How are economic growth, travel and housing predictions likely to impact on this, and how will this vary by district?
- What are the environmental assets of the LCR?
- How well adapted is the local economy to fulfil commitments relating to protection and enhancement of the local environment? Including biodiversity, reducing and recycling waste, reducing greenhouse gas emissions and increasing renewable energy capacity.
- What are the risks of long-term climate change? Can this be quantified?

7.2. Low Carbon Economy

- What pressures does economic growth exert on environmental sustainability? What are the potential opportunities for maximising green growth?
- What are the challenges and opportunities for the local economy when moving to a low-carbon state? How well placed is the local infrastructure to support this transition?
- Where do firms and public sector bodies currently procure their low carbon goods and services? Is it better to drive up the procurement of these goods and services locally, or look at agglomeration benefits?

8. Knowledge Economy and Innovation

- How many knowledge-intensive businesses do we have? What sectors and geographies are they predominant in?
- What role do Universities play in City Region economies? What is the value of knowledge?
- How do universities and HEIs contribute to the development of enterprises (esp. KIBs and Gazelles)? What are the direct contributions (spin-outs, knowledge transfer programmes); what are the induced contributions (capacity for internalising new innovation, presence of clusters)?
- What are the direct and induced contributions to the economy of KIBs and Gazelles?

9. Property and Infrastructure

- To what extent does local housing provision and infrastructure support sustainable economic growth in the LCR and local areas? What are the housing markets within the LCR? What are the demand constraints?
- Is there sufficient housing of the appropriate type and affordability to help sustain economic growth?
- To what extent does connectivity –both physical and digital- drive economic development within the LCR? What deficits exist that limit growth, economic inclusion and improvement in the population's quality of life? What areas of the LCR are cut off from local amenities; how does that effect those localities?
- What's the vitality and viability of town centres and smaller district centres?
- What are the LCR's unique assets e.g. Sefton coastline and villages as tourism destinations? How do they affect the local economy?
- What are the roles played by places within the City Region? Where are the centres of leisure, employment, and investment?
- How does the Liverpool City Region relate to other economic places? What are the relationships with Manchester, Chester and other surrounding area? Where do people travel to work and access services?