

REPORT TO:	Employment, Learning, Skills and Community Policy and Performance Board
DATE:	11 November 2013
REPORTING OFFICER:	Strategic Director Children and Enterprise
PORTFOLIO:	Economic Development
SUBJECT:	Local Economic Assessment (LEA)
WARDS:	Borough-wide

1.0 PURPOSE OF THE REPORT

1.1 To consider the Local Economic Assessment for the Borough of Halton.

2.0 RECOMMENDATION: That

- (1) The intelligence provided by the Halton Local Economic Assessment be utilised when formulating the key strategic documents of the Council

3.0 SUPPORTING INFORMATION

The Local Economic Assessment is a key evidence base for the Borough of Halton, providing an accurate picture of the economic performance. The LEA looks to link in with the strategic priorities of the Liverpool City Region and will be key in providing supporting evidence for funding programmes, such as the European funding programme.

Scope of the Report

The Halton LEA focuses upon the following key themes which influence the performance of a given local economy:-

- Economic Value and Growth by sector
- Employment and Economic Activity
- Skills
- Economic Inactivity and Unemployment
- Land and Property markets

The draft Halton LEA, where possible, utilises information contained in previous Halton Economic Reviews to provide a longer timeframe for the analysis of structural changes in the economy of Halton. The utilisation of an economic forecasting model to anticipate, for example GVA and employment growth, was a key element of previous reviews. The procurement of a bespoke, Halton specific, economic model to underpin the production of a Halton LEA proved prohibitively expensive. The modelling of the future performance of the economy of Halton will, therefore, be provided by Cheshire East Council utilising the Cheshire and Warrington Economic Model, amended to include Halton. The results of that exercise will be available in July 2011 and will be factored into the next iteration of the report.

Key Themes

Economic Value and Growth by sector

Gross value added (GVA) is a measure in economics of the value of goods and services produced in an area, industry or sector of an economy.

Key LEA findings:-

- The 2012 Merseyside Partnership Economic Review estimated that in 2009 Halton provided £2.3bn of the Liverpool City Region's GVA (around 10%).
- The Liverpool City Region has a number of growth sectors that will have an impact on Halton. The identified sectors are: Creative and Digital Industries; Advanced Manufacturing; Finance and Professional Services; Life Sciences; Low Carbon; Visitor Economy.
- The 2012 Merseyside Partnership Economic Review forecasts long-term employment growth in life sciences i.e. Daresbury.

Employment and Economic Activity

This theme focusses on the workforce, wage levels and business demography.

Key LEA findings:-

- Halton has a higher proportion of people working in full-time jobs when compared regionally and nationally.
- Halton's workforce is similar when compared nationally and regionally. Halton does have a lower level of Managers and a higher level of Machine operatives.
- The average weekly wage for a worker in Halton is higher than the North West (£470) but lower than England (£512).
- The average weekly wage for a resident in Halton is lower than the North West (£473) and England (£513).
- Halton has a higher proportion of businesses who turnover £1million plus when compared to England and the North West.
- Halton's employment rate is similar to regional and national rates.
- Halton has a lower proportion of residents in professional occupations when compared regionally and nationally. However the borough does have a higher proportion of residents working in associate professional and technical occupations.

Skills

This theme focusses on Adult skills and learning, Higher education and Apprenticeships

Key LEA findings:-

- Similar to the City Region, Halton resident's qualification levels are lower than those of the North West and England.
- The 2011 skills for life survey showed that Halton has improved in each of the categories (Literacy, Numeracy and ICT Skills) when compared to the 2003 Skills for Life survey. In comparison to local, regional and national averages, Halton has outperformed all in terms of improvement.

- Nationally, Halton has amongst the lowest proportions of pupils entering Higher Education.
- Halton had 2,000 apprenticeship starts in 2011/12. Around half of these end in achievements.

Economic Inactivity and Unemployment

This theme covers all elements of worklessness, including; economic inactivity, out-of-work benefit claimant levels and Job Seekers Allowance claimant levels.

Key LEA findings:-

- 18,900 (24%) of Halton's working age population are economically inactive.
- 17% of Halton's working age population are claiming out of work benefits.
- In line with the City Region rate, Halton's JSA rate is around 5%. This is higher than the national rate.
- At 11%, Halton's youth (18-24 year olds) unemployment rate is above regional (8%) and national (6%) rates.

Land and Property markets

This section seeks to quantify the demand for, and the supply of, commercial property (development land and industrial, office and retail space) in Halton from 2000 to 2011.

Key LEA findings:-

- The number of enquiries for commercial property received by Halton Borough Council's Business Improvement and Growth (BIG) Team fell between 2008-09 and 2009-10 mirroring the global economic slowdown.
- Significantly, since 2008-09, there has been a decrease in inward investment enquiries but a marked increase in local businesses requiring commercial property to satisfy their expansion plans together with new start-up companies seeking commercial property.
- The supply of commercial property in Halton has increased dramatically since 2008. For example, there is now three times the amount of 1000-5000 sq. ft. industrial space recorded on the BIG Team database compared with 2008.

4.0 POLICY IMPLICATIONS

The evidence regarding the current and anticipated performance of the local economy contained within the final draft of the Halton LEA will be utilised to shape the development of future Council policy.

5.0 OTHER IMPLICATIONS

None

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 Children and Young People in Halton

Continuous improvement in terms of the educational attainment of the Boroughs young people will impact profoundly upon the future performance of the local economy

6.2 Employment, Learning and Skills in Halton

The availability of a flexible, skilled and motivated workforce will be vital to the future performance of the economy of Halton

6.3 A Healthy Halton

Worklessness is a key determinant of poor health. Measures, therefore, to improve the employability of local people will have a positive impact upon the health of the Borough

6.4 A Safer Halton

Worklessness is a factor in many instances of crime and anti-social behaviour. Measures to increase employment, be they through a general upskilling of the local workforce or improved levels of entrepreneurship, will reduce instances of criminal or deviant behaviour.

6.5 Environment and Regeneration in Halton

The provision of an adequate supply of high quality development land which can be brought forward within the framework of the Council's Core Strategy and specific development priorities will impact positively on the urban renewal of the Borough.

7.0 RISK ANALYSIS

The provision of comprehensive, evidence based LEA will provide the necessary intelligence to identify and address the key challenges facing the Borough of Halton. The production of a Halton LEA will, therefore, mitigate a number of the risks associated with developing policy and allocating resources.

8.0 EQUALITY AND DIVERSITY ISSUES

None

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

Document	Place of Inspection	Contact Officer
None under the meaning of the Act.		