

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

DATE: 10th November 2014

REPORTING OFFICER: Strategic Director Children and Enterprise

SUBJECT: Northern Futures, Growth Deals and the Adonis Review

PORTFOLIOS: Economic Development
Physical Environment

WARDS: Borough-wide

1.0 PURPOSE OF THE REPORT

The purpose of this report is to update Members on several recently announced policy initiatives and to advise on Halton's response.

2.0 RECOMMENDATION

The PPB notes the work the Council has been undertaking to respond to these initiatives.

3.0 SUPPORTING INFORMATION

3.1 Northern Funds Review

The Northern Funds Futures initiative was announced in a speech by the Deputy Prime Minister on 4th July. He has written to all Council Leaders asking for ideas on what the Government should be doing to support growth in the North. The initiatives are linked to the Chancellor's Powerhouses of the North concept which argues for improvements to transport infrastructure between the North's major cities.

The Deputy Prime Minister's focus appears to be on ways to create a "Northern Hub", focussed on a group of cities or one "Super City".

Halton's response to the request has been to emphasise the key strategic assets that the Borough holds and how they could be further developed to make a real contribution to transforming the economic future of the North.

Halton's response focuses on the following key themes:-

Science and Innovation; Transport Infrastructure; Logistics and Distribution; Digital Infrastructure; Business Improvement and Growth and the Low Carbon Economy.

The themes are supported by a number of “high-level” projects.

Our response emphasises the point that a focus on cities should also reflect the contribution that adjoining areas can make to growing the economy of the North and improving connectivity between cities and the outlying areas would deliver more equitable growth.

3.2 Growth Deals

Government has announced the first instalment of “Growth Deals” (LEPs) for the Local Enterprise Partnerships (LEPs) in England. The first wave of Growth Deals has allocated £6b. Growth Deals are part of the Government’s response to the Heseltine Review which proposed devolving spending from Central Government to Local Partners. The money is not “new” but is a limited devolution of budget lines.

The Liverpool City Region received £46m 2015/16 £30.4 per head and £232m or £153.4 per head 2015/21. This compares favourably with the country average, but not when compared with the major cities of Birmingham Leeds and Manchester.

LEPs were asked to identify a series of projects which were then included in a competitive bidding process which was overseen by Central Government.

Government has recently encouraged a further devolvement of resources through “Growth Deal 2”.

Halton’s response has been to refer the LEP to previously agreed initiatives which formed part of the earlier Local Growth Plan submission to Government. It is felt that this document adequately captures Halton’s key strategic regeneration priorities.

3.3 The Adonis Review

Labour has published its review of local economic growth “Mending the Fractured Economy”, known to many as the Adonis Review. The review considers policies to promote growth in England and is regarded as the document which will influence Labour’s Economic policy in the run-up to the General Election.

The main proposal is to give more control and funding to Local Enterprise Partnerships for housing, transport and employment schemes; giving combined Authorities greater control on how additional revenue from business rates is spent; setting a target of 25% of all Government contracts being awarded to Small Medium Sized Enterprises (SMEs); expanding apprenticeships in science, technology and maths; creating a national funding

framework for innovation policy; establishing a network of Small Business Investment Companies.

4.0 POLICY IMPLICATIONS

The recent referendum on Scotland's independence has re-energised the debate on devolving powers and responsibilities to local areas. Members may feel that some of the discussions are reminiscent of previous initiatives such as the Northern Way and The Regional Government Agenda.

Whatever the future governance arrangements in the North may be, it is important that Halton continues to develop its evidence-based approach to economic regeneration. Halton's success in attracting resources to the Borough has been focussed on developing deliverable schemes based on need and demand, set within a strategic regeneration framework of inter-linked schemes. These schemes can then be "Brought off the Shelf" to meet funding /opportunities and policy opportunities that arise.

5.0 OTHER/FINANCIAL IMPLICATIONS

There are no other implications arising from this report.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

Halton Borough Council has long recognised that improving the Borough's economy is the key to making Halton a better place to live and work.

A greater say in how resources are allocated will allow us to play a greater role in continuing to develop a multi-themed approach to growing the economy of Halton.

7.0 RISK ANALYSIS

There are no risks arising from this report.

8.0 EQUALITY AND DIVERSITY

There are no equality and diversity points arising from this report.

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

There are no background papers.