

**REPORT TO:** Executive Board

**DATE:** 19 September 2013

**REPORTING OFFICER:** Strategic Director, Children and Enterprise

**PORTFOLIO:** Leader's

**SUBJECT:** Regional Aid and the Assisted Area Map 2014 - 2020

**WARD(S)** Borough-wide

**1.0 PURPOSE OF THE REPORT**

1.1 The purpose of this report is to update the Executive Board on the development of a response to the Government's First Stage Consultation on the Assisted Area Map 2014 – 2020.

**2.0 RECOMMENDATION: That Executive Board**

- 1) approves the proposed Liverpool City Region response to the consultation; and**
- 2) approves the proposed coverage of the Assisted Area Map in Halton**

**3.0 SUPPORTING INFORMATION**

Regional Aid is a form of State Aid used to support businesses and promote economic development in selected economically disadvantaged regions known as Assisted Areas.

Liverpool City Region Regeneration Directors and the Local Enterprise Partnership have been developing a response to the Government's consultation on the Assisted Area Map 2014-2020.

Halton has been leading on this piece of work.

Consultation on the 2014 – 2020 Assisted Area Map is being held in two stages.

**Stage 1** proposes common principles/principals, (See Appendix 1), for drawing up the Assisted Areas map. This stage also seeks local intelligence on areas of economic opportunity and need.

Local Enterprise Partnerships (LEPs) were asked to gather this information. The LEP has liaised with Liverpool City Region Regeneration Directors, given its knowledge of economic issues in respective Local Authority areas. Halton was also invited to lead on this piece of work given its distinctive position in regard to assisted area status.

A response is required by **30<sup>th</sup> September**.

When proposing how Assisted Area coverage should be allocated, LEP areas were asked to provide information on two scenarios:

- i) A maximum population of 80% of that granted on the 2007-2013 Map; and
- ii) Up to 100% of that granted in 2007/2013.

In drawing up a response to these scenarios, partners were required to consider these common principles. (Appendix1).

However, there were a number of issues that Liverpool City Region partners needed to take into account when responding to Government.

Firstly, the Liverpool City Region Assisted Area Map 2007 – 2013, did not include Halton.

**Halton is not currently and Assisted Area**. Secondly, the population figures used by Government equate to the population baseline as at 2007, whereas the latest population information available at ward level is at 2011 levels. Thirdly, since the publication of the 2007 – 2013 Assisted Area Map, there have been changes to wards and ward boundaries.

There were six options that the City Region could have considered in responding to Government.

They were:

- 1 (a) 80% coverage of the five local authorities (excluding Halton).

- 1 (b) 80% coverage of the six local authorities (including Halton).
- 2 (a) 100% coverage of the five local authorities (excluding Halton). This is the “as is case”.
- 2 (b) 100% coverage of the six local authorities (including Halton).
- 3 (a) 90% coverage of the five local authorities (excluding Halton).
- 3 (b) 90% coverage of the six local authorities (including Halton).

Meeting the Government’s second criterion presented as option 1(b) above, presented a considerable challenge, given the reductions in population coverage previously described.

Each Local Authority Regeneration Director was required to complete an analysis of economic opportunities and needs, on a ward by ward basis for each Local Authority area.

This exercise has provided input into where the City Region’s Assisted Area Map can provide maximum value, by identifying economic assets, best placed to gain from assisted area status. It will also strengthen our response should Government challenge the inclusion, or exclusion of particular wards.

**Put simply, it would not have been prudent for the City Region to include wards in its Assisted Area map that were predominantly residential and where no business activity existed or will exist, unless this served to make the assisted area map contiguous.**

A key aim of the Government’s consultation exercise is to (aim) “for an effective spread of Assisted Area Coverage and robust consideration of the distribution of economic need and opportunity...”

It is also understood that Government could retain some population “in reserve” at a national level. Therefore, ‘an Option 3’, i.e. 90% coverage, was also submitted on the basis that the City Region has acquired additional population, through the inclusion of Halton in the City Region. The argument to Government, which will need to be tested, would be that had Halton not been included as part of the

Warrington travel to work area in 2007-2013, it would have qualified for assisted area status.

### **What does this mean for Halton?**

At the moment, Halton does not have Assisted Area status. This sometimes puts the Borough at a disadvantage compared with its near neighbours when supporting and promoting business in Halton.

This proposal would result in the following wards being included in the Assisted Area Map:

Although some Members will be disappointed that their wards would not be covered in the map, there are still other ways in which businesses in the borough can be supported which do not require 'assisted area status'.

It should also be noted that other Local Authorities in City Region have reduced their population coverage to accommodate population coverage in Halton. The approach to drawing up the Assisted Area Map at a City Region level has been pragmatic, i.e. City Region partners have recognised that there are assets and businesses in Halton that can and will contribute to growing the Liverpool City Region economy, and, therefore, they require support.

Appendix 2 includes a brief summary of each ward included and excluded in the proposal.

Finally, members are advised that this proposal constitutes a response to the Government's Stage 1 consultation on the Assisted Areas Map.

This does not mean that Government will accept the proposals outlined in this report.

## **4.0 POLICY IMPLICATIONS**

4.1 The Assisted Area Map is important because it will be used to determine where Regional Aid can be applied. Often, the levels of support that can be provided to businesses are higher than the levels that can be provided in a non-assisted area. For example, support to Small-Medium Sized businesses can be 'topped up'. Equally, in certain circumstances, support can be given to large companies.

It is also worth noting that some exemptions exist, which still allow additional support to be provided to businesses, even if they are outside the Assisted Area. Consequently, it is important that our

Assisted Area map targets those parts of Halton where businesses in the Borough will benefit.

## **Second Stage Consultation**

5.1 The second stage consultation, which will seek views on a draft 2014 – 2020 Assisted Areas Map, is expected to commence in Winter 2013/14.

At stage 2, Government intends to take into account the following:

- Responses to Stage 1 of the Consultation;
- National economic data sets;
- Commercial and economic intelligence;
- Government strategies and policies, for example, the UK Industrial Policy and the location and nature of Enterprise Zones; and
- The views of key national teams.

The 2014 – 2020 map is expected to become operational from 1<sup>st</sup> July 2014.

## **5.0 OTHER/FINANCIAL IMPLICATIONS**

Assisted Area status does not in itself guarantee funding for an area. However, it allows more flexibility regarding the levels and type of financial support provided to businesses in the borough.

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

### **6.1 Children & Young People in Halton**

N/A

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

Assisted Area status is a positive addition to the opportunities available to support businesses in Halton.

### **6.3 A Healthy Halton**

N/A

6.4 **A Safer Halton**

N/A

6.5 **Halton's Urban Renewal**

Assisted area status supports Halton's Urban Renewal because it assists in making the borough more attractive to inward Investors , in that companies/businesses can receive different types and levels of aid.

7.0 **RISK ANALYSIS**

7.1 There are no anticipated risks arising out of the implementation of the Assisted Areas Map.

8.0 **EQUALITY AND DIVERSITY ISSUES**

8.1 None

9.0 **REASON(S) FOR DECISION**

The decision to support the assisted area map provides the borough with additional flexibility in how local businesses can be supported in the Borough.

10.0 **ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

To seek 100% coverage for the borough. There are two main reasons why this option has been considered and rejected. First, as the report outlines the City Region as a whole is required to reduce its population coverage in the new map. Second, given that the assisted area focuses on support to businesses, it would be inappropriate to include residential areas.

11.0 **IMPLEMENTATION DATE**

July 2014.

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

Document	Place of Inspection	Contact Officer
BIS Stage 1 Consultation Document	Municipal Building	Wesley Rourke

