



ST HELENS
BOROUGH COUNCIL

Cabinet

6 January 2021

Report Title:	St Helens Economic Recovery Plan
Cabinet Portfolio	Education, Skills and Business Regeneration and Planning Safer, stronger communities
Cabinet Member	Councillor K Groucutt Councillor R McCauley Councillor J Bell
Exempt Report	No
Reason for Exemption	N/A
Key Decision	No
Public Notice issued	N/A
Wards Affected	All Wards
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Borough priorities	Ensure children and young people have a positive start in life	x
	Promote good health, independence and care across our communities	x
	Create safe and strong communities for our residents	x
	Support a strong, diverse and well-connected local economy	x
	Create a green, thriving and vibrant place to be proud of	x
	Be a modern, efficient and effective Council	

1. Summary

- 1.1 The purpose of this report is to consider the draft Economic Recovery Plan, which has been developed in consultation with portfolio holders in response to the economic impact of the Covid Pandemic.

2. Recommendations for Decision

Cabinet is asked to:

- i) Agree to consult for a period of 6 weeks on the draft Economic Recovery Plan at appendix 1.
- ii) Note the need to monitor and update the plan to reflect Governments own recovery planning and the evolving impacts of the Pandemic.
- iii) Endorse the actions outlined in the action plan at appendix 2.

3. Purpose of this Report

- 3.1 In developing the Economic Recovery Plan officers have conducted an on-going economic impact analysis, through primary research, a review of secondary research, liaison with government departments, engagement with the Combined Authority and business surveys.
- 3.2 Engagement with the private sector the wider business community and the public, community and voluntary sectors is the next stage in the process.
- 3.3 The aim of the Economic Recovery Plan is to support the Borough's engagement with Government, the City Region and potential investors in order to tackle the impact of economic downturn, maximise the opportunities for economic growth and to frame regeneration in the context of Sustainable Growth. Since government's thinking and the course of the pandemic continues to change, officers will continue to adapt the plan until its formal adoption.

- 3.5 The Council have already launched programmes to maximise the impact of the Governments Building Back better, the cycling programmes , green retrofit programmes and , employment programmes for 16-18-year olds, the development of key investments and grant support to businesses. However, it is clear that the scale of challenge ahead and the ethos of the Council underlines the need for a new level of partnership.

4. Background /Reasons for the recommendations

- 4.1. The coronavirus pandemic has had a significant impact on every aspect of society, with the response to this bringing a significant challenge to the Economic well-being of the Borough. As the crisis enters new phases the extent of the economic impact becomes clearer as is the need to identify key activity required to support recovery over the short-to medium term.
- 4.2. Prior to the pandemic, St Helens had made significant progress against its labour market and skills profile. Since 2010, there was a considerable reduction in the number of economically inactive residents, and a significant improvement in residents' skill levels. However, economic inactivity remained higher than the UK average, fueled by high levels of long-term sickness which reflects the poor health of much of the population. The Economic Recovery Plan outlines the challenges facing the St Helens Economy.

Place based activity has seen considerable positive change in recent years in terms of the local infrastructure, housing and the environment. However, St Helens' productivity, (Gross Value Added, the measure of the value of goods and services produced in an area) was 25% less than the national average while prosperity (GVA per head) was 46% less, leading to lower economic activity and employment rates. Business numbers and growth has been a third less than the UK average since 2015 and there has been a reduction in the business birth rate that has had a negative impact on business density. St Helens economic productivity is therefore at a lower starting point and therefore at more risk than other regional economies. The Economic Recovery Plan details the current statistical data that will continued to be monitored.

- 4.3 The proportion of the working age population is below national and North West levels and has fallen since 1992 and trends suggest this will continue. In addition, the borough has relatively high levels of deprivation and inequality, with nearly a quarter of all neighborhoods within the borough falling within the most 10% deprived nationally.

The Impact of the Coronavirus Pandemic

- 4.4 The impact of the pandemic has been unprecedented. Nationally, around 70% of businesses have seen a reduction in income, 80% of businesses have taken advantage of government assistance scheme where possible, and around 24% have closed. Of those continuing to trade, over 60% businesses furloughed staff and more than 50% are looking to defer VAT payments.
- 4.5 From an economic standpoint St Helens does not face this challenge from a position of strength. In fact, St Helens is projected to have the second largest economic slowdown out of all local authorities within the Liverpool City Region, with an anticipated 39% decline in output. This is due to the high concentration of sectors including education, retail, construction, and manufacturing that are projected to decline in the short term. Additionally, St Helens has a higher proportion of businesses in accommodation and food services compared to nationally, a sector disproportionately affected by the pandemic. As a result, it is anticipated that the impact of coronavirus could also be disproportionately felt in the borough, particularly amongst young people.

- 4.6 Despite the initial and on-going efforts of the Council to provide support to businesses, it is expected that there will be; a rise in business failure rates, lower business birth rates, a reduction in the number of jobs and reduced capital investment for growth, all of which will impact the economy.
- 4.7 Certain sectors will take a disproportionate share of the economic impact, including culture, leisure and hospitality sectors. The impact of the cessation of large sporting events at Haydock Park and St Helens RFC has implications not just for those businesses and their supply chain, but also for the wider visitor economy. National data indicates that the wider hospitality and leisure sector will be extremely vulnerable until they are able to operate free from restrictions. Much of our initial focus will be on supporting these sectors through the lockdown and restriction periods.
- 4.8 The pandemic has the potential to quickly exacerbate existing labour market and skills gaps and undo much of the progress made. It also exposes other areas of concern and brings new challenges. It is expected that unemployment will rise, with an estimate 16,000 jobs at risk, leading more residents to turn to benefits and initial evidence already showing a significant rise in applications. In addition, the number of new job vacancies has fallen dramatically, pushing those now unemployed further from the prospect of employment.
- 4.9 In response to the pandemic, the Council has already done all it could to support our residents and businesses in the short-term, including:
- Ensuring our Ways to Work and Households into Work teams continued to operate during lockdown to continue to support people back into employment
 - Working closely with partners to ensure the availability of advice and guidance on employment and training opportunities
 - Providing recruitment support and advice to businesses looking to retain and expand their staff
 - Helping Businesses to adapt to new trading conditions and to embrace innovation
 - Successfully supporting the reopening of the Borough's Town Centres after phase 1 lockdown
 - Promoting and paying out government grants quickly
 - Working with LCR to agree additional grant support to Hospitality and Leisure businesses.
- 4.10 The Council's plans to recover and reset, we will undertake medium-term activity to enable recovery, as well as long-term plans to reset our economy. Our priority is to support a strong, diverse and well-connected local economy with an aim to; improve economic growth, enhance business density and increase the numbers of jobs.
- 4.11 St Helens has the capacity to play a stronger role in the recovery of the Liverpool City Region and the wider regional footprint as well. Our relationships with the City region, Greater Manchester Authorities and Cheshire and Warrington will be essential to access private, Government and devolved recovery funding to supplement the Council and our partners own activity. Recognising our close allegiance to the city region and the strong part that St Helens will play in the regional recovery, we have mirrored the Combined Authority framework for our own recovery plan approach. On this basis the Economic Recovery Plan focusses on: The Business Ecosystem, People Focused Recovery and Place and a Green Recovery.
- 4.12 The key to the success of the St Helens economy will be our relationships and partnerships at a local level. This Economic Recovery Plan has at its heart the intention to work closely with stakeholders across the borough, including business leaders, education and skills providers, young people, public sector partners, and the community and voluntary sector. The Council's role will be to facilitate, enable and collaborate to deliver an Economic Partnership recovery

Plan. The St Helens Borough Economic Recovery Plan: Roadmap to Recovery is attached at Appendix 1. The implementation Plan is attached as Appendix 2

5. Community Impact Assessment

5.1 The fundamental aim of the plan is to ensure positive community impacts including:

- Local employment
- Supply chain opportunities
- Reducing environmental impact
- Stimulating green start ups
- Stimulating entrepreneurship
- Maximising accessibility
- Encouraging Sustainable growth

6. Consideration of Alternatives

6.1 It was considered that rather than publish a short-term Economic Recovery Plan we could consider the delivery of a longer-term Economic strategy accompanied by an Employment and Skills strategy. However, given the scale of change and market adjustment it is proposed that it would be better to incorporate this into the plan as an outcome to be delivered in the municipal year 2021/2022. Once a strong evidence base had been commissioned and the longer-term implications of COVID-19 become clearer, work on a longer-term Economic strategy and Employment and Skills strategy can be progressed.

7. Conclusions

7.1 In order for the Economic Recovery Plan to be successful it will need to be owned and influenced by our partners. At this point in time, officers have drafted the Economic Recovery Plan for members consideration in advance of wider engagement with business community, partners and residents. The key to the success of the document is to shape short to medium term policy activity, strategy development and investment priorities, so as to protect businesses' operations and residents' livelihoods today whilst supporting the longer-term growth ambitions of the Council and Borough.

8. Implications

8.1 Finance Implications

The Plan will act as a framework for bidding for external funds and securing private sector investment. It will also set out a narrative to frame our regeneration activity and the need to accelerate the delivery of growth.

An increased likelihood of business failure and higher unemployment poses a significant risk to the Local Authority though the loss of Council income via Business Rates and Council Tax, increased burdens upon the authority in terms of service demands and wider implications for the delivery of the Capital Investment Strategy.

There are no direct costs arising from publication of the Recovery Plan.

8.2 Legal Implications

There are no legal implications arising from the publication of the Recovery Plan

8.3 Community Impact Assessment (CIA) Implications

8.3.1 Social Value

A key objective of the Economic Recovery Plan will be to require all subsequent projects and schemes to be informed by a Community Impact Assessment to maximise the opportunities for added social value.

8.3.2 Sustainability and Environment

Through the Place and Green Recovery section of the Plan, the Council will consider the wider environmental opportunities that can be maximised. This includes, but is not limited to, the creation of a world-class digital Infrastructure, investment in active transport and green infrastructure, development and delivery of a programme that meet climate change commitments.

8.3.3 Health and Wellbeing

The People Recovery section of the Economic Recovery Plan considers health impacts on the economy. The Economic Recovery Plan considers overall health outcomes, not just those directly caused by COVID-19, but will help to prepare the borough's economic resilience to the varying "Tiers" of public health COVID-19 restrictions and the considerable mental health impacts the pandemic has given rise to.

8.3.4 Equality and Human Rights

Inclusivity and equality are at the heart of the Economic Recovery Plan, and through the adoption of the Build Back Better principles we have ensured that the development of the plan has reflected this. The proposed consultation exercise will further engage with protected characteristic groups to ensure their needs and the disproportionate economic impacts there are likely to be on them.

8.4 Customers and Resident

At the consultation stage the Recovery Plan will be developed in an accessible format that is public facing. The key messaging from the plan will also be disseminated in a variety of ways to reach different audiences across the City Region.

8.5 Asset and Property

It is the individual projects and programmes that will have an impact on the asset base of the Council rather than the plan itself.

8.6 Staffing and Human Resource

The plan has been developed by a range of officers across Place, Corporate, Children's & Young People and Integrated H&SC services. The individual programmes will require specific resources however the monitoring of the plan will be incorporated into the Council's reset and recovery Performance monitoring. Consultation and engagement will require additional staff resource although this will depend on the level of engagement.

8.7 Risks

There are no direct risk implications. The Recovery Plan will help set the strategic direction for economic growth policy across the Borough and support the prioritisation of the associated Liverpool City Region Combined Authority recovery plan. There is a risk that by not having an Economic Recovery Plan we will miss opportunity to reset and recover in the most efficient way possible. This will be mitigated through Partner involvement and the engagement of the Liverpool City Region Combined Authority.

9. **Background papers**

9.1 None

10. Appendices

10.1 Appendix 1 The St Helens Borough Economic Recovery Plan: Roadmap to Recovery
Appendix 2 The St Helens Borough Economic Recovery Plan: Action Plan