

REPORT:

# Sefton Economic Strategy Update



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Sefton Council's work in supporting the growth of the Borough's economy over the last decade in particular, has ensured that we have remained resilient, attractive and diverse. Our Growth and Strategic Investment Programme – which continued apace through (and despite) the pandemic - means we are now delivering the early phases of our exciting regeneration plans. These commitments will - both in isolation and in what they stimulate - be worth hundreds of millions of pounds to the local economy. We will of course strive to take full advantage of the many opportunities to support the wider development of the local economy, but we also recognise that there are challenges to address. We want to achieve economic growth that works for all Sefton residents. This document provides a basis for the continuance of our commitment to sustainable and inclusive economic growth for the Borough of Sefton.

Everybody recognises that the recent period has been characterised by such seismic shocks, disruption and instability to the global, domestic and local economies, and the Strategy responds to this changing landscape at the local level. It updates and replaces the Sefton Economic Strategy adopted only recently in 2019, and its associated Action Plans, to which the ink had barely dried before the pandemic hit in 2020. The Sefton Recovery Plan in November 2020 provided an immediate analysis and pathway out of the worst of the pandemic. And this October 2022 updated Sefton Economic Strategy reinforces the best and most relevant of what we have said before, and provides a new narrative following the post pandemic research and collaboration with partners.

But Sefton Council has continued to provide leadership and direction, pursuing a robust town centre focussed regeneration strategy, partnership working to bring forward some of our larger scale and complex strategic employment sites, promoting an embedded business support programme engaging with existing businesses to survive and thrive, ensuring over £100m in business support grants were provided to our businesses through the pandemic, investing directly in regeneration and infrastructure, including employment and skills.

Sefton's economic growth ambitions will not happen in isolation, and we will continue to work closely with our Liverpool City Region neighbours, the Combined Authority, Growth Platform/Local Enterprise Partnership and other partners in the private, public and voluntary sectors to help nurture growth and new investment and to support other ambitions relating to social value, climate change and tackling health and economic inequalities.

We must look forward together to ensure Sefton remains an attractive proposition for inward investment, and indeed a desirable place to live, work, and play. Consultation has helped to shape our Strategy, and through this, strong endorsement of its focus on four key thematic objectives emerged, namely:



## FOREWORD

- Employment and Opportunities for Work
- Business Growth and Investment
- Regenerated Places
- Social Inclusion and Access for All

The Sefton Economic Strategy and associated Action Plans will focus on these, and therefore will remain a working document. We will be reviewing progress and performance at key stages, enabling us to share our findings and update and measure the Borough's progress. We will also use this work to demonstrate to Government the scale of the task and the evidence of tangible projects and programmes which can make a very real difference at the local level to our communities.

The key message remains one of aspiration. We are ambitious for the economy of Sefton, our businesses, and our people. We would be delighted to hear from you if you have any comments on our projects and activities. For

further information please contact Stuart Barnes Assistant Director of Place (Economic Growth & Housing) at [stuart.barnes@sefton.gov.uk](mailto:stuart.barnes@sefton.gov.uk)

This is our roadmap to supporting people, place and productivity within a vibrant local economy where our existing business are helped to grow, new businesses are established and thrive, our residents have the skills needed to access the jobs of the future and we collectively support places across all parts of the Borough that we can be proud of.

**Cllr Marion Atkinson**  
**Cabinet Member for Regeneration & Skills**







CHAPTER 1:

# Introduction



# INTRODUCTION

## Sefton

Sefton is a Local Authority in the Liverpool City Region (LCR) stretching from Bootle in the south to Southport in the north and encompasses other settlements including Crosby, Formby and Maghull. The borough is home to 275,000 people and nearly 8,000 businesses.

Sefton provides employment for around 75,000 people but also benefits from excellent connectivity to neighbouring conurbations including Liverpool and Manchester. This connectivity has also resulted in Sefton attracting a number of workers who commute to these nearby destinations. Sefton's coastal location results in a strong visitor economy and to the south port activities, the digital sector is supported by cross-Atlantic fibre links, many professional services firms operate in Sefton and the area also has unique mental healthcare activities which has stimulated some wider public and private sector investment.

In recent years, Sefton Council has worked towards securing investment for projects revitalising Southport Town Deal and Bootle Strand although the area includes numerous areas of deprivation, and the area has a strong relevance to the government Levelling Up Agenda.

## The Project

In December 2019 Sefton Council published the Sefton Economic Strategy (SES) Action Plan. This plan followed on from the Local Economic Assessment that was developed into the Economic Framework for Sefton.

The SES Action Plan was published shortly before the Covid-19 pandemic. As a result of the very scale changes on the UK economy and the importance of the visitor economy to Sefton, there was a need to update the original plan. As part of the consideration of changes since 2019 it was also necessary to consider several other large economic drivers created through aspects such as Brexit, the outbreak of the war in Ukraine and the supply chain pressures which have been completed by all these factors.

Covid-19 originally led to the publication of the Sefton Strategic Recovery Plan. Sefton Council are now seeking to update the original SES Action Plan in order to reflect the changing economic situation over the past 3 years. This strategy will therefore build on the original findings with updated evidence, themes and actions that were taken to public consultation in Summer 2022.

## Mickledore

Mickledore is an economic development advisory business based in Warrington and has worked with Sefton Council previously. In the recent past, Mickledore was engaged to assist with Sefton's Strategic Recovery Plan. Mickledore also undertakes some work at a Liverpool City Region level.

More widely, Mickledore has developed economic strategies for clients across the country and various inward investment strategies.



# INTRODUCTION

## Sefton Vision 2030

The strategy is aligned with the Sefton Vision 2030 and wider existing strategies and work on the Digital agenda and Climate Change. The strategy also aligns with Sefton work on Child Poverty; Housing; Climate and to some extent Health & Wellbeing. Work has also been undertaken to ensure that the document is also aligned with the LCRCA who were consulted.





## CHAPTER 2:

# Evidence





## Introduction

An extensive investigation into the evidence took place to update the data used in the SES Action Plan. This data was analysed to identify any key issues for Sefton, and to highlight any changes that may have occurred following the Covid-19 pandemic.

The key evidence points are presented in this report and were used to establish the key themes that form the updated strategy. These were taken to public consultation in Summer 2022.

## Sefton's Economic Performance

At a local authority level, Sefton records economic data which is generally favourable compared to the North West Region although slightly less so nationally.

### Selected core economic statistics- Sefton

| Variable  | Sefton | NW England | National (GB) |
|---|--------|------------|---------------|
| Economically active (Dec 2021)                                      | 77.4%  | 76.5%      | 78.4%         |
| Percentage households workless (Dec 2020)                           | 15.8%  | 15.5%      | 13.6%         |
| Percentage employed as managers or professionals (Dec 2021)         | 33.2%  | 32.1%      | 34.2%         |
| Qualified NVQ4 or above (2021)                                      | 39.1%  | 38.5%      | 43.5%         |
| Gross weekly pay for residents (2021)                               | £587   | £578       | £613          |
| Claimant count (out of work benefits) working age population (2022) | 4.3%   | 4.4%       | 3.9%          |

In December 2021, 77.4% of people in Sefton were economically active. This is 0.9 percentage points higher than the North West average, but 1 percentage point lower than nationally.

This is a recurring picture across the key indicators. Sefton performs slightly better than the North West but worse than nationally for the percentage employed as managers and professionals (33.2%), people qualified with NQ4 and above (39.1%) and gross weekly pay for residents (£586.70).

Sefton records a worse position than the national averages for workless households and working age people claiming out of work benefits. Specifically, in December 2020 15.8% of households in Sefton were workless, 2.2 percentage points higher than nationally. 4.3% of Sefton's working age population claimed out of work benefits in 2022, 0.4 percentage points higher than nationally.



## Income Disparity

Whilst at headline levels, Sefton may appear to be an area of average economic performance, the local authority does have areas of severe deprivation.

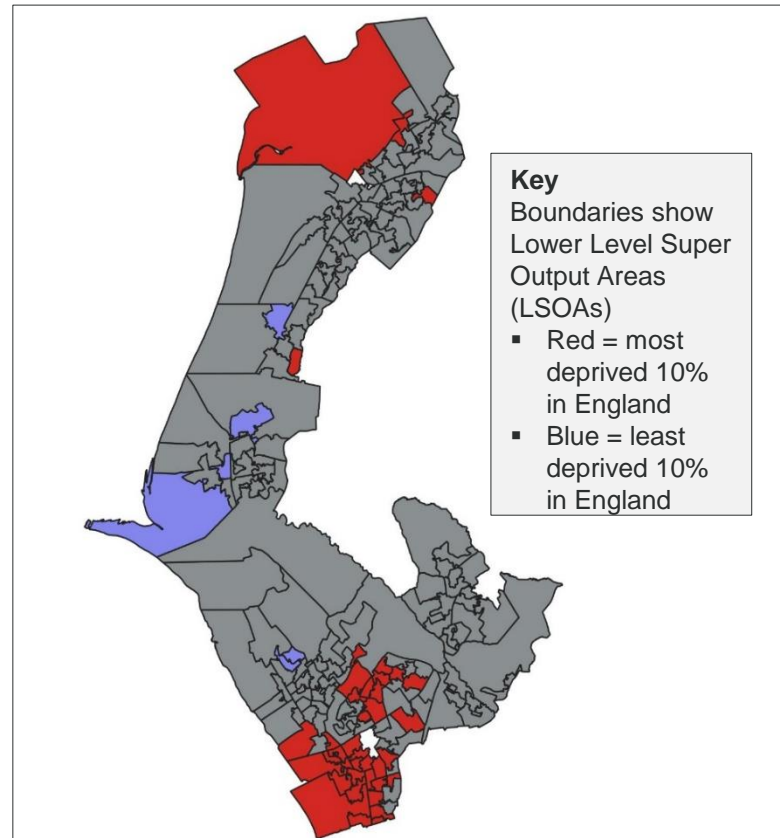
Deprivation is measured in a number of ways illustrated at a local level (Lower Level Super Output Areas) by the Indices of Multiple Deprivation. LSOAs typically contain the same amount of people and as a result the large shaded area to the North of the Borough contains a similar number of people as the more densely populated areas.

When income is considered, Sefton has a number of areas where income is in the lowest 10% in England and a few in the highest 10%. The red areas on the map indicate the areas that are among the most deprived 10% in England, and the blue areas indicate the least deprived 10%.

Even these figures mask the scale of deprivation. One area of Bootle is now ranked as the 28th most deprived in terms of income across England (out of 32,844 areas) and its ranking is falling (ranked 197th in 2007).

Income deprivation is not only a serious issue at an individual / family level – a concentration of low levels of income undermines the entire local economy reducing disposable income which can be spent in the area, and creating challenges for the Local Authority in terms of income (lower Council Tax revenues) and expenditure (social support mechanisms) resulting in reduced opportunity for discretionary investment by the Local Authority.

Map of areas of Income Deprivation - Sefton



Source: Indices of Multiple Deprivation 2019 (DLUHC)

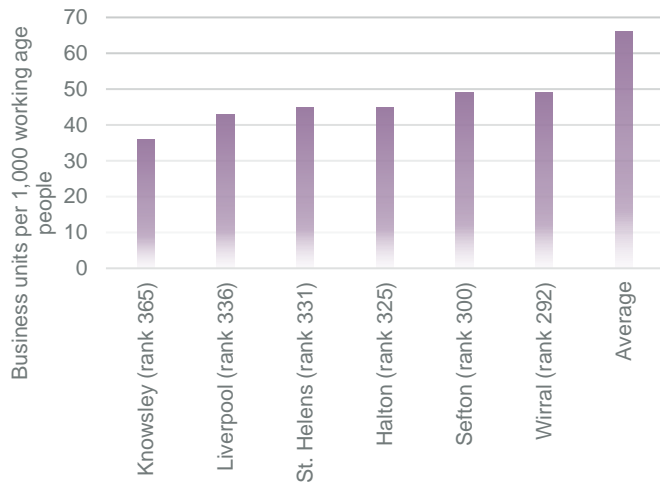


## Business Activity

One issue impacting on local income is the range of businesses and employment opportunities in Sefton.

In fact, more generally, the Liverpool City Region (LCR) has a low level of business density when considered at a national level. The highest ranked local authority in the City Region is ranked 292 out of 374 local authorities. The average number of businesses in the UK per 1,000 working age people is 66 but in Sefton this figure is only 49.

### Business Density (business units / 1,000 working age residents) – rank out of 374 Local Authorities



Sefton has continuously and significantly created fewer businesses than England as a whole. The gap was the narrowest in 2020 although even in this year Sefton created 21% fewer businesses per working age person than England.

Year-on-year under-performance in business creation is undermining the wealth creation potential in the area and whilst this is a City Region wide issue, it is also an indicator that can be influenced at a Local Authority level.

### Business Start-ups (business units / 1,000 working age residents)



## EVIDENCE

### Business Activity cont.

It is possible that some private sector start-up activity has been crowded-out by the extent of public sector employment, but whatever the cause, in the majority of Wards within Sefton, the proportion of public sector employment is higher than the average for England.

In 3 Wards within Bootle and Maghull (Ford, Derby and Sudell) the proportion of employees employed by the public sector is >50%.

Whilst some work can be undertaken to stimulate private business start-up and investment, it is certainly the case that the public sector has been an important employment generator in Sefton – albeit many of the public sector roles within the Borough are likely to be poorly paid. And as public sector employment is decentralised from London, Sefton can be presented as a

Percentage of Public sector employment by Sefton Ward

| Ward                   | Percentage of employment public sector |
|------------------------|--|
| Ford                   | 61.9                                   |
| Derby                  | 60.5                                   |
| Sudell                 | 57.1                                   |
| Kew                    | 39.9                                   |
| St Oswald              | 38.4                                   |
| Linacre                | 38.3                                   |
| Manor                  | 30.6                                   |
| <b>Sefton Average</b>  | <b>24.6</b>                            |
| Ainsdale               | 23.6                                   |
| Birkdale               | 23.0                                   |
| Harington              | 22.6                                   |
| Litherland             | 19.1                                   |
| Meols                  | 18.4                                   |
| Park                   | 17.3                                   |
| Church                 | 17.3                                   |
| <b>England Average</b> | <b>16.8</b>                            |
| Blundellsands          | 15.8                                   |
| Netherton and Orrell   | 14.5                                   |
| Cambridge              | 13.8                                   |
| Victoria               | 10.7                                   |
| Duke's                 | 10.5                                   |
| Molyneux               | 10.4                                   |
| Ravenmeols             | 7.2                                    |
| Norwood                | 4.7                                    |

Higher propensity for public sector employment than average



Lower propensity for public sector employment than average





## Out Commuting

In common with many LCR local authorities, Sefton has high levels of out-commuting. 46% of Sefton's working residents earned their income from outside the Borough at the time of the 2011 census (the last published data). Whilst out-commuting as a percentage of the workforce is not the highest of the local authorities in LCR, the number still represents a significant proportion of residents. This data will be up-dated upon the release of the new census in 2022.

Over 12,000 net out commuters travelled to work in Liverpool, with high levels also travelling to Knowsley (-920)

### Percentage Out-commuting LCR (% of working residents)

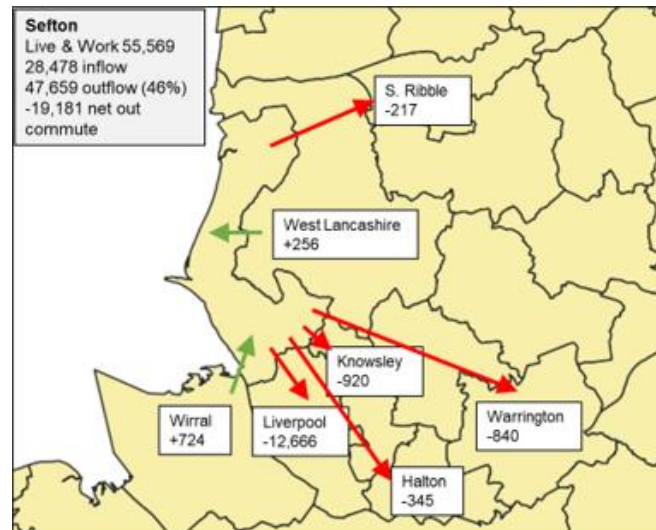
|            | Percentage |
|------------|------------|
| Knowsley   | 65%        |
| St. Helens | 52%        |
| Sefton     | 46%        |
| Halton     | 46%        |
| Wirral     | 37%        |
| Liverpool  | 30%        |

and Warrington (-840). Sefton did receive net in commuters from Wirral (+724) and West Lancashire (+256).

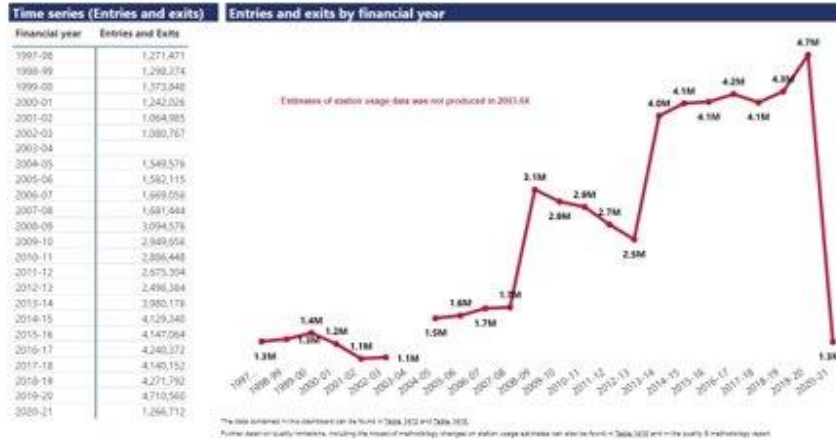
Rail data (overleaf) suggests generally increasing out-commuting over the last two decades.

However, train borne out-commuting fell dramatically during the pandemic. Changing work patterns lasting from the impacts of the national lockdowns provide the possibility of a reset. It is likely that many residents will have reconsidered their previous commuter lifestyle. There is the potential for a future reset to increase earning and retained spending in the area.

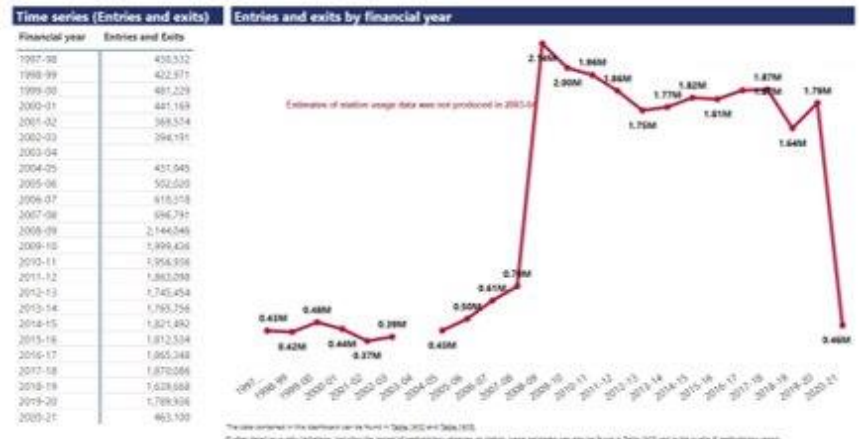
### Net commuting flows Sefton (>100)



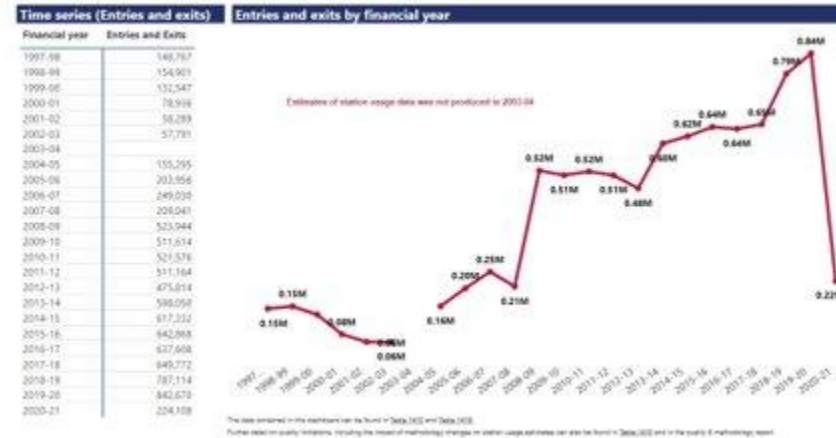
## Southport station usage



## Maghull Station usage



## Combined Bootle station usage (New Strand / Oriel Road)



The station usage graphs show that the number of entries and exits has been increasing in all 3 Sefton stations (Southport, Maghull and Bootle) since 2004-05- (3 stations used as illustrative), reaching a peak in 2019-20. In that year there were 4.7m entries and exits at Southport station alone.

The Covid-19 pandemic caused a severe drop off in the number of people passing through Sefton’s stations, as would be expected due to national lockdown restrictions. For example, Southport station saw only 1.3m entries and exits in 2020-21, a reduction of over 72%.

Whilst working patterns have returned towards previous trends in 2022, it will be important to monitor how changing working patterns impact the number of people choosing to out commute from Sefton in the future and whether this returns to previous levels.



## Securing a Workforce in the Future

A reconsideration of commuting activity by Sefton residents is likely to be a highly relevant metric for the Sefton economy in the future.

Media commentary describes the ageing population at a national level. According to ONS population projection data, the issue will be more acute in Sefton with projections suggesting a decline of 5,663 in people aged 16-64 (still used as a proxy for 'working age' despite changing retirement ages). This represents a shrinkage of 3.5% in the available workforce. This has a double impact because as the workforce is shrinking, those in need of adult social care is likely to increase as a

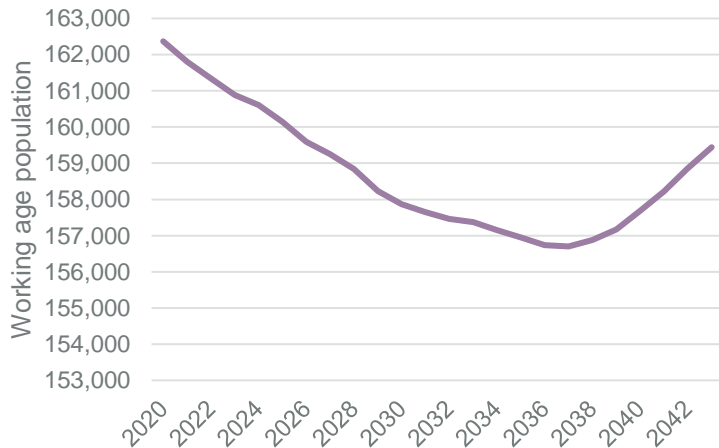
result of the same ageing demographic trends.

The scale of change is expected to be greater in Sefton than in England as a whole.

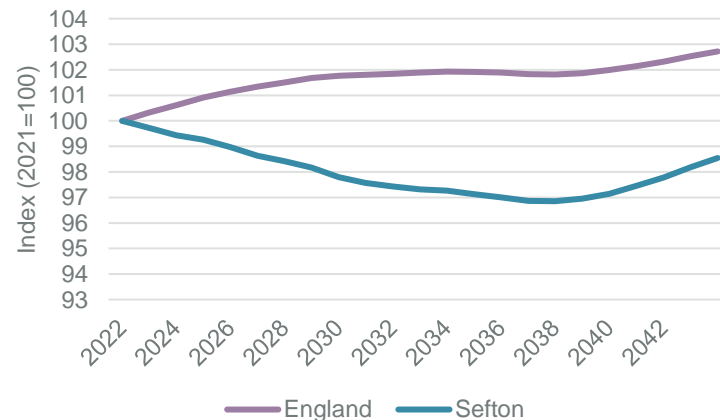
Estimates beyond 2038 (when the situation is expected to ease) are somewhat speculative since the population that will be within the working age group by this date have not yet been born.

Economic development policies of the next decade are likely to include a focus on the attraction and retention of talent and this has implications for housing and the creation of attractive locations to both live and work.

**Projected population aged 16-64 time series 2020-2042**



**Index of projected change in population aged 16-64 for Sefton and England**



Source: ONS Population projections



## Workforce and Skills Availability

Driving improvements in resident incomes in the future are likely to be strongly influenced by improvements in productivity and the attraction of more knowledge intensive businesses. This shift can only be achieved if the skills of the workforce enables these shifts in the economy.

Data available from the annual population survey in 2021 shows that overall skill levels in Sefton have been improving.

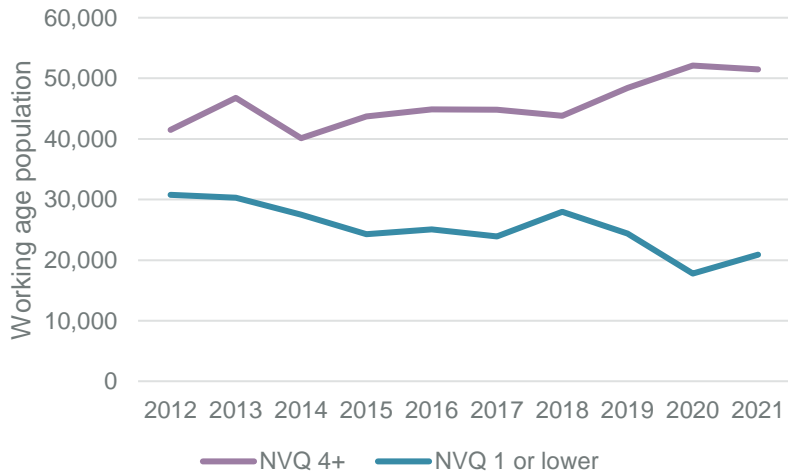
The number of people of working age in Sefton achieving NVQ level 4 and above has been increasing whilst the number of people with no skills has been declining. In 2021,

54,500 people in Sefton had qualifications up to NVQ4+ whilst 20,900 people achieved NVQ1 or lower.

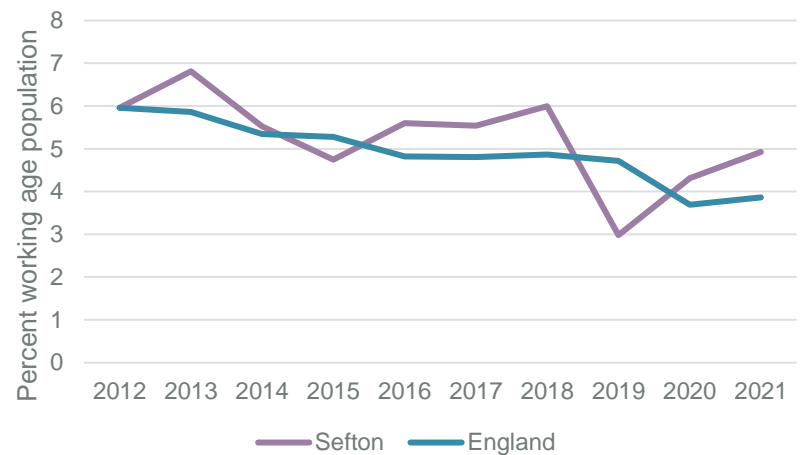
Sefton and England are comparable in terms of the proportion of the working age population with no skills. There has been a downward trend since 2012, although Sefton saw a slight jump between 2019 and 2021 likely to have been impacted by the pandemic.

In addition, according to experimental ONS data the area is mid-ranked in terms of the workforce at risk of a loss of employment due to automation (129th of 354 Authorities ranked).

**Working age population skills achievement**



**Proportion of working age population with no skills**





# EVIDENCE

## Workforce and Skills Availability cont.

Covid-19 had a very significant impact on employment despite national government intervention. The impact of a lockdown on the visitor economy and the hospitality industry was particularly severe.

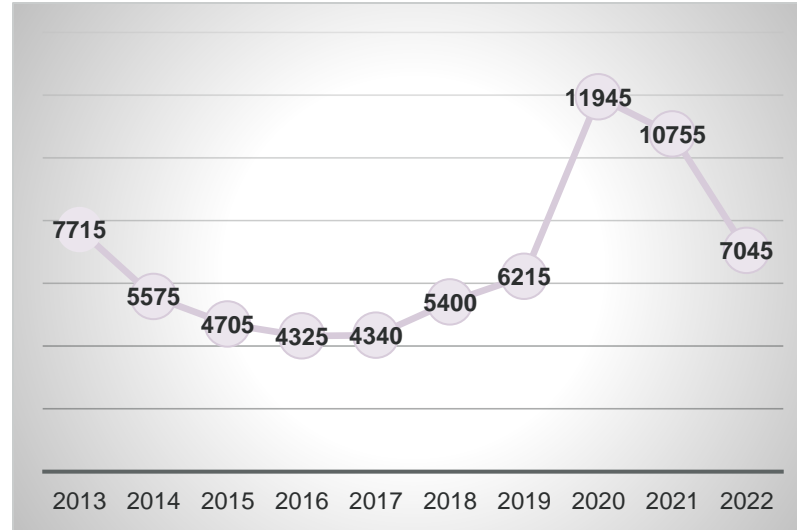
Despite concerns about Sefton's resilience given the importance of the visitor economy, Sefton has outperformed the national picture when claimant count levels are considered with a less pronounced impact of Covid-19 on out of work benefits and a more rapid recovery than England as a whole.

At the peak of the pandemic Sefton reached 11,945 people claiming out of work benefits, but this figure has dropped significantly to 7045 in 2022. This does however remain 13.4% above pre pandemic levels and in many cases the pandemic's impact has been extremely serious at an individual level.

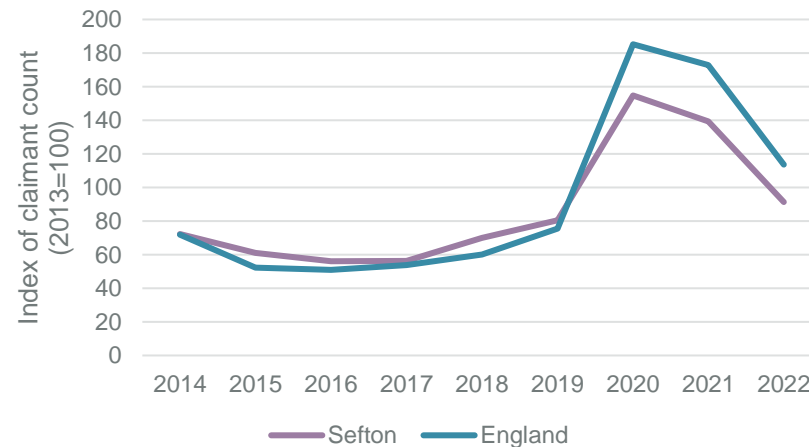
Comparing Sefton to the UK against a 2013 index of 100, in 2022 Sefton's total out of work claimant count stood at 91.3 versus 113.6 in the UK. Even during the lockdowns in 2020 Sefton performed better, with an index score of 154.8 compared with 185.3 in the UK on average.

At a Sefton wide level skills and employment data can be viewed in a positive light although, as ever, the average figures mask areas of severe deprivation.

Total out of work claimant count Sefton



Total out of work claimant count Sefton v England index (2012=100)



## Economic Development and Place

Economic development is increasingly about place – employment and a living environment at the confluence of transport routes and growth creates a critical mass of activity and generates ideas and opportunity.

Key to this critical mass is the work / life balance and this can be measured in terms of residential demand. Sefton has a strong demand for new housing provision and the house price affordability ratio is lower than elsewhere in the LCR as a whole with a ratio of 6.8 versus 5.5 (although recently affordability is slightly ahead of Wirral at a Local Authority level). These ratio indicate the strength of demand although clearly unaffordable housing is now a significant problem for many residents seeking to access the housing ladder.

There is a clear need for additional housing provision and to create a mixed variety of properties including both affordable properties in areas of high demand and more aspirational housing in areas of income deprivation. This priority is reflected in Sefton’s emerging Housing Strategy which focusses on ensuring that housing needs are met over the next 5 years through the provision of the right type of housing in the right locations. The Council will achieve this through closer working with private sector providers and social landlords, as well as through the direct provision of high quality housing for both outright sale, intermediate home ownership products and social rent in areas where demand is highest.

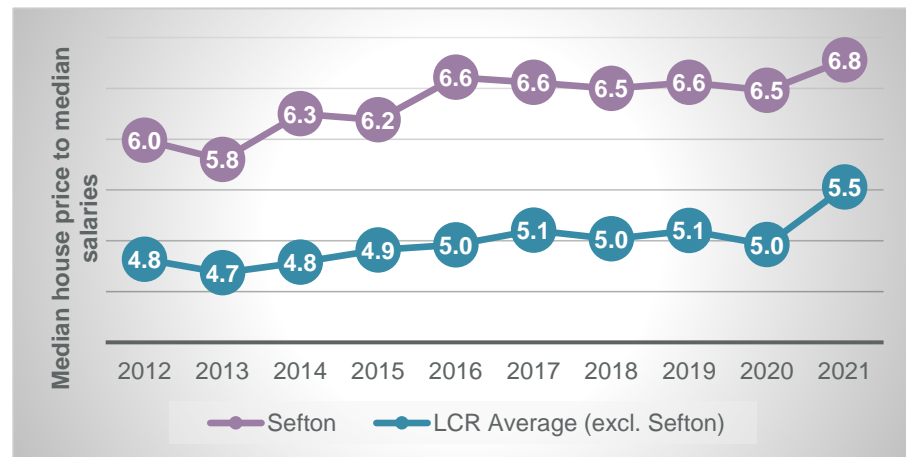
## Estimated employment Land Need (based on completions) 2012-37

Recent employment land studies also suggest that there is a shortfall of available land against current demand.

|                            | B1    | B2    | Small Scale B8 |
|----------------------------|-------|-------|----------------|
| Sefton                     | 24.2  | 15.0  | 9.5            |
| LCR (plus West Lancashire) | 235.7 | 437.3 | 118.2          |

Source: GL Hearn SHELMA for LCR 2018

## Housing Affordability ratio – Sefton & LCR



Source: Housing data DLUHC



### **Economic Development & Place cont.**

Recent employment land studies also suggest that there is a shortfall of available land against current demand.

There is a need to provide employment land but with a focus on land which can accommodate higher employment density space especially where higher value employment can be created. Land constraints in Sefton suggest that demand for large floorplate uses with lower employment densities should be resisted.



## Disparities within Sefton

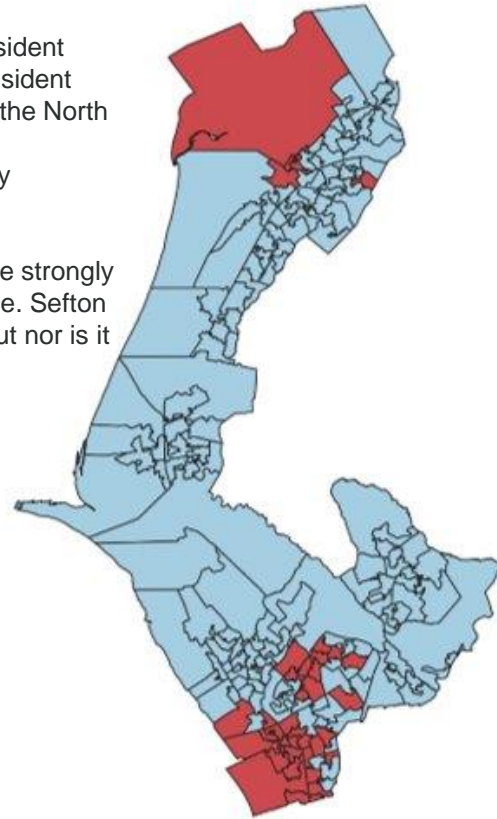
When setting out an economic narrative for Sefton it is important that the story of the Borough is told in sections. At a Local Authority level, for many economic measures, average performance is unremarkable but this masks fundamental issues.

When data is presented at a Sefton level the case for intervention is often lost. Sefton has some areas (Lower Level Super Output Areas) in the 10% least deprived in the country – but double the average proportion

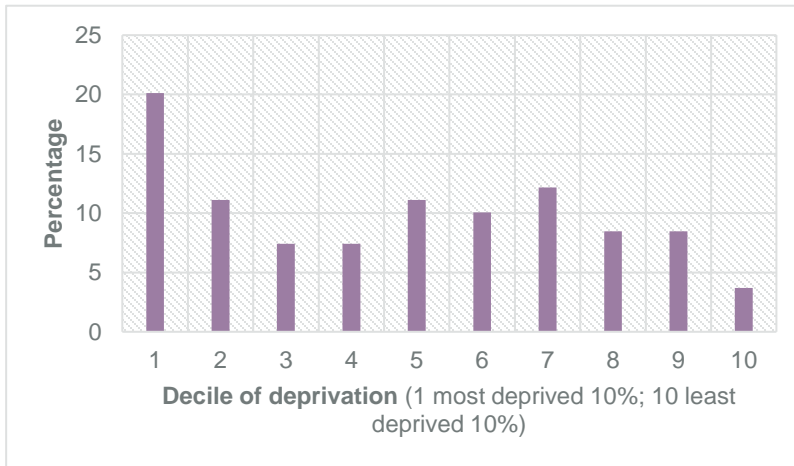
in the most deprived. These are generally (but not exclusively) in the south of the Borough.

On average measures, such as resident income, Sefton records average resident incomes (2021) at 3% higher than the North West average and this is clearly a misleading story in terms of the key economic narrative.

Data and interventions can be more strongly aligned to the requirements of place. Sefton is not a one size fits all Authority but nor is it as simple as a north / south split.



**The distribution of deprivation in Sefton – percentages of areas in different levels of deprivation. Map shows Sefton areas in the 10% most deprived in England**





## The Four Themes

Following the review of the updated evidence for Sefton, the analysis led to the establishment of four key themes that shape Sefton's updated economic strategy.

These themes are:

- Employment and opportunities for work

- Business Growth & Investment
- Social inclusion and access for all
- Regenerated places

These themes along with 25 corresponding key issues were taken to public consultation. The results of the consultation are discussed in the following chapter.



CHAPTER 3:

# Consultation



## Overview of the Consultation

Between 20<sup>th</sup> July and 17<sup>th</sup> August 2022 Sefton Council's Economic Growth and Housing Service led a public consultation to gather views on the updated evidence and proposed themes.

A draft evidence report was produced and circulated to over 2,600 businesses and developers/investors with a link to an online survey. In addition, the report was circulated to a wide range of internal and external groups, networks and organisations, and several specific face to face briefings and online consultation forums took place.

These face to face briefings and online consultation forums included:

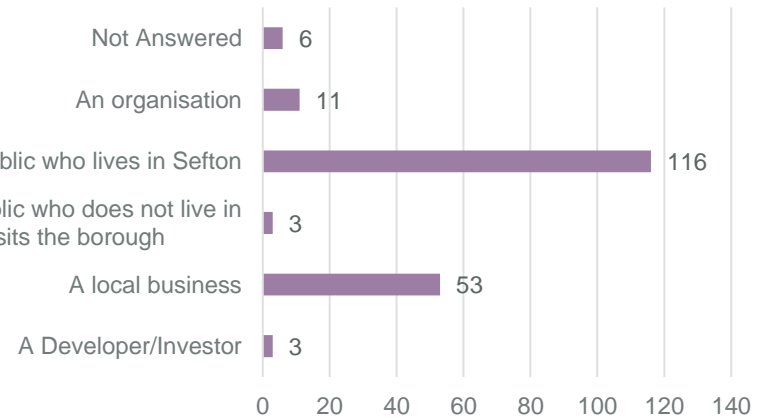
- *Sefton Economic Forum-15 July attended by over 100 business delegates*
- *Sefton in Mind-27 July attended by over 10 representatives*
- *People First Merseyside-11 August attended by over 20 Board members*
- *Sefton Partnership Board-15 August attended by over 15 board members*

To further increase public engagement the details of the consultation were shared on social media, and an easy read version of the evidence report and survey were produced. Equality questions were included within the survey to gain insight on the views of specific groups.

In total, 192 people completed the survey. Of these, 60.4% were members of the public who live in Sefton and 27.6% were local businesses. The survey produced quantitative results that have been analysed to understand the importance of the chosen themes, and several corresponding key issues, to the people, businesses and organisations of Sefton.

Survey respondents were also given the opportunity to answer qualitative questions. The comments have been analysed and summarised to represent the frequently recurring key points and combined with feedback taken from consultation sessions and individual contributions outside of the survey.

**Sefton Economic Strategy Consultation Survey Respondents**



## Quantitative Results

Participants of the consultation survey were asked to score each of the four suggested themes out of 5 depending on how important they regard them to be, with 1 being the lowest and 5 the highest.

When taking the mean score for each theme, the theme that ranked as most important was **employment and opportunities for work** with a score of 4.55. 130 respondents (68.4%) ranked this theme as 5, the highest level of importance.

However, the difference between the 4 themes is small. The lowest ranking of the 4 was **social inclusion and access for all** with a mean score of 4.12. 101 respondents (52.6%) scored this theme a 5 for importance.

The respondents were then asked to rate key issues relating to each theme from 1-5 associated with the level of

importance the issue has for them, with 5 being the highest and 1 the lowest.

The issue with the highest average score was to **deliver a range of progression pathways to better connect Sefton's young people with opportunities in the local labour market and make successful transition to the adult world of work**. 118 respondents (61.5%) rated this as a 5, the highest level of importance.

When ranking all 25 key issues from across the 4 themes against each other, 4 out of 5 of the Employment and Opportunities for Work key issues appear in the top 10. Therefore, this is clearly an area of high importance for consultees.

The full tables of rankings for each theme can be found overleaf.

**Sefton Economic Strategy Consultation Survey – Ranking of Themes**



## Employment and Opportunities for Work

| Rank | Key issue  | Average score |
|------|--|---------------|
| 1    | Deliver a range of progression pathways to better connect Sefton's young people with opportunities in the local labour market and make successful transition to the adult world of work.     | 4.16          |
| 2    | Deliver accessible learning for residents of all ages to gain the skills required by our employers and move into or move up in work  | 3.91          |
| 3    | Provide support for people with disabilities or poor health to reach their full potential in learning and work.  | 3.90          |
| 4    | Develop innovative partnerships with employers to deliver better quality careers and improve progression routes for Sefton residents, prioritising the most vulnerable such as care leavers. | 3.89          |
| 5    | Provide advice and support for workless and inactive people disconnected from the labour market to enter sustainable, decent work.   | 3.84          |

## Regenerated Places

| Rank | Key issue  | Average score |
|------|--|---------------|
| 1    | Using vacant and underutilised floorspace to support other uses. (e.g. vacant shops /offices etc )   | 4.00          |
| 2    | Provide a mix of different housing types and tenures, including housing that people can afford.  | 3.96          |
| 3    | Creating quality outdoor environments in our town centres which support health and wellbeing for different age groups (Younger/Older People) and support diversity.                              | 3.82          |
| 4    | Marketing Sefton's excellent visitor destinations, quality attractions and events to enhance the growth of the Borough's economy and boost its status as a place to work, live and do business.  | 3.79          |
| 5    | Providing town centre's with a diverse range of services and uses to support the business and residential communities around them. e.g. health & social care, more social business opportunities | 3.76          |
| 6    | Undertake housing led regeneration in less popular parts of the borough where our oldest housing stock is found.   | 3.72          |
| 7    | Encourage and celebrate local cultural, heritage and local identity.   | 3.49          |
| 8    | Encourage town centre living to help create diversity and support local economic resilience  | 3.37          |
| 9    | Developing a shared drive to net zero and climate adaptation for all who work and live in Sefton and ensure we avoid negative impacts on our most disadvantaged communities                      | 3.32          |
| 10   | Moving away from car based to more sustainable travel transport and encouraging active travel throughout the borough   | 3.10          |

## Business Growth and Investment

| Rank | Key issue   | Average score |
|------|---|---------------|
| 1    | Provide more support for businesses of any size or sector (including social businesses) seeking to grow and create new jobs | 4             |
| 2    | Focus more support on retaining existing companies, helping them to grow in the borough                                     | 3.99          |
| 3    | Promote Sefton to seek and attract new inward investment opportunities  | 3.89          |
| 4    | Focus support on businesses trading in Sefton's town centre's   | 3.84          |
| 5    | Support Sefton businesses seeking to secure local supply chain opportunities from large public sector contracts             | 3.83          |
| 6    | Deliver support to create new opportunities for people wanting to start their own business                                  | 3.8           |
| 7    | Develop adequate land and business premises for employment to meet the borough's needs                                      | 3.47          |

## Social Inclusion and Access for All

| Rank | Key issue   | Average score |
|------|---|---------------|
| 1    | Supporting sustainable improvements in health and wellbeing through both policies and delivery of economic development projects     | 3.86          |
| 2    | Ensuring equality and diversity is central in all our activities to help support a more inclusive, creative, and innovative economy | 3.54          |
| 3    | Ensuring the benefits of digital transformation and inclusion across all Sefton's communities and businesses                        | 3.53          |

## Ranking of Key Issues

The tables above display the results of the ranking of key issues by theme. They have been ranked by their average importance score. The key issues highlighted are the 10 themes with the highest average score for importance overall.



### Qualitative Results

Overall, there was generally positive support for the choice of themes. In particular, a frequent comment was that business growth is the starting point for success in the other 3 thematic areas, and the interconnectivity between the themes should be highlighted in the strategy.

Mickledore contend that whilst this is undoubtedly the case, economic growth over the last 3 decades suggest that only proactive or policy initiatives ensure that this inter-connectivity can take place and that it is not an automatic result.

A recurring theme from contributors was sustainability. In their detailed response to the strategy, LCRCA suggested that the Net Zero theme could flow throughout the whole strategy.

Under the theme of *Employment and Opportunities for Work* a common suggestion was that there should be more opportunities for training and reskilling, and advice and guidance for employment for both younger and the older populations. In particular, several respondents would like to see young people more prepared for working life from school age.

The strategy could also consider links between education and R&D between Sefton and Liverpool City Region given that for the most part the R&D assets of LCR are outside the Local Authority area.

Regarding *Business Growth and Investment*, consultees sought more support for SMEs ranging from financial support, to events and networking spaces. Concerns were raised about the lack of affordable and usable office space/employment land in Sefton and requests to emphasise Sefton's growing sectors to achieve greater investment aims.

The consultation highlighted that under *Regenerated Places*, people in Sefton would like town centres and tourist areas to be more attractive, green and accessible for people to live, visit and work. However, many suggested that investment should be more evenly distributed outside of tourist areas. Two of the most common comments were related to transport and the lack of accessible green spaces across the local authority.

Comments relating to *Social Inclusion and Access for All* were frequently associated with health and wellbeing, and particularly how this impacts the disparity in opportunities across Sefton. There was general agreement that there cannot be a one size fits all approach for the whole of Sefton. Another key concern was how Sefton will adapt to manage the impacts of an ageing population including reskilling and social/support groups. Concerns were also raised about disability access and digital inclusion.





## CONSULTATION

### Conclusion

It appears from the responses that the consultation exercise reached a wide range of people and that the participation was reasonably strong. There has been support for the approach taken by the Council with qualitative points which have been useful in strengthening some of the themes raised.



CHAPTER 4:

# Conclusions





### Employment and Opportunities for Work

Continued work on pathways into work and skills & development activity underpins the entire strategy and is likely to be increasingly important given economic challenges, the changing nature of employment and the ageing demographic



### Business Growth and Investment

Sefton has a number of core private and public investments which can generate greater opportunities for local business growth and more start-up activity and smaller scale inbound investment – all broadening the business base and employment opportunities.



### Regenerated Places

An improved environment to live, work and attract visitors and investment is a key pillar of the strategy – but the ambitious investment programme can, itself, create opportunities for local business, help develop supply chains and create employment and skills development programmes



### Social Inclusion and Access for All

It is clear that any ‘trickle down’ benefits of economic growth do not reach all communities without proactive work to enable access to employment and wider services. Extreme deprivation undermines communities and also undermines the ability of the Local Authority to work on wider initiatives.



## SES Action Plan – Previous Strategy

This strategy provides an update to the Sefton Economic Strategy (SES) Action Plan that was published by Sefton Council in December 2019. Following on from the Local Economic Assessment and the Economic Framework for Sefton. That Plan incorporated over-arching and interdependent strategies and policies at a national, sub-regional and local level.

The SES Action Plan (from the previous strategy) put forward a Framework for Action. This framework established 3 key themes that link with economic and inclusive growth challenges in Sefton. These were:

- **Places** - giving priority to new housing and commercial development, the regeneration and revitalisation of Sefton's towns and broader investment in place-making and low carbon activities.
- **Productivity** - recognising that the priority of creating more jobs, more businesses and business growth in Sefton should be balanced with action to improve the quality of work and how much it pays.
- **People** - putting Sefton's residents at the heart of the economic Framework and equipping them with the skills and confidence needed to participate in a tough labour market and make a positive contribution to Sefton's economy.

These themes remain highly relevant to the update and have not changed as a result of the recent economic headwinds. In some cases, in particular in the people theme, the selection is even more relevant now than at the time it was drafted.

Following on from this, the SES Action Plan established seven broad action areas that together set up the strategy for Sefton's inclusive Economic Growth. These are set out below with each action's objective and key themes of priority actions:

1. **Development and Infrastructure:** To secure the delivery of new development in Sefton which supports economic growth including the creation of new employment and the delivery of major regeneration projects and improving and maintaining existing infrastructure.
2. **Business Growth and Enterprise:** To grow the business base through creating and growing new local, private sector and social enterprises; To embrace growth and ambition across the business base and provide more focused intervention to realise potential where it is considered greatest, which include key opportunity sectors and target geographies.
3. **Inward Investment:** To secure new inward investment targeting higher productive sectors.



**4. Education and Employment:** Sefton Council and its partners and stakeholders need to invest in the borough's future talent pool to ensure young people get a good start in life and can access sustainable employment opportunities offering progression pathways to higher levels of pay and job satisfaction; Education-industry engagement facilitated to match the supply of skills to employer demands, and lifetime learning needs to be embraced to provide opportunities for reskilling and upskilling to meet changing skill need.

**5. Reconfiguring Public Services:** To build a critical mass of self-sustaining community-led enterprises delivering services and managing community assets in Sefton, which are creating jobs and bringing new social investment to the borough.

**6. Generating New Finance:** To generate new sources of income and external resources to Invest in Sefton, and ensure that these resources are sustained in the long-term.

**7. Promoting Sefton:** To change internal and external perceptions of Sefton so that the Borough's strengths, qualities and ambitions are increasingly recognised and there is a shift away from any negative perceptions.

### Economic Changes since the SES Action Plan

Since the publishing of the SES Acton Plan in December 2019, several large events have taken place that have had

an impact on the economic situation at a local, national and global level.

The most significant of these is the Covid-19 pandemic, which caused the UK to be in and out of lockdowns throughout 2020 and 2021. The immediate impact of the lockdowns were the rise in people claiming universal credit due to loss of employment, and the closure of many businesses that were not able to survive the effects of the pandemic. There were also huge impacts to people's health and wellbeing.

As the lockdowns have ended and life has returned to relative normality, it is important to reflect on the lasting impacts of the pandemic, and subsequently how it has shaped lives and local economies in the long term.

At a national level, the Office for Budget Responsibility has suggested that Covid-19 has resulted in a permanent 2% scarring on economic output. This scarring is likely to have been most focused on business-to-consumer service activities such as hospitality.

At a local economy level, one of the biggest long term changes is the shift in working patterns. It is now much more common for companies to offer fully remote or hybrid working. This has had a variety impacts of including changes to commuting patterns, uses of transport, footfall in town centres and work-life balance priorities.



In addition, the pandemic, in combination with the UK exit from the EU on 31<sup>st</sup> January 2020 and the invasion of Ukraine by Russia in February 2022, has had a knock-on effect on the cost of living in the UK. By summer 2022 the UK was experiencing supply chain discontinuity which in turn has created inflation and a cost of living crisis that is forecast to get worse throughout the winter into 2023 due to the rising cost of energy bills and food. Citi Bank have forecast the UK inflation will hit 18.6% by as early as the start of 2023 (although official estimates are lower).

These three major events have also had an impact on trade patterns, which affects businesses, employment and investment.

### The Updated Strategy

As a result of these major economic dislocations, Sefton Council sought to update the SES Action Plan to reflect changing priorities for the residents and businesses of Sefton.

Therefore, following the analysis of the updated evidence the strategy has been based around the four themes (employment and opportunities for work, business growth & investment, social inclusion and access for all, and regenerated places). They follow on from the original priorities of the SES Action Plan, but they also allow for the strategy to reflect economic shifts that have occurred in Sefton since 2019. The reasons for the choice of themes

are:

#### *Employment and Opportunities for Work*

In the short term, unemployment arising post Covid-19 remains above the pre-pandemic levels. Over the longer term, there remain areas of high worklessness in Sefton or areas where only low skilled opportunities exist.

Whilst skills levels have been improving in Sefton, the proportion of people in the borough with no skills remains higher than the UK average.

There is a need to continue projects in pathways into work and to continue the work on upskilling in both the young and adult populations. This time intensive work is recognised as a key priority for the local economy and underpins wider work on the attraction of investment and social inclusion. The wider work on the regeneration of places is one of the initiatives that can help create the employment opportunities.

#### *Business Growth and Investment*

LCR as a whole records a low business density compared to the UK average and this is an area where Sefton can influence outcomes at a local level. There were 49 businesses per 1000 working age people in Sefton in 2020, and a lower than average business start-up rate. The strategy can provide a greater focus on start-up activity as well as continuing to encourage investment more generally.





### The Updated Strategy cont.

In addition, Sefton is reliant on the public sector for much of its employment. Encouraging private sector investment will temper this reliance – and broaden the diversity of employment reducing the risk that continued budget difficulties for the public sector erodes jobs and incomes. Greater local employment opportunities are likely to be filled by residents who are otherwise commuting into neighbouring Authorities (especially Liverpool City Centre).

There are opportunities for growth. The digital and creative sector and business services generally have both generated significant new businesses for the Borough whilst significant primes exist which can further drive business opportunities – the very significant mental health campus at Maghull has drawn in new mental health related businesses and the Port of Liverpool offers an opportunity for growth of the economy, albeit with a need to better connect the local (and particular deprived ) communities into those opportunities and to improve the carbon footprint of the activity.

#### *Regenerated Places*

Continued investment in places is recognised as an important pillar of any economic strategy creating the infrastructure and land & property that can enable business growth, investing in assets that support the visitor economy, reinvesting in local assets and public realm to create an improved living environment, and ensuring that there is a mixed residential offer to offset unaffordability pressures and

attract greater numbers of working age residents.

As part of the government's current policy of Levelling Up, the Levelling Up White Paper was produced. The White Paper set out the 6 types of capital (see diagram overleaf) which, when addressed, can create opportunities for upwards spirals in economic prosperity. The approach includes the improvement in the physical capital of an area – although only as part of a wider strategy.

This economic strategy for Sefton highlights the need for skills, employment and place-based investment as the foundations for a strengthening economy.

#### *Social Inclusion and Access for All*

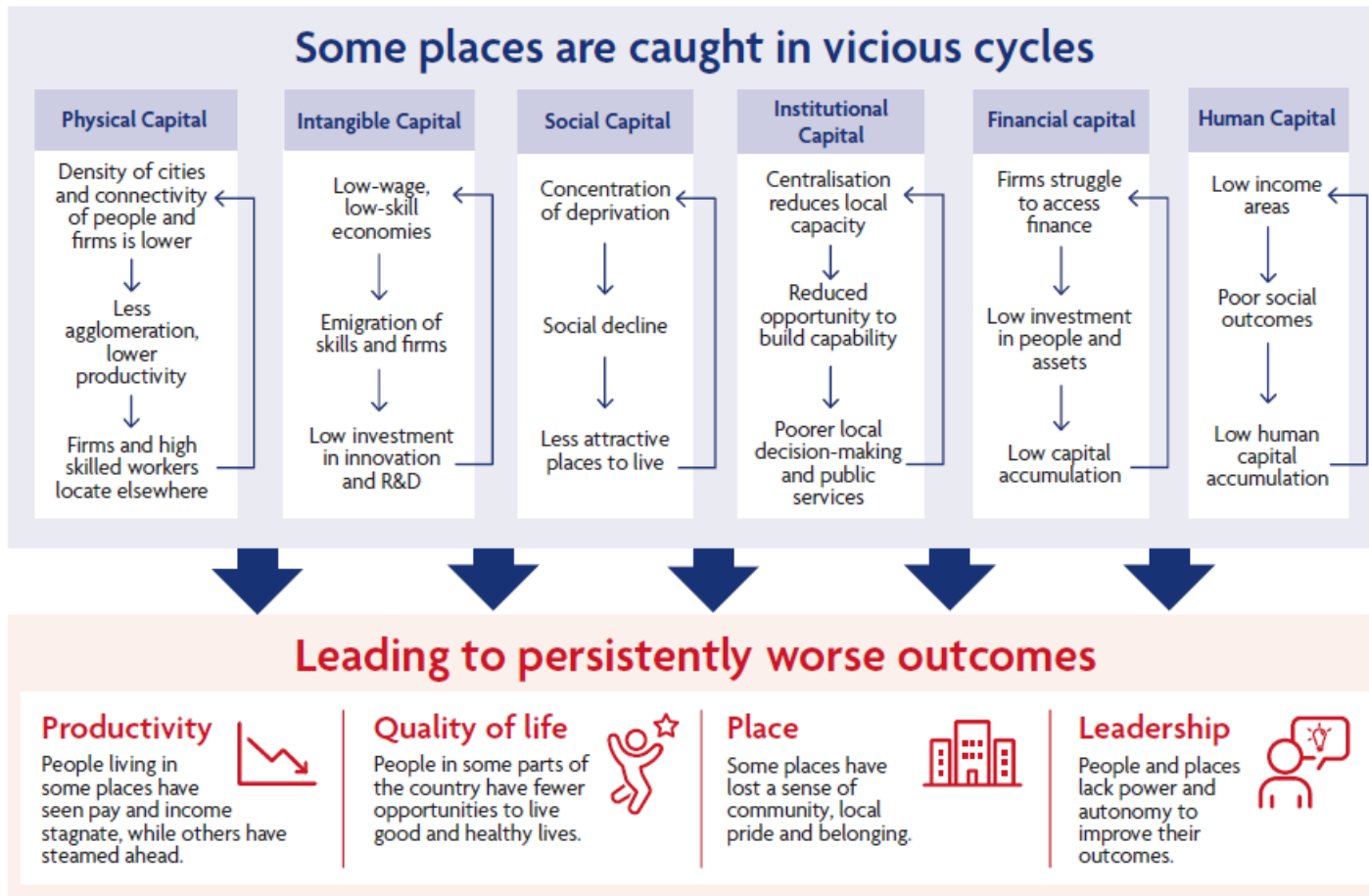
It is clear that there remain high levels of deprivation in parts of Sefton, and wide disparities between LSOAs across the borough. The continuous cycle of low income and poverty undermines potential for stronger economic growth and impacts financially on the Local Authorities ability to further address issues. The key initiative in tackling deprivation is the continues efforts to increase access to work.

Improvements in levels and the quality of employment will be important to balance against the wider economic / social challenges of an ageing population and the burden that this will create for the Council.



# CONCLUSIONS

Six capitals of local economies – taken from the UK Government Levelling Up White Paper 2022.



### *In General*

The conclusions from the public consultation are that there is overall positive support for the four chosen themes and that they represent the most important priorities for people in Sefton post-Covid. There was also a recognition that there is an interlinkage between the themes.

Many of those consulted believe that growing and investing in businesses is the starting point for Sefton to be successful at providing employment opportunities, regeneration and to having an inclusive economy. Employment and opportunities for work was rated as the most important theme to those that responded to the survey. It is recognised that there is a need for work within communities to ensure that local residents are able to secure the employment opportunities created by new and growing employers.

Upon reflection of the previous strategy, evidence and consultation, it was decided that it was appropriate to reduce the number of themes and actions to set up a more manageable strategy that addresses the current key issues and puts Sefton on the pathway for a successful future.

The following Actions chapter breaks down the themes by key issues and current projects/programmes that Sefton Council are undertaking to act on them. Each theme has

measurable objectives. Many of the actions relate back to the original actions in the SES Action Plan.

### *Current Economic Outlook*

The wider macro economic environment in the UK has appeared to have worsened during the preparation of this strategy in 2022. Supply chain dislocation has created inflationary pressures which are eroding business competitiveness and uncertainty is limiting any further investment and growth. Inflation is likely to impact on consumer spending in late 2022 and 2023 and this will, again, impact on those sectors of the economy reliant on discretionary consumer expenditure.

Sefton will not be immune from the wider economic pressures and it is likely that deprived communities will face the greatest problems in terms of inflation on basic household items.

The strategy, based on employment pathways and training linked to business start-ups and smaller scale incremental business investment offers an approach to address some of the issues locally. It will also be important to ensure that the place based investments underway are directly linked into creating the maximum local impacts – in terms of contracts, supply chains, employment and skills.



CHAPTER 5:

# Actions



## ACTIONS

The specific actions are part of a separate document being developed by the relevant departments of the Council in response to this strategy

