

Report of	Meeting	Date
Director of Change and Delivery (Introduced by Cabinet Member (Planning, Business Support and Regeneration))	Cabinet	Wednesday 22nd February 2023

South Ribble Economic Strategy

Is this report confidential?	No
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Is this decision key?	No
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Savings or expenditure amounting to greater than £100,000	Significant impact on 2 or more council wards
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Purpose of the Report

- To seek Cabinet approval of the three-year economic strategy, running until 2025, to deliver a thriving borough with a vibrant, inclusive, local economy.

Recommendations

- To approve the three-year economic strategy, running until 2025. A copy of the strategy is attached at Appendix A, together with a summary version at Appendix B and the evidence base at Appendix C.

Reasons for recommendations

- To set out clear aims, objectives and actions to develop the economy of South Ribble, as set out in the Corporate Plan.

Other options considered and rejected

- The alternative option considered was to move forward without an economic strategy. However, that would risk not having a plan in place to ensure the local economy is resilient to change and has the potential to grow.

Corporate priorities

- The report relates to the following corporate priorities:

An exemplary council	Thriving communities
A fair local economy that works for everyone	Good homes, green spaces, healthy places

Background to the report

6. The economy has undergone significant changes internationally, nationally and locally over the past three years. This has been influenced by the global pandemic, the war in Europe and Brexit alongside trends such as the changes in the high street. There remains uncertainty around the economy going forward so a new economic strategy has been developed to support economic growth and resilience in South Ribble.
7. The strategy has a strong evidence-based approach. It has been informed by business engagement, intelligence gathering, roundtable discussions, data dashboards and a survey of business support needs.
8. Based on the evidence, the strategy identifies the broad priorities and more detailed objectives and actions, which need to be taken forward. It offers a strategic approach to providing the conditions for businesses to thrive and residents to progress good careers.

South Ribble Economic Strategy

9. The aim of the strategy is to support a thriving borough with a vibrant, inclusive, local economy.
10. The economic strategy identifies four priority themes:
 - **Space and place** – providing the right physical conditions for our businesses and future workforce, including land, property, business accommodation and wider digital and environmental infrastructure
 - **Workforce and skills** – making the best use of our local ‘people’ resources to deliver the right workforce to meet future business needs by connecting employers, skills providers and people.
 - **Employability** – working within communities to remove the barriers to employment and ensure everyone can participate in our economy
 - **Business support** – A strategic approach to managing the needs of businesses throughout the lifecycle, in response to challenges and opportunities.
11. The evidence base says:

Space and place

- There is a lack of sufficient suitable, available, commercial space for business growth and inward investment, 26 hectares needed
- We need suitable living and working places to retain and attract the skilled workforce to meet current and projected business needs including STEM and cyber skills
- Gigabit connectivity is good within the central area of South Ribble (Leyland, Lostock Hall and Bamber Bridge) but there is a need for improved connectivity in

the more rural areas to the East and West (the A59 corridor near Longton and parts of Samlesbury)

- The effect of climate change within the borough poses an immediate danger to the health and wellbeing of residents therefore there is a need to support businesses to reduce their carbon footprint to help make the borough carbon neutral by 2030

Workforce and skills

- Businesses face significant recruitment challenges because there is insufficient workforce with the skills, qualifications and behaviours needed by businesses
- Skills levels (NVQ3 +) are lower than National average in South Ribble and that many highly skilled employees who study in Lancashire leave the area following study, leaving a lower skilled workforce available locally
- South Ribble has an ageing population, which results in a reduction in the working age population and in the loss of skills as people retire
- Out-commuting by workers with higher skill levels poses a risk to the local economy because there will be insufficient workforce skills to match the needs of local growth sectors

Employability

- Residents in some areas of the borough face greater challenges in accessing work and career opportunities
- South Ribble has seen a large increase in people who are not in education, employment or training. The percentage is higher in South Ribble than the national average
- Residents in the 18-24-year age group were most significantly impacted in terms of unemployment during the pandemic. However, the trend during 2022 has been for the youth unemployment rate to reduce and for people claiming jobseekers allowances in the 25 year plus age groups to increase
- Economic inactivity rates are increasing, which results in a reduction in the available skilled workforce to meet business needs

Business support

- Nationally, there is an economic downturn and businesses are at increased risk of insolvency
- Businesses are facing rising energy, fuel and other costs, which impact viability
- Growth in the number of active enterprises up to 2020 in South Ribble was slower than growth across the North West and England. South Ribble has seen growth in enterprises from 2019 to 2022 but the future trend is uncertain
- Productivity has improved significantly in South Ribble since 2009. However, it is still lower than regional and national levels

12. Based on the evidence and intelligence, detailed objectives and actions have been developed for each theme and are set out in the strategy.

Delivery

13. The actions encompass partner programme delivery alongside specific council-led activities. A number of the actions have already commenced to drive forward at pace, including Leyland Town Deal and the Business Energy Efficiency (BEE) Support Scheme.
14. Given the economic environment, the strategy aims to be a dynamic strategy, which can address the key challenges and opportunities but is sufficiently flexible to respond to future local and national economic changes.
15. Social value and community wealth building are cross cutting themes, which are embedded and developed across the strategy, to ensure that wealth is directed back into the local economy and that residents and businesses benefit. The draft strategy also incorporates sustainability and a commitment to meet Net Zero targets.
16. The external funding for business support and skills is changing with the end of European Regional Development Fund and European Social Funded programmes. The introduction of the UK Shared Prosperity Fund (UKSPF) will enable delivery of the economic strategy alongside council and partner resources.

Monitoring

17. The economy of South Ribble will be monitored using established datasets to enable comparison with regional and national performance trends. Individual projects will be assigned key performance indicators (KPIs). For UKSPF funded actions, KPIs will be determined by the required UKSPF outputs for interventions in the Local Investment Plan.

Climate change and air quality

18. The work set out in this report will have a positive impact the climate change and sustainability targets of the Councils Green Agenda including: net carbon zero by 2030, through reducing energy use and developing green skills.

Equality and diversity

19. An Integrated Impact Assessment has been completed for the strategy. It shows that the strategy will achieve a positive impact across many criteria with no negative implications identified.

Risk

20. Risk registers will be developed as required for specific initiatives.

Comments of the Statutory Finance Officer

21. There are no direct financial implications of this report however it is clear there are implications to the wider Council budgets both expenditure and income of the impact of the local and national economy. Key issues are noted in the budget reports presented to Council each year.

Comments of the Monitoring Officer

22. There are no direct legal implications arising from the report. Clearly the aims of the Economic Strategy are designed to be consistent with the Corporate Strategy.

Background documents

There are no background papers to this report.

Appendices

Appendix A South Ribble Economic Strategy

Appendix B South Ribble Economic Strategy Summary

Appendix C South Ribble Economic Strategy Evidence Base

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