

REPORT FROM: PLANNING, ECONOMIC DEVELOPMENT AND
REGULATORY SERVICES MANAGER

TO: POLICY AND RESOURCES COMMITTEE

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ECONOMIC RECOVERY AND GROWTH STRATEGY

PURPOSE OF REPORT:

To seek approval for the adoption of a revised economic development strategy incorporating measures to help Pendle recover from the severe impacts of the Covid Pandemic.

RECOMMENDATIONS

- (1) That Committee endorse the content of the Strategy and adopt it as set out.
- (2) That a further report be brought back regarding the staffing levels that will be needed to deliver the programme.

REASONS FOR RECOMMENDATION

- (1) In order that Pendle has a positive strategy to both aid the economic recovery of the Borough from Covid and to improve the economic performance of the Borough in the long term.
- (2) To ensure that the Strategy can be fully delivered with adequate staff resources.

ISSUE

- 1 Pendle adopted a Jobs and Growth Strategy ("the JGS") in 2013. The Strategy was adopted at a time when the country was experiencing a recession which was part of global economic downturn. We faced challenges of diminishing funding both in terms of direct funding as well as programmes such as Housing Market Renewal.
- 2 There was at the time a changing approach to economic development with Local Economic Partnerships being formed which were put in place to be the drivers of economic change. We were also in the throes of developing our planning policies for the next 15 years with the Part 1 Local Plan going through the public consultation process. The Strategy focused on the needs of the Borough at the time and the opportunities that were available to achieve

those. The Strategy focused on four themes of Our People, Our Place, Our Businesses and Our Connectivity. The Strategy has been an important focus for our work and the majority of the Action Plan priorities identified have been achieved. Amongst them are:

Develop Lomeshaye	The first phase is now under construction with planning permission for the whole site having been granted
Develop existing buildings	This was aimed at Northlight which is now nearing the last phases of its development
Develop New Businesses	Gearing Up for Growth has been concluded
Improve education between work and education	Improving educational attainment is still extremely important to us and the education gap with other parts of Lancashire and England is still prevalent
Improve traffic flows through North Valley	Work is currently ongoing and there have been other improvement associated with new development
Proved Signals on Junctions 11, 12 and 13 on the M65	Two junctions have been improved
Continue to work towards a balanced housing market	Housing growth has been slow and our housing market still exhibits the same characteristics
Lobby to get the Skipton to Colne Rail Link re-established	There has been progress on this with Government finding to consider the business case

- 3 Since the JGS we have experienced unprecedented times over the last year with the Covid 19 pandemic. This has exacerbated many of the long term issues we face in Pendle and will have longer term impacts, the extent and severity of which are not fully known yet. What Covid has polarized are the longer term seemingly entrenched issues Pendle has.
- 4 In order to try to better understand the impacts Covid is having on Pendle we engage specialist economic consultants Hatch to research what was happen in Pendle. The full report is attached as appendix A to this report.
- 5 There is also a shifting policy for economic development emerging from Government. Seemingly flagship requirements such as Local Industrial Strategies are no longer being pursued and there appears to be an emerging pattern of funding, eg Levelling Up Funding, that require projects to be development quickly with considerable short term resource inputs.

Proposed Strategy

- 6 This is a critical time for the national and local economy. Any strategy needs to achieve a number of key objectives. We need to help our local economy recover from the pandemic as effectively as possible. At the same time we need to recognise that there are longer term structural issues that are highly likely to result in our manufacturing sector becoming less competitive and shrink unless it modernizes. Alongside this we need the infrastructure and skilled workforce that are requisite requirements if restructuring and growth is to occur.
- 7 There also appears to be a change in approach that Government are taking, at least in the short term, to funding opportunities. Funding is being brought forward increasingly direct and not through Local Economic Partnerships. Timeframes for submitting bids are short and we need to be able to react and take advantage of those opportunities when they arise. The future UK Shared Prosperity Fund will be the longer term vehicle for funding domestic grants.

- 8 Our Strategic Plan has within it the key ambitions for Pendle which the EGRS must embrace and help to deliver. Amongst the key themes are those of improving skills, improve housing delivery, providing strategic infrastructure and creating jobs and economic growth. The emphasis on the need to augment and restructure Pendle's economy is reflected in Strategic Plan Objective 2 - Helping to Create Strong, Sustainable Economic and Housing Growth.
- 9 The future funding of Local Authorities is also linked to economic performance. Whilst New Homes Bonus is changing growing the business base will be inextricably linked to how Councils are financed.
- 10 In order to shape the content of the Economic Growth and Recovery Strategy ("the EGRS") we need to understand what the evidence about Pendle and the wider economy is saying. Appendix B attaches an economic impact assessment for Pendle. It sets the context of where we are and outlines many of the main issues that affect us. Amongst these are:
- Higher than average levels of Furlough
 - Extremely high level of Lower Super Output Areas in the 10% most deprived wards in the country
 - Exposure of our manufacturing sector which is not resilient enough to withstand economic downturns
 - Weakness in the civil aerospace sector which is a major contributor to Pendle's economy
 - Increased rates of unemployment due to Covid
 - Projections of up to 24% manufacturing decline over the next 28 years
 - Significant levels of educational attainment below national and regional averages and significant disparities between different areas of Pendle eg 30% of the population without any qualification
 - Decreasing levels of apprenticeships being offered
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- 11 The EGRS has been developed involving a wide range of stakeholders. Structured interviews have been held with individuals and group sessions were also held. The evidence pointed to there being four themes that the strategy should contain. These are:
- Our Place
 - Our People
 - Our Business
 - Our Connections.
- 12 The proposal seeks to acknowledge the National and Regional picture of existing and emerging policies and funding streams. It has also been developed recognising that there are multiple agencies and bodies required to pull together a cohesive plan that brings together all of the improvements that are collectively needed to improve the quality of life of the residents of Pendle and overall prosperity.
- 13 Each of the themed areas has a number of actions set against it. These are in turn placed in the categories of Underway, Pipeline or Aspirational. Committee are invited to look at those to consider if they are individually and holistically appropriate for the Strategy.
- 14 Some of the key areas the Strategy aims to influence are outlined below:

- i We have an unbalanced and underperforming housing market. Our housing offer is not attractive to the market and values are low. The housing offer to help attract and retain people needs to be improved.
 - ii We need to pursue bids to help our town centres improve and be resilient to the changes that are happening in retailing.
 - iii We have underutilized sites and space and these need to be regenerated to assist in sustainable growth
 - iv Produce masterplans for the town centres not already benefitting from bids or masterplans
 - v Meet the skills needed for a modern digitally based workforce
 - vi Support the aerospace sector in recovering
 - vii Roll out technical education reforms
 - viii Work to provide a Digital Skills Academy
 - ix Continue to lobby for strategic infrastructure ie road and rail improvements
- 13 The programme is an ambitious one but it is also one that is realistic. One concern is that we have the capacity to deliver the strategy as set out. Until it is agreed we cannot match resources to delivery but with the reduction of staff resources with budgetary constraints there are real concerns over whether we can effectively deliver on the outputs. A further report on this will be needed.

IMPLICATIONS

Policy: The strategy will set the direction for Pendle across a range of areas to support our economy and our recovery efforts.

Financial: The Plan will not have direct financial costs but there will be a requirement to pursue bids for financial support as and when the opportunities arise.

Legal: None

Risk Management: The delivery of the Plan will depend on the ability to support the proposals with staff time. This has not been fully assessed and will require a further report in due course.

Health and Safety: None.

Sustainability: The Borough needs to have a prosperous and vibrant economy with supporting infrastructure in order to sustain itself and improve the quality of life for residents.

Community Safety: None

Equality and Diversity: None

APPENDICES

Hatch Recovery Plan

Pendle COVID Impact Report January 2021