Mickledore
Solutions in regional development

REPORT:

Economic Strategy Consultation

SEFTON COUNCIL | JUNE 2022

INTRODUCTION

Sefton Council has appointed Mickledore to provide refresh of the Economic Strategy for the area post Covid-19. Sefton approved an Economic Strategy in 2018 but since that date the impacts on the economy have been severe. Mickledore undertook a review of the impacts of Covid-19 in 2020 and the actions which could be undertaken. This document picks out the economic datasets considered most important in describing the Sefton economy in 2022 and the themes against which a strategy could be developed.

Consultees are requested to:

1. Consider whether they believe that the key data findings are the most important indicators for the economy.
2. Whether the summary narrative starts to draw out the key aspects of the economic position.
3. Whether the 4 themes identified at the end of the document are the correct themes against which a strategy and action plan may be framed.

MODERATE PERFORMANCE

At a LA level, Sefton records economic data which is generally favourable compared to the NW Region although slightly less so nationally.

The headline figures illustrate that at a macro level Sefton may be broadly comparable with its peers but the data requires further and more detailed analysis in order to draw out priorities for an Economic Strategy.

Selected core economic statistics- Sefton

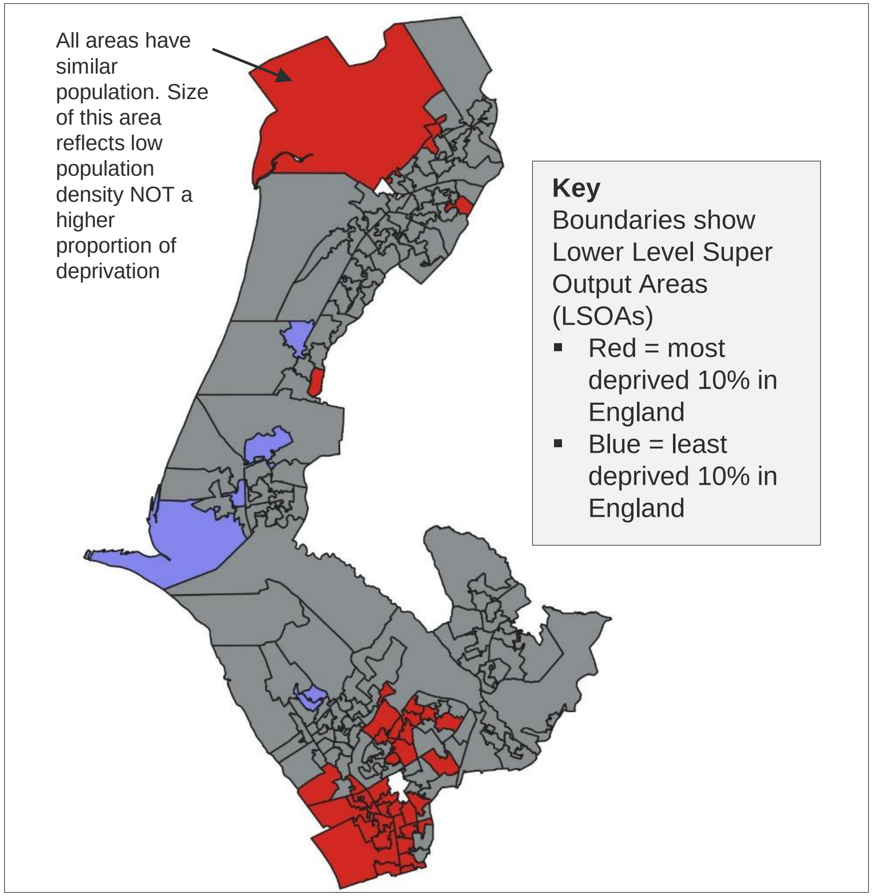
Variable	Sefton	NW England	National (GB)
Economically active (Dec 2021)	77.4%	76.5%	78.4%
Percentage households workless (Dec 2020)	15.8%	15.5%	13.6%
Percentage employed as managers or professionals (Dec 2021)	33.2%	32.1%	34.2%
Qualified NVQ4 or above (2021)	39.1%	38.5%	43.5%
Gross weekly pay for residents (2021)	£586.7	£578	£613.1
Claimant count (out of work benefits) working age population (2022)	4.3%	4.4%	3.9%

Source: Nomis collation of ONS Sources

INCOME DISPARITY

- Whilst at an average level Sefton may appear to be an area of average economic performance there are areas of 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.
- 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%.
- 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.
- 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.**

Map of areas of Income Deprivation - Sefton

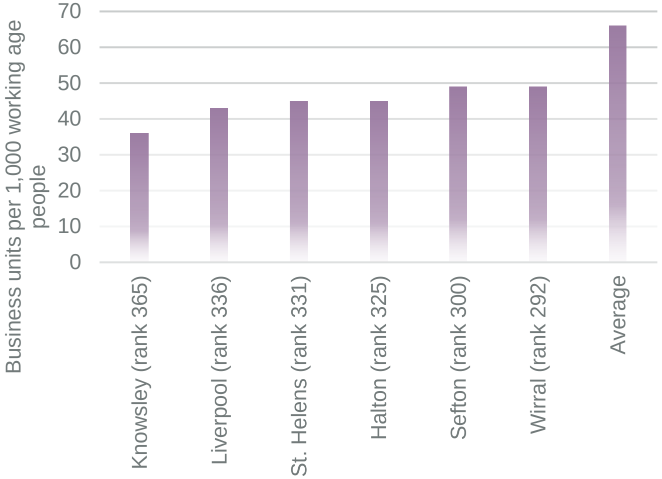


Source: Indices of Multiple Deprivation 2019 (DLUHC)

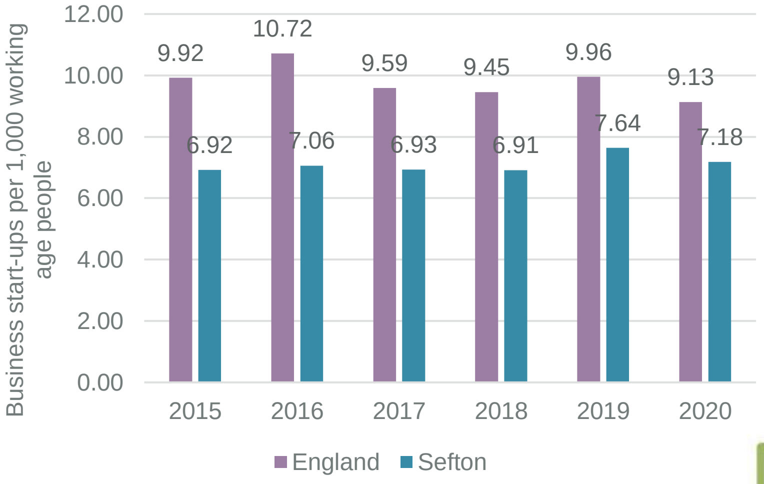
BUSINESS ACTIVITY

- The LCR has a low level of business density – the highest ranked Local Authority in the City Region is ranked 292 out of 374 Local Authorities.
- The average number of businesses is 66 per 1,000 working age people but in Sefton the number is 49.
- 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.
- In the majority of Wards within Sefton, the proportion of public sector employment is higher than the average for England (see overleaf).
- In 3 Wards within Sefton the proportion of employees employed by the public sector is >50% (Ford, Derby & Sudell covering areas of Bootle and Maghull).
- Public sector has been an important employment generator in Sefton.
- **Year-on-year under-performance in business creation is undermining the wealth creation potential in the area.**

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



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



Source: ONS Business Count Data

BUSINESS ACTIVITY

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
Sefton Average	**24.6**
Ainsdale	23.6
Birkdale	23.0
Harington	22.6
Litherland	19.1
Meols	18.4
Park	17.3
Church	17.3
England Average	**16.8**
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

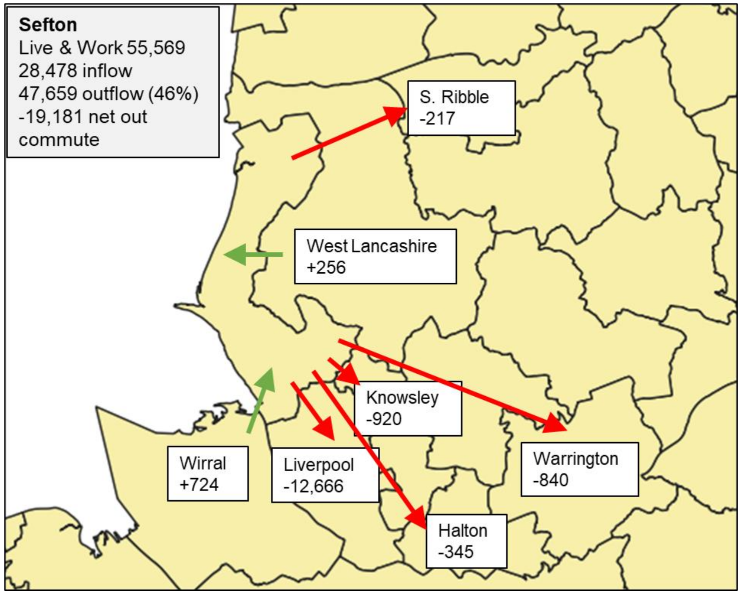
Higher propensity for public sector employment than average

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 working residents earned their income from outside the Borough at the 2011 census
- This data will be up-dated in 2022.
- Rail data (overleaf) suggests increasing out-commuting during the period.
- Out-commuting fell dramatically during the pandemic.
- Pandemic work patterns provides the possibility of a reset.
- **There is the potential for a reset in working patterns post pandemic increasing earning and retained spending in the area.**

Net commuting flows Sefton (>100)



Percentage out-commuting LCR

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

Source: Census 2011

OUT COMMUTING

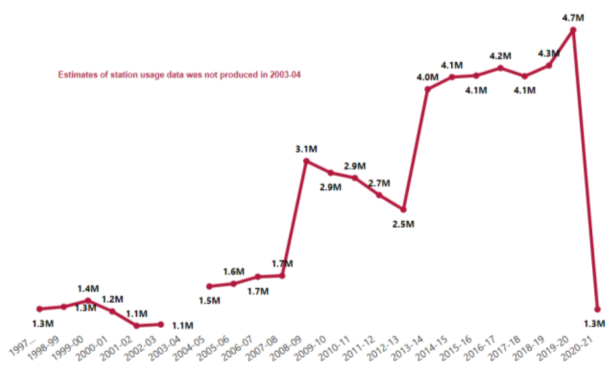
Selected Sefton rail station usage time series

Southport station usage

Time series (Entries and exits)

Financial year	Entries and Exits
1997-98	1,271,471
1998-99	1,298,374
1999-00	1,373,848
2000-01	1,242,026
2001-02	1,064,985
2002-03	1,080,767
2003-04	
2004-05	1,549,576
2005-06	1,582,115
2006-07	1,669,056
2007-08	1,681,444
2008-09	3,094,576
2009-10	2,949,656
2010-11	2,886,448
2011-12	2,675,304
2012-13	2,496,384
2013-14	3,980,176
2014-15	4,129,340
2015-16	4,147,064
2016-17	4,240,372
2017-18	4,140,152
2018-19	4,271,792
2019-20	4,710,560
2020-21	1,266,712

Entries and exits by financial year



The data contained in this dashboard can be found in Table 1410 and Table 1415.
Further detail on quality limitations, including the impact of methodology changes on station usage estimates can also be found in Table 1410 and in the quality & methodology report.

Maghull Station usage

Time series (Entries and exits)

Financial year	Entries and Exits
1997-98	430,532
1998-99	422,971
1999-00	481,229
2000-01	441,169
2001-02	369,574
2002-03	394,191
2003-04	
2004-05	431,945
2005-06	502,020
2006-07	610,318
2007-08	696,791
2008-09	2,144,046
2009-10	1,999,436
2010-11	1,956,936
2011-12	1,863,098
2012-13	1,745,454
2013-14	1,765,756
2014-15	1,821,492
2015-16	1,812,534
2016-17	1,865,348
2017-18	1,870,086
2018-19	1,639,668
2019-20	1,789,936
2020-21	463,100

Entries and exits by financial year

The data contained in this dashboard can be found in Table 1410 and Table 1415.
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Combined Bootle station usage (New Strand / Oriel Road)

Time series (Entries and exits)

Financial year	Entries and Exits
1997-98	148,767
1998-99	154,901
1999-00	132,547
2000-01	78,936
2001-02	58,289
2002-03	57,791
2003-04	
2004-05	155,295
2005-06	203,956
2006-07	249,030
2007-08	209,041
2008-09	523,944
2009-10	511,614
2010-11	521,576
2011-12	511,164
2012-13	475,814
2013-14	598,050
2014-15	617,332
2015-16	642,868
2016-17	637,608
2017-18	649,772
2018-19	787,114
2019-20	842,670
2020-21	224,108

Entries and exits by financial year

The data contained in this dashboard can be found in Table 1410 and Table 1415.
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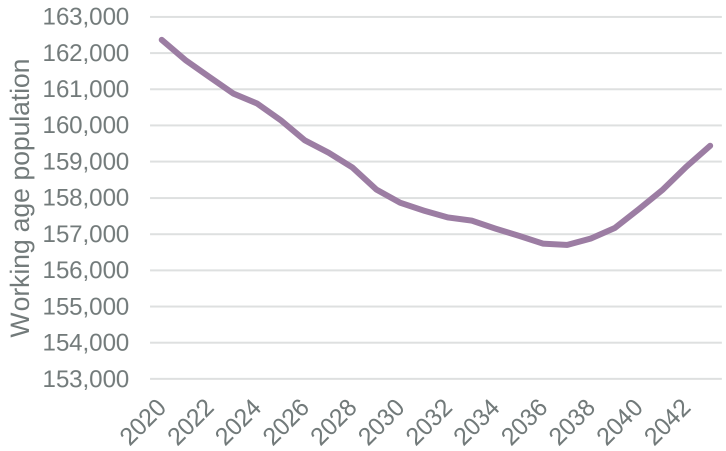
Source: Office of Road and Rail

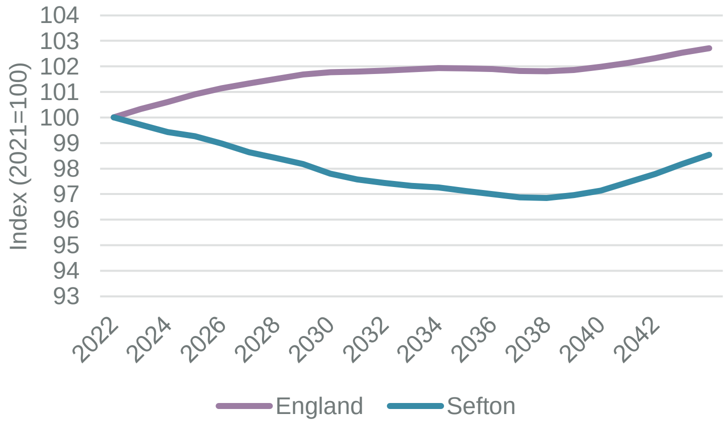
SECURING A WORKFORCE IN THE FUTURE

- Media commentary describes the ageing population at a national level.
- 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 retirements ages). This represents a shrinkage of 3.5% at a time when those in need of adult social care is likely to increase.
- 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.**

Projected population aged 16-64 time series 2020-2042



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

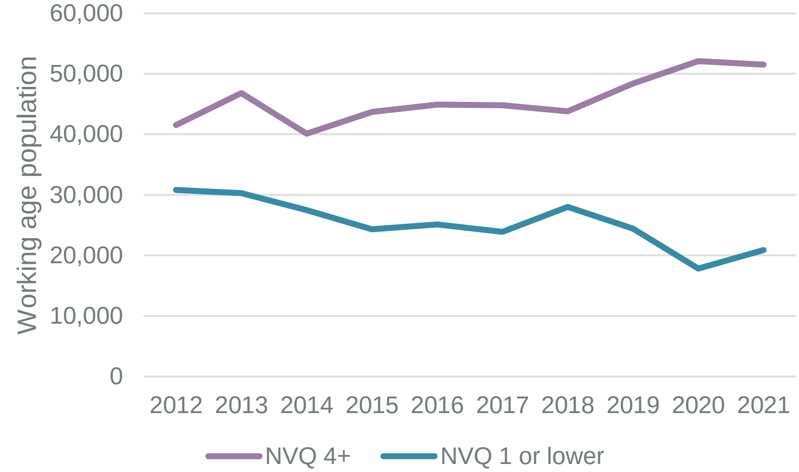


Source: ONS Population projections

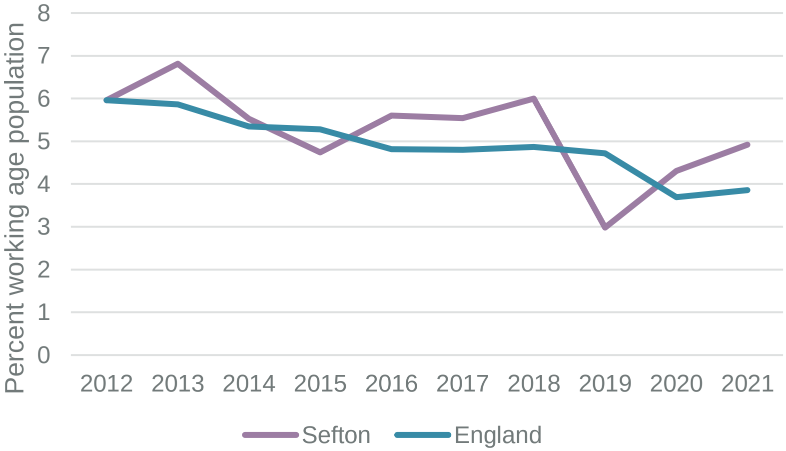
WORKFORCE AND SKILLS AVAILABILITY

- 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.
- Sefton and England are comparable in terms of the proportion of the working age population with no skills.
- 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).
- Sefton has out-performed 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 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.**

Working age population skills achievement

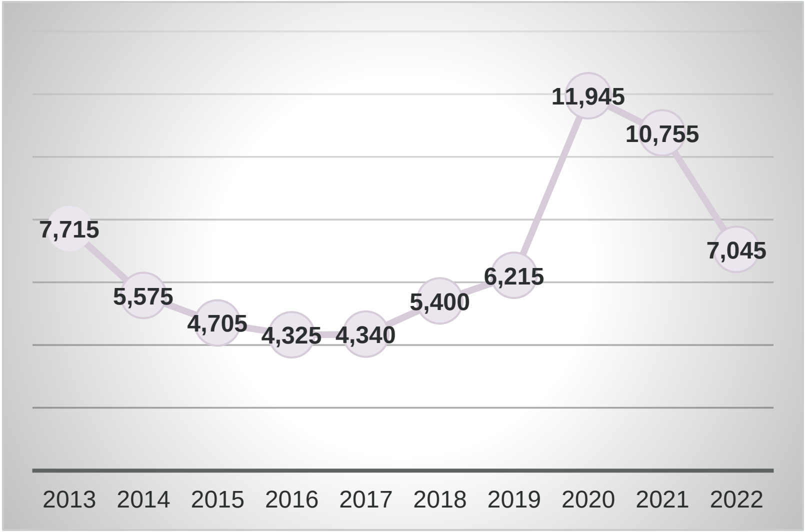


Proportion of working age population with no skills

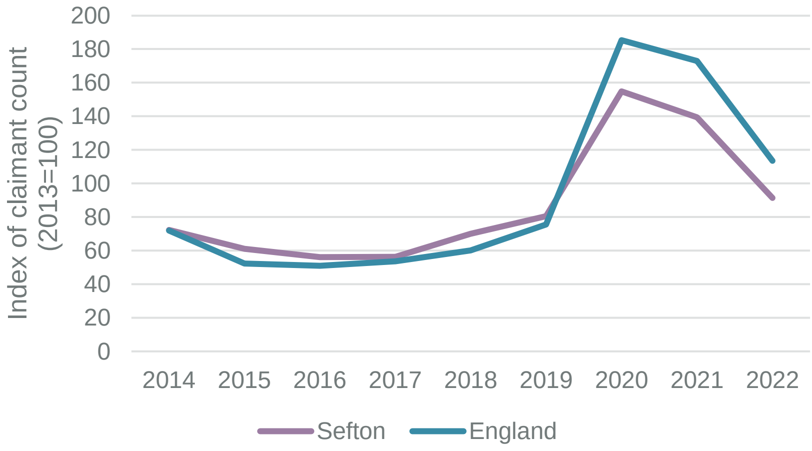


Source: Annual Population Survey

Total out of work claimant count Sefton



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

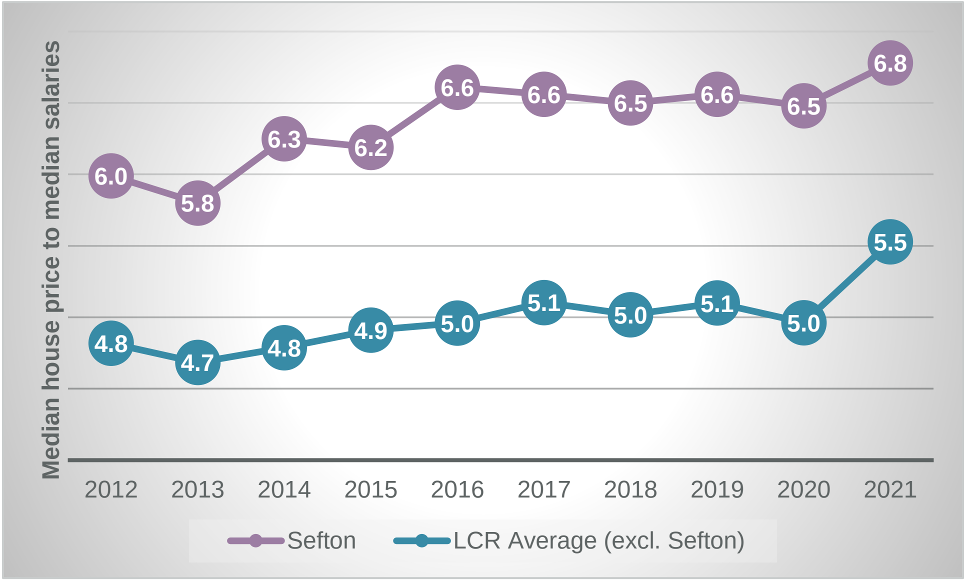


Source: ONS Claimant Count Data

ECONOMIC DEVELOPMENT & 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 generates ideas and opportunity.
- Sefton has a strong demand for new housing provision and the house price affordability is lower than elsewhere in the LCR as a whole (although recently affordability is slightly ahead of Wirral at a Local Authority level).
- Recent employment land studies also suggest that there is a shortfall of available land against current demand.
- **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.**
- **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.**

Housing Affordability ratio – Sefton & LCR



Source: Housing data DLUHC

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

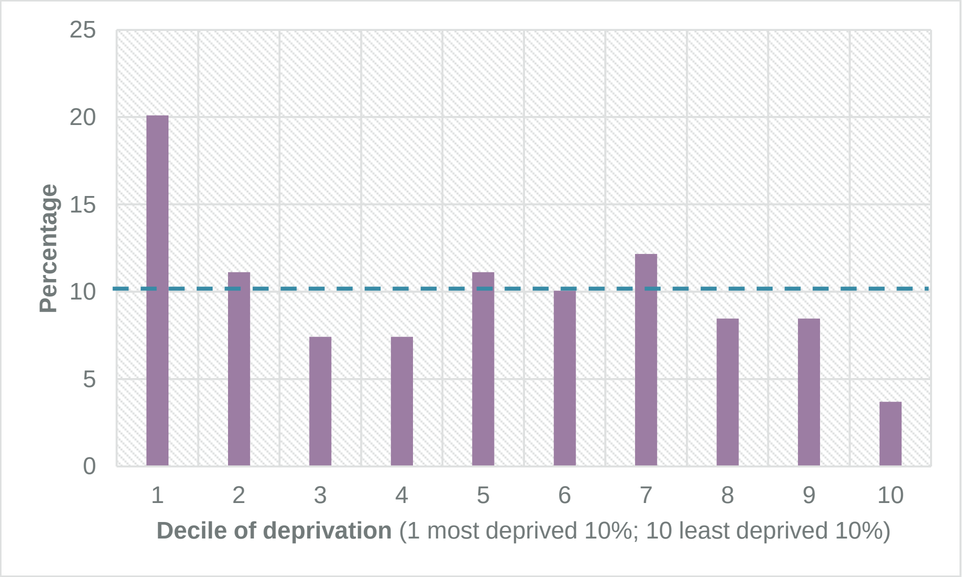
Ha	B1	B2	Small Scale B8
Sefton	24.2	15.0	9.5
LCR (plus West Lancashire)	235.7	437.3	118.2

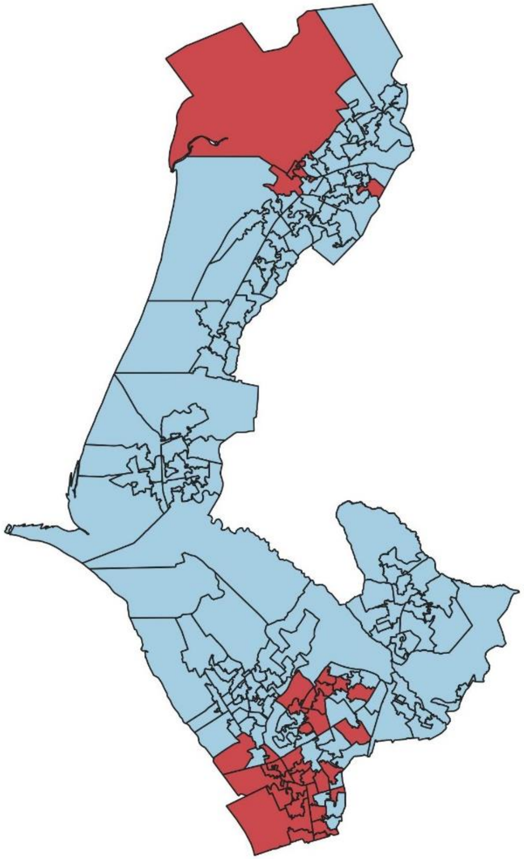
Source: GL Hearn SHELMA for LCR 2018

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 NW average.
- **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





RECOMMENDED THEMES

View are sought on the key findings, other ideas of those reviewing the data and the key themes against which it is proposed that the Economic Strategy is framed.

These key themes are:

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

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