

Pennine Lancashire Multi Area Agreement

Forward

Pennine Lancashire Leaders and Chief Executives (PLLACE)

This Multi Area Agreement reflects our ambitions for Pennine Lancashire. We want to increase prosperity to enable everyone to enjoy a better quality of life. Pennine Lancashire's economy is undergoing a transition and in order to speed this up we need government to grant a number of 'key asks'. The area has great growth potential and with the right support can make an important contribution to the productivity and competitiveness of the region.

We believe through improved transport links, more higher education places, an increased number of jobs and devolved flexible funding we can bring about transformational change.

This proposal is built on a strong evidence base, years of existing partnership work and informed by a number of key strategy documents. It outlines clearly what Government will get in return for making a commitment to the area. We will impact on important Government PSA Targets, deliver transformational projects much earlier, and attract more private sector investment.

We welcome the opportunity to submit an MAA and support the devolutionary tone of the Sub National Review. We look forward to a new era of cooperation between local and central government to achieve sustainable economic growth.

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1. Introduction

Pennine Lancashire is facing a massive challenge; recent evidence suggests that the area is falling further behind neighbouring areas on a number of key economic indicators, although the trend started nearly 20 years ago. While other areas have enjoyed strong economic growth and increased prosperity Pennine Lancashire has struggled to keep up. The sub-national review of economic development and regeneration (SNR) (HMT, BERR & CLG, 2007) recognised that administrative boundaries often do not correspond with functioning economic areas, and proposed developing cross boundary working. The SNR made it clear that economic development should be carried out at the most appropriate level. And a commitment was made to devolve resources to those best placed to deliver economic improvements within a regional framework.

Our MAA is built on years of strong partnership work, a robust evidence base and a clear vision for the future of Pennine Lancashire. This proposal sets out how we can achieve some of our ambitions through a Multi Area Agreement between the five Districts Councils¹ in Pennine Lancashire, Lancashire County Council and Blackburn with Darwen Borough Council. In the spirit of the SNR, we have accepted that through cross-boundary collaboration we can be more than the sum of our parts. Officers from a range of organisations are working together to develop and deliver strategies and interventions across all the key priority themes. New governance structures have been developed and throughout we highlight the steps we are taking to work more effectively to achieve greater economic outcomes. In the context of the MAA the term Pennine Lancashire is taken to denote the six local authority districts that comprise the travel to work area of Pennine Lancashire, which together function as a distinct economic footprint – five of which are two tier districts with Lancashire County Council.

The Pennine Lancashire economy is facing unique challenges; an understanding of the relationship with the wider Lancashire footprint and other neighbouring city regions will allow for better linkages and encourage labour market integration. Within a polycentric city region it is in everyone's interests for strong economic growth across the principal urban areas, opening up opportunities and spreading prosperity.

To support this we want the government to fulfil their obligations set out in the SNR, to provide Pennine Lancashire with the support and resource needed in order to close the widening gap. Without government's commitment to the key 'asks' and enabling measures set out in this document transformational change will not be achieved. We recognise that to give confidence we must develop linked strategies underpinned by a clear understanding of the relationship of the MAA to relevant Local Area Agreements, how it fits within the wider regional economic context and of course an integrated Investment Plan. On this basis the MAA will provide a clear framework for future collaborative working.

¹ Burnley, Hyndburn, Pendle, Ribble Valley, Rossendale,

1.1 A Unique Challenge

Pennine Lancashire has a proud history and was at the forefront of the industrial revolution, specialising in the textile industries, an area characterised by innovative and hard working people. Recent times haven't been kind, increased investment in the major cities has had an adverse affect on Pennine Lancashire, exacerbating wealth inequalities resulting in increased polarisation; a glaring example of the failings of adopting a 'trickle down' policy. Our vision for Pennine Lancashire is, **“to provide a confident, dynamic and growing economy, characterised by a thriving higher value business base, supported by a responsive education and training system. Attracting increased investment through the successful delivery of transformational projects and increasing prosperity for all. An area with fast and reliable transport links to employment opportunities and a revitalised and diverse housing market.”**

The challenges we face are stark; the economy is over reliant on a declining manufacturing base with very limited high value service sector employment. Pennine Lancashire is characterised by high levels of benefit dependency and concentrations of worklessness, as well as underperformance on higher-level skills particularly among younger age groups. Wage levels lag well behind both regional and national levels. As a result a per capita productivity gap of over a £1 billion exists with the rest of the North West. Population is growing but at a much slower rate than our neighbours, and in terms of net population flows the area has experienced a net outflow of people, suggesting low-level job opportunities and a 'quality of place' that can neither attract new people nor retain the existing population. And although property prices have increased faster than regional and national averages there are still significant concentrations of very low value properties and a dearth of higher end executive houses. (EKOS, 2007) Transport connectivity both within Pennine Lancashire and the ²wider City Region, as well as neighbouring City Regions, is inadequate and is a significant barrier to economic growth and prosperity. Indeed, just 2.6% and 3.6% of resident employees in Burnley and Blackburn respectively commute to Manchester (Centre for Cities, 2008). As a result the Index of Multiple Deprivation (2007), not only highlighted that parts of Pennine Lancashire are among some of the most deprived nationally, but that the situation is worsening relative to other areas.

The area has a diverse population with 11.8% of the population from an ethnic minority background (Census 2001). Community cohesion is extremely important to the local economy – businesses are much more likely to invest in an area where people from different backgrounds work and live together in harmony. It is also recognised that economic exclusion is a root cause of mistrust and can exacerbate division between communities. Following large scale disturbances in Burnley in 2001 the Cantle Report (Home Office, 2001) found that a more universal approach should be taken towards regeneration and Lord Tony Clarke Chair of the Burnley Task Force acknowledged that, “in almost every sense it is clear that, whilst Burnley is not a city, it experiences all of the chronic problems associated with inner city deprivation” (Burnley Task Force Report, 2001, p8). Great progress has been made since 2001 and districts are working with communities on a number of different levels to ensure the disturbances are never repeated. However, this work must be supported by a strong economy; people within

² Central Lancashire City Region comprising the sub region of Lancashire

our communities must feel that training and quality employment opportunities are within their reach.

The Pennine Lancashire Integrated Economic Strategy being developed alongside the MAA articulates the challenges facing us, setting out what we must do to address our economic underperformance. It acknowledges that we must integrate effectively with neighbouring areas and city-regions, both in terms of transport connections and knowledge networks. The growing regional knowledge base should provide spin off benefits for businesses in our own area as well as providing accessible higher value employment opportunities for our residents, who must be equipped with the skills and qualifications necessary to compete. The capacity of the HE sector must increase and better links between educational institutes and business forged

Key growth sectors, both in service and higher value manufacturing need to be promoted and resourced. Improved rail and motorway links to the major city-regions, within the Central Lancashire City Region and to areas of economic growth are imperative. Large transformational projects must be delivered - funding streams should be aligned and flexibilities given to vire monies as



appropriate to bring about effective place shaping. And the government must fulfil its commitments detailed in the Lyons Review and provide the area with quality public sector jobs. Workless individuals should be given a supportive route into work and in doing so closing the productivity gap.

We believe with the right investment and enabling measures from government that the area can get back on track – and to do this our MAA will focus on four interrelated themes:

- Economic and physical development
- Skills and Worklessness
- Transport Planning
- Spatial Planning including Housing

2. Closing the Gap – Delivering Government PSA Targets

Our MAA aims to close the productivity gap between Pennine Lancashire and the wider northwest – and in doing so make a positive contribution to the achievement of the Department for Business, Enterprise and Regulatory Reform (BERR) **PSA 7: “Improve the economic performance of all English regions and reduce the gap in economic growth rates between regions”**.

Our MAA is fully tested against PSA 7 - the Integrated Economic Strategy that informs this proposal makes clear which interventions will have the greatest impact on increasing GVA. The sustainable growth potential of the Pennine Lancashire is there for all to see. However, it is not just PSA7 on which the MAA can have an impact. With improved transport links the area can provide the neighbouring city-regions of Manchester, Leeds and Preston with an untapped labour source. This will contribute to the Department for Transport’s (DfT) **PSA5: “deliver wider and efficient transport networks that support economic growth”**

An injection of new jobs locally is also necessary to help close the existing employment gap. This is a vital component in the restructuring of the Pennine Lancashire economy, both for addressing worklessness and supporting a more productive economy. These new opportunities will allow us to deliver on the Department for Work and Pension’s (DWP) **PSA8: “maximise employment opportunities for all”**.

To sustain economic growth a commensurate growth in higher quality housing is required, providing an attractive and affordable alternative to commuters, as well as retaining existing residents to support a higher value economy. Our MAA seeks to accelerate this supply and provide an offer that reflects the aspirations we have for our economy. This will help us assist in the achievement of the Communities and Local Government’s **PSA20: “increase long term housing supply and affordability.”**

We recognise the importance of higher value skills to the future of our economy and believe that an area the size of Pennine Lancashire should have its own university. This would give us the opportunity to become more competitive and provide greater social mobility for our residents. This would have a significant impact on the Department for Innovation, University and Skills’ (DIUS) **PSA2, “Improve the skills of the population, on the way to ensuring a world-class skills base by 2020.”**

The MAA will help speed up the transformation of Pennine Lancashire and deliver on key government PSAs targets, we believe the granting of a small number of key asks can make a big difference not only to Pennine Lancashire but to the prosperity of the region as a whole.

The MAA has been developed to add value to both Lancashire County Council and Blackburn with Darwen Local Area Agreements. The MAA is more than the sum of the LAAs and reflects priorities that are essential to the long term restructuring of the Pennine Lancashire economy. Delivery of the MAA will improve the competitiveness and economic performance of Pennine Lancashire which will help in the achievement of recently negotiated ambitious LAA targets, as well as forming the basis for stretching MAA outcomes.

3. Key Asks and Our Commitments

This section sets out what we want from Government to achieve our aspirations. We acknowledge that a strong case must be made, backed by robust evidence detailing the economic impact these will have on Pennine Lancashire.

3.1. Strategic Investment Block Allocation

We ask that on delivery of a robust Investment Plan from the Pennine Lancashire MAA partners a single Strategic Investment Block Allocation, within the context of a developing sub regional approach, would be made to Pennine Lancashire. This delegation of funding would be fully consistent with the SNR and would comprise:

- Geographic element of RDA single programme
- Housing Market Renewal (HMR)
- Transport Funding through the Regional Funding Allocation
- North West Operational Programme (ERDF) funding
- Local Enterprise Growth Initiative
- Pennine Lancashire Flexible New Deal – commissioned and contract managed with DWP.
- Homes and Communities Agency funds
- Network Rail

This block would:

- Provide a five-year commitment to funding in relation to the above elements, with rolling biannual review. This includes a commitment to the honour the HMR and LEGI programme within the current Comprehensive Spending Review (CSR) period and beyond.
- Allow flexibility to re-profile individual projects up to a fixed 25% of value in any given year.
- Provide for projects below £5 million in value to be appraised at a Pennine Lancashire level.
- Be un-ringfenced, enabling virement across different funding streams e.g. RFA to HMR or vice versa, subject to agreement of local partners.

In return:

We will work with the RDA to provide an appropriate framework for funding delegation as in line with the commitments of the SNR.

We will deliver key transformational projects at a much faster pace. Prioritising interventions that will have the greatest economic impact.

We will align programme and project funding to shape places at the most appropriate spatial level.

We will use the promise of funding certainty to increase investor confidence and provide attractive packages of programme/project funding to lever in more private sector investment.

This will increase GVA by XXXX positively impacting on BERR's PSA7.

3.2 Transport schemes

We ask for investment to upgrade the Clitheroe-Manchester, 'Todmorden curve' and Rawtenstall-Bury rail lines.

We ask for commitment from Government to provide an additional lane on sections of the motorway that have either reached full capacity or will reach capacity when major strategic sites come to fruition. The M65 motorway is a vital link between the main Pennine Lancashire towns and the rest of the City Region. Initially it was designed with the option of including a third lane at a later date. Evidence suggests that the existing infrastructure would be unable to cope with the additional jobs that we hope to create on delivery of the Integrated Economic Strategy. In addition it is recognised that links to the Leeds City Region are vital – increased congestion on the M62 has made the A56 villages bypass an important project in connecting Pennine Lancashire to areas of prosperity.

We ask for the metro tram system to be extended to Rossendale/Rawtenstall??

In return:

We will develop an Integrated Transport Strategy for Pennine Lancashire with a Pennine Lancashire Implementation Plan within the context of a Pan Lancashire approach to transport issues.

We will develop complementary LTP 3 submissions

This will increase GVA by XXXX positively impacting on BERRs PSA7, DfTs PSA5 and DWPs PSA8.

3.3. Pennine Lancashire University

We ask Government to commit to establishing a Pennine Lancashire University by 2014 under the recently announced 'University Challenge' programme.

In return:

We will develop linkages between HEI/University and local businesses to develop knowledge transfer and spin out activities.

We will develop a Graduates into Industry scheme to support the retention and attraction of degree level workers.

This will increase GVA by XXXX positively impacting on BERR's PSA7 and DIUS' PSA2.

3.4. Public Sector Relocation

We ask for a commitment that the area be prioritised for major public sector relocations. The growth in public sector employment within Pennine Lancashire over recent years has provided a welcome respite to the declining manufacturing sector. However, all too often these jobs are of lower value; the area currently does not have a large government institution.

We ask that existing government jobs located within Pennine Lancashire are subject to a second stage consideration. Redundancies numbering over 50 would automatically result in an audit of the impact this would have on the local economy - this would inform a dialogue between Pennine Lancashire partners and government to look at suitable alternatives.

We will put in place programmes to ensure that workless residents benefit from public sector job opportunities.

We will endeavour to create efficiency savings across Pennine Lancashire public sector partners through adopting shared services and joined up procurement processes where appropriate, linking to the existing Team Lancashire initiative.

This will increase GVA by XXXX positively impacting on BERR's PSA7 and DWPs PSA2.

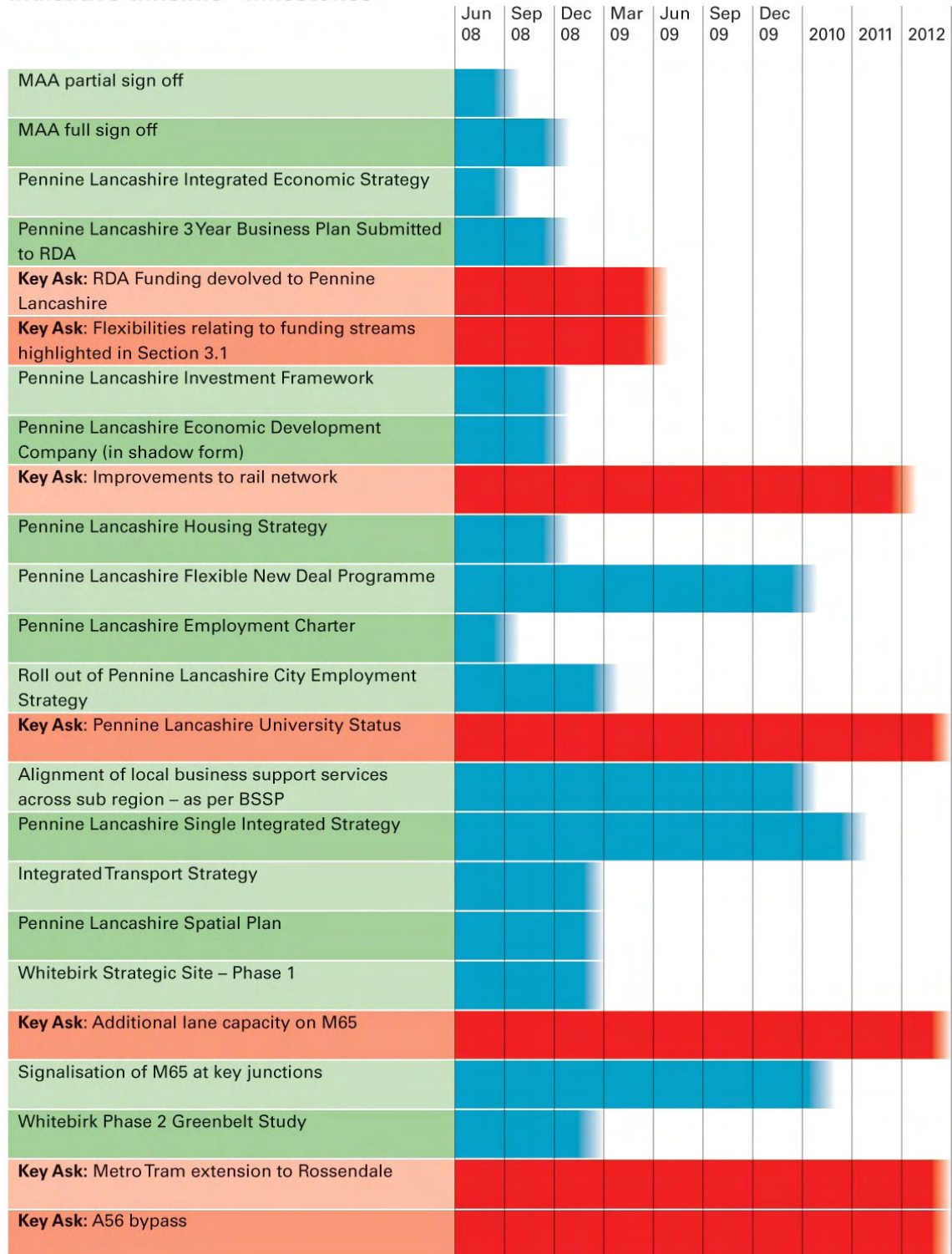
Note: An independent consultant has been commissioned to provide an indication of GVA growth for each of our key asks – making clear assumptions of scope and scale of intervention. These figures will be added when available.

We recognise that the agreement of the key 'asks' may at this stage be subject to caveats; each will carry its own complexities and involve further development going forward. However, we seek early stage commitment to as many as possible in order for us to retain confidence in the MAA process. We will commit to work with relevant government departments and agencies to provide where necessary a Pennine Lancashire framework to assist with the fulfilment of these 'asks'. Such is the importance for the future of the Pennine Lancashire economy we are willing to make sufficient capacity available across all the MAA themes and be flexible in our approach.

It should be noted the implications to the Pennine Lancashire economy if we fail to deliver on 'key asks' would be significant. Evidence suggests that a different, more radical approach must be taken if we are to arrest the downward economic spiral that we are experiencing. (EKOS 2007)

4. Timeline and milestones

Indicative timeline - milestones



5. History of Collaborative Working

Pennine Lancashire has a history of collaborative working dating back to the days of the **East Lancashire Partnership**. More recently the **Elevate Housing Market Renewal** programme has seen local authorities working together to address housing market failure in some of our most deprived communities.

Importantly East Lancashire (Leaders and) Chief Executives - **EL(L)CHEX** was established in 2006 to act together as the democratic leadership of the area. Their primary focus is to oversee the regeneration of Pennine Lancashire. The group has subsequently been renamed Pennine Lancashire (Leaders and) Association of Chief Executives – **PL(L)ACE**.

In 2006, the four NRF eligible authorities (Burnley, Blackburn with Darwen, Hyndburn and Pendle) and Lancashire County Council came together to successfully bid for **Local Enterprise Growth Initiative (LEGI)** funding. The unique partnership included the three professional local football clubs, the consortium of enterprise agencies, Elevate HMR and representatives from the private and third sector. The economies of scale brought by bidding in partnership allowed for significant cost per output benefits to be achieved and enabled the area to lever in over £30 million of government funding for the first four years, amongst the largest award in the country. The target area accounts for over 150,000 people, more than the population of any of the districts alone.

The programme's management structure is designed to operate across borough, county and unitary boundaries without a particular district geographical focus and is based on need, opportunity and demand. For example, the business growth element of the programme is project managed by Pendle BC on behalf of the four districts, reducing overheads and allowing more resource to filter down to the businesses that need it most. The programme is client focused and operates under a single brand, **No Limits**, to reduce confusion and align with the Business Support Simplification agenda. It is a successful example of a major regeneration programme being delivered across administrative boundaries for the good of Pennine Lancashire. Furthermore, at every opportunity LEGI funding will be used as a catalyst to attract more money into Pennine Lancashire to roll out best practice across the non-eligible areas.

PL(L)ACE is now responsible for overseeing a number of funding programmes, including **NWDA and Elevate funding**. As appropriate the group look to pool funding where this means it can have a greater impact, a recent example is the pooling of the **Preventing Violent Extremism** fund, which will be deployed through a PL(L)ACE defined strategy linked to a sub regional approach.

Five of the seven local authorities (including Lancashire County Council and Blackburn with Darwen) are committed to establishing a **Pennine Lancashire Development Company**, a new delivery vehicle, which initially will act as a delivery body for assume economic development, housing and skills and worklessness issues.

Under the direction of PLLACE, and through the Team Lancashire initiative, local authorities are developing a programme of reviews to drive forward the **shared services agenda**. Good progress has already been made in a number of areas, including:

- **Blackburn with Darwen and Hyndburn BC** collaborating on economic development, HMR and community safety.
- PLLACE approval in January 2007 to establish a **single Building Control function** across Pennine Lancashire.
- The **East Lancashire E-Procurement Partnership** involves all of the Pennine Lancashire authorities
- Collaboration between **Lancashire County Development Ltd and Rossendale Economic Development Services**.
- **Special Purpose Vehicle** created to develop Lancashire Digital Technology Centre in Burnley.
- Collaboration between Blackburn with Darwen and Lancashire County Council to enable take up of the Lancashire County Developments Ltd³ run **Rosebud Fund** in BwD.

In addition to PLLACE, the spirit of collaboration is exemplified by the number of officer groups that have been recently formed to develop strategy, share best practice and deliver projects across a Pennine Lancashire footprint, these include:

- Pennine Lancashire Worklessness Group
- Pennine Lancashire Integrated Economic Strategy Working Group
- LEGI Steering Group
- LEGI Working Group
- Pennine Lancashire Housing Strategy Working Group
- Pennine Lancashire Planning Managers Network
- Pennine Lancashire Data Sharing Group

6. Evidence Base

Over recent years the Pennine Lancashire partners have made a real commitment to develop evidence based policy and strategy. In 2004 an unprecedented number of reports were commissioned by the East Lancashire Strategic Economic Regeneration Group (ELSERG) to inform the East Lancashire Transformational Agenda. These studies provided a wealth of evidence and intelligence relating to how the Pennine Lancashire economy functions. More recently these were refreshed in a new report that assessed the relationship between the housing market and the economy (EKOS, 2007). In addition the Indices of Multiple Deprivation (IMD) 2007 provides an analysis on relative levels of social deprivation within the area. And a new report by the Centre for Cities (2008) highlights the implications to the local economy of poor transport connectivity between areas of Pennine Lancashire and the Manchester city-region. Two further studies are pending; one builds on the EKOS 2007 work and will directly inform

³ Lancashire County Developments Limited is the economic development arm of Lancashire County Council

the forth coming Pennine Lancashire Integrated Economic Strategy; and a research report assessing the economic relationship between Pennine Lancashire and Greater Manchester. The findings of both these studies will be included in the final MAA.

This section provides just a snapshot of this large body of work, it is fair to say that we understand the dynamics of the Pennine Lancashire economy better than ever – and will continue to improve our knowledge going forward in order to develop robust strategies and interventions across the four MAA themes. Indeed, it is this understanding that gives us confidence that economic change will occur if the major strategic interventions are delivered.

6.1. Economy

The state of the Pennine Lancashire economy has a direct impact on the prosperity of the area and its people. Pennine Lancashire operates below its economic potential achieving low levels of output per head compared to national levels. If the area successfully closed the gap between the British and North West averages it would generate an additional £2.1 billion and £1 billion respectively. The causes of underperformance relate to a lower proportion of working age residents, high levels of economic inactivity and a sectoral mix characterised by a shortage of jobs in higher value added sectors. Although there are incidences of higher value manufacturing across the area, a number of factors have a negative effect on productivity regardless of the sector. These include: low skills base of the workforce; the occupational distribution; low level of business competitiveness; and the level of capital investment per employee. (EKOS, 2007). The State of the Cities Report (ODPM, 2006) identified that between 1995-2002 Burnley and Blackburn was amongst the worst performers in GVA per capita growth. And rates of productivity in the Blackburn travel to work area bucked national trends and were actually in decline.

6.2. Social Deprivation

The IMD 2007 painted a depressing picture of an area in decline. In 2004, two of the six districts were ranked within the fifty most deprived areas across England – by 2007 this had increased to four. The fact that there has only been a small change in methodology makes comparisons over the period valid; and the weighting of the IMD towards Income and Employment deprivation (45%) suggests that the downward trends can be attributed to poor wider economic performance.

6.3. Population

Pennine Lancashire has a population of over 520,000; sub-national projections forecast population growth of 14,600 by 2026, which is proportionally lower than regional levels. Since 1991 all the Pennine Lancashire districts have experienced growth with the exception of Burnley, and forecasts suggest that this worrying decline will continue. This is particularly unusual in a period where strong population growth is forecast throughout the country. The increase in population as a whole across Pennine Lancashire is due to a growth of resident population (i.e. births exceeding deaths), rather than new residents

moving into the area, in fact the area has experienced a net outflow of people. This is reflected in the findings of a local residents survey conducted in 2006 that found 11% of respondents planned to leave the area within the next five years (EKOS 2007). Pennine Lancashire has a diverse population with 11.8% from an ethnic minority background (Census, 2001), problems around community cohesion can have a negative impact on the local economy – worryingly when surveyed less than half of people strongly agreed that their neighbourhood is a place where people from different ethnic backgrounds get⁴ on. Furthermore, less than 40% agreed that their neighbourhoods respect ethnic differences (EKOS, 2007).

6.4. Skills and Worklessness

The Leitch Review (2006) highlighted the importance of skills development if the UK is to successfully compete in the global economy. The Review concluded that by 2020 90% of adults should be qualified to at least Level 2 and 40% to Level 4 and above. NVQ 2 is now accepted as the minimum benchmark for basic skills necessary for entering employment. Addressing the skills deficit is of particular importance for Pennine Lancashire given the transitional nature of the economy and the widening productivity gap highlighted above. Currently the area is underrepresented among higher level skills with only 22% (or 20.6% excluding Ribble Valley) of the working age population holding NVQ4 and above, lagging well behind regional and national levels, not to mention a significant disparity with Leitch's 2020 target of 40%. Worryingly Leitch suggests that individuals without basic skills (below Level 2), will not be able to secure employment in 10 years time even if they are willing to work. Currently, 15.8% (16.7% excluding Ribble Valley) of the working age population have no qualifications in Pennine Lancashire, compared to 13.6% nationally (Annual Population Survey, 2006). We recognise that aligning skill levels with future employer demands, both locally and beyond, is imperative to addressing worklessness and improve business competitiveness. To this end a Pennine Lancashire Skills Strategy is under development that will articulate the challenges around this important supply-demand dynamic, this will link with the aspirations of the Pennine Lancashire Integrated Economic Strategy. And complement the work of the Lancashire Skills Board and the indicators within the Blackburn and Lancashire LAAs.

High levels of worklessness are a significant brake on the Pennine Lancashire economy. Although unemployment is broadly in line with the national average, the area suffers from high levels of economic inactivity, accounting for 25% of the working age population, with only 20% of these stating that they would actually like a job. Intergenerational benefit dependency is the root cause of economic inactivity in the area, with particularly high levels of Incapacity Benefit claimants compared to national levels. Excluding Ribble Valley, Pennine Lancashire has a working age benefit claim rate of 18.8%, compared to 17.4% regionally and 13.7% nationally (DWP, 2007).

⁴ A measure relating this is included in the Lancashire LAA in relation to the Pennine Lancashire Districts

6.5. Transport

As set out in the Eddington Transport Study (2006, p5) there is “clear evidence that a comprehensive and high-performing transport system is an important enabler of sustained economic prosperity”. No more so is this the case than in Pennine Lancashire, a recent report by the Centre for Cities (2008) highlighted the severity of the situation. The report found that although large cities like Leeds and Greater Manchester were booming, poor commuter transport networks and weak trade links were stopping this wealth from spilling over into Pennine Lancashire. Dermot Finch, Centre for Cities, noted that, “if the likes of Burnley and Blackburn can strengthen their ties with nearby larger cities – economic growth will spread across the north and beyond.” The report paints a picture of an insular economy with journey times to Manchester that belies its close proximity. This is reflected in the fact that just 2.6% and 3.6% of resident employees in Burnley and Blackburn respectively commute to Manchester. It is clear that without improved transport links the productivity and wealth gap between Pennine Lancashire, other partners of the City Region, the North West and the rest of the country will continue to widen. Addressing this issue is a fundamental priority in bringing about transformational change in Pennine Lancashire.

6.6. Housing

While house prices in Pennine Lancashire have remained consistently below the regional level, in recent years the increase in property prices has exceeded national and regional levels. Terraced properties are the dominant housing stock within Pennine Lancashire. It is the increase in value of these properties that has driven the strong rates of house price growth in recent years.

The evidence suggests that relative to the region, the value of properties at the lower end of the market has decreased, suggesting that the strong growth in house prices has been driven by Pennine Lancashire’s higher value properties (including higher value terraced stock). Low levels of demand remains an issue in parts of Pennine Lancashire. There are significant levels of long term vacancy in Burnley and, to a lesser extent, Hyndburn and Pendle, suggesting a diverging housing market across Pennine Lancashire and highlighting the need for continued investment.

The challenge will be to balance increased housing growth targets with the continued need to address market failure in our deprived communities. Moreover, linking the housing offer to our economic aspirations is crucial if both the housing market and the economy are to be revitalised.

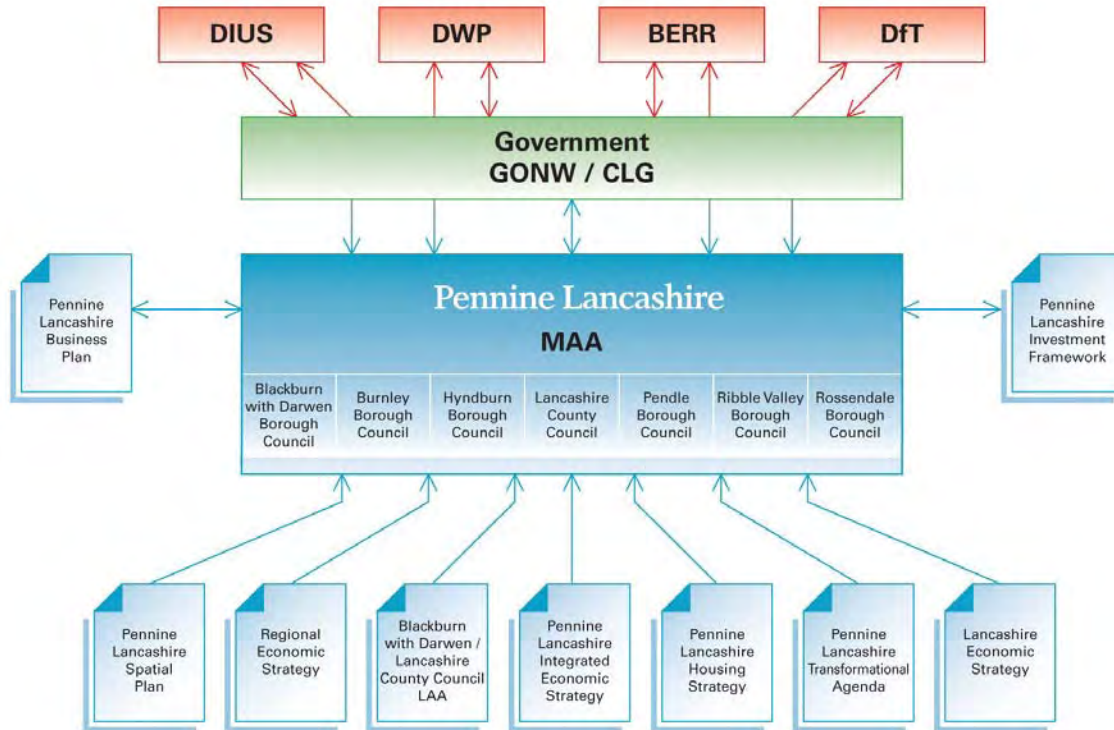
7. Strategic Contexts

Our MAA will sit at the centre of a number of interrelated strategy documents either existing or currently in development; the Lancashire Economic Strategy and the proposed Lancashire Integrated Strategy to name but two. An unprecedented amount of partnership work is taking place across the four MAA themes to understand the complex challenges we face, to enhance previous work and draw together plans at a Pennine Lancashire level. Importantly these documents aren't being developed in isolation; moreover, neither are these being seen as hierarchical – we acknowledge that the alignment and integration of the component strategies is fundamental to inform the **MAA** and allow for a robust **Investment Plan**. We accept there are a number of issues to overcome to effectively align strategies, for example, currently two strategic authorities consider transport and spatial planning issues and work is ongoing to enhance collaboration both at a Pennine Lancashire and wider sub-regional level. However the MAA will provide us the opportunity to examine current processes and show how we are trying to address this, and as appropriate, ask government for enabling measures.

The **Pennine Lancashire Integrated Economic Strategy (IES)** is building upon, and updating, the **East Lancashire Transformational Agenda** (2005). The IES, will set out the key investment priorities for the area, backed by a strong evidence base detailing the economic impact each intervention would bring. This strategy document will go some way to inform and justify our 'key asks' and already early drafts point towards the importance of: a flexible funding pot to deliver major projects, improved transport links and higher level skills in the workforce. Allied to the IES is the development of a **Pennine Lancashire Further Education and Skills Strategy**, which is benefiting from private sector input to help us gauge skill levels business require to remain competitive, both now and in the future. The development and implementation of an IES was identified as a Transformational Action in the **Regional Economic Strategy (RES)**. The IES is informed by, and complements, both the **Lancashire Economic Strategy** and **Central Lancashire City Regional Development Programme** and will inform the **Lancashire Integrated Strategy**.

As alluded to above the MAA gives us the opportunity to draw together economic, housing and transport strategies in a coherent framework. Recognising the importance of the planning system in this process Pennine Lancashire partners have produced a scoping paper to examine the extent to which a Pennine Lancashire spatial strategy, linked to these themes, could provide added value. And perhaps in the future lead to a Pennine Lancashire Joint Core Strategy. A **Pennine Lancashire Spatial Strategy** would support the proposed Lancashire Integrated Strategy which in turn would complement the **Regional Spatial Strategy (RSS)** filling the gap that currently exists between local district plans and the RSS (and in future the Regional Integrated Strategy). A draft Pennine Lancashire Interim Housing Statement is also being drawn up. This paper provides an initial Pennine Lancashire framework for market intervention that will improve the ability of the area housing market to respond to both expected social need and economic opportunity. The statement is a precursor to a **Pennine Lancashire Housing Strategy**, expected to be completed later in the year.

The MAA is being developed in conjunction with both Lancashire County Council and Blackburn with Darwen **Local Area Agreements**. The MAA and LAAs are complementary, we believe that our MAA will provide significant additionality to priorities identified in the Blackburn and Lancashire LAAs. For example, in order to address concentrations of worklessness at a neighbourhood level the wider area must provide more training and job opportunities for individuals.



8. Priority Area: Economic and Physical Development

8.1. Pennine Lancashire Context:

- Pennine Lancashire business support programmes are already aligned through LEGI as is enterprise development through the merger of the 4 individual enterprise agencies.
- A Pennine Lancashire Development Company is currently being established to address issues of capacity and demonstrate to the RDA and Government that we have the ability to deliver in the context of a new post-SNR devolutionary regime.
- A major challenge is the introduction of higher value employment to the area in the face of continued decline in traditional manufacturing

- Delivery of major schemes such as Weavers Triangle and the Whitebirk strategic employment site remain a challenge in terms of capacity.
- The East Lancashire E-Partnership and the East Lancashire Chamber of Commerce are leading an initiative on Sustainable Procurement, a key objective being to enable the local supply chain to respond more effectively to public sector procurement competitions.

8.2. What we want to achieve:

- To be able to shape and influence regional business support programmes to fit the needs of the Pennine Lancashire economy.
- A targeting of regional and sub-regional resources to encourage growth sectors within the economy as identified by the NWDA and the Lancashire Economic Partnership.
- Successful delivery of transformational economic regeneration projects including Whitebirk Strategic Employment Site and Weaver's Triangle.
- Establishment of Pennine Lancashire Urban Development Fund. The fund would issue loans, provide equity and loan guarantees for projects. The projects must have a revenue stream, which would then be recycled back into the fund.
- More public sector contracts won / retained by suppliers and businesses in Pennine Lancashire
- Greater co-ordination of Business Link activities locally

8.3. Outcomes:

- Increase employment: The actual employment rate across the area NI 151
- Boost confidence: The level of private sector investment (annual measurement of actual spend)
- Increase prosperity: Earnings by workplace NI 166
- Enterprise: Business registrations NI 171
- Proportion of goods and services purchased and supplied locally (Pennine Lancashire).

8.4. Asks

- **We ask** to be able to jointly commissioning the regional business support framework to reflect the needs of the Pennine Lancashire economy. Within this context all local business support products within Pennine Lancashire would be harmonised as part of the Business Support Simplification Programme.
- **We ask** for a direct funding relationship between the RDA and PLLACE/ Pennine Lancashire Development Company, within a pan-Lancashire context.
- **We ask** that Pennine Lancashire receive a greater and more appropriate share of RDA resource compared to the rest of the North West.
- **We ask** for greater flexibility to vire between existing RDA funded programmes even if agreed outputs are not jeopardised.

- **We ask** for the opportunity to pilot EU's JESSICA programme to establish a revolving public-private investment fund for Pennine Lancashire.
- **We ask** for a commitment from government that the Pennine Lancashire is prioritised for major public sector relocations.
- **We ask** that existing government jobs located within Pennine Lancashire are subject to a second stage consideration. Redundancies numbering over 50 would automatically result in an audit of the impact this would have on the local economy - this would inform a dialogue between Pennine Lancashire partners and government to look at suitable alternatives.
- **We ask** for delegated powers to force agencies such as British Waterways, Highways Agency and Railtrack to fulfil their duties in respect to derelict sites.

9. Priority Area: Transport Planning

9.1 Pennine Lancashire context:

- In November 2007 the Government published its Local Transport Bill. The Bill will allow Pennine Lancashire to put forward proposals to set up PTAs, allowing them to gain from the benefits of a joint approach to the management of public transport. Would enable more effective engagement with Highways Agency, Network Rail and bus operators and deliver economies of scale in terms of bus service procurement
- The format of LTP3 (2011-2016+) may change with authorities being asked to develop an integrated transport strategy (ITS) with a corresponding implementation plan. It is unlikely that Blackburn and the County could develop Integrated Transport Strategies that are separate for Pennine Lancashire. Therefore the potential for the MAA process to develop a more joined up approach to transport planning will be investigated.
- There is an urgent need to better link transport with economic growth and housing policies, and to better integrate transport with the future direction of Pennine Lancashire and wider Lancashire area through joining-up land use planning and transport. At the present time, economic development and transport are pushing different transport priorities. The current LTP system focuses on government objectives at a local level and it is difficult to take a strategic viewpoint.

9.2 What we want to achieve:

- Develop an Integrated Transport Strategy for Pennine Lancashire with a Pennine Lancashire Implementation Plan within the context of a Pan Lancashire approach to Transport issues
- Development of complementary LTP 3 submissions
- Better alignment with spatial plans and LDFs (land-use, housing) and Pennine Lancashire economic growth strategies

- More resources allocated to Pennine Lancashire transport infrastructure schemes through the RFA and from other sources
- More effective engagement with the Highways Agency and Network.
- A less fragmented approach to public transport planning.

9.3. Outcomes:

- Access to jobs: Working-age people with access to employment by public transport (Note: LCC are developing a local indicator that may more appropriate)
- Usage: Number of journeys (rail and bus) TBC

9.4. Asks

- **We ask** for investment to upgrade the Clitheroe-Manchester, 'Todmorden curve' and Rawtenstall-Bury rail lines.
- **We ask** for commitment from Government to provide this additional lane on sections of the motorway that have either reached full capacity or will reach capacity when major strategic sites come to fruition. The M65 motorway is a vital link between the main Pennine Lancashire towns and the rest of the City Region. Initially it was designed with the option of including a third lane at a later date. Evidence suggests that the existing infrastructure would be unable to cope with the additional jobs that we hope to create on delivery of the Integrated Economic Strategy. In addition it is recognised that effective links to the Leeds City Region are vital – increased congestion on the M62 has made the A56 villages bypass an important project in connecting Pennine Lancashire to areas of prosperity.
- **We ask** for funding of a M65/Whitebirk Transport Study & Investment Plan
- **We ask** for the metro tram system to be extended to Rossendale/Rawtenstall??

10. Priority Area: Skills and Worklessness

10.1. Pennine Lancashire context:

•Currently 4 Pennine Lancashire districts undertake interventions to reduce worklessness. This activity would benefit from the development of a single Pennine Lancashire approach as well as the sharing of best practice across the area to reduce the time spent in each borough designing new interventions, reviewing performance and effectiveness as well as understanding and responding to new government initiatives. Most councils and LSPs are actively addressing worklessness through Local Area Agreements but there is a need to agree and implement good practice and economies of scale across the whole area. There is also an opportunity to build on Blackburn with Darwen's status as a DWP City Strategy Pathfinder and the joint work going through the Lancashire LAA in aligning mainstream LSC and JC+ budgets with the potential to extend learning and practice across the whole of Pennine Lancashire

• Pennine Lancashire has below average economic activity, low skills, low job densities and low GVA. With the exception of BAe who employ less than 0.5% of the Pennine Lancashire workforce there are no dominant companies other than Public Sector employers. We do have excellent further education provision but no dedicated HEI campus or strategic linkages with HEIs

10.2 What we want to achieve:

- Engage at a Pennine Lancashire level with the new DWP Commissioning Strategy, and bring together best practice from the Blackburn and Lancashire LAA models, achieving best value and supporting third sector providers.
- A Pennine Lancashire Employment Charter.
- Increase opportunities for workless individuals to access public sector jobs and in doing so achieve greater savings to the public sector purse.
- Equip individuals with the skills and aspirations to compete for jobs in the labour market.
- Individuals to have easy access to job opportunities both within Pennine Lancashire, the sub-region, and neighbouring city-regions.
- An employer demand led approach to solving recruitment issues
- Use of single investment frameworks to ensure an integrated and jointly commissioned employment and skills service between Jobcentre Plus, LSC and RDA complementing the work of the two LAAS
- Better links and referral mechanisms to health services (CAMHS, substance misuse, mental health services) as included in the Lancashire LAA.
- More graduate level skills within the Pennine Lancashire workforce.
- Leadership and management training programmes for SMEs

10.3 Outcomes:

- Improve skills: The proportion of the population with level 3 and 4 qualifications and above NI 164/NI 165
- Reduce worklessness: Reduction in the number of people claiming benefits NI 152

10.4 Asks:

- **We ask** for a Pennine Lancashire Flexible New Deal jointly commissioned and contract managed with DWP, enhanced by integration with other activities and services.
- **We ask** for freedoms and flexibilities agreed for the Blackburn with Darwen City Strategies pathfinder to apply across Pennine Lancashire
- **We ask** Government to commit to establishing a Pennine Lancashire University by 2014 under the recently announced 'University Challenge' programme.
- **We ask** for greater flexibility of current funding for adult training programmes at level 3.
- **We ask** for funding for an employment land assessment study for Pennine Lancashire undertaken by MAA partners and the NWDA/NWRA

- **We ask** for funding for a Green Belt study – East of Blackburn/Rishton, undertaken by MAA partners and the NWDA/NWRA
- **We ask** for identification of Whitebirk Phase II as a Strategic Regional site by the NWDA
- **We ask** for Identification of Whitebirk Phase II by the NWRA as a 'exceptional local green belt change' which can be dealt with through LDFs

Please note the detail of these bullet points is subject to ongoing discussion with MAA partners.

11. Priority Area: Spatial Planning and Housing

11.1 Pennine Lancashire context:

- In Pennine Lancashire there is currently no meaningful connection between spatial land-use planning, transport strategy and economic growth strategies. Whilst Pennine Lancashire is a functional single economic entity two strategic planning authorities consider transport and spatial planning issues, to a large degree in isolation of one another.
- Currently the six local authorities have a statutory responsibility for housing. Each of which produce a separate housing strategy. A reconfigured housing offer is crucial if Pennine Lancashire is to achieve desired economic growth.

11.2 What we want to achieve:

- A spatial strategy for Pennine Lancashire that links into and complements transport and economic growth strategies for the sub-region.
- A Pennine Lancashire Housing Strategy that complements and supports the wider regional strategies that will be developed.
- Greater focus and leadership on a PL housing strategy
- Improved delivery performance and outputs both in terms of numbers and costs per unit.
- A consistent framework of standards for new house building across PL contribution to quality and energy conservation.

11.3 Outcomes:

- Growth in new housing provision for all sectors identified within the housing strategy. This will be measured in net new additional homes completed. NI 154 or a variation.
- Affordable housing: Number of affordable homes completed NI 155.
- Number of new homes developed on Brownfield land.
- Reduction in number of unfit or empty dwellings.
- Increase in number of new properties completed in Council tax band F, G, H.
- Common Planning Section 106 agreements across Pennine Lancashire authorities. Net contribution to provision of affordable housing outputs.
- Net new properties built to minimum code standard.
- **Subject to the findings of a strategic study into the potential release of land from the green belt, develop an action plan for the delivery of the Whitebirk phase II Strategic Employment Site with MAA partners and the NWDA/NWRA.**

- Subject to the findings of a study into the potential release of land from the green belt, develop an action plan for the delivery of the Lords House Farm / Delph Mill Quarry Sustainable Construction Centre project with MAA partners and the NWDA/NWRA.

Please note the detail of these bullet points is subject to ongoing discussion with MAA partners

11.4 Asks:

- **We ask** for appropriate powers to declare comprehensive licensing for all private sector landlords for designated areas within Pennine Lancashire. This would maximise and quicken efforts to address market failure and growing affordability issues. In return we will devise worklessness initiatives that link directly into the dynamics of the PL housing market using the increased powers and incentives to assist individuals into employment.
- **We ask** for funds to carry out an in depth scoping of a Pennine Lancashire Spatial Strategy, as part of a pan-Lancashire approach.

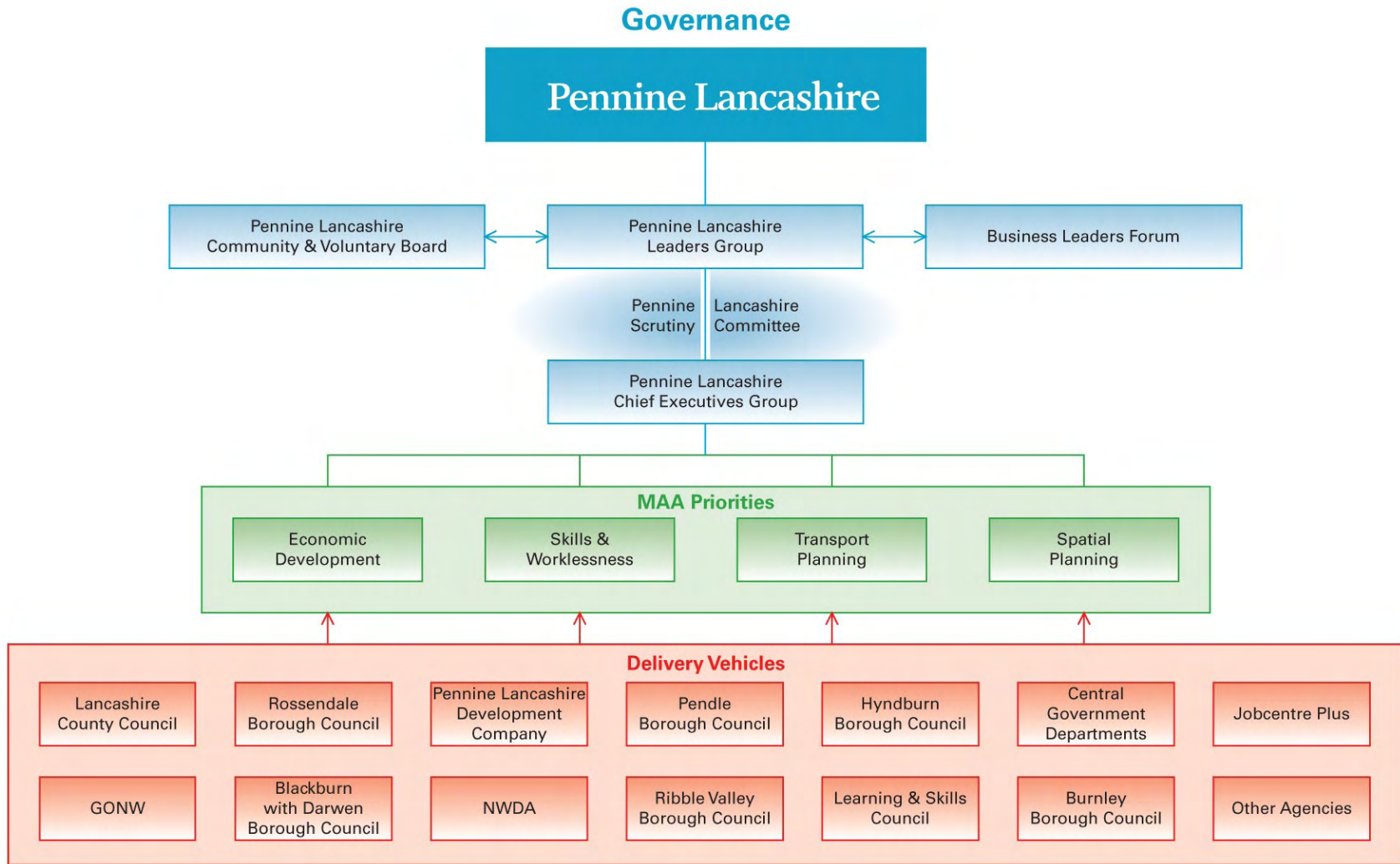
12. Governance and delivery

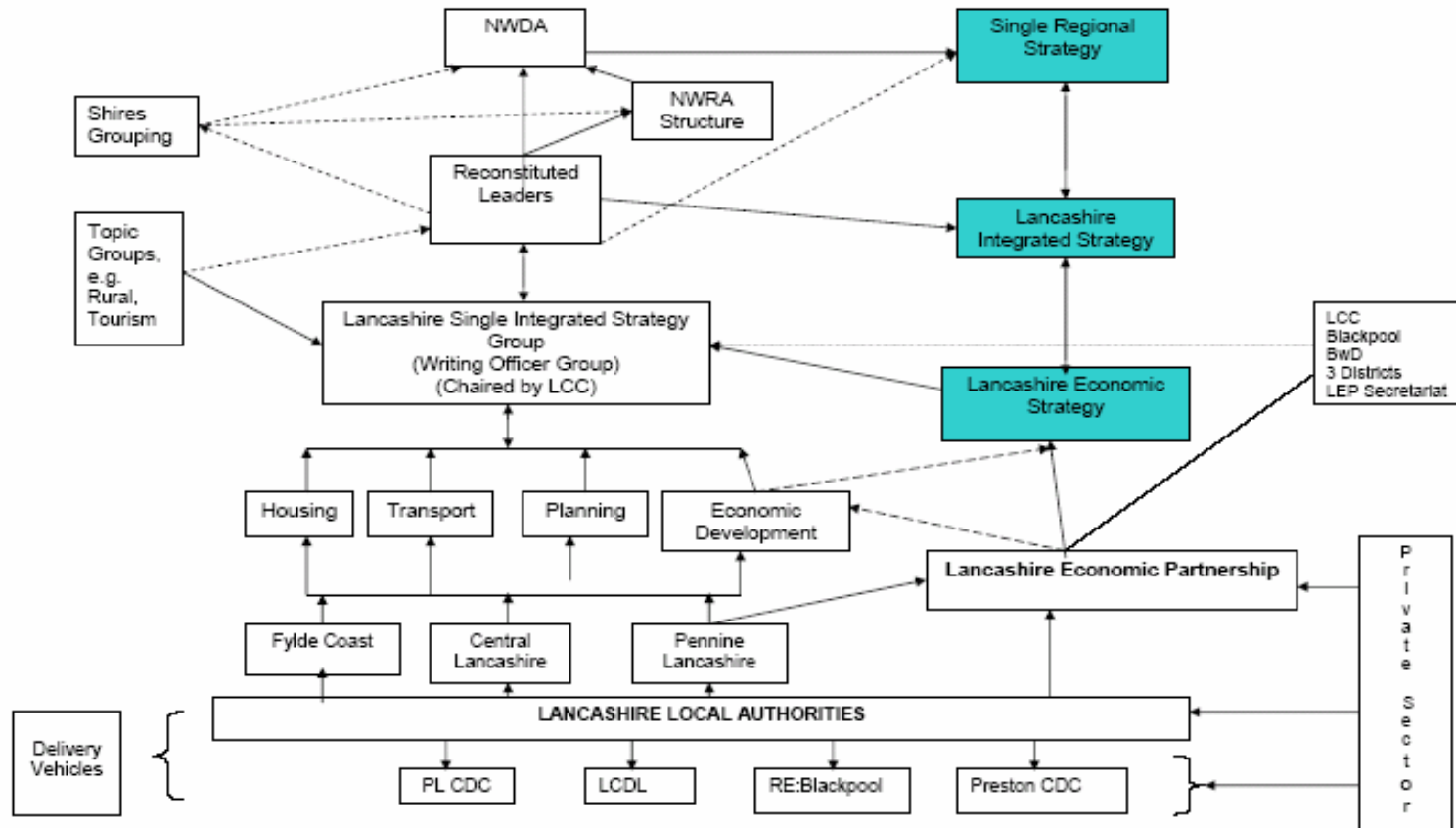
The Pennine Lancashire Leaders Group (PLLACE) will oversee the delivery of the MAA and Integrated Economic Strategy and ensure that the primary focus of the Pennine Lancashire Chief Executives Group (PLACE) is the regeneration of the area. The group provides the democratic leadership for the MAA and Integrated Economic Strategy. The group is to be informed by a Business Leaders Forum, which will ensure that the needs and expertise of the private sector plays a prominent role in advising the leaders group. In addition a Pennine Lancashire Community and Voluntary Board will act as an advisory group to PLLACE providing a voice for third sector partners. They will act as an important counterweight, highlighting concerns and issues that relate back to our communities. An additional level of scrutiny is to be added in the form of a Pennine Lancashire Scrutiny Committee comprising of an elected member from each local authority.

The Pennine Lancashire Chief Executives Group (PLACE) promotes the regeneration of the area with particular reference to economic and social well being. The group leads the development and delivery of strategies for Pennine Lancashire and provides the authority on funding programmes/projects. Ensuring programmes/projects reflect strategic priorities and effective appraisal mechanism are in place.

As highlighted in governance diagram (below) the MAA will be delivered through local authorities and key partners. There is a compelling case for economic planning and interventions to be made at a Pennine Lancashire level. Comprehensive, integrated service delivery, working through Multi Area Agreements and Local Strategic Partnerships, will form a critical underpinning of such economic interventions. A joined-

up approach to improving service delivery and tackling key issues in the areas of housing and the economy is essential. Proposals for an economic development company for Pennine Lancashire are well advanced. If successful, this will address many of these issues.





13. Resources

To be added

14. Summary of Performance Indicators (baseline and indicators TBA)

NIS	
Economic and Physical Development	
151	Employment Rate
166	Earnings by workplace
171	Business Registrations
N/A	Sustainable procurement – local business supply chain – TBC
N/A	Private Sector Investment
N/A	Job Creation
N/A	GVA target
N/A	Carbon reduction target – TBC
Transport Planning	
176	Working-age people access to employment by public transport
N/A	Local usage and journey times target – TBC
Skills and worklessness	
152	Benefit reduction
164	Level 3 skills (discussions ongoing relating to level 2 and 4)
N/A	Health Indicator TBC
Spatial Planning and Housing	
154	Net new homes or a variation on this indicator – TBC
155	Affordable homes
N/A	Increase number of new properties in Council Tax Bands F,G H
N/A	No of new homes developed on Brownfield land
N/A	Net contribution to provision of affordable housing outputs relating to S106 agreements
N/A	Net properties built to minimum code standard

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