

Report to the Executive



DATE	14th October, 2008
PORTFOLIO	Leadership
REPORT AUTHOR	Chief Executive
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Pennine Lancashire Multi-Area Agreement

PURPOSE

1. For the Executive to consider entering into a Pennine Lancashire Multi-Area Agreement (PLMAA) and approving a draft agreement on a basis for negotiation with Government.

RECOMMENDATION

2. That the Executive:
 - (a) Agrees to be party to a Multi-Area Agreement between the Pennine Lancashire Councils (Blackburn-with-Darwen, Burnley, Hyndburn, Pendle, Rossendale, Ribble Valley, Lancashire County Council and central Government;
 - (b) Approves the draft Agreement attached at [Appendix 1](#) to this report, as a basis for negotiation with Government.

REASONS FOR RECOMMENDATION

3. In July 2007, the Government published its "Review of Sub-National Economic Development and Regeneration." The Review was wide-ranging but its focus was on encouraging economic growth, reducing the disparities between regional economic performance and tackling deprivation. The review set out plans to refocus both powers and responsibilities, giving local authorities a greater role in driving economic growth and creating prosperity.
4. One measure which was brought forward as part of this Review was MAA's, a mechanism to create more effective and accountable partnerships which can impact on economic development across "functioning economic areas."
5. This presents an opportunity to strengthen Government support by signing up to an informal agreement which will set out a common undertaking of the key interventions required to make a step change in the economic performance of Pennine Lancashire.

SUMMARY OF KEY POINTS

6. The Pennine Lancashire MMA is one of thirteen national pilots, seven of which were approved by Government earlier in the summer.

It is expected that negotiations will run throughout October with a final negotiating meeting scheduled for 27th October and the final agreement being available for ministerial sign-off by the end of November 2008.

7. The MAA is being developed under the oversight of PLLACE, the Leaders and Chief Executives Group that is responsible for the development and co-ordination of the key strategies for the sub-region. Therefore the MAA is underpinned by the Pennine Lancashire Integrated Economic Strategy and the Pennine Lancashire Housing Strategy. Both of these form the strategic basis of the MAA which should be seen as a compact between government and Pennine Lancashire to deliver significant economic change. Specifically it should improve our competitiveness within the North West Region and increase our contribution to economic growth.
8. The MAA is also more than the sum of the two Local Area Agreements (LAA's) that are operative within Lancashire, the Lancashire and Blackburn with Darwen LAA's. The targets set for the MAA will be more challenging than the comparable targets within the LAA's.
9. The MAA is centred around a number of key themes, as follows:
 - Funding
 - Transport
 - Economic Development (Jobs)
 - Worklessness
 - Skills – Higher Education
 - Spatial Planning
 - Strategic Housing

In each of these areas the MAA sets out its priorities and also what it requires from Government in terms of flexibilities to policies or resources.

10. The key implications for Burnley in these areas can be summarised as follows:
 - If successful the programme will lead to direct delegation of resources to PLLACE from a wide range of current funding programmes. These resources would be unringfenced and would also come with a five year funding commitment. In particular the MAA asks for pilot status to deliver the European Union JESSICA programme.
 - Within the transport section there would be a clear commitment to secure national funding to restate the Todmorden Curve.
 - The Burnley Bridge, the Michelin site and the Princess Way Enterprise Park will be formally recognised as strategic regional employment sites.
 - With regard to worklessness if successful the MAA will allow the testing of a new Department for Work and Pensions financial mechanism and will lead to the commissioning of the coming Flexible New Deal on a Pennine Lancashire basis.

- Higher education is critical to the Pennine Lancashire MAA, which will prioritise significantly increasing the number of higher education places in the sub-region. Burnley's Princess Way Campus, along with the Blackburn College Campus are already identified as the areas higher education priority locations.
11. There are ongoing discussions around the most appropriate means of delivering the MAA once approved by Government, involving the Pennine Lancashire Local Authorities, the County Council and the North West Development Agency, over the potential for establishing an Economic Development Company to lead delivery. These discussions are still ongoing and in due course the Council's position on this initiative will be considered by the Executive. However it should be underlined that the responsibility and accountability to Government for the MAA will remain in any event with PLLACE.

FINANCIAL IMPLICATIONS AND BUDGET PROVISION

12. There are none directly to this report. However, when the MAA is successfully approved we will need to consider in detail the future resource implications of devolved funding to Pennine Lancashire, and how to ensure Burnley's priorities are both protected and adequately resourced.

POLICY IMPLICATIONS

13. The MAA will be seen by Government as the agreed economic contract between Government and Pennine Lancashire. Burnley's current regeneration programme is a very considerable one, both in terms of government resources tied to it and its importance not only to Burnley but the whole of Pennine Lancashire. It will be critical to deliver on that programme in order to bring forward future initiatives badly needed in the borough.

DETAILS OF CONSULTATION

14. Chair of Economic Scrutiny

BACKGROUND PAPERS

FURTHER INFORMATION	Mike Cook, Director of Regeneration and Housing
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ALSO:	