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# STRATEGIC ECONOMIC PLAN



CHESHIRE AND WARRINGTON MATTERS

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# WELCOME

## WE HAVE ACHIEVED MUCH SINCE THE FIRST VERSION OF OUR STRATEGIC ECONOMIC PLAN WAS LAUNCHED IN 2014

From being principally strategic bodies intended to give a voice to business in the identification of economic priorities, LEPs now have responsibility for significant amounts of public money. In Cheshire and Warrington this includes over £200m from the Local Growth Fund to support a range of infrastructure, skills and innovation projects, unlocking a further £380 million of public and private investment over the next 10 years. The 'pinchpoint' scheme in Birchwood Park, the new Chester Bus

Interchange and the Intelligent Energy Demonstrator project at the Thornton Science Park are the first visible examples of the impact of this funding.

Almost all of the £123 million of European Structural Investment Funds allocated to Cheshire and Warrington has been committed or provisionally allocated, delivering a range of projects aimed at supporting SMEs, encouraging innovation, helping the development and adoption of

low carbon technologies, and providing support for residents to enhance their skills and work readiness. The Cheshire Science Corridor Enterprise Zone, which was launched in April 2016, has already attracted 40 new companies delivering 623 jobs, 340,000ft<sup>2</sup> of new or refurbished floorspace and over £30 million of investment, with the potential to generate up to £200 million of business rates over 25 years to be retained and re-invested within the sub-region.

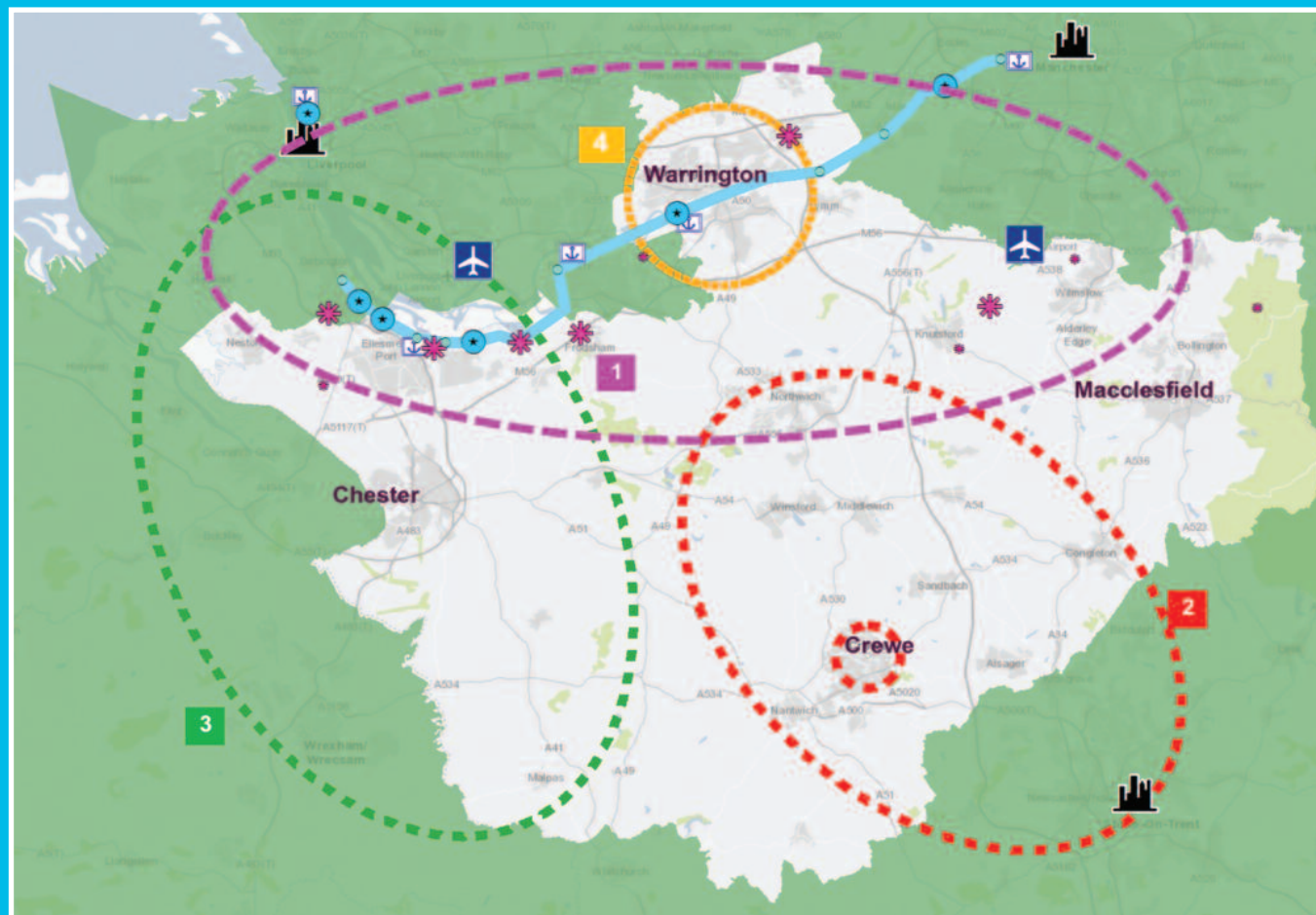
Our strategy is having a real impact. When I introduced the first version of Cheshire and Warrington matters, the LEP's aspiration was for our economy to have grown to £26.6 billion by 2021 – by the end of 2016 we had already exceeded this figure by almost £3 billion – demonstrating what an outstanding economy we have.

This edition of the SEP reflects continued change in the national political and economic landscape. It has been updated in line with our commitment that it remains a 'living document', keeping pace with a fast-moving policy environment. It is a chance to recalibrate our ambitions and I welcome the views and thoughts of our partners and stakeholders on this refreshed strategy. The LEP team has already engaged widely as part of the refresh process and will continue to do so as we move forwards, making sure that the SEP is a 'living document'. Ensuring that the 'voice of business' is heard and properly reflected in strategy and policy is a key role for the LEP and one which we continue to take seriously.

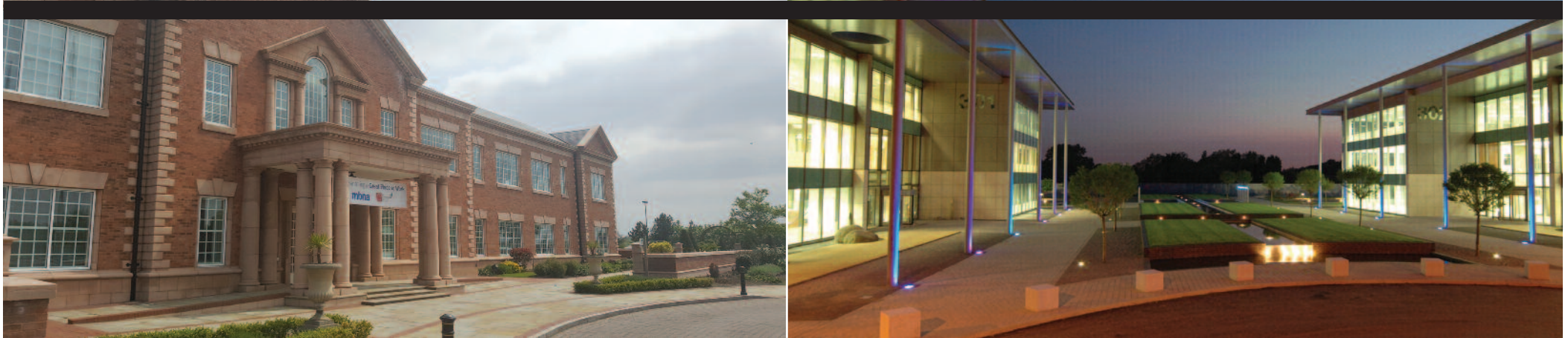
**Christine Gaskell, MBE, DL**

*Chair, Cheshire and Warrington Local Enterprise Partnership*

## SPATIAL PRIORITIES...



**KEY:** 1 = Cheshire Science Corridor, 2 = Constellation Partnership, 3 = Mersey Dee Economic Axis, 4 = Warrington New City



# INTRODUCTION

BY PHILIP COX, CHIEF EXECUTIVE

The environment in which LEPs operate and the leadership role they are expected to demonstrate in local economic growth continues to evolve at speed. This light touch review of the SEP recognises the publication by Government of the Industrial Strategy White Paper, Clean Growth Strategy and the review of LEP Governance undertaken for Government by Mary Ney, a Non-Executive Director of the Ministry of Housing, Communities and Local Government.

Housing is another area that has gained much higher prominence in recent months, with the Housing White Paper published in February 2017 signalling the Government's intention to 'fix our broken housing market'.

This review also recognises the need to prepare for development of Local Industrial Strategies which will set out how areas can respond to the four 'Grand Challenges' of AI & Data Economy, Clean Growth, Future of Mobility and

Ageing Society set out in the Industrial Strategy, and how our strategic vision aligns with the five foundations for a transformed national economy: -

- **Ideas: The world's most innovative economy**
- **People: good jobs and greater earning power for all**
- **Infrastructure: a major upgrade to the UK's infrastructure**
- **Business environment: the best place to start and grow a business**

- **Places: prosperous communities across the UK**

We are not starting from a blank sheet of paper. Lots of work was undertaken in developing the original SEP and in the subsequent discussions with government around devolution; the refresh process has built on this whilst looking at our ideas through a 'fresh pair of eyes' to make sure they are still appropriate given the changing political and policy environment – especially our

work on devolution. We are aiming for consistency and continuity with previous work.

Our approach is shifting to give a much greater emphasis on place. The original SEP focussed on our key economic strengths through a series of intervention priorities and themes. Whilst these continue, there is more thought given to the importance of place and the social, physical and environmental factors needed to create attractive, successful places that are essential if we are to attract and retain skilled people and that will support economic growth.

The original SEP was developed to support an initial bid to the Local Growth Fund so contained more project and financial detail than would normally be the case for a strategic document. As part of the refresh process our more detailed thinking around delivery will be contained in separate delivery plans covering transport, skills, energy, science and innovation, digital, housing and quality of place which will be developed and published in the coming months.

The LEP aims to promote economic growth in a way that is sustainable and which benefits as many of our communities as possible. However, the process for deciding where growth happens, and in what form, will sit firmly with our local authority partners and be subject to the democratic planning process.





# EXECUTIVE SUMMARY

## DELIVERING ON OUR GROWTH AMBITIONS; BUILDING ON THE MOST SUCCESSFUL ECONOMY IN THE NORTH

This update on our 2017 Strategic Economic Plan (SEP) confirms the revised ambition shared across the Cheshire and Warrington sub-region: to grow our economy's GVA £50 billion per annum by 2040. Our ambition is founded on the bedrock of being consistently the most successful economy in the North, supported by a vibrant private sector business base and public sector partners that are pro-active, business-friendly and which

desire to create great places for their residents and businesses to live, work, invest and relax.

The SEP sets out the key opportunities that will drive our growth ambitions: the world class science, technology and innovation assets within the Cheshire Science Corridor; the once-in-a-generation opportunity that HS2 will bring to the Constellation Partnership area and wider region; the unique cross-border opportunities within the

Mersey Dee Economic Axis, and the potential to create Warrington New City, completing the New Town development that has become one of the fastest growing and most successful towns in the UK. These spatial priorities also re-affirm that our economy is inter-twined with those of the sub-regions and Core Cities around us, and that close working with our neighbours in the Northern Powerhouse, Midlands Engine and

North Wales is a fundamental requirement for our continued success.

### During the refresh of the SEP, several messages emerged very strongly: -

- *The success of our economy is, in part, down to a significant level of inward commuting, highlighting the importance of maintaining and enhancing local and strategic road and rail networks;*

- *There are demographic challenges ahead. Our population growth is well below the UK average and we have markedly smaller proportion of 20-35 year olds than other areas. As a result, our workforce is ageing and pressure on public services is increasing;*
- *We have a highly skilled resident workforce, though much of these skills reside in older workers. Skills levels in younger age groups are lower than in other areas and we face problems attracting and retaining graduates;*
- *Many people, especially first-time buyers and younger people looking to rent, struggle to find the right kind of housing at a price they can afford in the places they want it. Housing is a key component which underpins economic growth, and ensuring we get the right numbers, type and quality of housing in the right locations and at an affordable price will be critical for our future prosperity;*
- *Behind the common image of Cheshire and Warrington as a 'dormitory' for Liverpool and Manchester, lies a highly productive manufacturing economy. Our area is responsible for around a quarter of manufacturing output in the North West, by value, and manufacturing as a share of our overall economy is around 2½ times greater than the national average;*
- *As well as manufacturing, we have strengths in Chemicals, Life Sciences (including pharmaceuticals), Energy and Environment, Finance and Business Services and Logistics and Distribution. Growth potential has also been identified for the Agritech and Digital sectors;*

- *Our economic activity is not confined to towns and cities – the rural area is home to a wide range of businesses beyond 'traditional' land-based activities;*
- *Creating an excellent 'Quality of Place' is an essential component underpinning economic growth. High quality urban, suburban and rural places, housing, leisure and retail offer and visitor economy are key to attracting and retaining the skilled workers and their families we need to support our businesses.*

The SEP is intended to be a high-level, strategic road map to achieving our growth ambition. The strategy has been designed to be flexible and provide a broad framework within which different areas and groups can align their activities. The key messages set out under our growth ambition (Section 2) and the thematic priorities set out in section 3 provide a good starting point.

The refreshed SEP is supported by a series of supporting delivery plans and strategies which set out the main themes and initial interventions in more detail: -

- **Transport:** setting out the priority transport investments at a local and strategic level which we believe will be required to support the needs of a £50 billion a year economy. This includes improvements and additions to the road and rail network and better, more coordinated public transport services;

- **Skills and Education:** setting out plans for working with businesses and skills providers to make sure that our workforce has the skills needed to remain productive and are connected to opportunities. This includes encouraging employers to work with young people to inspire them about career opportunities so they understand what skills and education they need to progress in the careers they choose;
- **Energy:** provide a roadmap for the LEP and its partners to capitalise on the area's strengths in the Energy sector, address the challenges of transitioning successfully to a low carbon economy and putting Cheshire and Warrington at the forefront of efforts to deliver affordable energy and clean growth as identified in the Government's Industrial Strategy White Paper and Clean Growth Strategy;
- **Quality of Place:** to ensure that our strengths in terms of quality of place – including high quality public services - are used to attract and retain the inward investment, skilled workers and visitors that we need to grow our economy, whilst maintaining and enhancing the area's built and natural environment. This will include a Place Marketing Strategy which will set out the benefits of locating in Cheshire and Warrington.
- **Digital:** to ensure that the sub-region has access to the digital infrastructure (superfast fibre broadband, 4G / 5G, etc) and the skills needed to use them;
- **Housing:** setting out the role of housing in future economic development

including increased provision of smaller homes in urban areas to attract younger population, and opportunities for new, high quality, sustainable housing developments aligned to local need and national policy priorities;

- **Science and Innovation:** setting out how we work with local businesses, FE and HE providers, Innovate UK and the Department for Business, Energy and Industrial Strategy to capitalise on our science and innovation assets and strengths, especially in the Cheshire Science Corridor.

Each of the spatial priorities will also be supported by detailed strategies.

The refresh process has been undertaken at a time of political and economic change. BREXIT will bring about a fundamental shift in the way Britain interacts with Europe and the rest of the world which could have significant implications for a sub-region that has a strong track record of exporting. It will impact on many key areas including labour supply, productivity and technology, movement and trade. It will also impact on business confidence at various times through the process.

To take account of this, the SEP has been designed to be a flexible, 'living' document that can adapt as the post-BREXIT landscape becomes clearer. It is also consistent with the work undertaken since 2015 by the LEP and its local authority partners linked to potential opportunities for devolution.

The LEP has undertaken this initial review of the SEP in March 2018 and aims to undertake regular (at least annual) reviews after that.



# PURPOSE OF THE STRATEGIC ECONOMIC PLAN (SEP)

CHESHIRE AND WARRINGTON IS ONE OF THE UK'S MOST SUCCESSFUL PLACES, ITS ECONOMY OUT-PERFORMING THE UK AVERAGE ON A NUMBER OF MEASURES.

'Cheshire and Warrington Matters' sets out our ambition to drive the economy forward, capitalising on the unique strengths and opportunities that our sub-region has. It is a strategy to support growth and economic development over the next 20+ years, doubling the size of the economy and setting out the key economic, environmental and social strengths on which that growth will be founded.

The Strategy is purposefully high level, so that the key messages are not lost underneath lots of detail. Throughout the document, where further supporting information is available (or is to be developed in the coming months), this will be clearly identified. It is our intention that the SEP is a 'living document' and as such it will be updated to reflect and respond to key changes in national and local policy as and when they happen.



**Section 1** looks at Cheshire and Warrington's economy today, highlighting the data analysis undertaken as part of the SEP refresh to help understand how our economy is built up, how it is performing, its key sector strengths and what challenges it may face in the future.

**Section 2** sets out our growth ambition and what, in practical terms, this might look like by 2040.

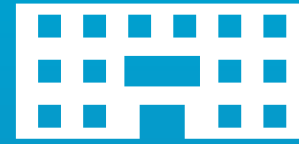
**Section 3** identifies the key steps and interventions the LEP believes will be necessary in achieving the ambition of a £50 billion economy by 2040. This includes setting out the key areas of focus for future intervention in a spatial and capability context.

Finally, **Section 4** describes how the LEP will work with its partners and key stakeholders to deliver this Strategy, ensure that progress is properly reported and that the investment decisions taken are accountable, taken in a transparent way and offer value for money.

Underpinning the SEP refresh is a robust evidence base, and a programme of extensive stakeholder engagement. The evidence reports are available to download from the LEP website.

# £29.3 Billion Economy

Employing over  
**488,000**  
People



In over  
**42,000**  
businesses

Home to almost  
**920,000** = **1.5%**  
people of the UK



• Launch of the Greater Manchester and Cheshire Life Sciences Fund

## SECTION 1

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# CHESHIRE AND WARRINGTON TODAY

Cheshire and Warrington is a hugely successful economy. Our economic output (GVA) is greater than that of Core Cities such as Birmingham, Leeds and Sheffield. The economy has doubled in size since 1997 and we have consistently exceeded UK performance benchmarks on a number of measures. Cheshire and Warrington has the second highest level of Gross Value Added (GVA) per head of population in England outside of London and in terms of productivity our output per head is around 118% of the UK average. Workers in the sub-region generate over £8,200 each per year more than the North-West average and £3,100 more than the UK average<sup>1</sup>

In many ways, this economic success is at odds with the common image of Cheshire and Warrington – that of a largely rural economy which acts as a dormitory to its larger, Core City neighbours of Liverpool and Manchester.

The evidence demonstrates a very different picture. Cheshire and Warrington is at the heart of the UK's manufacturing industry: it produces almost 25% of the north west's manufacturing output (by value) and the sector has grown at almost four times the rate experienced nationally. We also 'import' significant volumes of labour.

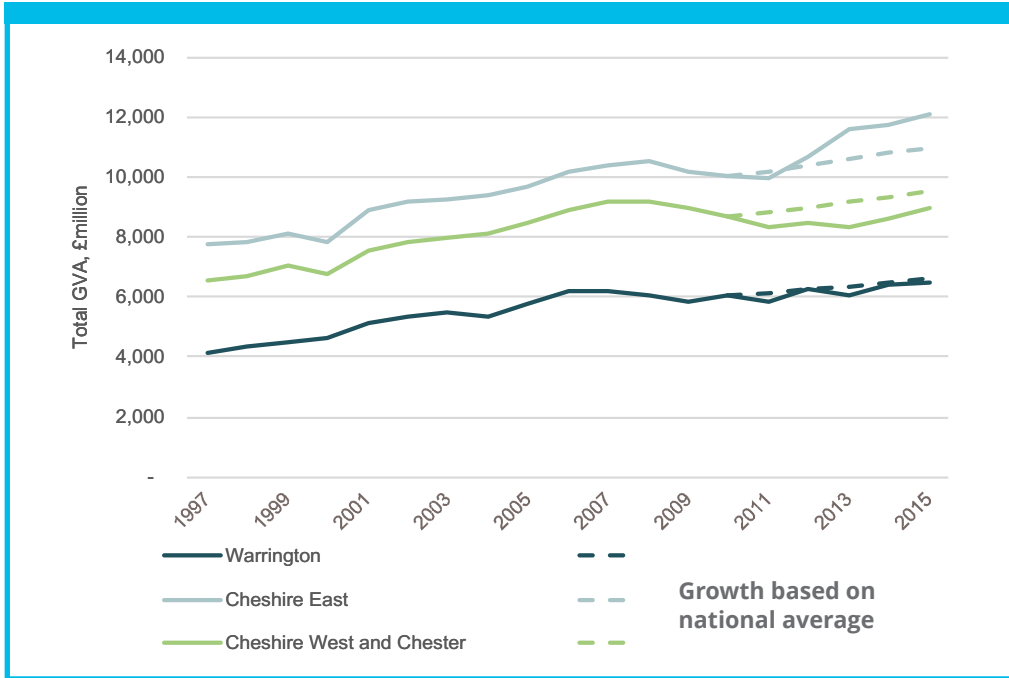
Our economy is diverse. Alongside a thriving Manufacturing sector, we have real strengths in Advanced Engineering, Life Sciences, Chemicals, Energy and Environment, Financial and Professional Services and Transport and Storage (Logistics).

However, challenges exist around maintaining our productivity advantage.

Like the rest of the UK, Cheshire and Warrington was hit economically by the financial crisis of 2008. Figure 1 demonstrates that different places within the sub-region have recovered at different rates over the subsequent period.



Figure 1: GVA Growth by Local Authority (1997 - 2015)

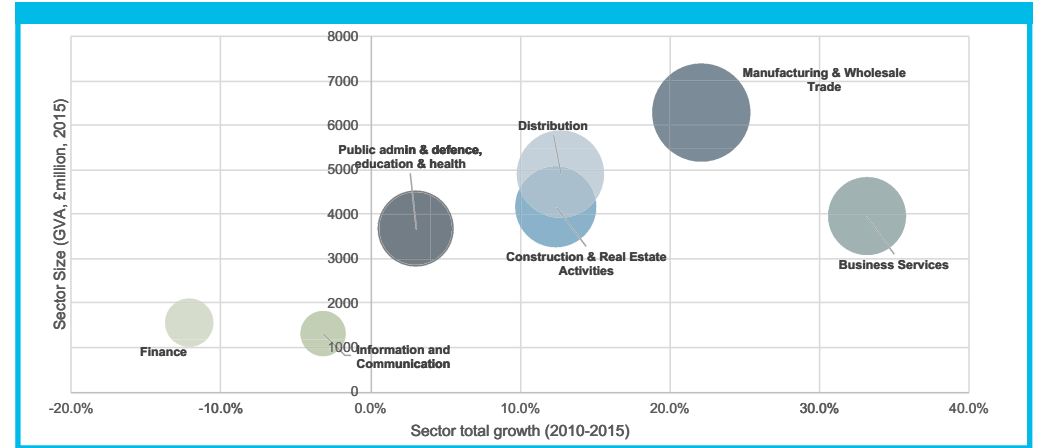


**Cheshire East**, which has the largest economy of the three constituent local authorities within the LEP area has recovered strongly, powering ahead of average UK growth rates (as shown by the dotted line).

**Warrington's** GVA growth over the same period has been more in line with the national level whilst **Cheshire West and Chester** appears to have been hit harder and taken longer to begin to recover. This may reflect the importance of the Finance sector to the Borough, which has experienced a significant fall in the number of jobs since 2008.



Figure 2: Comparative GVA by Sector



### Composition of the economy

Figure 2 above shows the size of GVA in the seven largest economic sectors in Cheshire and Warrington (as defined using Office for National Statistics SIC codes), as well as their percentage growth in GVA over the period between 2010 and 2015.

The chart emphasises the importance of manufacturing and wholesale trade in the LEP area: it is the largest sector in GVA and has the sub-region's second highest growth rate over the last 5 years. It also demonstrates the significant growth since 2010 of the Business Services sector, which has expanded at a rate almost 50% higher than the UK average over the period.



• Opening of the Birchwood Pinchpoint scheme

## Sector Strengths

Our work so far, reinforced by the recent Northern Independent Economic Review (NIER)<sup>2</sup>, has identified a number of key sector strengths which will provide the core to future growth. These are shown in summary in Figure 3, below.

Figure 3: Cheshire and Warrington's key sectors



Together, Manufacturing, Finance and Business Services and Logistics and Distribution account for 60% of our economic output by value. In terms of employment, Wholesale and Retail (16.3%), Health and Social Work (11.7%), and Administrative and Support Services (11.2%) are the largest sectors accounting for 40% of jobs in the sub-region. Almost 10% of employment is in the Professional, Scientific and Technical category<sup>3</sup>.

These strengths vary by constituent local authority. The table below sets out the sector specialisms for Cheshire East, Cheshire West and Chester and Warrington, measured using Location Quotients (LQs). The figure in brackets indicate how concentrated a particular industry is, profession or cluster is compared to the national average (1.00).

| Cheshire East                                 | Cheshire West & Chester                             | Warrington  |
|---|---|---|
| Professional, scientific and technical (1.43) | Business administration and support services (1.45) | Business administration and support services (1.77) |
| Manufacturing (1.32)                          | Financial and insurance (1.31)                      | Mining, quarrying and utilities (1.63)              |
| Financial and Insurance (1.20)                | Retail (1.26)                                       | Transport and storage (1.52)                        |

The high LQ for in the Mining, quarrying and utilities category for Warrington is most likely due to it being Headquarters for United Utilities, Britain's largest listed water utility and the North West's only FTSE 100-listed company.

<sup>2</sup> GVA per filled job £51,947 compared to £43,741 (North West) and £48,823 (UK), Office For National Statistics Sub Regional Productivity (March 2016 release).

<sup>3</sup> NOMIS (2017), Official Labour Market Statistics

<sup>4</sup> New Economy (2017), Review of LEPs' opportunities with reference to Manufacturing – baseline report



**Our key sector strengths are considered in more detail below.**

The **Manufacturing and Advanced Engineering Sector** remains the cornerstone of the Cheshire and Warrington economy, generating almost £6.5 billion of GVA in 2016, representing almost 23% of our economy by value. Our manufacturing output accounts for a quarter of the total manufacturing output of the north west<sup>4</sup>. The area is home to a significant automotive cluster, anchored by Bentley Motors (Crewe) and Vauxhall (Ellesmere Port). Within a one hour drive of Ellesmere Port are Jaguar Land Rover (Halewood), Getrag Ford (Halewood), Toyota's engine plant in Deeside and Leyland Trucks (Preston). 95% of UK car production lies within a three-hour drive of our area, presenting significant opportunities for the automotive supply chain.

Vauxhall has assembled seven generations of the Astra at Ellesmere Port plant, including the multi-award winning Mark 7 launched in 2015. Employing around 1,200, production is currently running at nearly 75,000 cars a year, a significant proportion of which are exported to Europe under the Opel badge. In summer 2017 it

was confirmed that General Motors had completed the sale of Vauxhall to the PSA Group, parent company to Peugeot and Citroen.

Bentley, now part of the Volkswagen Group, has been manufacturing cars at its Crewe factory since 1946. Since 1998 the company has benefited from £1 billion of investment and is the world's leading luxury car manufacturer – 1 in 4 cars sold around the world above €150,000 is a Bentley accounting for over £1 billion of exports per year<sup>5</sup>. A long-term Masterplan for the Crewe site was unveiled in November 2016 with the aim of supporting the company's position as a core component of the Cheshire East economy.

A recent addition to the automotive supply chain in the area is Plastic Omnium which opened a 240,000 sq ft state-of-the-art manufacturing facility in Warrington in 2016. The company provides bumpers and plastic body parts for Jaguar Land Rover's Halewood plant.

Wilmslow is home to Waters Corporation's 'International Centre of Excellence' for Mass Spectrometry. The 37-acre site employs some 500 staff

and in addition to its expanded manufacturing capacity the facility contains enhanced research and development capabilities.

Siemens (Congleton) employs over 500 staff and produces over 1.3 million variable speed motor drives used to control systems such as production lines and baggage handling systems around the world. 98% of the drives produced at the plant are exported.

Cheshire and Warrington has a long and distinguished history of working in the **Life Sciences and Pharmaceutical industries**. Alderley Park, at the eastern end of the Cheshire Science Corridor, has been home to some of the world's most skilled and experienced science professionals for over 50 years. Some of the world's most successful anti-cancer treatments have been developed at the site. Following AstraZeneca's decision to dispose of the site to Manchester Science Parks (MSP) in 2014, a £30 million capital investment programme was announced which will deliver 1.5 million sq ft of lettable laboratory and workspace and support some 7,000 jobs planned on-site by 2025.

<sup>5</sup> [http://www.cheshireeast.gov.uk/council\\_and\\_democracy/council\\_information/media\\_hub/media\\_releases/bentley-motors-unveils-long-term-ambitions-for-crewe-site.aspx](http://www.cheshireeast.gov.uk/council_and_democracy/council_information/media_hub/media_releases/bentley-motors-unveils-long-term-ambitions-for-crewe-site.aspx)



Already Alderley Park, which is now part of the Cheshire Science Corridor Enterprise Zone, has become home to over 150 bio-tech and life science businesses, including the opening of BioHub, and in 2015 the Headquarters of the UK Medicines Discovery Catapult opened on site. The LEP, alongside Greater Manchester LEP, has invested into a dedicated £45 million Life Science Fund to support business growth and development in this sector.

AstraZeneca's second largest manufacturing site globally is located at Hurdsfield near Macclesfield. Employing some 1,800 staff the site is also AZ's European Centre for Packing and manufactures, packs and distributes medicines to 130 global markets. Products include 'Zoladex', one of the world's leading treatments for prostate cancer.

Alongside AZ, there are a number of other high profile firms within Cheshire and Warrington's life sciences and pharmaceutical sector. These include Advanced Medical Solutions (Winsford), a leading developer and manufacturer of surgical, woundcare and wound closure products; Sanofi (Holmes Chapel) manufactures inhalation and

nasal sprays for treatment of asthma; Dechra Pharmaceuticals based in Northwich is an international specialist veterinary pharmaceuticals business.

Much of Cheshire and Warrington's early economic success was founded on the **Chemicals** industry and today the sector remains a significant contributor to the local and national economy.

Salt mining has been mainstay of the local economy for centuries and British Salt (now part of Tata Chemicals Limited), headquartered in Middlewich, supplies over half of the UK's pure white salts from its state-of-the-art plant and exports across the globe. Salt Union (Compass Minerals) owns and operates Britain's oldest and largest rock salt mine in Winsford, and is the country's leading supplier of rock salt (principally for use in gritting roads in winter).

Unilever has its historic roots in Warrington with the opening of Lever Brothers' first factory in 1885. Well known soap powders including Persil and Surf are still manufactured in the town today.

Some of the earliest research into bio-fuels was carried out at the then Shell Technology Centre in Thornton. Now owned by the University of Chester,

and located at the western end of the Cheshire Science Corridor, the site dates back to the 1930s with research into the development of aircraft engines and fuels, and later high performance motor fuel and oils. Thornton sits next to the UK's second largest oil refinery, Stanlow, owned by Essar Oil (UK) since its purchase from Shell in 2010. The site produces 16% of the UK's road transport fuels including 4.4 billion litres of diesel and 3 billion litres of petrol every year<sup>6</sup>. It also produces 2 billion litres of jet fuel a year and has a chemical plant on site which manufactures a range of polymers, lubricants, detergent alcohols and toluene (used in foams for furniture and bedding).

Northwich-based Tata Chemicals Limited (TCL), formerly Brunner Mond, is one of Europe's leading producers of sodium carbonate, soda ash and sodium bicarbonate.

CF Fertilisers, Headquartered at Ince near Chester, was established in 1965 and produces 40% of the UK's fertiliser needs. The Ince plant employs around 400 staff and specialises in 'True Granular Compound Fertilisers' (NPKS), producing one million tonnes of fertiliser a year.



Despite being hard hit following the global financial crisis in 2008, **Financial and Business Services** still accounts for one fifth of Cheshire and Warrington's economy, and just under 15% of employment. Financial services are particularly important to Cheshire West and Chester, with over 7,500 employed in 2015 – as many as Cheshire East and Warrington combined. Financial and Business Services covers a range of activities including banking, credit provision, insurance and pension funding, wealth management, legal and accounting, and involves many high profile, global brands.

Key companies include Lloyds, Virgin Money, Royal London, M&S Financial Services, UK Fuels (part of Crewe-based Radius Payment Solutions, one of Europe's largest fuel card management companies), Exchequer Solutions and Fircroft. Barclays Bank has its Global Technology Centre located at Radbroke Hall near Knutsford and a large client servicing team for its Corporate Banking and Business Banking Divisions located at Gadbrook Park in Northwich.

Betfred, the UK's fourth largest bookmaker has been headquartered

in Birchwood since 2004. The Group's turnover in 2016 was over half a billion pounds with almost £11 billion wagered.

The Government's Clean Growth Strategy, published in October 2017, highlights the importance of providing affordable energy and clean, low carbon growth. This was further emphasised when Clean growth was identified as one of the four 'Grand Challenges' in the Industrial Strategy White Paper. It is an area that Cheshire and Warrington is well placed to deliver on with **Energy and Environment** a particular strength. The area has an established and growing cluster of industrial expertise in clean energy and energy innovation, building on a legacy of historic government investment in electricity systems and distribution (the Electricity Council Research Centre opened at Capenhurst in 1965, later becoming EA Technology) and nuclear energy (the UK Atomic Energy Authority was established at Risley – now Birchwood Park – in 1954, heralding the start of the UK's civil nuclear programme).

That history of industry-led research, development and innovation

continues today. Birchwood Park is home to much of Britain's nuclear industry including National Nuclear Laboratories, Wood, Rolls Royce Nuclear, the Nuclear Innovation and Research Office and the HQ of Sellafield Ltd. The research, engineering and design expertise of these companies is at the heart of the next generation of nuclear power stations and the safe decommissioning of existing plants in the UK and around the world. Urenco, based in Capenhurst, produces 30% of the world's enriched Uranium and in 2012 took over the decommissioning and storage operations previously undertaken at the site by Sellafield Limited on behalf of the Nuclear Decommissioning Authority.

In 2015 Amec Foster Wheeler (now part of Wood) was selected to lead a project to set up a new high-temperature facility in the UK for testing materials used in current and future nuclear reactors. Funded by a £2 million research grant from Government the facility, opened at Birchwood in 2016, will provide open access for research organisations to test materials for applications such as Generation IV nuclear fission, nuclear fusion and advanced gas turbines.



Cheshire and Warrington is leading the way in researching the implications for energy networks from the growing use of Electric Vehicles (EVs). By 2040 Government wants all new vehicles to produce zero carbon emissions and research projects such as 'MyElectricAvenue'<sup>7</sup> and 'Electric Nation'<sup>8</sup> (the world's largest EV trial of its kind), led by Capenhurst-based EA Technology, aim to build an understanding of the potential impact that the increasing uptake of EVs will have on local electricity networks and look to develop technical solutions to smooth demand.

Affordability and security of energy supplies are also of huge importance locally given the large number of heavy energy users located in the area, utilising energy not only to power their production lines but also as a feedstock. Supporting these industries in the transition to a low carbon economy will be challenging and require support for and investment in energy innovations and smart energy systems.

The LEP has supported the development of the Intelligent Energy Systems Demonstrator at Thornton Science Park, and the energy industry

itself in Cheshire and Warrington, through groupings such as the Cheshire Energy Hub<sup>9</sup> and the Energy Innovation Centre<sup>10</sup> is taking a lead in researching and developing new solutions. Thornton is also the chosen location for the UK's new 'earth observatory' (Energy Security and Observation System for the Sub-Surface – ESIOS) funded by National Environment Research Council and British Geological Society and due to open in 2018.

Protos, on the south bank of the Manchester Ship canal near Ellesmere Port, is a new strategic energy hub which features as the only energy-focused development in the Government's recently unveiled Northern Powerhouse Investment Opportunities Portfolio and could eventually attract £1.5 billion of investment and 13,000 jobs.

The unique geography, geology and industrial mix within Cheshire and Warrington also opens up opportunities for developments in hydrogen (including hydrogen fuel cells) and geothermal heat networks. The area is already the location of some of the UK's largest underground natural gas storage facilities, utilising former salt caverns.

<sup>7</sup> <http://myelectricavenue.info/>

<sup>8</sup> <http://www.electricnation.org.uk/>

<sup>9</sup> <http://www.cheshireenergyhub.co.uk/>

<sup>10</sup> <http://energyinnovationcentre.com/>



Strategically located between Liverpool and Manchester and at the heart of the North West's motorway network, Cheshire and Warrington has enhanced its reputation as a centre for **Logistics and Distribution**. Omega, located on the former United States Air Force base at Burtonwood, north Warrington, is one of the most successful logistics centres in the UK today, having created over 7,000 new jobs and over 3 million sq. ft. of floorspace over the last three years. A loan from the LEP's Growing Places Fund was instrumental in unlocking the infrastructure for the first phase of Omega and subsequent funding from Local Growth Fund is helping improve access to Omega South.

The area is also well positioned to take advantage of the continued major investment in the Port of Liverpool including the new post-Panamax container terminal which opened in 2016. Added to this, development of improved port facilities along the Manchester Ship Canal – including Port Ince and Port Warrington – and easy access to Liverpool and Manchester airports with their freight-forwarding capabilities, mean Cheshire and Warrington, with a range of

suitable large-scale investment sites, will be ideally placed to capitalise on the new, post-Brexit trading relationship with the world.

Although currently small in overall GVA and employment terms, as a largely rural geography **Agri-tech and Food** have been identified through the Northern Independent Economic Review as having growth potential for Cheshire and Warrington. The area has well-developed Agriculture, Dairy and Food Production sectors, and companies such as Fayrefield Foods (Crewe), Meadow Foods (Chester) and County Milk Products (Wilmslow) are amongst the largest independent dairy companies in the UK. Glambia Cheese based in Northwich is Europe's largest manufacturer of mozzarella cheese and NWF Group, with a turnover of £465m (2015) is a leading national supplier of ruminant animal feed and has grown to be the third largest fuel distributor in the UK.

Reaseheath College is one of the leading specialist land-based colleges in the UK with almost 4,000 students in Further Education, Higher Education, Apprenticeships and work-based learning. Facilities include an industry-backed £7 million Food

Innovation Centre, National Centre for Horticulture, the Environment and Sustainable Technology and a LEP-supported Advanced Agricultural Engineering Academy which, when completed, will be one of the most sophisticated education centres of its type in Britain. Partners in the initiative include **CLAAS, CaseIH, New Holland, JCB, Amazone** and **Kuhn**, many of which have donated advanced engineering machinery and equipment.

The new specialist facility will enable Reaseheath lecturers to deliver training in the latest crop production systems, including technical training in precision farming, to agricultural engineering students and science subjects such as agronomy and data mapping to agricultural students. In 2015 part of the College campus was designated by Government as a Food Enterprise Zone.

There are also a number of niche areas of expertise for C&W. In 2015 an £85k grant from the GREAT UK Challenge Fund helped to boost the area's reputation and profile as a super hub for breeding and animal science. Key organisations already working in this specific sub-sector in

C&W include **Cogent, Genus ABS, Chester Zoo, Bolesworth Estate, Harthill Stud, Wheatsheaf** and **Aviagen**.



• Reaseheath College's Food Innovation Centre



### People and Place

Cheshire was traditionally, and remains in many places, a rural area, with agriculture and land-based industries, a network of generally affluent and prosperous villages, mid-sized market towns (including Congleton, Crewe, Macclesfield, Winsford and Middlewich), and one historic city (Chester), serving as important service and functional centres. Warrington, the largest urban centre in the LEP area, developed as a New Town growing quickly following its designation in 1968 and reaching a population of over 200,000 by the 2011 Census. Alongside their roles as retail, commercial, educational and leisure focal points, these places developed specific sectoral specialisms, including extractive industries and chemicals across the Weaver Valley, and silk manufacturing in Macclesfield. These rural areas are now increasingly home to a wide range of non-land based businesses that appreciate the rural setting, including the visitor economy.

Almost 1 million people (917,000) lived in Cheshire and Warrington's LEP area in 2015, with Cheshire East accounting for 41% of the total residents.

Cheshire West and Chester is the second largest in population (37%), while Warrington contains 22% of the LEP's residents.

Between 2005 and 2015, the LEP experienced population growth of 4.2%, barely half the rate experienced nationally (7.8%) over the same period (see Figure 4). Warrington experienced the highest growth rate at 7.6%, and Cheshire West and Chester the lowest, at 2.0%. Cheshire East population increased by 4.3% over the same period.

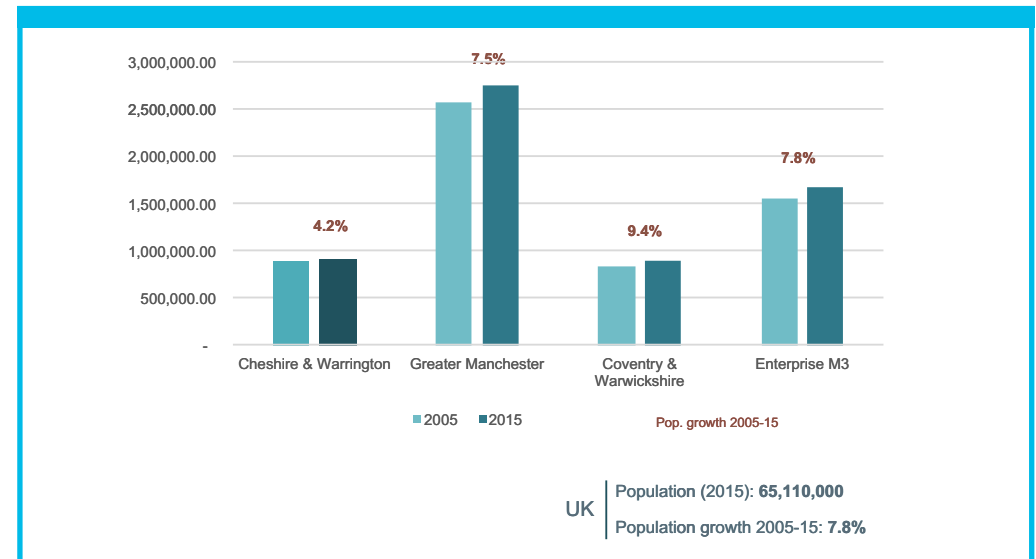
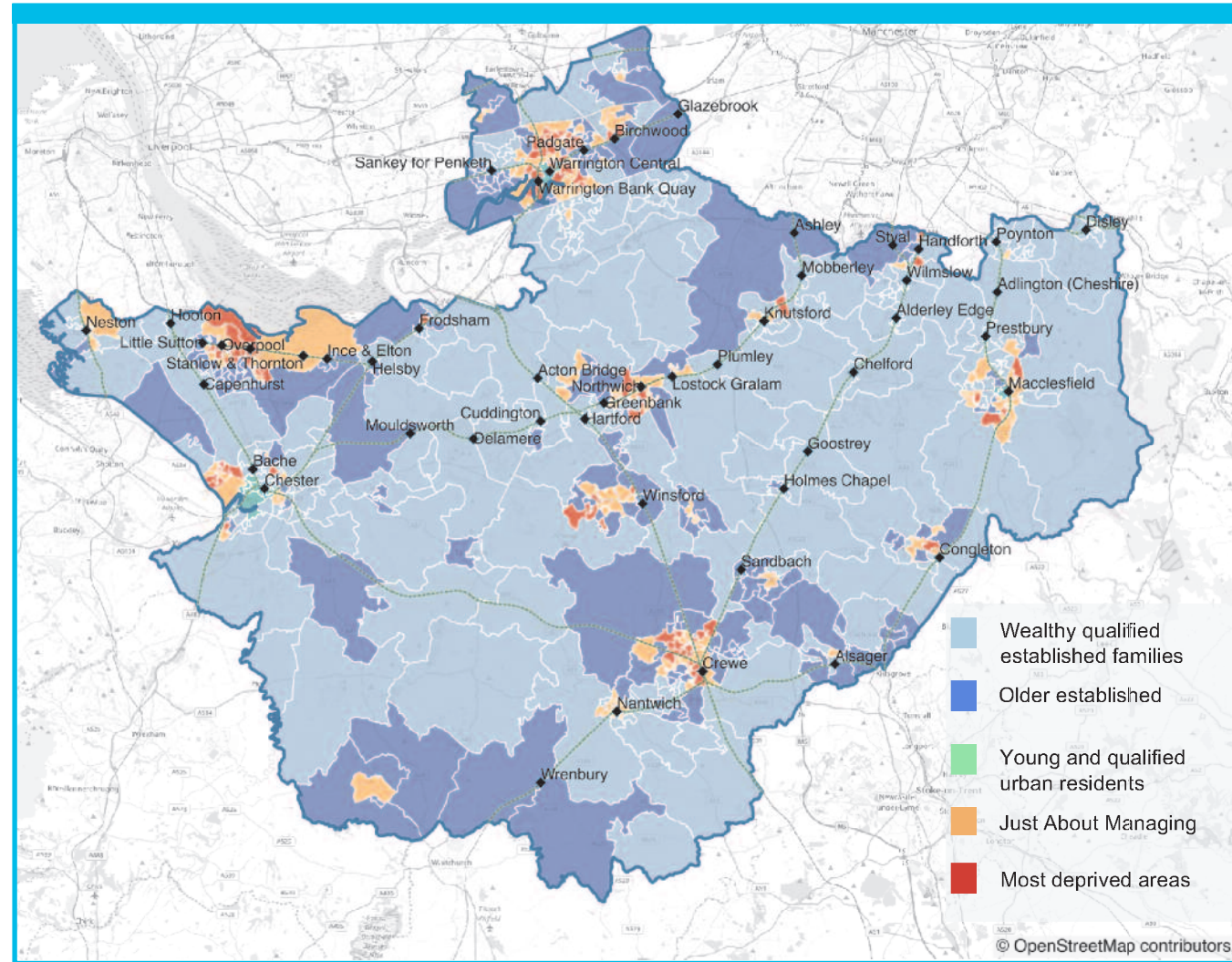


Figure 4: Cheshire and Warrington Population Growth (2005 – 2015)

**Fig.5 Population Clusters**

In addition, the LEP has significantly lower numbers of younger people in the 20 – 35-year age bracket (just over 163,000 or 17.8% of our population) compared to the UK average of 21.5%. Projections by the Office for National Statistics estimate that by 2039 the Cheshire and Warrington population will have grown to around 990,000, a projected growth rate of just 7.9% over the period, compared to 15.5% for England. This represents a significant challenge, with increasing numbers of older, retired residents supported by a decreasing resident workforce. It also highlights the importance of working with the Department for Work and Pensions, and others such as Age UK to take forward the inclusive work agenda so that the potential of all working-age residents to contribute to our economic performance is realised.

Whilst the majority of Cheshire and Warrington can be considered prosperous, there are pockets of deprivation across the sub-region. The analysis undertaken as part of the SEP refresh also highlighted areas where large numbers of residents fall into the ‘just about managing’ classification. This is shown in **Figure 5**, right.





• West Cheshire College

### Skills and Education

One of the factors underpinning our performance has been our highly skilled resident workforce. Cheshire and Warrington has one of the highest proportions of workers qualified to NVQ4 and above (39.1%) and lower than average numbers of residents with no qualifications at all (7.3%). The picture on skills is not all positive with under-performance on delivery of technical-level skills which is a potential barrier to growth.

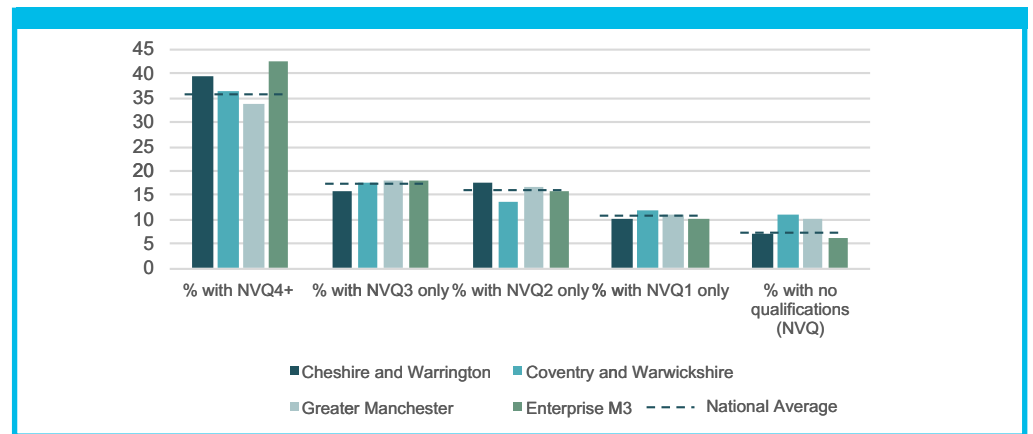
The proportion of people aged 20 – 39 with degree level qualifications increased by only 1.5 percentage points between 2004 and 2012, compared to 9.6 percentage points in the UK<sup>11</sup>. There appears to be a dumbbell, with higher than average numbers of people with degrees, and higher than average numbers of people with low qualifications. This is exacerbated each year by 5,000 young people leaving to go to Universities outside Cheshire and Warrington

Much of our business base is reliant on STEM skills, however not enough young people are gaining the basic English and maths skills that would enable them to progress into STEM

careers and many of these young people are unaware of the opportunities of STEM-related careers. As a result, the sub-region is not generating enough learners with suitable STEM skills. In 2014/15 only 4.71% of total apprenticeship starts in Cheshire and Warrington were higher level apprenticeships and these were almost all (92%) in health, public service and care and business administration and law. Only 11.5% of all apprenticeship starts were in STEM subjects, compared to 15% nationally and 16% in the North West. For non-apprenticeship SFA 19+ provision for the six FE colleges in the sub-region, only 4% of delivery in 2014/15 was in

engineering and manufacturing technologies and only 2% in science and mathematics.

Replacement demand from an ageing population is the highest driver of future labour demands in Cheshire and Warrington (230,000 jobs by 2025). Replacement demand is a significant sector issue for manufacturing (35% of the workforce are 50+); public administration, education and health (33% of the workforce are 50+)<sup>12</sup> and transport and communication (27% of the workforce are 50+). When looking to meet this demand we have a potential deficit of up to 60,000 graduates.



The LEP is encouraging more businesses to develop on-going relationships with young people so that they are inspired by new technologies and understand career opportunities. The LEP believes that by focusing on this priority they will address the other key priorities of attracting and retaining graduates, increasing the take up of STEM and digital skills and helping individuals who want a job into work or to start a new business. The LEP is also working with the FE and HE sector to ensure they understand future growth trends and work with employers so there is an on-going dialogue about the design and delivery of the skills that will be needed to support our existing business base and make the sub-region a more attractive choice for inward investment.

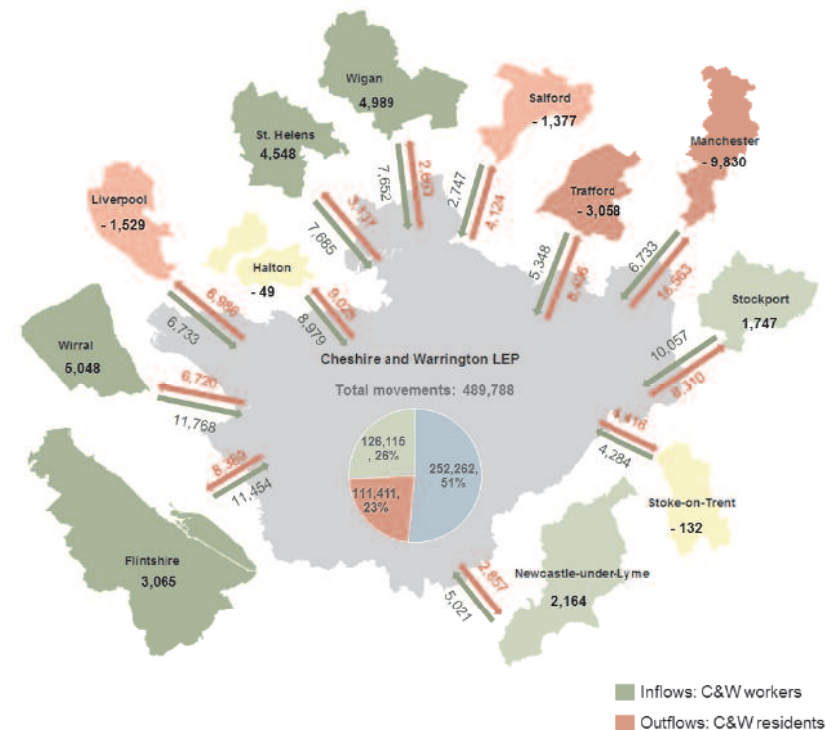
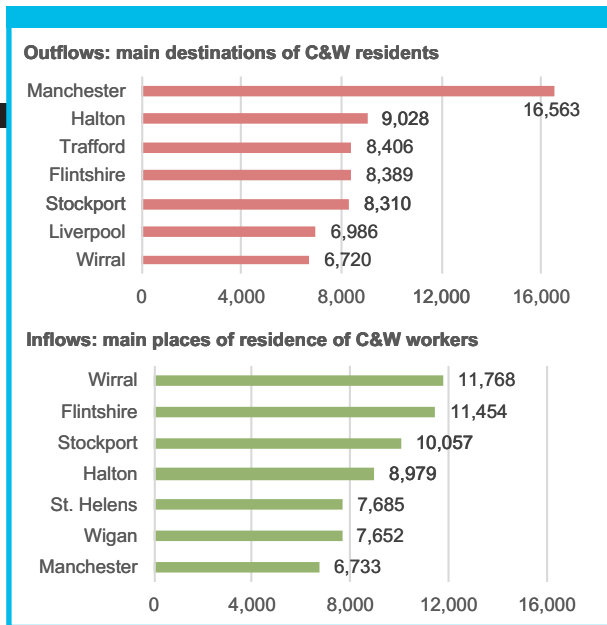
### Commuting

Whilst around 70% of residents live and work in Cheshire and Warrington, we are a magnet for workers from other areas with significant net commuting into the sub-region from neighbouring authorities. This is particularly the case for younger

workers. The chart below shows the main places where residents commute to work, and where workers travel from.

The overall level of commuting is high and highlights the importance of having great connectivity with neighbouring areas and within the sub-region.

The level of commuting in, out and within the sub region (almost 490,000 movements a day) highlights the importance of good local transport links. The LEP has supported Liverpool City Region in its efforts to re-instate the Halton Curve to provide improved access between Cheshire West and Chester and Liverpool (including Liverpool Airport). It also welcomes the new Mersey Gateway crossing which opened in Autumn 2017, but acknowledges concerns over the impact of tolls to use the new bridge (and the existing Silver Jubilee Bridge) on access to employment opportunities for lower paid workers travelling in to Halton from Cheshire and Warrington and vice versa.





## Connectivity

Notwithstanding the challenges, Cheshire and Warrington remains one of the best-connected locations in England. The motorway network, rail network, Manchester Ship Canal, two international airports – including the busiest outside of London – and easy access to the Ports of Liverpool and Holyhead supports our visitor economy and offers business and leisure travellers and companies seeking access to international markets a significant range of options and opportunities.

Work undertaken for the LEP by Jacobs shows that the network is a potential constraint on growth and is already demonstrating reduced resilience in the face of increased traffic levels. Continued investment in transport infrastructure, particularly increased investment in the local road network and improved public transport will be essential not only for Cheshire and Warrington's economic well-being, but also for that of North Wales, Liverpool City Region, Greater Manchester and North Staffordshire.

The sub-region has the opportunity to secure transformational benefits from

significant new national investment in infrastructure, especially the planned new high speed rail network (HS2 and Northern Powerhouse Rail). To maximise the economic potential of these investments it will be necessary to plan and deliver associated improvements in local rail connectivity (as shown in the 'Growth Track 360' cross-border study published in 2016)<sup>14</sup> and in road connectivity.

## Digital Connectivity

As well as physical infrastructure, access to affordable, reliable high speed and reliable broadband and mobile networks (including superfast broadband, 4G and 5G) is essential to support future growth, innovation and improved productivity. Government estimates that every 10% increase in broadband penetration yields 0.25 per cent increase in GDP Growth.<sup>15</sup>

Through the sub-regional Connecting Cheshire programme, Cheshire and Warrington enjoys some of the best coverage by high-speed fibre broadband in the UK. By summer 2017 it is expected that 98% of residents and businesses will have access to superfast broadband.

A further phase of the programme ('Digital 2020') is now underway which aims to tackle some of the harder-to-reach spots, increasing fibre broadband coverage to 99% by 2020.

Connecting Cheshire has also worked with local businesses to make sure that they have the digital skills needed to take advantage of the new broadband infrastructure.

Now, and increasingly in the future, successful places will need to be 'smart' and digitally connected, especially if business productivity is to improve. Digital connectivity can also make lives better through supporting the creation of easier, more accessible services, and our Digital and Creative sector has been identified as an area of future growth with emerging clusters in Macclesfield, Wilmslow and Warrington.

Our ambition is to make our sub-region one of the most connected digital areas in the UK. We will achieve this through working with a range of infrastructure providers using both existing and innovative methods to deliver this essential service to all areas of Cheshire and Warrington.

## Housing

Despite often difficult market conditions since the economic crash, Cheshire and Warrington has delivered almost 16,000 new homes in the period 2010 – 2015 which represents the highest level of completions per 1,000 households in the North West and a level above the England average of 6 completions per 1,000 households. Across the three local authority areas approvals are in place for a further 33,500 homes and local plans to 2030 currently provide for around a further 70,000.

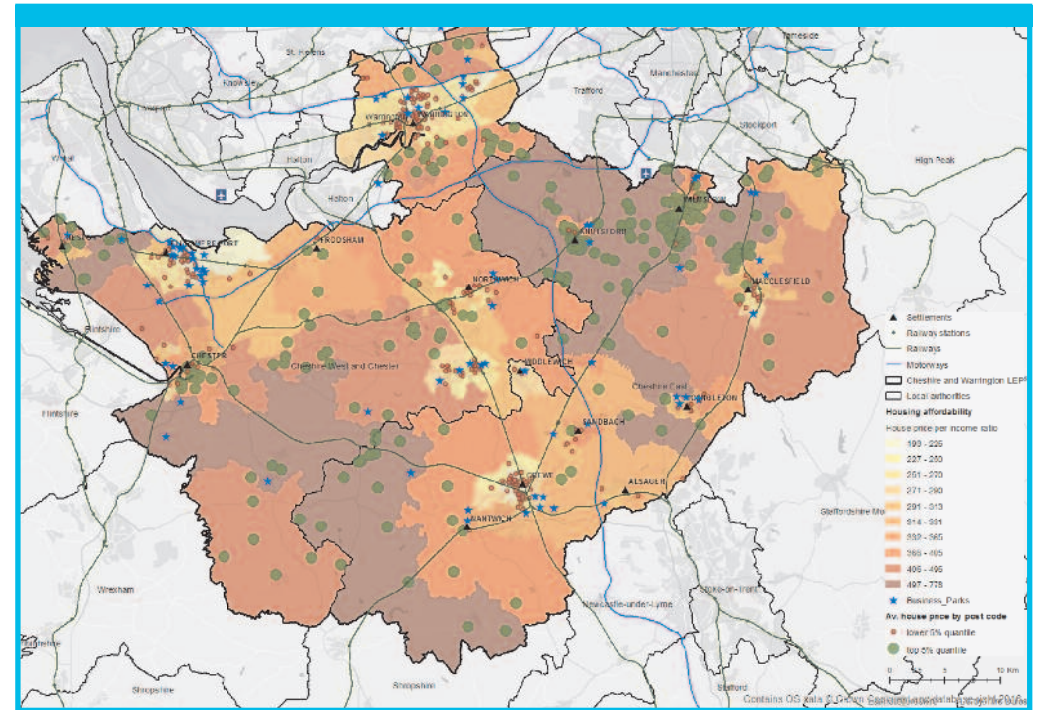
However, large parts of the sub-region are unaffordable to families living on average incomes and to younger people. In the map below the darker areas correspond with the highest average house prices. These areas also tend to have high proportion of detached properties with lower numbers of smaller houses and flats.

There is also a need to ensure that the right types of housing are being provided in the right locations to meet the needs of the current and future population. For instance, an increase in the provision of flats in the private rented sector within our man urban

centres could be a key factor in making the area more attractive and affordable to younger people. Similarly, there are many older residents unable to downsize from their large family homes due to a lack of suitable smaller properties and specialist older person's accommodation.

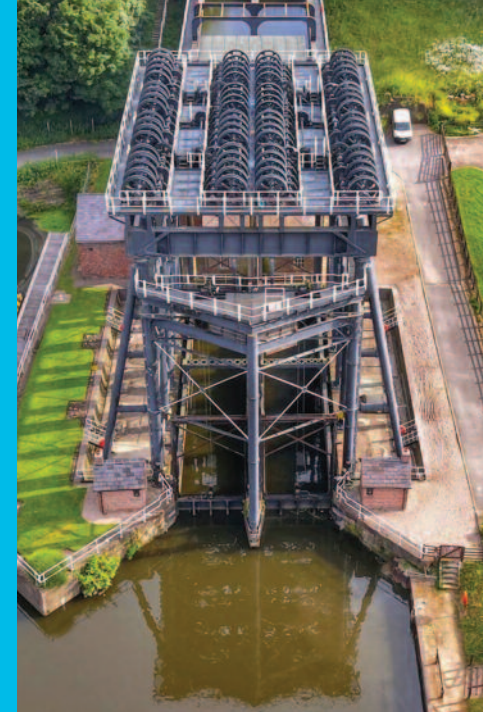
The LEP believes that successful delivery of the major projects within its three spatial priority areas (Mersey Dee, Constellation Partnership area and Warrington New City) could lead to a need for up to 127,000 new homes by 2040. This equates to around 9,000 above current local plan targets if current levels were extrapolated to 2040, but this figure remains subject to ongoing strategy development work, particularly in the Constellation partnership area.

Fig.6: Housing Affordability (Source: Metro Dynamics analysis of ONS and Ordnance Survey data)



# OUR GROWTH AMBITION

BY 2040 WE AIM TO...



Grow our economy to at least  
**£50 billion**  
pa of Gross Value Added



Create  
**120,000**  
jobs (net additional)



Be **20%** more  
productive per resident  
than the UK average



Build up to  
**127,000**  
new homes



...and create an economy  
that works for all

In developing policies and supporting strategies to deliver our growth ambitions, the LEP is keen to ensure that it has a clear idea of what 'success' would look like beyond the headline numbers. Whilst not a comprehensive list, the following section considers some of the outcomes and measures that will be used to measure our progress and ensure that economic growth delivers benefits across the LEP area.

**Greater detail on the practical steps needed to realise these outcomes will be contained in a delivery plan to be published later in 2017 and underpinned by specific strategies for skills and employment, transport, digital, housing, science and innovation and energy.**

- **Consistently one of the best performing economies in the UK:** The LEP area will continue to outperform the UK average in terms of GVA per head and GVA per worker.
- **Diverse, inclusive economy, resilient to economic shocks:** Cheshire and Warrington will maintain a diverse economy with strengths in a number of key sectors and a high level of jobs available per worker. Our economy will grow through supporting success in our existing business base and providing the right conditions for new businesses to locate and invest and to adapt as the economy and technology changes.



- **Home for and attractive to a well-educated, highly skilled, adaptable workforce:** Higher skills levels are key to achieving increased productivity, to supporting business growth and for delivering business and product innovation, research and development. Cheshire and Warrington will have one of the best qualified workforces in the UK and we will work with business to ensure that young people are inspired by new technologies and career opportunities and demand the appropriate training from HE and FE. We will also build on existing good practice where businesses work with FE and HE to design and deliver the training and education that employers need including through Apprenticeships and more technical routes. We will work with employers and others to make sure that we make the most of the skills and experience that sit in our older workforce.
- **High quality, vibrant town centres:** creating places that are appealing to, and meet the retail, leisure and cultural needs of the people we need to attract and retain if our businesses are to be successful.

- **An area offering high quality urban and rural places:** quality built environment and 'blue and green' infrastructure attractive to young wealth creators, entrepreneurs and skilled workers and their families
- **A balanced, well-functioning housing market to support economic growth:** offering a good mix of properties in terms of type, tenure and affordability
- **One of the best-connected places in the UK (digital, road, rail, air and sea):** broadening our labour market catchment and giving business easy access to markets and opportunities.
- **A place where it is easy to do business and to locate and grow a business:** A sub-region that can offer high quality, readily available sites for industry and commerce to invest in, with a fast and responsive planning and regulatory system to support investment proposals. Continued ability to attract inward investment, underpinned by our Quality of Place offer, to the benefit of the whole of the North
- **A comprehensive, coherent business support landscape:** Businesses (including those looking

to start their own business) will have easy access to the advice and guidance they need. Effective support will be available through our Business Growth Hub and other programmes to new business start-ups and entrepreneurs and for existing business looking to develop and grow.

- **Somewhere that is outward facing** – both nationally and internationally – and open to working with and learning from others to achieve common goals.
- **A place where innovation and new thinking is encouraged and supported:** Focussed on but not limited to the Cheshire Science Corridor we will offer a fertile location for academic and industrial research and development, working to support a strong innovation ecosystem that can develop and deliver practical commercial solutions.
- Evidence-led strategy and policy underpinning a robust, viable and prioritised investment plan
- **An area that has successfully transitioned to a low carbon economy,** with secure and affordable energy to meet the demands of business and

households and an energy infrastructure that is smart and adaptable to changing peaks and troughs in demand.

- An area that has responded positively and pro-actively to the Government's emerging **Industrial Strategy** and **played a full and active role in building the Northern Powerhouse**, ensuring that the voice of non-Core City places is properly heard and taken account of. This includes working with Government, business and other institutions to **make sure the right structures are in place to support people, industries and places.**

**NORTHERN  
POWERHOUSE**

# OUR AREAS OF FOCUS



**To achieve our growth ambitions, we need to think spatially and thematically in terms of the interventions we need to support.**

Whilst seeking to create a Strategic Economic Plan that can deliver sustainable, inclusive growth for the whole of Cheshire and Warrington, it has been recognised through the discussions on Devolution that our key growth opportunities are focussed on a small number of defined, spatial propositions. These are set out in more detail below. Growth will be focussed on these areas but not confined to them, as the whole of Cheshire and Warrington has a role in achieving our growth ambitions. More detail on the growth plans for the network of key places across Cheshire and Warrington can be found in Appendix B

Our spatial propositions reflect the reality of how our economies actually work, rather than reflecting artificial geographical boundaries (including national boundaries). It's not one size fits all – this is an intelligent model building upon the distinctive qualities of these place based growth hubs – reflecting their diversity and the unique qualities that make them so successful.

## **Cheshire Science Corridor / Enterprise Zone**

Cheshire has some of the most significant science based assets in the north of England, some of which are of global importance in key growth sectors including: advanced scientific analysis and research; pharmaceuticals R&D and manufacturing; chemical engineering; energy and nuclear engineering; radio-astronomy; and astronomy. Collectively these assets form the Cheshire Science Corridor, a crescent that crosses the northern part of the Cheshire and Warrington sub-region, linking together a number of nationally and internationally significant science and technology assets:

**Alderley Park** - World class life sciences research hub renowned for the discovery and development of innovative new medicines, including Beta Blockers, home to over 150 life sciences businesses, the national Anti-Microbial Resistance Centre (AMR) and Innovate UK's Medicines Discovery Catapult.

**Birchwood Park** – established and diverse science and engineering business location and recognised as one of the most successful centres for Nuclear Services in the UK including the National Nuclear Laboratory, the Nuclear Decommissioning Authority, Sellafield Ltd's Design Engineering Centre, Rolls-Royce Nuclear, Atkins, Amec Foster Wheeler, AECOM and Nuvia.

**Capenhurst Technology Park** - a cluster of leading companies at the site of the former Electricity Council Research and Development Centre, adjacent to URENCO's uranium enrichment and nuclear waste treatment plant.

**Hurdsfield** - home to chemical specialist BASF Performance Products and Astra Zeneca's second largest global manufacturing operation employing 2,500 staff producing products for 130 global markets, which are estimated to account for 1% of the UK's exports.

**Jodrell Bank** – home to the University of Manchester's Centre for Astrophysics and the global HQ for the Square Kilometre Array, the world's largest radio telescope.

**Protos** – where Peel Environmental is creating a nationally strategic energy hub including the Frodsham Wind Farm, energy from waste facility, biomass facility and environmental technologies including resource recovery.

**Sci-Tech, Daresbury EZ** - the Science and Technology Funding Council facility at Daresbury just over the border in the Liverpool City Region and about to benefit from £300 million of investment in supercomputing - £200 million of which is coming from IBM

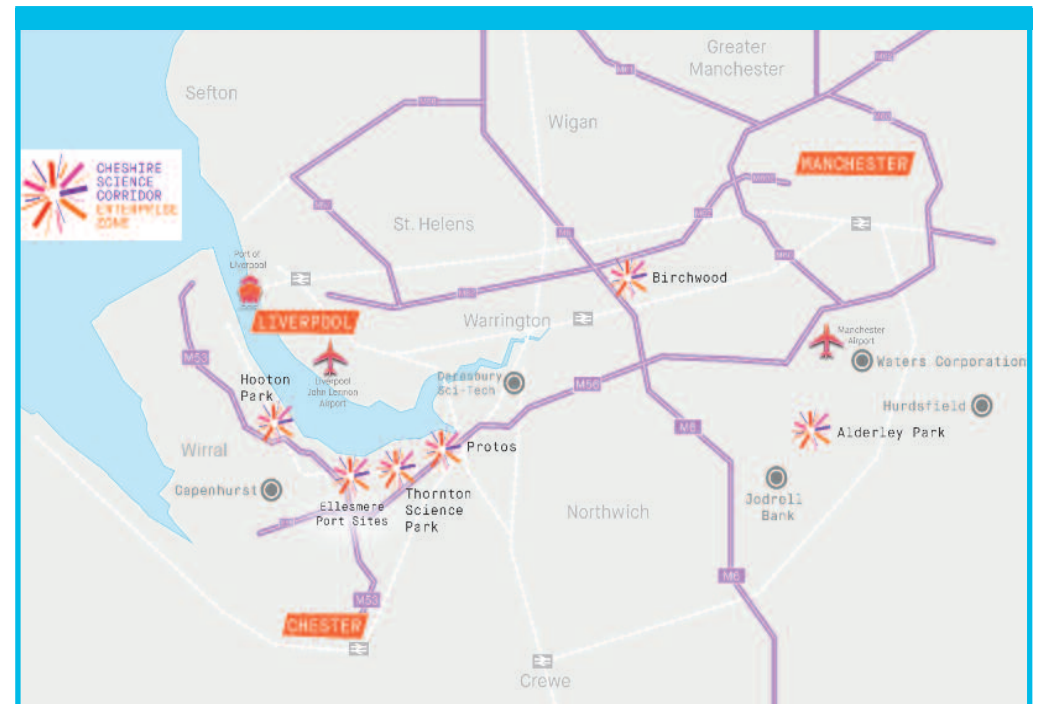
**Thornton Science Park** - formerly Shell's European Research HQ and now home to the University of Chester's Faculty of Science and Engineering and the Energy Security and Innovation Observing System for the Subsurface (ESIOS) funded by the British Geological Society and the National Environmental Research Council.

Our ambition is for the Cheshire Science Corridor to be an internationally renowned science and technology cluster and a major driver

of future business growth in the sub-region, building on our key sectoral strengths in life sciences, nuclear, energy and advanced manufacturing.

In April 2016 the Cheshire Science Corridor Enterprise Zone was launched, covering 100 hectares of opportunity with the potential to attract in the order of 500 businesses and to create almost 20,000 jobs between 2015-2040. The EZ is targeted at the best commercial opportunities

in the Science Corridor and comprises Alderley Park, Birchwood, Protos, Thornton Science Park and a portfolio of sites in Ellesmere Port. The LEP will invest the retained business rates generated by the Enterprise Zone to further develop the Science Corridor, initially prioritising projects that will unlock and accelerate the development of new commercial floorspace, improve access and infrastructure and support sector and cluster development.





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# 871 SQ MILES OF OPPORTUNITY

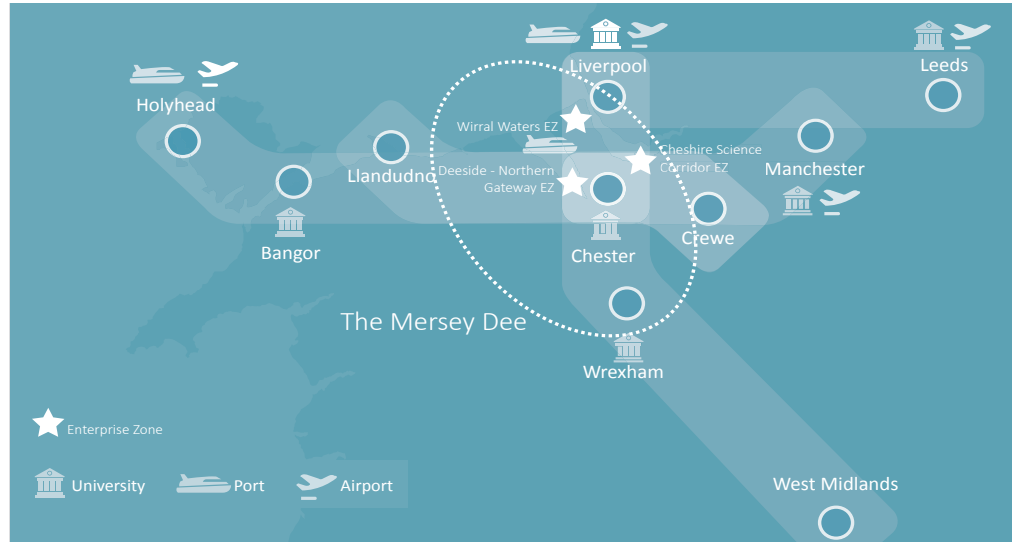
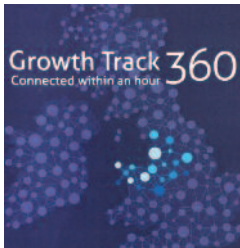
Second Edition, 2018



## Mersey Dee Economic Axis

The Mersey Dee Economic Axis is at a pivotal location linking the Northern Powerhouse and North Wales. Generating some £22 billion of GVA per year, it comprises the areas of North East Wales, West Cheshire, and the Wirral. Whilst divided by a national boundary, the Mersey Dee is borne of the recognition that the area represents a single economic sub-region, with a population close to 1 million.

It is the location of a substantial range of nationally important industrial and commercial activities providing 380,000 jobs and recording 27,000 registered companies. It is a hot bed for the energy sector, advanced manufacturing, and high-tech engineering, boasting international names such as Airbus, Toyota and Essar Oil.



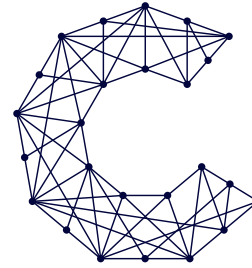
A Growth Prospectus for the area was launched in spring 2017<sup>16</sup> highlighting some of the strengths of the area and the key opportunities for development. While having great locational credentials, evidenced by the significant organisations that are already here, we also have available land and skilled people to allow them and new businesses to grow. Sitting astride the major estuaries of both the Mersey and the Dee is a major conurbation comprising the historic and dynamic City of Chester, Ellesmere Port (with its Assisted Area Status), Stanlow and

Thornton and Deeside (one of the UK's largest and most successful industrial and business locations) coupled with major linked opportunities at Wrexham, along the A55 corridor and on the Wirral.

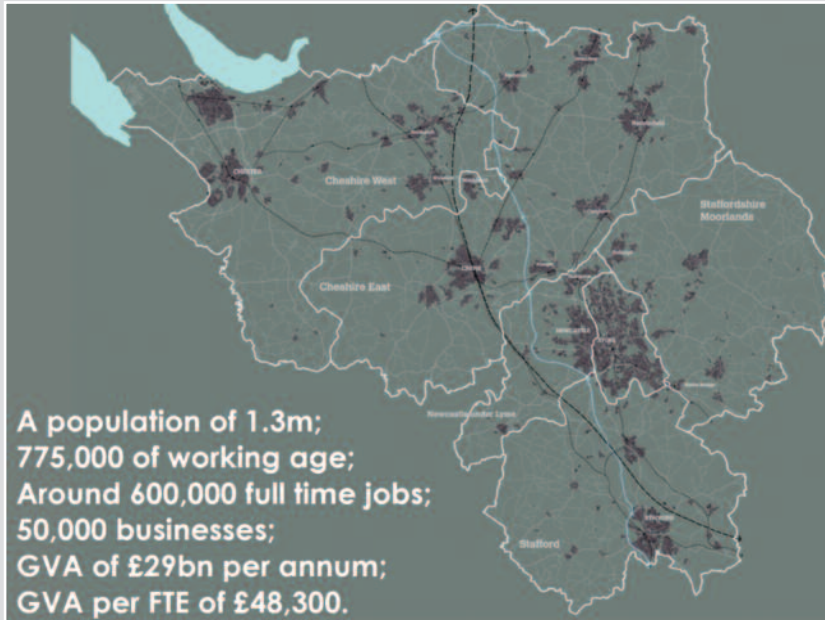
As this conurbation straddles the Welsh national border it remains hidden, but it works as a single, integrated and successful economy with major potential and assets for growth. The lifestyle offered by Chester, North East Wales and the Wirral means that this area is an increasingly attractive place to invest and to live. C&W wants to work



closely with its Welsh and Liverpool City region Combined Authority colleagues to develop this hidden gem into the dynamic conurbation that it can be to act as the Western driver for the Northern Powerhouse.



## CONSTELLATION



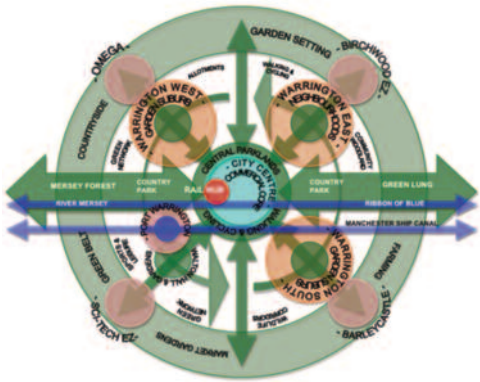
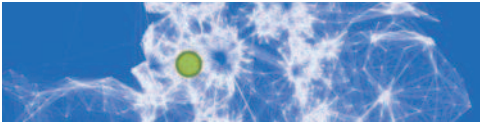
### Constellation Partnership (formerly Northern Gateway Development Zone)

Building upon a new HS2 Hub Station coming to Crewe and the area's success and growth in science, engineering, rail and automotive, coupled with its enviable lifestyle and unrivalled connectivity, our objective is to create a constellation new City. Through the expansion and regeneration of Crewe and stronger linkage to the cluster of towns and villages in mid-Cheshire, we will create the opportunity for growth that would otherwise take decades to deliver, and underpin Crewe's position as the "Gateway to the Northern Powerhouse".

The primary aim of the Constellation Partnership is to capitalise on the greatly enhanced connectivity achieved through the arrival of HS2

and maximise the benefits and growth opportunities not only for Crewe itself, but the wider Growth Zone area, looking towards Stoke and North Staffordshire. Across this area there is the potential to deliver over 100,000 jobs and over 100,000 homes.

An ambitious growth strategy was submitted by the Partnership to Government in November 2017 and further work to develop the key themes and work packages will be undertaken during 2018. In March 2018 Government published its response to the 'Crewe Hub Consultation' which endorsed a number of recommendations to incorporate into proposals to redevelop Crewe Station to handle up to 7 high speed trains per hour in each direction. A number of key issues remain to be resolved, however, as part of the development of HS2 Phase 2b.2



## Warrington New City

Warrington is one of the most dynamic and fastest growing urban economies in the UK today and one of the main engines of growth in the Northern Powerhouse. The strategy for delivering Warrington New City – in a nutshell completing the Warrington New Town and creating the Warrington New City through a programme of major investment in transport and community infrastructure – is set out in greater detail in 'Warrington Means Business'<sup>17</sup>

- A New City at the heart of the Northern Powerhouse built on Garden City principles
- A City-wide Green Network – a framework for New City living
- A Ribbon of Blue – rediscovering the waterfront City
- A New Central City – a new city centre for the new Garden City
- New Garden Suburbs – enhancing existing neighbourhoods and creating beautiful new ones
- Stronger Healthier Neighbourhoods
- Houses for All –

- A rich mixture of tenures and home types
- Quality houses with gardens and urban space and parks to enjoy
- Delivering the government's housing agenda – acceleration and additionality

- Sustainable Transportation and Connectivity – a step change in smart urban transportation
- Accessible Business and Employment Areas – jobs close to where people live and at strategic transport interchanges



## By 2040

In Warrington itself:

- 27,000+ new homes, of which,
- 20,000+ additional & accelerated
- 8,000 affordable homes
- 18,000 new homes on brownfield land
- 31,000 jobs

## By 2020-

- 3,500 new homes
- 1000 affordable homes

- Waste and Energy – a low carbon and energy positive city
- The Smart City – smart technologies and smart people
- Ensuring Quality in Design – hot-wiring design into the City.



## Atlantic Gateway

Our original SEP recognised the national significance of the private-sector-led Atlantic Gateway investment proposition. Cheshire and Warrington has a number of key projects which fall within and complement the Atlantic Gateway including Port Cheshire, Port Warrington and Ince Recovery Park. The LEP will continue to support the ambitions of Atlantic Gateway where they align with the spatial priorities identified above.

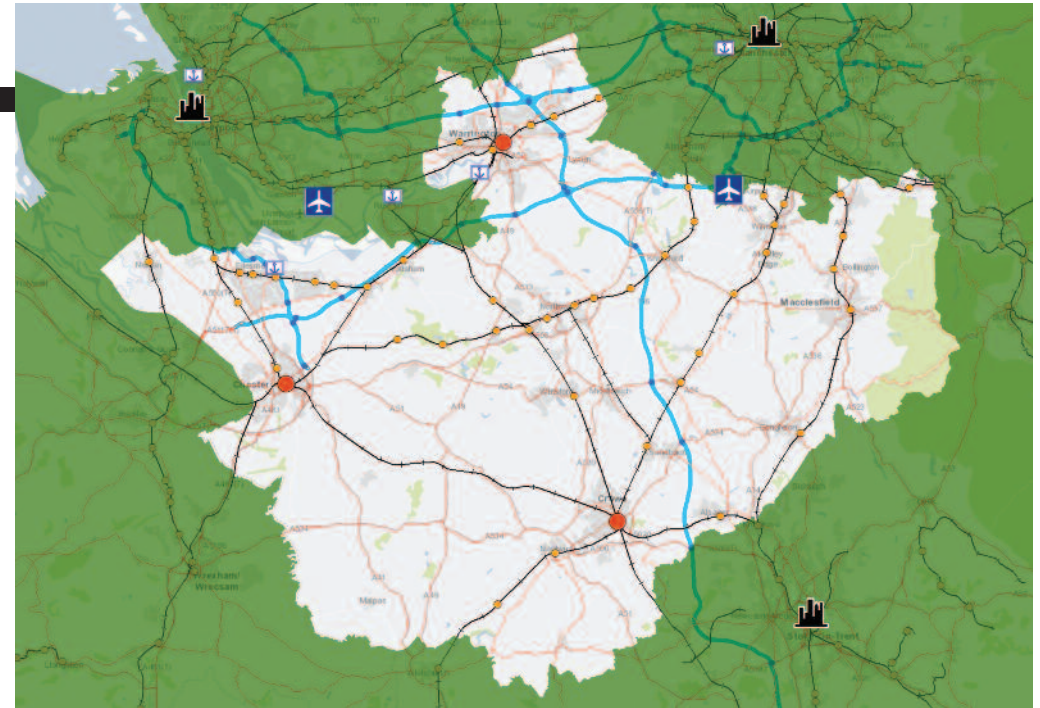
## What do we have to do?

The LEP's investment programme will prioritise investment to achieve the delivery of these spatial growth areas. The LEP will set out its short-to-medium term plans in a series of specific strategies and delivery plans which will be developed and published during the course of 2017. These will focus on key areas of intervention and enablers to growth: -

## Transport and Connectivity

Good transport and connectivity (including digital connectivity) is essential to support better productivity and greater access to skilled labour. The LEP recognises that exploiting the economic benefits of connectivity, especially between core economic centres, and creating greater multimodal connectivity cross Cheshire and Warrington, linked to the delivery of major projects such as HS2 and Northern Powerhouse Rail, is key. The LEP also recognises the challenges around transport in the more rural parts of the sub-region.

Our key objectives for transport and connectivity are to:



- *Improve connections to support development of priority employment sites including those within the Cheshire Science Corridor*
- *Improve connections to neighbouring sub-regions, including international gateways to ensure that business has connectivity to global markets and to facilitate the economic benefits of both out and in commuting that takes place daily*
- *Resolve pinch points and congestion in the transport network, both road and rail, which act as barriers to growth if left unaddressed. Delays and unpredictable journey times affect business activity directly (e.g. the supply of components to the automotive*

*sector) and indirectly, and influences commuting flows*

- *Address network resilience issues to deliver predictable and efficient journey times to support business productivity*
- *Make best use of the existing road (e.g. smart motorways) and rail network (e.g. electrification) to capitalise on existing infrastructure, offering efficient mechanisms for improvement and helping deliver best value for money from investment*
- *Ensure that the maximum benefit is gained in economic and connectivity terms from the development of the HS2 Hub Station at Crewe.*





We will develop a **Transport Strategy**, which will set out the priority transport investments which we believe will be required in order to support the needs of a £50 billion a year economy. The strategy will describe how we propose **to get the best possible outcome for the sub-region and our neighbours, especially in North Wales, from the HS2 Hub at Crewe and from Northern Powerhouse Rail**. This includes working with our partners to deliver the best station solution at Crewe to support the frequency of service needed to deliver catalytic change in the Constellation Partnership area, and bring over 1 million people at least an hour 'closer' to London, and ensuring that

Northern Powerhouse Rail routes via Warrington. It will also detail proposals for increasing investment in local roads to cater properly for the near half-million road journeys every day associated with commuting to and from work, support future growth and unlock key development sites.

We will continue to work with Transport for the North, the Department for Transport, Network Rail and Highways England to **secure continued investment in the strategic road and rail network that connects us to the rest of the UK** especially to London, Manchester, Birmingham the Port of Liverpool and Manchester Airport.

## Skills and Education

Much work has been undertaken by the LEP and its Employer-led Skills Board to understand our current and future skills needs and challenges. This work has highlighted a number of areas of focus: -

- *The need to integrate skills more closely with the other enablers of business growth and with the other enablers of helping individuals into work*
- *Addressing the mismatch between skills and jobs by putting employers at the forefront of inspiring and informing young people about new technologies and career opportunities so that they demand the appropriate training and education from the providers. Increase the number of STEM and higher degree level apprenticeships by establishing a framework of sector-based interventions and facilities including an Institute of Technology and investing in facilities to support employer-led skills provision e.g. UTCs in Warrington and Crewe. These will focus on employers around HS2, energy, Science Corridor, Atlantic Gateway and NGDZ.*
- *Developing a portfolio of interventions with FE and HE within the sub-region and with Universities on our*

*boundaries to retain and attract graduates.*

- *Engaging disadvantaged groups and those furthest from the labour market by developing a framework of actions through the ESF 2014 – 2020 programme including ensuring the successful delivery of the 'New Leaf' programme.*
- *Developing a partner co-designed employability programme through the ESF 2014 – 2020 programme*

Our Skills and Education Plan, published in October 2017, sets out plans for working with businesses and skills providers to make sure that our workforce has the skills needed to remain productive and are connected to opportunities. This includes encouraging employers to work with young people to inspire and inform them about career opportunities so they understand what skills and education they need to progress in the careers they choose. It will also include a strong focus on Apprenticeships – particularly higher level and STEM-related and a focus on retaining and attracting graduates to fill the 60,000-graduate deficit we face over the next nine years.

## Creating Great Places and an Excellent Quality of Life

There is an increasingly clear link between economic success and creating attractive, vibrant places that people want to live in; more specifically, creating the kind of places that creative, entrepreneurial people want to live and work in, is seen as a key factor in growing a modern economy<sup>18</sup>.

Cheshire and Warrington offers a variety of high quality places to live, from the Roman City of Chester to the west, market towns such as Northwich, Nantwich and Macclesfield, and Warrington – our largest urban area and one of the fastest growing towns in England. Located within easy reach of three stunning national parks the area has a vibrant visitor economy, supported by a high-quality retail and food offer. Attractions such as Chester Zoo, Gulliver’s World, National Waterways Museum, plus historic estates including Lyme Park and Tatton contribute towards our quality of life offer, attracting over 55 million visitors in 2014. There is also a significant retail offer with Cheshire Oaks the UK’s largest Designer Outlet attracting over 8 million visitors a year.

Already the public and private sectors are investing over £1/2 billion in a series of major regeneration schemes including the £300 million Northgate development in Chester and the £107 million Time Square in Warrington. Schemes like these are important in creating attractive places. There is a significant cultural offer in the area too, with many galleries, museums and theatres, and Warrington is bidding to become the UK’s City of Culture in 2021.

Growing our economy will lead to an increase in the extent of the built environment. Our challenge, and that of our local authority partners, is to accommodate that growth in a way that is sustainable and which protects those areas of highest ecological and social value from inappropriate development. This includes prioritising the use of previously developed land although we acknowledge that this will not always be possible.

The LEP will work with Natural England, the National Trust and the Department for Environment, Food and rural Affairs (Defra) ‘family’, including the Cheshire and Warrington Local Nature Partnership, to develop strategies to enhance and maintain the area’s



quality of place, including mechanisms for recognising the economic contribution made by our blue and green infrastructure assets.

We will develop a Place Marketing Strategy to ensure that our strengths in terms of quality of place are used to attract the inward investment, skilled workers and visitors we need to grow our economy. Working with Department for International Trade and BEIS to ensure that Cheshire and Warrington remains an attractive location for inward investment. This will include developing suitable ‘propositions’ that tell the Cheshire and Warrington story and which highlight the strengths and opportunities

available in our key sectors to potential investors.

Events such as MIPIM provide a platform for the LEP to highlight the sub-region’s outstanding economy, raise the profile of Cheshire and Warrington globally and promote key strategic investment opportunities such as the Cheshire Science Corridor.



<sup>18</sup> KPMG (2016) *The growth benefits of maintaining and enhancing ‘Quality of Place’*



## Upgrading Infrastructure

Accommodating significant new investment, including international investment, requires a forward looking infrastructure plan which needs to incorporate power and water, as well as land supply. Upgrading infrastructure is one of the five foundations identified in the Government's Industrial Strategy, and clean growth one of four Grand Challenges. The ability of our energy infrastructure to meet future demands from industry and consumers (for instance increases in the number of electric and hybrid vehicles on our roads) in a reliable and affordable way that delivers on national and international obligations on climate change and carbon reduction remains a priority.

### Our objectives under the infrastructure theme are to:

- *Provide a portfolio of market responsive, readily available housing and employment sites that meet the needs of key economic sectors and clusters, as well as attract inward investors and new investment by indigenous businesses*
- *Ensure Cheshire and Warrington*

*business locations have access to adequate power, water and waste disposal facilities to meet the current and future needs. This includes supporting where possible initiatives which look to deploy new and innovative technologies aimed at making the power network smarter, more resilient to peaks and falls in demand and less reliant on outside sources of energy (e.g. through geothermal energy or district heating networks).*

- *Ensure Cheshire and Warrington's businesses and residents have access to market-leading digital connectivity*
- *Develop Infrastructure Investment Funding Models to accelerate investments.*
- *Be at the forefront of research and innovation activity in power and energy systems, including SMART energy networks and energy storage.*

Supported by funding from BEIS we have developed an **Energy Strategy** to put Cheshire and Warrington at the forefront of the transition to a low carbon economy, capitalising our capabilities in energy and energy systems and supporting our large energy users. Working with businesses

and Government we will **support a shift to a low carbon economy** and provision of an energy infrastructure that can accommodate future energy demands in an affordable, responsive way.

Building on the Connecting Cheshire Programme, we will produce a **Digital Strategy** to ensure that the sub-region has access to the digital infrastructure (superfast fibre broadband, 4G / 5G, etc) and the skills needed to use them. Working with the Department for Culture, Media and Sport (DCMS) to **ensure that businesses and households in the sub-region have access to affordable, reliable high speed broadband networks.**

## Supporting Science and Innovation

If Cheshire and Warrington is to deliver the much-needed step change in its productivity performance across the economy and maintain our historically good productivity performance, then Innovation needs to be at the very heart of our thinking and the support we give to our key industrial sectors.

Innovation is defined as 'The process of translating an idea or invention into goods or services that creates value or for which customers will pay'. This means that things like investment in intangible assets such as brand value, trademarks and marketing are now also considered as business innovation. Increases in innovation lead to improvements in productivity.

Science and Innovation is core to the business-driven export and productivity gains sought by Cheshire and Warrington. There are a number of world-class innovation assets located in the sub-region including Jodrell Bank (home of the International Square Kilometre Array HQ, the Medicines Discovery Catapult at Alderley Park and the Thornton Science Park. Business-led research and development is also a strength. It will also be important to

ensure that Cheshire and Warrington businesses know about and connect to research and innovation resources outside of the area that are relevant to them.

### Objectives under the science and innovation theme are to:

- **Review** how businesses and education and research centres in Cheshire and Warrington can be supported to grow their innovation capacity, increase the commercial exploitation of new ideas, improve the journey from concept to commercialisation, matching what's possible with what's needed... to create economic value or social good
- Ensure that any Cheshire and Warrington Innovation Strategy aligns with the Northern Powerhouse Innovation Strategy and UK Strategy on Innovation
- Ensure our investments in innovation are informed by a thorough, current and well-developed understanding of innovation and knowledge agendas that apply to the private, public and third sectors
- Use the Cheshire Science Corridor as a foundation to develop and maintain innovation and knowledge networks

and linkages with Centres of Excellence (including Catapult Centres) elsewhere in the UK and internationally.

- Identify and support those areas in which Cheshire and Warrington can demonstrate a track record of innovation excellence and which could be developed, through working with Government, into nationally and internationally-leading resources.
- Build stronger links to those research-intensive Universities in neighbouring sub-regions and beyond which are undertaking academic research of relevance to our business base.
- Build on the strengths identified in Science and Innovation Audits undertaken with Greater Manchester LEP and Liverpool City Region LEP

We are producing a Science and Innovation Strategy setting out how we will capitalise on our science and innovation assets and strengths, especially in the Cheshire Science Corridor, working with local businesses, FE and HE providers, Innovate UK and the Department for Business, Energy and Industrial Strategy (BEIS). This will also inform how we utilise funding streams such as the Industrial Strategy Challenge Fund to progress some of our science and innovation priorities."



• Peel Environmental's Protos development

## Enabling Housing Growth

Delivering the right homes in the right places is essential to delivering sustainable economic growth. Our housing challenge strongly links to productivity, infrastructure, skills, and creating vibrant local communities.

To that end, Cheshire and Warrington, working with the Homes England, has developed well advanced proposals to deliver growth across three spatial priority areas: Warrington New City, Mersey Dee Alliance and Constellation Partnership.

We want to provide a range of homes to cater for the different needs of people at different stages in their lives, from rented accommodation, to affordable homes to buy and from self-build to supported housing for those with greater needs, we want to provide homes for all. Creating vibrant and vital communities will be central to our ambitions. Such communities, in turn, support vibrant and vital rural and town centres, which bring people together creating a sense of pride and belonging.

In delivering the homes our communities deserve and need, we are keen to lead the way in using modern

methods of construction, promoting custom build opportunities, as well as championing excellence in design.

Delivering a functioning and balanced housing market in Cheshire and Warrington is vital to create the conditions to support economic growth.

The sub-region's recent track record on delivering new homes speaks for itself with the highest completion per 1,000 households in the UK. Local Plan Strategies or emerging plans do not simply outline our ambitions, they have identified specific strategic sites and locations to meet them.

Cheshire and Warrington has approved planning applications which would deliver collectively over 33,000 new homes across the sub region. We have unlocked further capacity by ensuring that the infrastructure is in place to support new developments.

Across the sub region we have explored new mechanisms to unlock developments including providing development loans through Warrington Borough Council, utilizing borrowing power against the HRA in Cheshire West and Chester to build new homes and establishing a Development

### • Tower Wharf, Chester



Company within Cheshire East in order to take forward Strategic land holdings.

We are actively working with our Registered Providers to bring forward new affordable homes and have shown our commitment to delivering Government initiatives including the Starter Homes Programme and Local Development Orders.

### Objectives under the housing theme are to:

- Work with partners in the private and public sector to create the right conditions (in relation to site availability, infrastructure and finance)

*that enable the housing market to respond effectively to the Challenges set out in the Government's Housing White Paper<sup>19</sup>, and to support sustainable population and economic growth.*

- Assemble a toolkit of interventions that enables the LEP to facilitate the delivery of high quality housing schemes that meet the needs of current and future communities (including communities in more rural areas).
- Actively promote opportunities within Cheshire and Warrington to work with Government and the Homes England to test high quality, innovative and sustainable housing solutions.

We have worked with partners in the public and private sector to produce a high-level Housing Strategy setting out the role of housing in future economic development including increased provision of smaller homes in urban areas to attract a younger population, and opportunities for new, high quality, sustainable housing developments aligned to local need and national policy priorities. Working with Government and Homes England we will capitalise on opportunities for new, high quality, sustainable housing developments aligned to local need and national policy priorities. Already the sub-region is at the vanguard of Government programmes for Starter Homes and Garden Villages, and we will continue to work closely with Homes England to identify opportunities for further collaboration and investment.

### Supporting Business to Grow

Cheshire and Warrington has a large, diverse and successful business base. In 2017 the business count for the sub-region recorded some 42,030 businesses. Of these, around 90% are in the 'micro' category (i.e. they employ less than 10 employees).

In 2015 the LEP launched its Business Growth Hub, aimed at providing a simplified architecture for business support across the sub-region. As a First Stop Shop the Growth Hub aims to provide impartial, clear and expert support to help Cheshire and Warrington businesses get the best support and advice.

By understanding the needs of local businesses, the service aims to improve co-ordination of local business support with national programmes and introduce new services to fill any gaps to help businesses start-up, scale-up, invest in research and development and trade.

Most importantly however, the Growth Hub aims to connect local businesses with high quality assistance from local professional service businesses and strategic partners including local government, Chambers of Commerce and academia.

Ensuring straightforward, easy access to the finance needed to grow is an ongoing issue for many companies. Cheshire and Warrington will participate in The Northern Powerhouse Investment Fund, which will provide over £400 million of lending

and investment directly to smaller businesses to boost economic growth and productivity in the Northern Powerhouse. It is part funded by the European Regional Development Fund. The LEP will also continue to deploy its allocation of Growing Places Fund to support schemes where traditional financing options may not be an option.

### Objectives under the business growth theme are to:

- Increase the contribution to the economy of industries, supply chains and technologies with high growth potential and where we have embedded existing strengths and capacity; this includes R&D in natural sciences, engineering and technical consultancy, energy, automotive, chemicals and agri-tech.
- Develop Cheshire and Warrington into a leading destination for UK and international inward investment, securing additional inward investment in higher value-added industries, especially in areas identified as sector strengths
- Provide existing and viable start-up businesses and social enterprises with a

*fully resourced and marketed business support capability, embracing additional business skills to meet their growth, quality, innovation and competitiveness enhancement needs. This includes exploiting the incubation and spin out opportunities from across the Higher Education base*

- Help our businesses to build quality external relationships, taking advantage of national and international networks (business, university and R&D related relationships), growth markets, and global supply chains.
- Ensure adequate and suitable investment finance is made available to – and accessed by – sub-regional firms and social enterprises to support their business growth ambitions.



# MAKING IT HAPPEN



## Delivery and Performance Monitoring

The LEP has set out its short – medium term priorities in a series of **Delivery Plans**, the last of which will be published by summer 2018, and which will form the baseline against which our programme performance will be measured. The **LEP Performance and Investment Committee** is responsible for ensuring that the LEP-funded programme is effectively delivered; national, European and local growth related funds are invested to maximum effect; delivery capability in line with strategic priorities; and emerging risks are mitigated or referred to the LEP Board for resolution. Programme performance information will be shared on a quarterly basis via the LEP website.

## Governance

Leadership is provided by the LEP Board, and details of the Board's composition are published on the LEP website. The LEP is committed to ensuring that the Board maintains a significant private sector majority and represents a broad mix of sectors and skills including the SME business base. To ensure effective alignment with Public Service Reform activity the LEP Chair is a member of the Cheshire and Warrington Economic Prosperity Board.

Currently LEP Board meetings along with meetings of a number of key sub-committees, are open to members of the public.<sup>20</sup>



The LEP is currently working closely with our local authority partners to **realise the ambition to secure greater devolution of decision making and resource control from Government**. This would include the LEP forming a key component of the governance and delivery functions of any new Combined Authority. A Growth Prospectus for Cheshire and Warrington has been produced which sets out the measures that the LEP and the three local authorities are taking to meet the target of making Cheshire and Warrington a £50 billion pa economy. The prospectus also sets out how devolution to Cheshire and Warrington would allow this target to be met more quickly.

The Strategy Committee (which reports to the main LEP Board) is responsible for overseeing the SEP refresh and implementation. Progress will be reported regularly to the main LEP Board and to the Sub-Regional Economic Prosperity Board (comprising the elected Leaders of CEC, CWAC and Warrington plus the LEP Chair).

## Assurance and Accountability

Following our initial Growth Deals with Government, and the allocation of European Structural Investment Funds, the LEP is now responsible for over £250 million of funding. The LEP understands the importance of ensuring that these funds – public money – are spent prudently and effectively, and that decisions on how funds are allocated are taken in an open and transparent manner.

The LEP has worked closely with its Accountable Body (Cheshire East Council) to develop and implement a clear **Assurance and Accountability Framework**. This sets out the process that project sponsors must follow in order to bring projects forward into the LEP Investment Programme. It also defines how projects will be prioritised

This information can be accessed via [www.871candwep.co.uk/about-us/how-we-work/](http://www.871candwep.co.uk/about-us/how-we-work/)

for funding and the key stages in developing and approving business cases.

The LEP has adopted the main principles of the **Local Government Transparency Code** and the recommendations of the Ney Review into LEP Governance, including: -

- Maintaining a website<sup>21</sup>
- Publishing Board Agendas, papers and minutes and holding Board meetings in public.
- Publishing financial data showing expenditure over £500 and information on salaries
- Maintaining a register of Board Member interests
- Maintaining a Gifts and Hospitality register

## SUPPORTING INFORMATION

Details of the supporting information which accompanies the SEP, including the Evidence Base and supporting Place Strategies, can be found on the LEP website [www.871candwep.co.uk](http://www.871candwep.co.uk)



<sup>21</sup> ([www.871candwep.co.uk](http://www.871candwep.co.uk))