

Economic Development Strategy for Cheshire East

Post-consultation draft

March 2011

Contents

Executive Summary	3
1 Introduction.....	6
2 The Policy Context	8
<i>Sub-National issues.....</i>	<i>9</i>
3 The State of Our Economy.....	11
National and Global Trends.....	11
The Cheshire East Economy.....	12
Moving from Recession to Recovery.....	17
4.0 Cheshire East's Strategic Objectives And Priorities	18
Thematic objectives.....	18
<i>A Knowledge economy and knowledgeable workforce.....</i>	<i>18</i>
<i>Connections & Linkages.....</i>	<i>19</i>
<i>Quality image, perception and leadership</i>	<i>20</i>
<i>Unlocking development opportunities.....</i>	<i>20</i>
<i>Liveability, local transport and aspiration.....</i>	<i>20</i>
Delivery of Priorities	21
<i>Spatial objectives.....</i>	<i>21</i>
<i>Crewe</i>	<i>22</i>
<i>Macclesfield.....</i>	<i>23</i>
<i>Sustainable Towns and Rural Areas</i>	<i>23</i>
Appendix 1: Cheshire East Economic SWOT Summary	25

Executive Summary

- (i) This document builds on the Draft Economic Development Strategy for Cheshire East that was published for consultation last summer. It:
 - incorporates key responses submitted during that consultation process which was carried out over August – September 2010.
 - reflects more recent changes to the policy context and landscape for economic development nationally, regionally and locally
 - features more evidence that continues to feed into our economic intelligence through our work on undertaking a Local Economic Assessment.
- (ii) The strategy sets out objectives and priorities for the next 15 years.
- (iii) Whilst Cheshire East Council is responsible for leading on its formulation, the overall approach to its development and implementation is one that must be shared with other stakeholders in the public, private and voluntary sector.
- (iv) This document is strategic in nature, and sets out objectives, priorities and direction, but it will not provide detailed actions. Shorter-term delivery plans have been, or in the process of being developed that will translate the objectives into actions. Some of these are spatial in context (e.g. All Change for Crewe, Macclesfield Economic Masterplan), whilst others are more thematic (e.g. Business Engagement Framework).
- (v) This strategy:
 - (a) **sets out our understanding of the current state of the economy of Cheshire East**, and identifies in particular its strengths, weaknesses, opportunities and threats. This draft analyses a wide range of information sources that are currently available, including the challenges emerging from the draft Local Economic Assessment (LEA) which will provide additional intelligence to help inform the implementation of this strategy. Key headlines identify that:
 - Cheshire East as a whole is performing better on indicators than the regional and national averages, especially in skill levels, business start-ups and knowledge based employment. However this masks significant variations at the local level with the Crewe economy in particular performing well below the Cheshire East average.
 - In terms of key sectors, the Pharmaceuticals share of employment is significantly above the GB average. Motor Vehicles, Computing services, Financial Services, Logistics and Advanced Engineering are other key sectors contributing significantly to high productivity/GVA.
 - Macclesfield and Crewe are large net importers of labour whereas in the Congleton area there is currently a relative shortage of local

jobs and a large outflow of labour. The rural character of the Borough is reflected in an Agriculture sector employing 5,300, twice the England average.

- (b) **identifies strategic economic development objectives and underpinning priorities for the Borough. These are:**



- c) **provides the strategic policy context:** the development of this strategy comes at a key time. It is critical that it relates closely to the wider policy and strategy framework, particularly in terms of the emerging Local Enterprise Partnership and the 'localism' agenda, as well as closely related strategies at the local level (e.g. Local Transport Plan, Housing Strategy and Visitor Economy Strategy). It is particularly key that this strategy contributes to the delivery of the overarching Sustainable Communities Strategy for Cheshire East and the preparation of the Local Development Framework's Core Spatial Strategy.
- (vi) The strategy has been informed by consultation with stakeholders
- (vii) The implementation of this strategy and related plans for delivery require:
- A clearer and more focused understanding of the still emerging changes to the strategic and local context
 - further analysis of the state of the Cheshire East economy informed by the Local Economic Assessment, including the Business Survey

- priorities from other on-going localised plans to be incorporated
- cross-fertilisation with other key strategies, including the Sustainable Communities Strategy, Local Development Framework, Local Transport Plan and Visitor Economy Strategy.
- Strong engagement with key stakeholders in the local community, including businesses, developers, investors and internal stakeholders within Cheshire East Council.

1 Introduction

- 1.1 This document builds on the Draft Economic Development Strategy for Cheshire East that was published for consultation in August 2010. It:
- incorporates key responses submitted during that consultation process which was carried out over August – September 2010.
 - reflects more recent changes to the policy context and landscape for economic development nationally, regionally and locally
 - features more evidence that continues to feed into our economic intelligence through our work on undertaking a Local Economic Assessment.
- 1.2 Recent legislation places a stronger duty on local authorities to lead in analysing the local economy, and develop policies and actions that respond accordingly in promoting the local economic well-being of their areas.
- 1.3 However, this approach must be a shared one, which engages with partners from the elsewhere in the public, private and voluntary sectors, and captures their ambitions and plans.
- 1.4 Collectively, we need to ensure that we set out clear objectives and priorities that both take account of, and influence, national and sub-regional policy developments, especially since there is a renewed focus by Government on the role of local government and local partners in the delivery of economic development.
- 1.5 The importance of strong leadership from Cheshire East Council and our public, private and voluntary sector partners in promoting and delivering on our economic development priorities cannot be over-emphasised if the ambitions for the area are to be realised. The Council will adopt a strategic leadership role and promote partnership coherence, ensuring that our voice is heard, our interests are represented and we play a full and active role at the sub-regional and national level in making the case for economic development and investment in Cheshire East.
- 1.6 Cheshire East needs an economic policy framework that informs, and is informed by, other current and emerging strategies, including the Cheshire East Sustainable Communities Strategy (SCS), Local Development Framework (LDF) Core Strategy, the Local Transport Plan (LTP3), Housing Strategy, Visitor Economy Strategy, Child Poverty Strategy, as well as the Council's strategic commissioning role for 16-19 Learning.
- 1.7 Critically, we need to develop a strategy that takes into account the recent and emerging economic challenges faced by the borough. The local economy has weathered the recession relatively well compared to other parts of the

North West but the transition to recovery will bring new opportunities and threats. Whilst some indicators provide comfort on how the local economy is progressing, there are others that indicate that other priorities are emerging, which require stronger collaborative approaches within the Council and with external partners such as the new Local Enterprise Partnership (LEP), neighbouring authorities, other public, private and voluntary bodies, the Homes and Communities Agency (HCA), and other stakeholders.

- 1.8 The scope of these collaborations and delivery mechanisms will emerge as government policy is clarified over the months ahead. In addition two key pieces of work currently underway are also needed to underpin policy development and business support initiatives: the Local Economic Assessment (LEA) and – as a subset of this – the Business Survey which, together, will provide a comprehensive evidence base for policies and actions
- 1.9 The Draft Economic Development Strategy was issued for consultation through the Council's website for a 6 week period ending 30 September 2010. Where appropriate, suggested changes resulting from the consultation have been incorporated into this document.
- 1.10 This document is strategic in its nature and sets out objectives, priorities and direction, but it will not provide detailed actions. Shorter-term delivery plans have been, or in the process of being developed that will translate the EDS objectives into actions. Some of these are spatial in context (e.g. All Change for Crewe, Macclesfield Economic Masterplan), whilst others are more thematic (e.g. Business Engagement Framework).

2 The Policy Context

- 2.1 In developing an Economic Development Strategy for Cheshire East, there is a need to consider the wider strategic context. This is undergoing significant change as the new government sets out its commitment to the devolution of power and greater financial autonomy to local councils and communities.
- 2.2 To date the government has announced the following changes through which are particularly relevant to the development of this strategy:
- The White Paper for Local Growth seeks to facilitate the conditions locally that will help business and stimulate private sector led employment growth to offset the reductions in public sector employees.
 - The abolition of the Regional Development Agencies and the establishment of the Local Enterprise Partnerships and new competitive Regional Growth Fund represents a shift from regional to sub national economic development and seeks to deliver private sector led growth
 - The reform of the Further Education and Skills system seeks a shared responsibility for skills between the individual and the employer. New Apprenticeships are at the heart of developing skills for growth
 - Reform of employment support with the introduction of the new Work Programme initiative in April 2011 will give greater flexibility and incentives to the private and voluntary sectors to work with partners and help people back to work.
 - The changes are set against substantial funding reductions for business support networks particularly Business Link, which will become a web based network supported by a national call centre. There will no longer be regional business support and it is unclear whether the gap will be filled by the Local Enterprise Partnership.
 - The Localism Bill contains a number of measures in relation to economic development: discretionary business rate discounts, business rate relief for small businesses, reform of the planning system, use and purpose of the Community Infrastructure Levy, replacement of the Infrastructure Planning Commission by an Infrastructure Planning Unit within the Planning Inspectorate, a National Planning Framework setting out economic, environmental and social priorities.
- 2.3 It is expected that firmer details and guidance will emerge in the next few months which will feed into the development and delivery of detailed action plans.
- 2.4 This document, as part of a hierarchy of strategies, provides the policy background explaining the implications and opportunities of different spatial and thematic strategies. It also identifies strategic economic development priorities for the Borough and refers to specific Action Plans where delivery of priorities is being taken forward. These will also support and guide the authority in the development and implementation of its other key strategies:

- Local Development Framework (LDF) –an issues and options paper on the LDF Core Strategy has recently been through public consultation. Technical work on employment, housing, retailing and infrastructure is underway.
 - Sustainable Community Strategy (SCS) – The draft EDS has informed the development of the SCS.
 - Local Transport Plan (LTP3) – the third round of LTP recently completed its public consultation stage and is expected to be finalised by April 2011.
- 2.5 Through helping to inform the LEP, the EDS will seek to secure, where possible, a consistent approach on issues within the sub-region.
- 2.6 The Homes and Communities Agency (HCA) are engaging Local Authorities through Local Investment Plans, covering housing, infrastructure, regeneration and community activities, to connect local ambition and priorities with national aims and policies
- 2.7 Whilst developing a Cheshire East approach to the Strategy, the Council and its partners will need to demonstrate the development of appropriate relationships on cross-border issues including:
- within the Cheshire and Warrington sub-region
 - to the north with Greater Manchester
 - with our other neighbours in North Staffordshire, Shropshire and the High Peak area of North Derbyshire.
- 2.8 Cheshire East Council and our partners have already commenced the development of key plans for its three spatial priorities: Crewe, Macclesfield and its market towns. Whilst at an early stage, current progress is set out in this document.
- 2.9 From April 2010 the *Local Democracy, Economic Development and Construction Act* gave a new statutory duty to local authorities that strengthens their role in promoting and delivering economic development and in assessing local economic conditions. There is an explicit requirement for Cheshire East Council (CEC) to lead in undertaking, with partners, a Local Economic Assessment (LEA) that informs the development of this strategy and other local strategies. The evidence base and challenges emerging from the LEA will also be bolstered by the findings of the Business Survey, expected in April 2011, and these will be accommodated in a final published version of the EDS.

Sub-National issues

- 2.10 The private sector led Cheshire & Warrington Local Enterprise Partnership will be operational from April 2011. Although the scope of its operation and resourcing is still uncertain, it could encompass business growth, strategic planning, housing, transport and infrastructure functions as well as supporting

enterprise and business start ups. The EDS, together with the LEA/Business Survey, will inform the development of sub regional priorities, which in turn will influence the development of Action Plans to deliver the EDS.

3 The State of Our Economy

- 3.1 This section provides a summary analysis of both national and global economic trends and the recent and forecast performance of the Cheshire East economy in particular.

National and Global Trends

- 3.2 While it is impossible to accurately predict future trends with any certainty we need to make some assumptions. These trends are likely to have an impact on productivity and competitiveness, on how we develop our future infrastructure needs, and on how and where we invest scarce resources.
- i) There will be increasing competition for investment in jobs from the rest of the region and our neighbours, making it all the more essential that Cheshire East makes the most of a highly skilled work force and growth in knowledge-based industries.
 - ii) As the economy changes new sectors will emerge. There is a need to identify and build on those with the strongest growth potential. These include Energy, Environmental technology, Creative, Digital and Information Technology, and Life sciences/ Biotechnology.
 - iii) There will be a reduction in public spending in the short to medium term with less public sector employment and spending and reduced capital investment. Changes in global markets and competition will lead to continued pressures in many sectors and the most vulnerable will see restructuring, downsizing or closures.
 - iv) As the costs of travel and movement of goods increase, there will be a corresponding increase in the importance of digital connectivity allied to innovation and technological improvements. There are opportunities to build on the assets and activity already taking place in digital industries and ensure we exploit linkages to the Manchester city region.
 - v) The proportion of older people in the population will increase, resulting in a smaller working-age population and fewer younger people. One of the consequences is that people will be economically active past traditional retirement ages leading to a growth in the “grey” economy and a need to respond to it. A smaller proportion of younger workers may result in skill shortages which may hold back economic growth. Demographic changes in Cheshire East are expected to increase the number of those over 65 year of age by 50 percent (nearly 34,000) between 2006 and 2026. There will be a significant impact on services including hospitals and other health services, care services, public transport, leisure and cultural services, including libraries and sports centres.
 - vi) There will be further changes to patterns of working (flexible/home-based working, etc), and increased leisure time as the economy evolves to cope with changing circumstances.

- vii) The demand for housing will increase, driven by the declining size of households and, with it, the expectations of higher quality homes and living environments. The amount, type and location of existing and future housing and its relationship with employment provision is a key issue for the LDF. The growth potential of the area and its contribution to the Manchester City Region's aspirations has to be balanced with environmental safeguards to maintain and protect our Green Belt, countryside, heritage and other assets.
- viii) With anticipated higher temperatures and more unpredictable weather patterns, climate change will mean more effort is needed on adaptation, as well as efforts to reduce our use of fossil fuels. Energy costs will rise and the economy will need to move towards a low-carbon solution.
- ix) Increased demand for, and pressures on natural resources needs to be taken into account in deciding where growth should take place, to ensure that this does not compromise environmental capacity.
- x) Agriculture in the EU is undergoing some key adjustments and restructuring, partly influenced by CAP reforms. Farm diversification including tourism, environmental technologies, renewable energy, retailing, is one of the key options available to help sustain farm enterprise and business activity, making rural areas more sustainable.
- xi) New development opportunities will arise in the green economy and in particular there will be new economic activity related to climate change.
- xii) The cost of travel and the movement of goods will increase, so there will be a need to develop more sustainable travel patterns and a more efficient transport infrastructure. Accessibility between homes and jobs is crucial, and there is a need for investment and employment to be focused on locations with the best public transport connectivity. There is therefore a need to ensure public transport links to areas of future growth potential are improved (especially to Manchester and London).

The Cheshire East Economy

- 3.3 As the third largest 'unitary' area in the North West, Cheshire East has the potential to play a significant role in generating economic activity for the region as a whole. Its economy makes two major contributions to the region:
- Its businesses generate over 6.9% of the North West's economic output.
 - Its people make up a significant proportion of the 'knowledge economy' workforce that drives the city regions, especially Manchester.
- 3.4 The headline indicators in Table 1 demonstrate that Cheshire East as a whole is performing better on indicators than the regional and national averages, especially in skill levels, business start ups and knowledge based employment.
- 3.5 However this masks significant variations at the local level with the Crewe economy in particular performing below the Cheshire East average. Particular areas of concern are low levels of NVQ4+ skills (26.7%), business

registrations per 10,000 population (49) and workforce employed in knowledge based employment (6% in Crewe outer).

- 3.6 Productivity is particularly high in the former Macclesfield borough area, which has been achieved with little job growth over the last decade. Crewe has seen particularly high GVA growth along with significant job growth, but this is reflected in a low growth rate for GVA per job (below CE average) and productivity (GVA per employee) was below the regional and Cheshire East average. The Congleton area has been characterised by weak GVA growth and productivity below the regional average over the last decade.
- 3.7 Table 2 provides a summary analysis of the key sectors of the Cheshire East economy. Pharmaceutical's share of employment is significantly above the GB average, with particular concentrations in the former Macclesfield District. Motor Vehicles (Crewe), Computing services (Macclesfield), Financial Services (Macclesfield) and Logistics (Crewe/Middlewich) are other key sectors contributing significantly to high productivity/GVA. Advanced engineering is a small but significant sector mainly in the Crewe area. Macclesfield and Crewe are large net importers of labour whereas in the Congleton area there is a relative shortage of local jobs and a large outflow of labour. The rural character of the Borough is reflected in an Agriculture sector employing 5,300, twice the England average.

Table 1: Headline Analysis

	Cheshire East	North West	England
Population (2009)	362, 700	6.9m	51.8m
Working age population (2009)	215, 200	4.2m	32.1m
VA (2007 prices)	£7.8b	£116.4b	£1,045.3b
GVA per job (2007 prices)	£47.2k	£38.5k	£45.7k
Employment (% of the WAP 2009)	75.8	70.3	73.0
Unemployment (JSA claimants per 100 WAP, July 2010)	2.6	4.0	3.6
Skills – NVQ4+ (% of the WAP, 2009)	36.1	27.0	29.9
Skills – no quals (% of the WAP, 2009)	9.9	13.8	12.3
Business registrations (VAT regs/10,000 WAP , 2008)	67.8	49.6	57.2
Employment in Knowledge Intensive Businesses, 2008	14%	10%	11%
Earnings (workplace-based, 2009)	£24, 200	£24,000	£26,100

- 3.8 Manufacturing employment has declined sharply over the last decade, following major redundancies at key employers in the area as global restructuring and recessionary forces take effect. The dependency on large employers is a weakness and illustrates the need to diversify and encourage entrepreneurialism.

Table 2: Sectoral analysis

Key Sectors	Characteristics / key employers
Pharmaceuticals	The share of employment is more than 6 times the GB average. Concentrated in the former Macclesfield Borough area where AstraZeneca employ c.7000 and alone contributes 13.2% of Cheshire East's GVA. Sanofi Aventis based at Holmes Chapel also a key employer. Global cost pressures are generating job cuts and outsourcing to the far East.
Automotive	Concentrated at Crewe where Bentley Motors employs around 3,500 and accounts for 3.3% of Cheshire East's GVA. Current economic climate has reduced demand for cars and led to job losses. Provides a reservoir of advanced engineering skills in Crewe area, along with Bombardier (rail transport). Airbags International, based at Congleton, is a key supplier to the automotive industry.
Financial Services	Mainly concentrated in the former Macclesfield Borough with key employers such as Barclays Bank IT Centre (c.3,000 employees), Royal London (c.800), Cheshire Building Society (now Nationwide owned). The credit crunch demonstrated the vulnerability of the sector which has suffered job losses/rationalisations and off-shoring of operations.
Creative, Digital, Media	Employed 8,900 in 2007, up 22% on 2003, compared to a 3% national growth rate. Particular concentration in former Macclesfield Borough where number of advertising/publishing companies located in Bollington/Macclesfield area e.g. McCann Erikson, Ten Aps Publishing. Media City development may present a major opportunity to establish linkages, supply chains, etc.
Computing /IT	Likely to see continuing growth due to innovation and increased take up of ICT in other sectors. GVA expected to grow by 5.5% p.a. to 2020
Public Health/social work	Employed 13,500 in 2007. Leighton and Macclesfield District Hospitals employ c. 3000 and 2000 respectively. Demographic change (ageing population and technological change should continue demand for healthcare). Public sector cutbacks may have an impact on employment levels.
Visitor Economy	The visitor economy is worth £653m to the Cheshire East economy and around 10,000 jobs are associated with the industry.
Logistics	Crewe and Middlewich are the focus for the Borough's Logistics sector.
Agriculture	Around 5,300 employed in agriculture, twice the average for England.

- 3.9 The high quality of life enjoyed by communities in Cheshire East, particularly in the Macclesfield/Congleton areas, is a significant factor in contributing to the economic success of these areas. In contrast parts of Cheshire East, particularly some wards in Crewe, are characterised by poorer quality environments and negative images together with relatively high levels of worklessness, ill health and poverty, constraining people's ability to improve their life chances. Pockets of deprivation can also be found close to areas of affluence (particularly in north east Cheshire) emphasising wealth polarities, and in the more isolated rural parts of the Borough where access to services, facilities, public transport and affordable housing is a major problem.
- 3.10 The 'SWOT' analysis (Strengths, Weaknesses, Opportunities & Threats, Appendix 1) provides a breakdown of the current evidence base and provides the rationale behind the strategic approach detailed later on in the economic development strategy. Whilst it is evident that the recession has compounded some existing weaknesses and threats, there are major strengths and opportunities to build on:
- i) a range of high-productivity and technologically advanced international businesses in key sectors such as pharmaceuticals, chemicals, automotive, financial and business services, ICT, energy and nuclear and creative industries
 - ii) a dynamic community of small businesses and start-ups, including many in new technologies and services, building on the skills and wealth of the local population
 - iii) strong GVA growth expected in Communications, Pharmaceuticals, Other Business Services, Health & Social Work, and Banking and Finance. The impact of Media City in Salford is likely to boost opportunities in the creative, digital and media sectors in NE Cheshire
 - iv) a population which is more highly skilled and more entrepreneurial than the regional average, with the strongest concentrations in the former Macclesfield and Congleton Districts
 - v) the presence of Manchester Metropolitan University (MMU), and three OfStEd 'Outstanding' Further Education Colleges (South Cheshire, Reaseheath and Macclesfield), and the close proximity and relationships with Keele and Manchester Universities, is a major asset in terms of skills development and knowledge transfer
 - vi) regionally significant employment sites at Basford and Alderley Park
 - vii) a generally attractive living environment with attractive landscapes, market towns and villages, and homes which cater for not only local needs but meet the aspirations of highly skilled workers across the Manchester city region
 - viii) a location which provides strong links by road and rail to Greater Manchester, Chester & Cheshire West, and the Potteries, as well as to national and international markets, with particularly good connections to Manchester International Airport, the West Midlands, London and the South East
 - ix) Manchester Airport is a significant generator of wealth for the region and Cheshire East gains significant economic benefits from its location on its

northern boundary. It plays a key role in supporting the knowledge economy, the visitor economy, and in opening up new markets in emerging economies.

- x) a large proportion of people with high level skills and median earnings well above the NW average (as well as good accessibility to skilled workers in surrounding areas of Greater Manchester, the rest of the Cheshire and Warrington sub-region, and the Potteries)
- xi) since EU enlargement, inflows of East European migrants, particularly to the Crewe area, have helped to bridge the gap between local labour demand and supply
- xii) a quality of place which enables the sub-region to attract businesses and act also as a leisure and tourism destination for the region's residents and visitors from outside the region. Major visitor attractions including the Peak District, Tatton Park, Stately Homes/Gardens, Jodrell Bank, the river/canal network, and proximity to Manchester's cultural/leisure facilities
- xiii) as part of Cheshire East's continuing role in providing for local and regional leisure demands, through developing and implementing sound strategies we will need to keep the visitor economy attractive and competitive, whilst better exploiting the area's natural advantages and existing assets
- xiv) a strong agricultural and food sector which offers opportunities to foster local food production, reducing food miles to a minimum and contributing to food security, and increasingly adopts an environmental custodian role.

3.12 However these strengths are balanced by a number of threats and problems:

- i) economic success and high quality of life have come hand-in-hand with high house prices and affordability issues for the less well-off (although not in Crewe). This also impacts on the availability of key workers and lower paid service sector employees
- ii) an ageing population will increase the burden on public services and will be supported by decreasing numbers of working age people. The decline in young working age people will make it harder for employers to fill vacancies. Affordable housing will be needed to enable recruitment and retention of employees in the care sector, which are forecast to increase due to the ageing population.
- iii) the influx of EU migrants has put additional pressure on housing, public services and social cohesion. The recession has reduced inflows considerably but future growth in the local economy could see further inflows and a need to improve integration.
- iv) in parts of Cheshire East, the economy and productivity are now growing more slowly than other parts of the region
- v) there remain significant pockets in the Borough which have high levels of deprivation, poorer educational attainment and low levels of enterprise, particularly in the former Crewe and Nantwich district.

- vi) there is, in many parts of Cheshire East, poor connectivity between the places where people live and where they work, especially by public transport
- vii) the Borough produces higher than average levels of CO2 emissions in homes, workplaces and on the roads
- viii) a significant number of both jobs and productivity depend on a relatively small number of large employers which may be prone to economic shocks
- ix) a high proportion of existing employment land allocations are not immediately available, with significant amounts of investment needed to overcome constraints and bring them forward for development. Cheshire East's Strategic Employment Land Assessment (under way as part of the LDF preparatory work) will provide detailed information on supply, demand and deliverability issues. The Congleton area in particular has low employment land take-up rates, and investors perceive a lack of opportunity within the existing mix of land supply
- x) Cheshire East is particularly strong in several key sectors including automotive, financial/professional, pharmaceutical/biotechnology and creative industries. Unfortunately, we are over-reliant on these and on a small number of major global companies that could be vulnerable in the future. We therefore need to support existing investment in these sectors to find ways both of nurturing existing investors and diversifying and exploiting their presence.
- xi) The agriculture sector is vulnerable to the effects of changes in subsidies. Efforts to diversify can be frustrated by environmental /planning considerations.

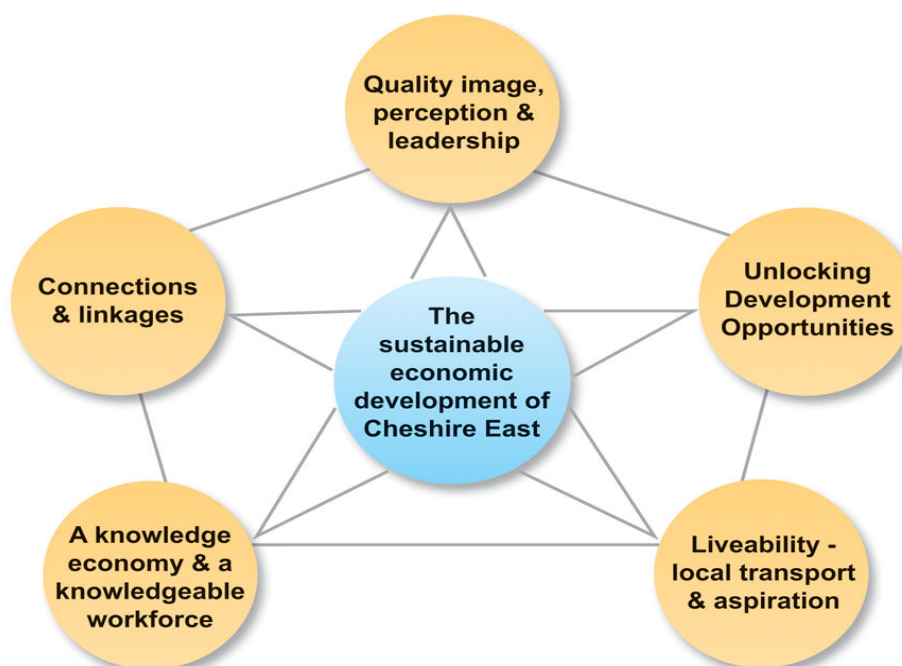
Moving from Recession to Recovery

- 3.13 Whilst unemployment rose significantly (in percentage terms) during 2008-10, the Cheshire East economy has weathered the recession well in comparison with other parts of the North West. This has been supported and facilitated by the Council's Recession Mitigation Task Group which has taken a cross-cutting approach to delivery of Council services to business and the community, with a programme of counter recessionary measures in partnership with other business support agencies. The focus for 2010/11 shifted to economic recovery measures.

4.0 Cheshire East's Strategic Objectives and Priorities

Thematic objectives

- 4.1 To develop an Economic Development Strategy for Cheshire East, we need to step back and take a broad overview as to the key determinants of economic growth. The following **thematic** summary analysis has been undertaken in the development of the Crewe Vision by consultants SQW, but it would usefully apply to the whole of Cheshire East.
- 4.2 These strategic themes do not work isolation. They are mutually dependent – no one theme can be successful without the others, but there are also inherent conflicts and contradictions.



A Knowledge economy and knowledgeable workforce

- 4.3 Our first objective is to ensure that Cheshire East maintains and enhances its role as a 'knowledge economy', through innovation in its businesses and skills development in its workforce. To achieve this objective, our main priorities will include:

- promote economic diversification across a range of business sectors, with a focus on future growth sectors.
- retain and grow existing businesses already in the area, including those in the advanced manufacturing sector.
- stimulate the formation of new businesses and support for existing small and medium-sized enterprise (SMEs).
- attract new investment in growth sectors, including building upon innovation in the activities of existing businesses.
- engage employers to develop their leadership and management skills and increase their commitment to raising the skills of their workforce.
- increase the resilience of the local economy by developing stronger links between economic priorities and further/higher education and by ensuring that businesses have easy access to effective business support and high quality skills provision.
- improve graduate retention in the area through enhanced links with universities and employers, and addressing the needs and aspirations of graduates in terms of housing and other quality of life issues.
- provide employment opportunities for local people and adopt good employment and skills practices.
- make young people and adults work ready, addressing employability skills.
- improve the coordination, quality of, and access to employment and skills activities in the sub-region.

Connections and linkages

- 4.4 Our second objective is to provide a better connected economy, through enhancing our existing transport connections to other areas, making the most of strategic location and assets.
- 4.5 At the same time, moving to a low carbon economy means we need to give people more choices about how, when and where they travel. Enhanced digital connectivity can reduce the need to travel, improve access to services (particularly in rural areas), and improve business productivity.
- 4.6 To achieve this objective, our main priorities include:
- actively seek and promote opportunities to implement next generation broadband speeds across Cheshire East
 - improve public transport and locate jobs closer to homes in order to reduce carbon emissions, although it is recognised that there are significant challenges due to the rural nature of much of the Borough. Promoting sustainable access to, and between, our visitor attractions should also be considered
 - prioritised improvement of all railway stations, services and infrastructure and development of improved transport links and integration with the cities of Manchester and Liverpool.

Quality image, perception and leadership

- 4.7 Our third objective is to actively raise the profile of Cheshire East and 'sell' the undoubted assets and opportunities of the area, particularly to external investors, influencers, decision-makers and visitors. To achieve this objective, our main priorities include:
- raise the ambition and aspirations of local people that live or work in Cheshire East
 - highlight our heritage as an asset that can stimulate future economic growth
 - capture the drive of the leaders across our communities - across all sectors - to promote the area to people outside the area, changing their perceptions of it as a place to live, work, visit and invest
 - ensure that the 'Cheshire East' products, such as its commercial sites, transport infrastructure and visitor attractions, are developed with a view to improving external perceptions, attracting new investors and visitor spend, which will benefit the local workforce and businesses.

Unlocking development opportunities

- 4.8 Our fourth objective is to facilitate economic growth through progressing schemes that will create jobs and improve the attractiveness of the area as a place to invest, live and visit. To achieve this objective, our main priorities include:
- stimulate regeneration in our town centres, recognising their retail, leisure and employment role, both in terms of economic development and cohesive communities
 - promote high quality development to enhance the attractiveness of the area
 - actively work to bring forward and promote the availability of strategic employment sites that are commercially attractive to investors, developers and occupiers
 - support development of smaller employment sites in appropriate locations
 - challenge loss of existing employment sites for other uses through the planning process
 - ensure availability of a range of workspace for start-up and micro businesses that meets their needs in terms of location, cost, quality and flexibility.

Liveability, local transport and aspiration

- 4.9 Our fifth objective is to enable a first-class quality of life for all our communities. Confidence in an area makes a huge difference as both workers and businesses, particularly in the knowledge economy, look for environments that can offer a good quality of life. We need to ensure that Cheshire East will be known as a great place to live and work, with vibrant

towns and villages, balanced, inclusive and sustainable communities, and enviable cultural, recreational and environmental assets.

4.10 To achieve this objective, our main priorities include:

- inspire young people, raising their expectations and ambitions
- tackle localised deprivation
- improve areas of poor educational attainment
- reduce congestion and improving transport links between the towns in Cheshire East and rural settlements
- build on the educational assets of the area, including most of our schools and FE Colleges, and sharing good practice within Cheshire East
- build on the individual cultural, heritage and wider assets of all our towns that make the area an attractive place to live, work and visit.
- respond to the challenge of climate change, through mitigation and adaptation, but also seizing the economic opportunities that arise from it
- ensure an appropriate range and mix of housing is available to meet the needs of different parts of the existing and future labour market, whilst making sure our communities are sustainable and cohesive.

Delivery of Priorities

4.11 The above priorities need to be translated into specific delivery/action plans and frameworks/actions which can be implemented. How these actions are prioritised into short, medium and long term will depend on the level of resources available, the scope of the interventions and resourcing of the sub regional LEP, and the evolution of other partnership working in the context of the wider strategic and local changes to the planning and delivery of economic development initiatives.

4.12 Delivery of spatial priorities are identified below, but a key thematic priority is the development of a draft Business Engagement Framework for Cheshire East which details the Council's approach to supporting businesses through:

- Targeted business engagement, for example through a key account management approach of those businesses that are of most strategic importance or the greatest capacity to grow
- Pro-active support, e.g. specific events and initiatives
- Responsive services

Spatial priorities

4.13 Reflecting an ambition to start delivering against local economic priorities, Cheshire East Council and our partners have already commenced the development of key plans for three spatial priorities: Crewe, Macclesfield and our market towns.

4.14 This approach will work in an integrated way with our thematic objectives and priorities, reflecting local assets and opportunities. In particular, consideration

will be given to the role that Cheshire East Council and other public bodies can play in promoting economic growth, through use of their own landholdings.

- 4.15 In adopting this approach, we need to demonstrate the development of appropriate relationships on cross-border issues, particularly within the context of other towns in the sub-region, but also in relation to the economies of Greater Manchester, Merseyside, North Staffordshire, Shropshire and North Derbyshire.

a) Crewe

- 4.16 Crewe and its immediate hinterland of South Cheshire represent a nationally significant growth opportunity, in its role as a strategic gateway to the rest of the North West and to North Wales. The Crewe Vision strategic framework and priorities had been finalised and endorsed by a wide range of public and private sector partners and the “All Change for Crewe” delivery plan sets out ambitious plans for Crewe’s growth, seeking to make it a nationally significant economic centre by 2031. This:
- identifies the role that the town should play in delivering economic growth for the local, sub-regional and regional economies
 - sets out its own strategic framework and key actions in the short, medium and long-term as to how economic growth – and specifically population, jobs and GVA growth – will be delivered over the next 20 years.
- 4.17 The key objective is for Crewe to significantly increase its economic productivity. To realise this will require a more highly skilled workforce, an entrepreneurial business community and an improved infrastructure to underpin them. Most critically, it will need to be the focus for nationally significant levels of growth, building on its key assets including:
- its strategic rail and road connections
 - its advanced engineering/manufacturing skills base
 - its scope for growth in terms of development land.
- 4.18 Endorsement has been given to the development of a Partnership Board which will be tasked with providing additional private sector stimulus and leadership to the regeneration of Crewe and the delivery of the key priorities and projects identified in *All Change for Crewe*. However given the considerable uncertainties that exist around public sector finances, changes to partnership working at the sub regional level, and the private sector recovery, the Action Plans will need to adapt and evolve. In addition they will need to feed directly into the emerging sub-regional priorities of the Local Enterprise Partnership for Cheshire & Warrington.

b) Macclesfield

- 4.19 As the main town in North East Cheshire, its economy is closely intertwined with that of South Manchester. However, its growth – and that of its neighbouring towns - has slowed and is tightly constrained by the Green Belt.
- 4.20 Our objective is that Macclesfield and its hinterland sustain their current position as one of the most successful parts of the regional economy. Through the development of high quality public transport links it will expand its role as part of the Manchester City Region by improving accessibility to jobs and homes.
- 4.21 An Economic Masterplan for Macclesfield was adopted by the Council in December 2010, which sets out to identify the role of the town within a regional, sub-regional and local context. In particular it sets out two Action Plans covering the Town Centre, and the South Macclesfield Development Area. These will:
- help inform the development of the town centre, including revisions to the proposed Wilson Bowden scheme. Equally, the Masterplan identifies a need to improve the quality of the town centre environment, and a need to more effectively promote the town.
 - identify the planning, funding and delivery routes to implementing development options for the South Macclesfield Development Area, as well as scoping other opportunities for physical development and economic development initiatives in the town that can stimulate economic growth.
- 4.22 An 'Economic Forum' for the town is proposed as a means of bringing together local partners to help to deliver the aspirations and actions of the Masterplan. It is also critical that the Masterplan informs LEP priorities, which may open up other funding opportunities.

c) Sustainable Towns and Rural Areas

- 4.23 Cheshire East's smaller towns and communities play an important role in the local economy as employment locations, as visitor attractors and as local service centres. Whilst individually, they lack the scale and economic strength to have a major impact at the regional level, through integrated economic development with larger towns as well as their rural hinterland, there is the potential to build on common strengths and their individuality to stimulate economic growth, and overcome disadvantage for the benefit of Cheshire East and the wider area. The hierarchy of towns and service centres will be defined in the LDF Core Strategy.
- 4.24 Many of our smaller towns and their rural hinterlands enjoy a relatively vibrant economy built upon distinctive local assets. But their viability continues to be threatened by poorly integrated development, lack of affordable housing,

increasing levels of out-commuting and relatively poor access to amenities and services.

- 4.25 Cheshire East Council and its partners in the market towns have developed a 'Sustainable Towns Framework' which aims to be a catalyst in promoting renewed sustainable economic growth in these towns. The emphasis, however, is less on the Framework and more on the underpinning Issues and Action Plans that are being developed for each of the 14 towns. Part of the initial focus has been on establishing a robust evidence base, utilising local knowledge and through benchmarking all of the towns so that we have comparable data and evidence to allow us to prioritise action and measure progress on initiatives. Local Partnerships are thriving in many of our towns and larger villages and, over recent years, have done much in developing plans and delivering projects with tangible benefits. We aim to build upon these partnerships and their capacity, with Cheshire East Council as a facilitator where appropriate. This approach represents 'localism' in action, and the drive and knowledge of those working for our towns will need to be harnessed and supported to make the most of limited resources and best practice in driving forward coordinated initiatives.
- 4.26 There is no presumption in this strategy that any of our smaller towns should just become 'dormitory towns', and further consideration of their role will be given in the Local Development Framework Core Strategy.

Appendix 1: Cheshire East Economic SWOT Summary

Strengths	Weaknesses
<ul style="list-style-type: none"> • Strong GVA and employment growth in Crewe & Nantwich • High productivity in Macclesfield • Sectoral strengths: Pharmaceuticals (AstraZeneca), Motor Vehicles (Bentley), Computing Services, Financial Services, Logistics • Expertise in advanced engineering • Major employment sites: Alderley Park, Basford • Local residents very well-qualified (particularly in Macclesfield District) and skills gaps less prevalent in CE than elsewhere • Local colleges (Macclesfield, Reaseheath, South Cheshire) and MMU, and proximity of other institutions (Manchester universities and Keele) • Level of entrepreneurship: high business birth rates and densities in CE generally and Macclesfield District in particular. • High quality of life, particularly in Congleton and Macclesfield • A strong visitor economy, in terms of brand and attractions that include: Tatton Park, Peak District, Weaver Valley, gardens, Jodrell Bank, canals • Transport links: Crewe Station, M6/M56 motorways, Manchester Airport • Strong environmental credentials e.g. Crewe Business Park 	<ul style="list-style-type: none"> • Weak GVA growth and shortage of jobs in Congleton District • Decline in manufacturing base and major redundancies (AZ, Bentley, Bombardier) • Pockets of deprivation and worklessness, particularly in Crewe (but also Congleton, Macclesfield and Handforth) • Qualification levels relatively low in Crewe & Nantwich District • Negative image of Crewe and lack of quality housing (deters investors, businesses and visitors) • Business birth rates and densities below regional average in Crewe & Nantwich • Lack of cultural facilities particularly compared to Manchester • Housing relatively unaffordable, particularly in former Congleton and Macclesfield Districts • Housing and services relatively inaccessible in some (generally more rural) neighbourhoods • CO2 emissions per head are high in Congleton and Macclesfield Districts • Availability/quality of employment land in Congleton and Macclesfield • Road and broadband infrastructure in need of improvement, and public transport provision is limited in some parts of the authority
Opportunities	Threats
<ul style="list-style-type: none"> • Economic growth in South Manchester and potential of Media City • Strong GVA growth expected in Communications, Pharmaceuticals, Health/ Social Work and Banking & Finance • Growth potential of home based/micro businesses and contribution to emissions reduction • Growth potential of visitor economy • Contribution of the voluntary sector, including social enterprises, to economic development • Relocation of AstraZeneca's Charnwood operations to CE • Regeneration of Crewe and Macclesfield, particularly Basford, Crewe Station, University Quadrant and town centres • Rural economic growth – diversification opportunities. • Innovation/ collaboration between businesses, FE/HE institutions, Jodrell Bank • Further potential of Middlewich, Sandbach & Crewe as sites for industrial and distribution sector activity • Development of green economy and green technology (and use of advanced engineering skills in renewable energy schemes) • Manchester Airport is a global gateway for the area and is vital to the growth of the knowledge economy, attracting investors and visitors . Supply chains / support for globally connected companies could be a growth opportunity 	<ul style="list-style-type: none"> • Slow economic recovery or another downturn • Continued downsizing of major high value-added sectors • Future growth being over-reliant on low-value added sectors (e.g. retail) • Continued weak GVA growth of Stoke acting as brake on SE Cheshire economy • Growth constrained by capacity (supply of adequate commercial land/premises and supply of a range of housing) • Increasing pressure on transport network because of lack of recent investment and trend towards greater car usage • Youth unemployment and NEET rates remain high and more young people become economically and socially disengaged • Likely constraints on public sector funding for regeneration of Crewe • Climate change and energy costs • Changes to farming subsidies