

CHESHIRE EAST COUNCIL

REPORT TO: CABINET

Date of meeting: 6th June 2011
Report of: Strategic Director - Places
Title: Economic Development Strategy for Cheshire East
Portfolio Holder: Cllr Jamie Macrae

1.0 Report Summary

- 1.1 This paper updates Cabinet on developments and progress in relation to the Draft Economic Development Strategy for Cheshire East, which has been consulted upon both internally and with external partners and incorporates findings from our Local Economic Assessment, which we have a statutory duty to complete.
- 1.2 The Strategy sets the context for the delivery of Cheshire East's work programme on key priorities relating to economic development and regeneration, with the purpose of driving economic prosperity over the next 15 years. It also plays a key role in shaping and supporting the work of our new Local Enterprise Partnership and key activity such as the formulation of the Local Development Framework.

2.0 Decision Requested

- 2.1 Cabinet is requested to agree the revised Strategy and the headline findings of the Local Economic Assessment.

3.0 Reasons for Recommendations

- 3.1 Work has proceeded over the last year on several major spatial strategies, all of which need an overarching framework to provide a context for their delivery plans. The publication of the EDS will provide this, as well as a platform on which to further develop spatial and thematic priorities for the Council and, critically, to inform the plans of the new sub-regional Cheshire & Warrington Local Enterprise Partnership (LEP).

4.0 Wards Affected

- 4.1 All

5.0 Local Ward Members

- 5.1 All

6.0 Policy Implications

- 6.1 The Economic Development Strategy sets out how we will deliver the business growth priorities of the Sustainable Community Strategy and informs the development of other Council strategies. A competitive local economy contributes to health and wellbeing, and objectives to effect the transformation to a low carbon economy form part of the Economic Development Strategy.

7.0 Financial Implications (Authorised by the Borough Treasurer)

- 7.1 Costs associated with the development of the EDS will be constrained within existing budgets. Individual aspects of underpinning programmes of delivery will be progressed through the Cabinet and Scrutiny process, as appropriate, and reflect any additional resource requirements.

8.0 Legal Implications (Authorised by the Borough Solicitor)

- 8.1 The development of an Economic Development Strategy (EDS) is not a statutory function. However the EDS will be underpinned by a Local Economic Assessment (LEA). The Local Democracy, Economic Development and Construction Act 2009 places a duty on the Council to carry out an LEA.

- 8.2 The following Acts provide the main legislative background and powers available in developing an EDS for Cheshire East.

i) The Local Government (Miscellaneous Provisions) Act 1976

- 8.3 In particular Section 19 contains wide powers enabling local authorities to provide, such recreational facilities as they think fit. These powers are supplemented by Sections 144 and 145 Local Government Act 1972 which empowers local authorities to provide such facilities as conference venues, exhibition fairs etc with a view to encouraging visitors and the provision of entertainment respectively.

ii) The Local Government Act 1999 (Best Value)

- 8.4 Places a general duty on the council to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

iii) The Local Government Act 2000 (Well- being Power)

- 8.5 Part I of the Act gives Local Authorities power to take any steps which they consider are likely to promote the well being of their area or its inhabitants. The provisions of the Act are intended to give Councils increased opportunities to improve the quality of life of their local communities.

9.0 Risk Management

- 9.1 The Council's economic aims, priorities and policies need articulating in a strategy document to ensure that other service areas take account of these in developing their strategies. It is possible that there will be insufficient detail in some emerging/government policy areas to fully comprehend the implications at the

local level and as a consequence there is a risk that the strategy will lack clarity in some areas.

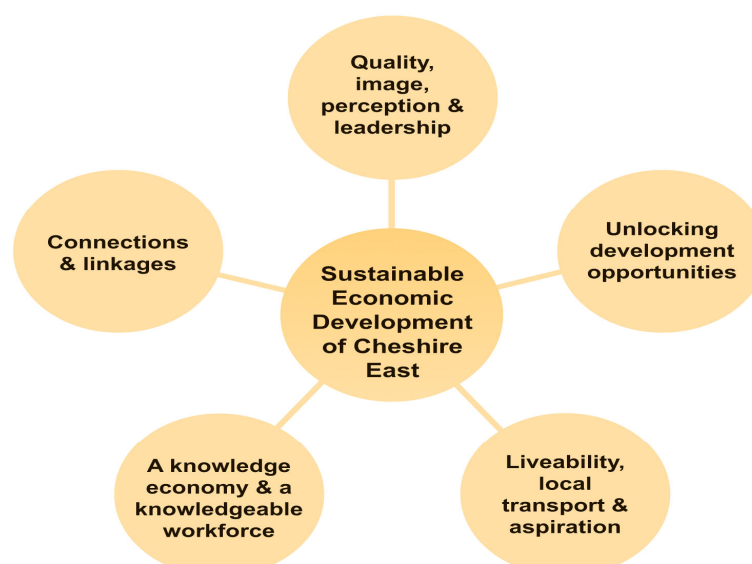
10.0 Background and Options

10.1 The Economic Development Strategy provides the overarching framework for our new sub-regional Local Enterprise Partnership and several other strategies and plans, which are supported by delivery plans that are more regularly updated – a necessity in the changing policy, funding and organisational environment. A summary of delivery plan activity is provided in Annex 3 of the report, as a means of providing some clarity on how the strategy is currently being implemented.

10.2 This strategy 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) – a statutory requirement - 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.

10.3 The strategy also identifies **strategic economic development objectives** and underpinning priorities for the borough. These are summarised below.



- 10.4 The strategy **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.
- 10.5 The revised version of the strategy document (Appendix 1) incorporates changes as a result of:
- Extensive consultation with key stakeholders in the local community, including businesses, developers, investors and internal stakeholders within Cheshire East Council.
 - Changes in the policy context, in particular October 2010's White Paper: *Local growth* which identifies the role of Local Enterprise Partnerships (LEPs). The Cheshire and Warrington LEP has now been established, but its operational structure and responsibilities are still emerging. Given these changes, this Economic Development Strategy plays a key role in providing a clearer context for future delivery.
 - The Local Economic Assessment, which is a statutory requirement that considers the economic, social and environmental components of the Borough and its linkages with neighbouring areas. This has been informed by a Business Survey of 1500 companies across Cheshire & Warrington (500 in Cheshire East).

11.0 Access to Information

The background papers relating to this report can be inspected by contacting the report writer:

Name: Jez Goodman
Designation: Economic Development Manager
Tel No: 01270 685906
Email: jez.goodman@cheshireeast.gov.uk