

CHESHIRE EAST COUNCIL

Cabinet

Date of Meeting: 17th September 2013
Report of: Director of Economic Growth and Prosperity
Subject/Title: All Change for Crewe: High Growth City
Portfolio Holder: Cllr David Brown & Cllr Don Stockton

1.0 Report Summary

- 1.1 This report seeks Cabinet endorsement for an updated high growth strategy for Crewe, building on the 2010 strategy document and the work of the All Change for Crewe programme. Recent success in attracting funding for road and rail infrastructure and the announcement that Bentley will invest £800m in new production facilities now provides the opportunity to accelerate our high growth plans for Crewe and develop our ambitious plans for the next stage of growth.
- 1.2 The report sets out how the Council and its partners are committed to releasing the massive potential and delivering the vision for Crewe: High Growth City. The report sets out 5 key commitments to the future of Crewe which will form the focus of the Council (and LEPs) priorities for interventions and development within Crewe:
1. A World Class Automotive and Rail Hub – Working in partnership with Bentley Motors and other key players in the sector to create an Automotive Research, Development and Supply Hub in Crewe and accompanying rail centre of excellence, supported by a bespoke Growth Accelerator programme and strategic logistics centre, to capitalise on the £800 million investment announced by Bentley Motors in July, as well as Crewe’s prestigious industrial heritage and skills base.
 2. A UK Centre of Excellence for Employer Led Skills – Developing Crewe as a national centre of excellence for engineering and manufacturing skills by working with industry leaders like Bentley Motors to build a genuinely employer-led approach. This includes delivery of Crewe’s University Technical College, apprentice and workplace learning programmes to create a “work ready” local workforce.
 3. A Market Leader in Renewable Energy – Realising the potential of the UK’s first Deep Geothermal Energy Centre, including developing cutting edge research and development facilities, in order to position Crewe at the forefront of the global renewable energy agenda, securing new inward investment and growth.

4. Connecting Crewe – Delivering a £500 million investment programme to improve our road and rail infrastructure and maximise Crewe’s massive connectivity opportunities which will create the right conditions for future growth and development.
 5. Achievable and Sustainable Growth – Creating the right mix of sites to drive employment and balanced housing growth in Crewe, ensuring we deliver the right types of development opportunities in the right places to support sustainable growth going forward.
- 1.3 This report is aligned with two key emerging policy frameworks: the Council’s new Local Plan and the Cheshire & Warrington Strategic Economic Plan, for which All ‘Change for Crewe: High Growth City’ represents one of its key Transformational Projects, and a major potential beneficiary of future government funding.
- 1.4 The report aims to support the following key agendas;
- To help shape the LEP Growth Prospectus, providing detailed proposals and an evidence base to support the vision for Crewe as a High Growth City.
 - To act as a supporting framework and evidence base for the ongoing proposals for a University Technical College within central Crewe.
 - As part of the Council’s engagement with the emerging High Speed 2 proposals.
 - The Council’s new *Core Strategy* – the first stage in the production of a Local Plan for Cheshire East. This will provide the planning policy framework for determining future planning applications but more importantly, it sets out the vision for jobs-led growth in the Borough and this report will help to shape and guide the development of the Local Plan.

2.0 Recommendation

- 2.1 Cabinet is requested to receive and endorse the accompanying “All Change for Crewe: High Growth City” report.

3.0 Reasons for Recommendation

- 3.1 The project relates directly to the Council’s key priority: *A growing and resilient local economy*. It is also prioritised in the Council’s Three Year Plan:
- Outcome 2: *Cheshire East has a strong and resilient economy,*
 - Outcome 4: *Cheshire East is a green and sustainable place,*
 - Priority 1 (*Local Economic Development*), and
 - Change Project 1.3 (*Investment to support business growth*).

4.0 Wards Affected

4.1 Crewe North; Crewe South; Crewe East; Crewe West; Rope; Doddington; Nantwich; Leighton; St Barnabas; Crewe Central; Wistaston; Shavington; Haslington.

5.0 Local Ward Members

5.1 Councillors Grant, Flude, Hogben, Martin, Newton, Thorley, Nurse, Sherratt, Silvester, Butterill, Moran, Groves, Martin, Clowes, Bebbington, Cartlidge, Faseyi, Simon, Weatherill, Brickhill, Hammond and Marren.

6.0 Policy Implications

6.1 The proposals contained within the accompanying report are designed to help to secure significant new investment and jobs for Cheshire East, supporting the Council's key priority to achieve: *a growing and resilient local economy*. It is also prioritised in the Council's Three Year Plan:

- Outcome 2 (*Cheshire East has a strong and resilient economy*),
- Priority 1 (*Local Economic Development*), and
- Change Project 1.3 (*Investment to support business growth*).

6.2 The project also supports the Council's 'Ambition for All' Sustainable Communities Strategy (2010-2025)

7.0 Financial Implications

7.1 In order to deliver All Change for Crewe, support and resources will need to be harnessed from across the public, private and voluntary sectors, principally through our Local Strategic Partnership and Local Area Partnership.

7.2 The identified interventions are likely to have some degree of financial implication for the Council and its partners, but individual assessment and approval of each project via the appropriate project and financial management processes will be required at the appropriate time.

8.0 Legal Implications

8.1 Section 2 of the Local Government Act 2000 of the Act gave Local Authorities power to take steps which they considered were likely to promote the economic social or environmental well being of their area or its inhabitants; in doing so, no action could be taken which would contravene any specific statutory prohibition restriction or limitation. Regard was also to be had to the Community Strategy. Whilst now repealed in England (it still applies in Wales), Section 2 has in effect been replaced by Section 1 of the Localism Act 2011, which although still subject to some constraints under Section 2 of the Localism Act 2011, provides the Council with a general power of competence, intended to be wider than that conferred by the 2000 Act, and allows local authorities to do anything that

individuals generally may do. The actions proposed in this report are likely to fall within this power but individual assessment of each one will be required at the appropriate time.

9.0 Risk Management

9.1 In undertaking any regeneration programme or project, there are a wide range of inherent risks that need to be considered at project scoping stage, and handled through a robust project management approach which incorporate risk logs which are already used to identify and manage risks and their potential impact.

9.2 In terms of the more strategic risks associated with taking forward the proposed approaches to addressing the regeneration priorities of the Council, the key risks are:

- Management of Expectations: the *All Change for Crewe* programme will operate over a 20 year period where there are major infrastructure requirements. It will be important to maintain momentum and ensure clear communication of plans and progress.
- Public Funding: over the next 3-5 years, there will be a major reduction in the availability of public funding. Many projects have already been delayed or cancelled. There will therefore be a need to maximise private sector funding and well-considered use of public funding, to maximise leverage and impact.
- Governance: these must be robust, supported by stakeholders and well connected to the key priorities of Cheshire East to ensure the risk of divergence of priorities is minimised.

10.0 Background and Options

10.1 SQW consultants, supported by Cambridge Econometrics and Colin Buchanan were appointed by Cheshire East Council in the summer of 2009 to provide consultancy support to deliver a high-level economic development strategy and action planning process for Crewe. This visioning work ran from August 2009 through to April 2010.

10.2 The purpose of the work was to provide a clear economic case for Crewe as a regionally significant player and define the major strategic opportunities and challenges facing the area over at least the next 10-20 years. The aims also included the development of a deliverable, yet ambitious, Economic Development Strategy and investment framework for the area, and recommendations on appropriate implementation and governance arrangements.

10.3 This report represents an update and refresh to key elements of that 2010 strategy document to build on recent positive announcements, strategic developments and other complementary factors which need to

be woven in to the narrative for the future growth and development of Crewe.

- 10.4 It underlines the case that Crewe is not only the major driver within the South Cheshire Economy, but will be the heart and engine of its growth and transformation over the coming years to cement Crewe's place as the dynamic focus for growth and development not just locally but sub-regionally, regionally and nationally.
- 10.5 As the largest town in South Cheshire, Crewe is already the area's primary population centre and its major economic hub. Its 5000 businesses include concentrations of professional services, distribution, logistics and advanced engineering built on its rich rail and automotive heritage. It is located in not only one of the most prosperous parts of the region but the best connected creating the perfect location for job creation, growth and development.
- 10.6 Crewe is the only place within the North West that will truly create the opportunity for decentralisation of the economy outside of London and the South East, creating a place where major employers can easily and rapidly locate office operations, call centres, staff hubs, logistics operations and R&D environments, whilst still having the direct and rapid connectivity to the City of London and their South East headquarters that will be provided by HS2, along with direct connections to both road and rail logistics networks.
- 10.7 Where other places in the UK have been unable to flex and adapt to the changing financial climate and suffered as a result, Crewe has begun to thrive, with major housing and mixed use development schemes underway, confirmation of over £1bn investment in highly skilled jobs and technologies and more investment committed to delivering in infrastructure across Crewe than ever before.
- 10.8 Crewe has long been known for its industrial heritage and its strong rail background. Now Crewe is capitalising on those skills, experiences and advantages as part of the wider M6 corridor of growth to deliver the vision for All Change for Crewe and to take up its place as the UK's High Growth City.
- 10.9 Where other locations may offer one or two of these things, Crewe is the only place in the UK that can genuinely offer businesses and investors the perfect combination of affordable land values, significant connectivity and attractive settings to provide a real and viable relocation offer, and the ability to split their working operations across sites, capitalising on the benefits of Crewe whilst still having central offices or marketing sites in London, Manchester and elsewhere.
- 10.10 Its strategic location within the M6 Growth Corridor from Birmingham to Manchester allows it to act as the key linkage between these major hubs

and the wider Cheshire economy, opening up major development sites in Congleton, Sandbach and beyond.

- 10.11 Earlier this year, the Government issued its response to Lord Heseltine's, setting out its vision for local economic growth - unleashing the ambition and creativity of local leaders, by devolving resource and responsibility to those places which can demonstrate credible and compelling economic leadership, in pursuit of growth.
- 10.12 The Government subsequently committed to negotiate Growth Deals with every Local Enterprise Partnership in England, which will create new freedoms, flexibilities and influence over resources for local economies. As part of these Growth Deals, the Government has invited LEPs to develop Strategic Economic Plans (SEPs) which provide a coherent set of strategic objectives and actions that address the economic challenges and opportunities of each sub-region. This will be the key mechanism to secure more public sector funding for local projects and programmes which deliver economic growth (jobs and productivity), to be principally funded through:
- a new Single Local Growth Fund, that will include the key economic levers of skills, housing and transport funding
 - the next round of European Structural and Investment funds
- 10.13 Crewe plays a strategically vital role within the economy of the Cheshire & Warrington sub-region. This has already been recognised by our business-led Local Enterprise Partnership that has been leading much of our work on shaping economic growth and utilising resources already awarded to it (e.g. Growing Places Fund, Local Transport Board funding). The LEP and a sub-regional approach with our partner Councils will also draw in other funding streams which, hitherto, it has not had access to, including funds to promote innovation managed through the Government's Technology Strategy Board.
- 10.14 The importance of Crewe, and the pivotal role it plays in relation to other local economies to which it is so well connected, needs to be reflected in the Strategic Economic Plan (SEP), and the accompanying European Structural Investment Funds Strategy, which sits within this. The SEP is currently being developed ahead of a draft submission to Government in October. This will be informed by this update and refresh to the All Change for Crewe strategy, which incorporates many new and emerging developments that synch with Government growth policy (HS2 and other rail and road infrastructure, job creation, UTC, etc).
- 10.15 Layered between the All Change for Crewe: High Growth City strategy and the new Strategic Economic Plan, the Council's recently launched Vision and Strategy for Economic Growth captures the scale of ambition for the whole borough, including Crewe. It sets out a range of initiatives that the Council is already committing to, which will be accelerated and

enhanced when the new funding streams start to become available over the next 18 months.

- 10.16 Building on the 2010 All Change for Crewe studies led by SQW Consultants, this updated report sets out the Council's ambitious and deliverable vision for the growth and transformation of Crewe, capitalising on its key assets such as its connectivity and its manufacturing skills base to unlock Crewe's latent potential and deliver the vision of a High Growth City.
- 10.17 This vision is best captured by the term "High Growth City", which describes the Council and its partner's ambitious plans to deliver the All Change for Crewe agenda by;
- Continuing to realise the development of the major schemes and projects already underway in Crewe such as Bentley Motors expansion, the Basford development and other key sites,
 - Delivering the vision for a skills hub within Crewe, shaped and led by the development of East Cheshire University Technical College, a rail skills academy and the realisation of an Automotive Innovation Hub within Crewe,
 - Driving forward the growth agenda across the area to unlock new major employment sites and developments to meet both latent demand and future projected growth in sites along the M6 Growth Corridor including Radway Green, Capricorn, Radnor Park, Basford and Leighton Green,
 - Realising the massive potential for Crewe to act as a launch pad for new and emerging sectors like geothermal energy and advanced rail engineering,
 - Investing in and delivering significant major infrastructure projects such as the Crewe Green Link Road, M6 improvements and A500 widening to facilitate growth,
 - Unlocking the connectivity potential of HS2 by providing a key junction and hub location through which major areas of the UK population can connect to the HS2 line.
- 10.18 This report outlines the key issues that are facing Crewe, and the actions and approaches that the Council and its partners, building on the previous research and current programmes and projects are undertaking to not only address these, but to unlock the potential of Crewe as a High Growth City. These areas of action are;

Strategic Aim 1: All Change for Crewe's knowledge economy people and businesses

Strategic Aim 2: All Change for Crewe's connectivity and linkages

Strategic Aim 3: All Change for Crewe's physical development

Strategic Aim 4: All Change for Crewe's liveability, local transport and aspiration

Strategic Aim 5: All Change for Crewe's image, perception and leadership

10.19 The Council's emerging Core Strategy establishes the planning framework for future developments in the wider Crewe area for the period up to 2030. A range of employment sites are allocated both on the edge of the town and within the wider area, particularly the M6 corridor. To facilitate economic growth, the plan's strategy is firmly focused upon the 'All Change for Crewe' initiative and thereby seeks to allocate the majority of new employment sites, and the homes needed to support new jobs, in the south of the Borough. This approach is favoured, as land in the north of the Borough is principally constrained by the North Cheshire Green Belt and other environmental considerations. Although the Core Strategy allocates a surplus of employment land when judged against the needs assessments contained in the Employment Land Review (2012), the Council is receptive to the need to provide a range of sites to provide flexibility and choice. The delivery of employment sites will necessarily be phased due to infrastructure requirements, which is clearly factored into the emerging planning framework, but once adopted, the Core Strategy will provide a key delivery mechanism and a valuable first step towards achieving the objectives of the 'High Growth City: Beyond Crewe'. However, in the short-medium term, these aspirations may trigger an early review of the Local Plan.

10.20 As a culmination of the evidence base, the Strategic Aims and the Operational Aims the Council and its partners are committed to releasing the massive potential within Crewe, and delivering the vision for Crewe: High Growth City by making 5 key commitments to the future of Crewe;

6. A World Class Automotive and Rail Hub – Working in partnership with Bentley Motors and other key players in the sector to create an Automotive Research, Development and Supply Hub in Crewe and accompanying rail centre of excellence, supported by a bespoke Growth Accelerator programme and strategic logistics centre, to capitalise on the £800 million investment announced by Bentley Motors in July, as well as Crewe's prestigious industrial heritage and skills base. Whilst the automotive hub will be based in a single location with good access to infrastructure and linkages to the wider area it is anticipated that the resulting development will kickstart a wider investment and uptake of automotive related investment in Crewe. Alongside this the Council will take the opportunity to work with existing and emerging businesses such as the Virgin Trains Academy, OSL Rail, Unipart and Atkins Rail to capitalise on Crewe's strong rail heritage and skills base to promote Crewe's role as a world class centre for rail technology and engineering. The Council will take an active role in looking to reduce statutory and financial burdens on businesses, recycle investment to further promote the sector and work with partners to create a supportive structure for investment in the automotive and rail sectors within Crewe and particularly in founding and developing the automotive hub. This will be linked to the wider agenda within the Governments Automotive Investment Office (AIO) and its role in facilitating growth within the sector and

particularly this area, where the Council and partners will work directly with BIS, UKTI, AIO and others to co-ordinate investment, strategy and delivery on a sub regional and national scale within Crewe.

7. A UK Centre of Excellence for Employer Led Skills – Developing Crewe as a national centre of excellence for engineering and manufacturing skills by working with industry leaders like Bentley Motors to build a genuinely employer-led approach. This includes delivery of Crewe’s University Technical College, apprentice and workplace learning programmes to create a “work ready” local workforce. This will link to the wider programme of transformation in Crewe, where skills training will be aligned to the emerging needs of the market and create the right opportunities to attract major new investment. This will be delivered by working closely with the existing education networks, the various stakeholders who are leading and delivering Governments skills agenda and primarily by the private sector employers within the Crewe area who will be given the direct opportunity to shape and develop the approach to education and learning in Crewe to create a cutting edge approach to skills and work readiness.

8. A Market Leader in Renewable Energy – Realising the potential of the UK’s first Deep Geothermal Energy Centre, including developing cutting edge research and development facilities, in order to position Crewe at the forefront of the global renewable energy agenda, securing new inward investment and growth. This renewable agenda will link directly to investment and development sites, with assistance and facilitation for renewable energy projects that support the wider growth in sectors like the automotive industry within Crewe.

9. Connecting Crewe – Delivering a £500 million investment programme to improve our road and rail infrastructure and maximise Crewe’s massive connectivity opportunities which will create the right conditions for future growth and development. This will focus on realising the opportunities that HS2 will present for Crewe in creating a new major hub station, along with investing in and developing the wider network (both road and rail) to further enhance Crewe’s connectivity and accessibility. This will include key projects such as A500 expressway (including dualling), M6 Junction 16 restructuring, Crewe Northern Growth Corridor, A530 improvements, M6 widening, Crewe Green Link Road South and the Basford Spine Road developments.

10. Achievable and Sustainable Growth – Creating the right mix of sites to drive employment and balanced housing growth in Crewe, ensuring we deliver the right types of development opportunities in the right places to support sustainable growth going forward. This will be delivered by working in partnership with communities,

businesses and key stakeholders in Crewe to shape a viable and deliverable Local Plan, plans for investment and growth and by taking a proactive approach to inward investment.

10.21 These key projects cut across and address all of the Strategic and Operational Aims set out in the report, build on the actions outlined and set a priority list of areas to be addressed and ways in which the Council will take them forward within Crewe.

11.0 Access to Information

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

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