

CHESHIRE EAST COUNCIL

REPORT TO: Jobs Regeneration and Assets Overview and Scrutiny Committee

Date of Meeting: 19th of October 2015
Report of: Director of Economic Growth and Prosperity
Subject/Title: Business Engagement – Strategic Account Management,
Cheshire East's Top 100 Investors
Portfolio Holder: Councillor Don Stockton

1.0 Report Summary

- 1.1 This report is a discussion paper to inform members of activity to support 'Cheshire East's top 100 Investors.' This report follows on from a report on the same matter reviewed at Overview and Scrutiny Committee on the 19th of December 2014.

2.0 Recommendation

- 2.1 That the Committee note the report and consider the suggestions for further involvement contained within the report.

3.0 Wards Affected

- 3.1 All

4.0 Local Ward Members

- 4.1 All

5.0 Background

Context

- 5.1 The borough has a strong track record of working with Cheshire East's Top 100 Investors to support growth and maximise the opportunities for major employers. Cheshire East Council's investment in Alderley Park and the support provided to Bentley Automotive to secure their recent expansion and consolidation of their engineering and design functions is testimony to the authority's ability to effectively support major growth opportunities.
- 5.2 Cheshire East's Top 100 Investors are defined as those existing companies that have the most significant impact on the boroughs economic prosperity. Cheshire East's Top 100 is determined by the no of employees (at site), company function and activity, turnover and recent growth. The composition of the Top 100 is reviewed on an annual basis.

- 5.3 Supporting 'Cheshire East's Top 100 Investors' is critical to the economic prosperity of the borough. There is c18,000 businesses in the borough employing 177,100 people with a significant proportion (c23%) employed in the top 100 businesses. In addition, the top 100 business deliver a significant proportion of Cheshire East's £9.2 billion GVA output.
- 5.4 Major companies have a significant impact on the prosperity for the borough. Typically, larger employers pay higher salaries, invest more in training their workforce, undertake higher value activity and have a greater impact on their supply chain. For context had Astra Zeneca relocated their entire Alderley Park operation to Cambridge this would have resulted in loss of 3,000 highly skilled R&D jobs to Cambridge (average salaries c£65k compared to average of £32k for Cheshire East as a whole.) This would represent an economic impact of £245m per year to the local economy and a reduction in the size of the Cheshire and Warrington economy of 1.2%.
- 5.5 The activity to support 'Cheshire East's Top 100 Investors' forms part of a wider programme of activity to support existing business and attract new investment.

The Business Engagement & Inward Investment Service

- 5.6 To support growth and prosperity in Cheshire East the Council has invested in a Business Engagement & Inward Investment Service. The service is responsible for delivering three programmes of activity:
- **Business Engagement** - Deliver a programme of activity to support growth, increase productivity, encourage the creation of new jobs and minimise threats to Cheshire East's Top 100 Strategic Investors & High Growth Small to Medium Enterprises. Target Strategic investors and high growth SME's with the potential to make an impact on the GVA output of Cheshire East with a focus on business in the energy, technology and science sectors.
 - **Inward Investment.** Develop and deliver a programme of activity to encourage and secure new investment from business looking to relocate or expand and secure financial investment in key infrastructure and assets with a focus on priority sectors Science, Energy & Technology to create high value jobs. De-risk the investment process for companies committed to investing in Cheshire East through effective support and advice, and identification of funding.
 - **Enabling Development.** De-risk and enable developments to ensure a sufficient pipeline of employment land and suitable assets to support Cheshire East's growth ambitions. Maximise the opportunity to generate additional revenue through business rate income.
- 5.7 Top 100 Strategic Investors, Core Function and Activity includes;
- Develop long-term partnerships with key companies, understand their challenges and growth opportunities with key information captured in a strategic account plan.

- Provide a single point of contact on council issues such as highways, planning, regeneration and infrastructure.
- Establish the company vision; define the partnership and developing a strategic plan to support growth.
- Develop tailored support packages to encourage growth and expansion opportunities – ensuring Cheshire East takes a pro-active stance in how we utilise our assets and invest in infrastructure.
- Provide effective access to central government support schemes including grant assistance such as regional growth funding.
- Capture data to inform, and support the business case for how Cheshire East develops its infrastructure and assets.

5.8 Results to date for the period 2015/16 have been positive,

- In 2015/16 The Business Engagement Service has engaged with 39 of Cheshire East's top 100 investors. This has identified significant growth potential that could lead to the creation of 945 new high value jobs and £85,876k. This is against a target of 800 new jobs created.
- To date the service has helped secure £398k of grant funding with a further £542k expected to contract before the end of 2016. In addition, the service has secured 'in principal' offers of £3.4million of infrastructure loans on behalf of existing investors likely to contract before the end of the financial year.
- The Business Engagement service has commissioned a refresh of the top 100 companies to assess who are the key investors in the borough. This is based on head count, company function, turn over and ownership structure. Attached as appendix A.
- The Business Engagement service has identified all existing relationships with other business support agencies noting whereby a company has an existing relationship with BIS or UK Trade and Investment.
- The service has helped to secure key investment projects with key companies. For example the service has worked to support the expansion plans of a major textile manufacturer. The co has committed to a £12million capital investment at their site and an investment in new product development. The investment should safeguard the future of the site in Cheshire East with an announcement expected towards the end of 2015.
- The Business Engagement service was responsible for providing advice on grant funding and helped to position the strengths of the Cheshire East site against other sites within the group competing for the investment. The Service has provided practical support and advice on training and the benefits of partnership work with the universities. The growth of the company will provide further evidence to invest in key link roads to improve access to the site.

The Role of Elected Members

5.9 Elected members have the potential to bring considerable value to the business account management process. This may be in their capacity as a local ambassador or via existing business relationships. Elected members can

support officers in establishing relationships and gaining credibility with target companies. In the absence of an existing relationship members can add considerable benefit to company engagement through their appreciation of local issues and knowledge of key local stakeholders, (colleges, key assets, historical interest.) In addition, members are in a strong position to articulate the needs and challenges of the local community to key business. Next steps,

- A. Develop a uniform approach to developing key account plans and approaching key account relationships.
- B. Undertake a relationship mapping exercise to determine which members have existing relationships with key companies and appropriate lead.
- C. Continue to track progress and measure results providing the overview and scrutiny committee with an annual update.
- D. Review the existing composition of the Top 100 and consider whether other companies should be included.
- E. Reach out to those companies currently not engaged to position the support available. Make contact via a letter from the Leader of the Council.

6.0 Access to Information

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

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