

# ENVIRONMENT AND PROSPERITY SCRUTINY COMMITTEE

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**Date of meeting:** 25 November 2009  
**Report of:** Head of Regeneration, Places  
**Title:** Preparing an Economic Development Strategy for Cheshire East

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## **1. Introduction**

- 1.1 At its meeting on 11 July Cabinet considered a report on economic development priorities and partnership arrangements. The report suggested that a comprehensive Economic Development Strategy would be developed during 2010 and that a detailed timetable and project plan was in preparation. This report expands on the proposals set out in that report.

## **2. Cheshire East – the current position**

- 2.1 As a new unitary authority and the third largest within the Northwest, Cheshire East must demonstrate a strong commitment to economic development and regeneration in the context of developing our understanding of our economy and current and future challenges. We therefore need to take any opportunities to ensure our priorities influence sub-regional, regional and national policy developments, especially since there is a renewed focus by Government on the role of Local Government in the delivery of economic development.
- 2.2 The Local Democracy, Economic Development and Construction Bill is due to receive Royal Assent by the end of November. It includes a new statutory duty from April 2010, which strengthens the role of local authorities in promoting and delivering economic development and in assessing local economic conditions. There is therefore a new statutory emphasis on economic development and strategy, and an explicit requirement for Cheshire East Council to lead in undertaking, with partners, a Local Economic Assessment that incorporates the roles of all services in delivering sustainable economic growth. Whilst this will be led from the Economic Development team, it will necessitate input from across the authority, including learning, transport, etc.
- 2.3 Whilst developing a Cheshire East approach to the Strategy, the council will be expected to develop strong partnerships on cross-border issues to the north with Greater Manchester and within the Cheshire and Warrington sub-region. The Sub-Regional Strategy for Cheshire & Warrington (led by CWEA with partner input) is currently being revised, and it takes into account our

current priorities and plans. It is also in our interests to develop appropriate partnerships with our other neighbours in North Staffordshire, Shropshire, the High Peak area of North Derbyshire and NE Wales.

### **3. Current policy initiatives**

- 3.1 A new sub-regional architecture is being put in place to further develop our response to regional and local economic conditions. Within that new structure a Prosperity Commission has been set up to replace the current Cheshire and Warrington Economic Alliance. This will lead the sub-regional approach to the development of the new integrated Regional Strategy, RS2010.
- 3.2 In the interim, work is ongoing to develop a package of sub-regional priorities including priority areas in Cheshire East. These include Crewe and its surrounding area, and Macclesfield Town. Work is currently under way to further develop and implement solutions in these two priority areas.
- 3.3 A new vision for Crewe is under development, with the assistance of consultants SQW. Cabinet approved the approach being adopted at its meeting in July. The aim is to develop an economic masterplan that will position Crewe as a location for new investment and underpin the rationale for its inclusions as a key focus of the regional strategy. It will also map out options for the delivery of the strategic sites at Basford, resolve issues surrounding the potential of Crewe station in the light of developments in national transport policy and investment by Network Rail, and provide for new developments in Crewe town centre.
- 3.4 In Macclesfield, resources have been prioritised to review the role and plans for the town centre, alongside the Council's development partner, Wilson Bowden. In tandem with this, the future options for the South Macclesfield Development Area will be considered, ensuring a coherent approach to the assessment of demand/need for different uses, and where these are best located to deliver sustainable economic growth for the town.
- 3.5 Across the rest of the borough, there will be an increased emphasis on the role of market towns, and the role that they play in delivering sustainable growth, through a 'Sustainable Towns' approach.

### **4. The need for an Economic Development Strategy**

- 4.1 The work outlined above is currently taking place in a strategy vacuum. Cheshire East Council therefore needs an economic policy framework that informs that work, begins to address our obligations under the new duty, and also provide the support required in the development of other key strategies which are progressing on different timetables. For example:

Local Development Framework (LDF) – work is currently under way on the Core Strategy, due for submission in April 2011. Technical work on employment, housing, retailing and infrastructure is scheduled for completion in October 2010.

Sustainable Community Strategy (SCS) – the current timetable for the development of the SCS means that the new Strategy may be in place from June 2010.

Local Transport Plan (LTP) – the third round of LTP is due for completion in April 2011.

- 4.2 Furthermore, we need to develop a Strategy that takes into account the recent and emerging economic challenges faced by the Borough. Whilst some indicators provide comfort to how the local economy is progressing, there are others that indicate that other priorities are emerging, that require stronger collaborative approaches within the Council and with external partners and other stakeholders. These will be identified in the draft and final Economic Development Strategy, but will be articulated more clearly through the development of an Action Plan that will underpin the delivery of the strategy.

## **5. Process and Timetable**

- 5.1 Developing a full Economic Development Strategy based on the economic priorities and issues for the area evidenced through a Local Economic Assessment, will take about 18 months. The process and contents of an EDS is summarised in Annex 1. But since there is a clear need for a strategy now, it is intended to develop an early draft by April 2010, which will evolve into a full strategy.

- 5.1 The aims of the draft strategy will be to:

- set out our understanding of the current state of the economy of Cheshire East, and identify in particular its strengths, weaknesses, opportunities and threats
- clearly identify economic development priorities for the borough to support and guide the LSP in the preparation of the Sustainable Community Strategy
- support the development of the Transport Strategy and the LDF Core Strategy
- provide the wider economic context for the development/implementation of the Visitor Economy Strategy.

- 5.2 In order to develop a draft strategy by April 2010, the broad key milestones are:

20 November	A presentation on key priorities and the current state of the economy to the LSP Economy and Skill Thematic Partnership.
25 November	Environment and Prosperity Scrutiny Committee receives the same presentation informed by the advice of the thematic partnership.
February 2010	Emerging priorities from the LSP Economy and Skills Thematic Partnership informs revision to draft framework.

Environment and Prosperity Scrutiny Committee receives a progress report and early draft.

March

Draft Strategy assembled and tested against LSP priorities.  
Consultation with LAPs to test strategic policies against local circumstances.

April

Draft published for consultation and to inform SCS.

**Recommended:**

**That the Committee endorsed the approach outlined above on the preparation of a draft Economic Development Strategy for Cheshire East.**

## **Annex 1: Developing a full Economic Development Strategy**

The recommended approach is to establish a framework for making key decisions with partners on economic priorities and on interventions. This would involve engagement with partners and the public to:

- carry out an economic assessment
- establish a vision based on that assessment
- identify realistic and justifiable strategic choices and examine them
- make decisions on priorities and actions and explain them.

In the longer term, there will be a need for a completely new strategy underpinned by a new economic assessment. This would be prepared in parallel with the Regional Strategy and inform and be informed by it.

### **The components of an Economic Development Strategy**

As a minimum an EDS would need to contain:

A review of the strategic context – including the state of the global and national economy; major investments; growth points; relevant national policies such as the SNR and the Regeneration Framework; regional and sub-regional strategies; housing market assessments, transport strategies; the SCS, LDF etc.

A Local Economic Assessment – (prepared under the guidance issued as part of the preparation of the LDEDC bill and consistent with a regional framework

An agreed vision for the area and clear objectives – developed from a shared understanding of local circumstances and the economy, reflecting history, politics and geography. Wide engagement of public and partners is essential, and sometimes involves scenario planning to examine a range of possible outcomes. A SWOT analysis may be included.

Strategy developments – “evidence-based policy recommendations” are needed to show how objectives will be delivered. The common themes (as suggested by IDEa and adopted by some), are:

- Improving business performance
- Supporting priority sectors
- Raising skills and reducing worklessness
- Maximising connectivity
- Enhancing quality of life
- Stimulating investment.

A 3-5 year Action Plan – this will provide further detail on proposed interventions, possibly linked back to LAA targets, and including information on how these will be delivered, by whom and how they will be resourced.