

# **A Draft Economic Development Strategy for Cheshire East**

**March 2010**

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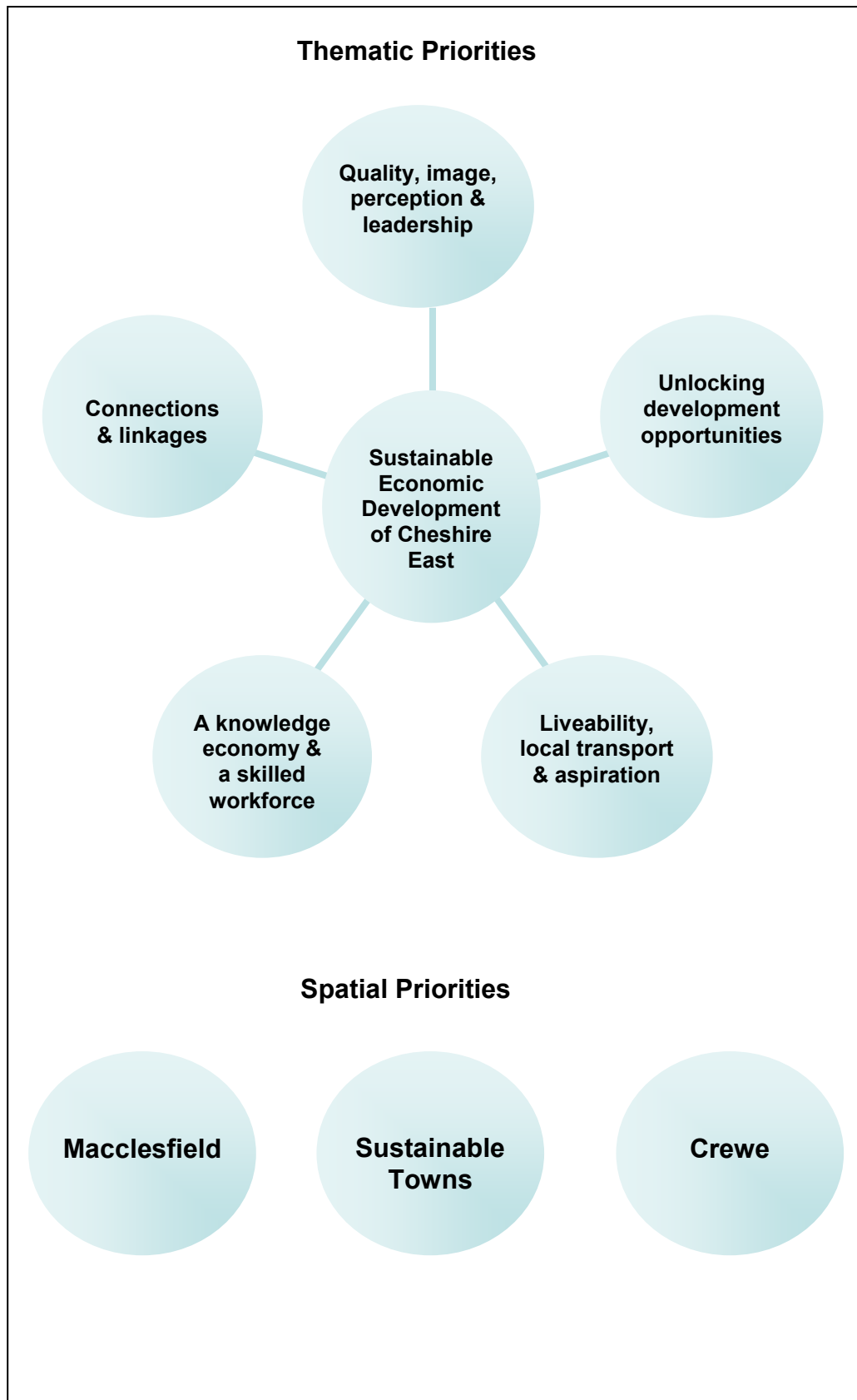
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### EXECUTIVE SUMMARY

- 1.0** This document is the starting point for the formulation of an Economic Development Strategy for Cheshire East which sets out its objectives and priorities for the next 15 years.
- 2.0** 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. Cheshire East will lead on a consultation process over the next 9 months that will incorporate further analysis and the views of stakeholders in the local economy.
- 3.0** This document is strategic in its nature, and sets out objectives, priorities and direction, but it will not provide detailed actions. It is intended that supporting shorter-term delivery plans (up to 5 years) are developed that will translate the objectives into actions.
- 4.0** This draft strategy:
  - 4.1** **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. However, from April 2010, the Council has a new statutory duty to undertake a Local Economic Assessment which will provide further intelligence that will help inform the further development of this strategy. In summary:
    - The headline indicators 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. However this masks significant variations at the local level with the Crewe economy in particular performing 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 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.

**4.2 Identifies strategic economic development objectives and underpinning priorities for the Borough . These are:**



- 4.3 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, both in terms of hierarchy (i.e. RS2010, and Cheshire & Warrington Sub-Regional Strategy) and wider, closely related themes (for example, transport, housing, tourism). Its particularly key that this strategy contributes to the overarching Sustainable Communities Strategy for Cheshire East and the Local Development Framework's Core Spatial Strategy.
- 5.0** The development of the full strategy requires:
- effective engagement and consultation with key stakeholders
  - further analysis of the state of the Cheshire East economy
  - priorities from other on-going localised plans to be incorporated
  - cross-fertilisation with other emerging key strategies, including the Sustainable Communities Strategy, Local Development Framework and Local Transport Plan.
- 6.0** A consultation action plan is being developed, with partners, which will fulfill these criteria and produce a final Economic Development Strategy by December 2010.

### 1.0 INTRODUCTION

- 1.1 This document is the starting point for the formulation of an Economic Development Strategy for Cheshire East which sets out its ambitions and priorities for the next 15 years.
- 1.2 New 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, regional and sub-regional policy developments, especially since there is a renewed focus by Government on the role of local government 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 and we play a full and active role at the regional and national level in making the case for 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, Work & Skills Plan, as well as the Council's 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, that require stronger collaborative approaches within the Council and with external partners such as Northwest Development Agency (NWDA), Homes and Communities Agency (HCA), and other stakeholders. These will be identified in the final Economic Development Strategy, and articulated more clearly through the development of a subsequent Delivery Plan that details more specific actions, as well as who, how and when they will be delivered .
- 1.8 This document is strategic in its nature, and sets out objectives, priorities and direction, but it will not provide detailed actions. It is intended that supporting

shorter-term delivery plans are developed that will translate the objectives into actions.

## **2.0 THE POLICY CONTEXT**

- 2.1 In developing an Economic Development Strategy for Cheshire East, there is a need to consider the wider strategic context, particularly in the light of recent Government policy direction which focuses on facilitating economic growth in areas that operate across Local Authority boundaries.
- 2.2 The national/ regional policy framework is undergoing significant change driven by the Sub National Review of Economic Development and Regeneration (SNR), with the integration of the Regional Economic Strategy and Regional Spatial Strategy, the requirement to prepare a Local Economic Assessment and powers for Local Authorities to embed their ambitions in Sub Regional Partnerships and Local Area Agreements.
- 2.3 This document, as part of a hierarchy of strategies, provides the policy background explaining the implications and opportunities of different spatial and thematic strategies.
- 2.4 It also identifies strategic economic development priorities for the Borough (detailed actions will be developed as a supporting Delivery Plan) to support and guide the authority in the development of its other key strategies:
- i) 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.
  - ii) 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.
  - iii) Local Transport Plan (LTP3) – the third round of LTP is due for completion in April 2011.
- 2.5 As one of three Economic Development Strategies in the Cheshire and Warrington sub-region, it will seek to secure where possible a consistent approach within the sub-region on issues of regional and sub regional significance
- 2.6 The Homes and Communities Agency (HCA) are engaging Local Authorities in a ‘single conversation’, covering housing, infrastructure, regeneration and community activities, by April 2011 to connect local ambition and priorities with national targets. There is also a major role in the future development of Cheshire East for our partners in the Regional Leaders Board (4NW), Government Office for the North West (GONW), and the North West Development Agency (NWDA).

- 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 areas 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.

### National

- 2.9 At the national level *Going for Growth: Our Future Prosperity* sets out the Government's strategic approach, i.e. that government action must be targeted on those sectors and markets where it can make most difference:
- Supporting enterprise and entrepreneurial activity,
  - Fostering knowledge creation and its application
  - Helping people develop the skills and capabilities to find work
  - Investing in infrastructure required to support a modern low carbon economy
  - Ensuring open and competitive markets
  - Building on our industrial strengths
  - Recognising the right strategic role for Government in markets in order to capitalise on new opportunities
- 2.10 *Partnerships for Growth: A National Framework for regional and Local Economic Development* sets out how the Government expects Local Authorities and partners to work together to strengthen economic growth. It stresses the leading role that local authorities can play in working with business and others in setting out economic needs and aspirations.
- 2.11 *Transforming Places, Changing Lives: Taking Forward the Regeneration Framework* sets out the Government's commitment to reprioritise regeneration investment to where there are opportunities for transforming the economic prospects of areas with lower economic performance.
- 2.12 Cheshire East's *Local Area Agreement (LAA)* has adopted 6 National Indicators (NIs) relating to the performance of the local economy. These were inherited from the Interim Cheshire Sustainable Community Strategy and seek to bridge national policies and local realities, articulating – as best they can – the priority economic outcomes for the area. These are:
- |        |                                                    |
|--------|----------------------------------------------------|
| NI 154 | net additional homes provided                      |
| NI 163 | proportion of working age qualified to NVQ Level 2 |
| NI 164 | proportion of working age qualified to Level 3     |



- NI 168 Principal Roads where maintenance should be considered
- NI 169 Non – principal classified roads where maintenance should be considered
- NI 171 New business registration rate

2.13 *Comprehensive Area Assessment (CAA)*, which came into being in April 2009, and provides an independent assessment of how well people are being served by local public services, will consider the performance of local economies, specifically seeking to answer the question 'How strong is the local economy?' and 'How are local partners working together to respond to economic challenges and opportunities'.

2.14 From April 2010 the Local Democracy, Economic Development and Construction Act gives 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 to lead in undertaking, with partners, a Local Economic Assessment that will inform the development of the Sustainable Community Strategy and other key strategies, including the full Economic Development Strategy. CAA inspectorates will consider how local authorities have used the economic assessment to inform the development and delivery of local priorities and strategies.

### Regional

2.15 Part 1 of the new Regional Strategy, RS2010, was published for consultation in January. This sets out four key strands within which regional economic and planning policy is being developed. These propose that the region should:

- i) Capitalise on the opportunities of moving to a low-carbon economy and address climate change
- ii) Build on our sources of international competitive advantage and regional distinctiveness
- iii) Release the potential of our people and tackle poverty
- iv) Ensure the right housing and infrastructure for sustainable growth

2.16 These are high level aspirations which Cheshire East broadly supports (see Appendix 2 for more specific actions). Subject to the outcome of consultation on Part 1 and subsequently more detailed Part 2 policies and action plans, Cheshire East Council will be expected to make a contribution in outcomes and local policy development that is consistent with the emerging RS2010. It is therefore critical that this Economic Development Strategy is sufficiently realised to influence this process.

### Sub-Regional

- 2.17 New arrangements are being put in place in the sub-regional architecture to allow for a common approach within Cheshire and Warrington on a range of policy issues. Within a new decision-making structure an Enterprise Commission has replaced the Cheshire and Warrington Economic Alliance. This will coordinate the sub-region's approach to the development of the new Regional Strategy and over the last year a package of sub-regional priorities has been developed including priority areas in Cheshire East. These include Crewe and its surrounding area, and Macclesfield Town.

### 3.0 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, ICT and communications technology, life sciences, biotechnology and creative industries.
  - 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 City Region aspirations has to be balanced with environmental safeguards to maintain and protect our Green Belt, countryside, heritage and other assets.
- viii) Climate change with higher temperatures and more unpredictable weather patterns 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) New development opportunities will arise in the green economy and in particular there will be new economic activity related to climate change.
- xi) 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.

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- 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 (26.4%), business registrations per 10,000 pop (54.4) and workforce employed in knowledge based employment (6% in Crewe outer).
- 3.6 Productivity is particularly high in the former Macclesfield District, which has been achieved with little job growth over the last decade. Crewe has seen particularly high GVA growth largely as a consequence of significant job growth, whereas the Congleton area has been characterised by weak productivity growth.
- 3.7 Table 2 provides a summary analysis of the key sectors of Cheshire East. Pharmaceuticals 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**

	<b>Cheshire East</b>	<b>North West</b>	<b>England</b>
Population (2008)	361,500	6.9m	51.4m
Working age population (2008)	216,000	4.2m	31.9m
GVA (2007)	-	£109b	£1,113b
GVA per job (2007)	-	£32.1k	£35.4k
Employment (% of the WAP, 2008)	78.1%	71.3%	74.2%
Unemployment (JSA claimants per 100 WAP, 2009)	2.9	4.4	3.8

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Skills – NVQ4+ (% of the WAP)	35.1%	25.6%	28.7%
Skills – no quals (% of the WAP)	8.6%	14.7%	12.3%
Business registrations (VAT regs/10,000 WAP, 2007)	69.6	48.7	56.6
Employment in KIBs (Knowledge-Intensive Businesses) (2007)	14%	10%	11%
Earnings (resident-based, 2007)	-	£23,900	£25,500

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**

<b>Key Sectors</b>	<b>Characteristics/key employers</b>
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 Erickson, Ten Aps Publishing. Media City development may present a major opportunity to establish linkages, supply chains etc.

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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.
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) emphasizing 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 (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:

3.11 In summary the strengths and opportunities on which Cheshire East's economic future will be built are:

- 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 Gtr 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) 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).
- x) 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
- xi) a quality of place which enables the sub-region to act also as a leisure and tourism destination for the region's residents, and visitors from outside region. Major visitor attractions including the Peak District, Tatton Park, Stately Homes/Gardens, Jodrell Bank, river/canal network, and proximity to Manchester's cultural/leisure facilities.
- xii) 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.
- xiii) A strong agricultural sector which offers opportunities to foster the localisation of 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) the recession has led to uncertainty in the delivery of town centre redevelopment schemes in Macclesfield and Crewe. There is a risk of a less competitive retail and business environment compared with substantially completed schemes in neighbouring areas, especially Manchester.

- ii) there is a heavy dependency on car-borne travel which will become increasingly unsustainable in a low-carbon world.
- iii) 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).
- iv) 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
- v) The influx of EU migrants has put pressures 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
- vi) in parts of Cheshire East, the economy and productivity are now growing more slowly than other parts of the region.
- vii) 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 & Nantwich District.
- viii) there is in many parts of Cheshire East poor connectivity between the places where people live and where they work, especially by public transport.
- ix) the Borough produces higher than average levels of CO2 emissions in homes, workplaces and on the roads.
- x) a significant number of both jobs and productivity depend on a relatively small number of large employers which may be prone to economic shocks.
- xi) many employment land allocations are not immediately available, with significant amounts of investment needed to 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
- xii) 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.



***Moving from Recession to Recovery***

3.13 Whilst unemployment rose significantly (in percentage terms) during 2008/09, 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. Some key achievements for 2009/10 include:

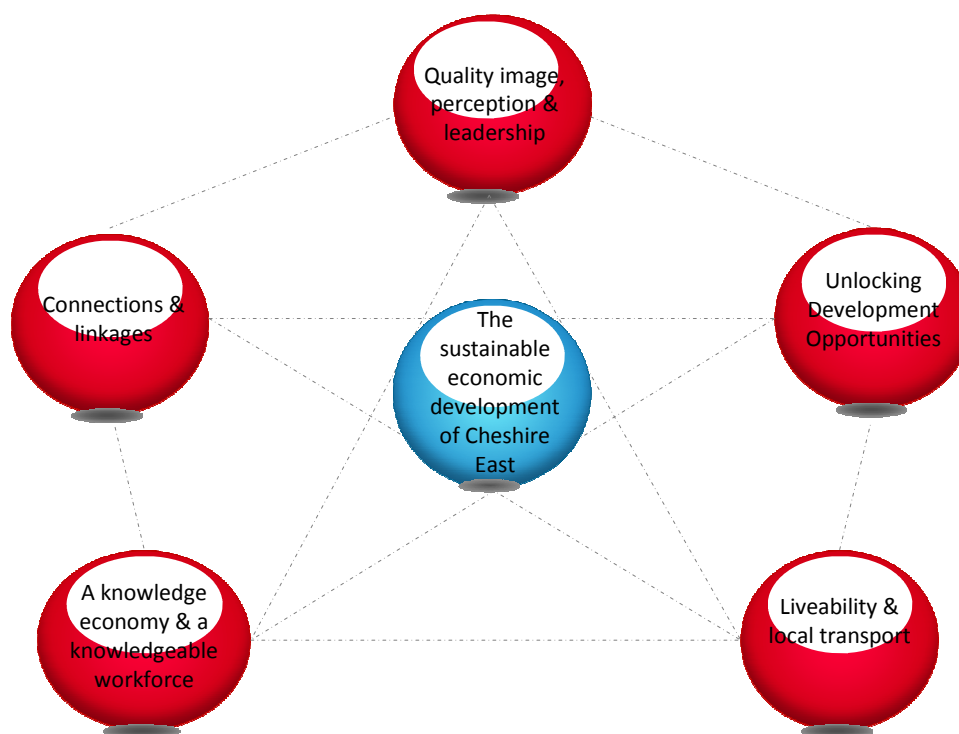
- Successful launch of £1.3m Future Jobs Fund
- Take up of Business rate deferral scheme double the national average
- Retention of over £1m within the local economy through promotion of business rate relief
- Over 50 investment proposals for town centre enhancements
- Achieved target of £1m Council Tax, Housing, other state benefit take up
- Monthly business support events across the Borough

3.14 Additional funding has been secured for a further round of measures for 2010/11 that will focus on the opportunities arising from the transition to economic recovery.

### 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***

- 4.4 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.
- 4.5 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.
  - Stimulate the formation of new businesses.

- Attract new investment in growth sectors.
- 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 practice
- 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 & Linkages***

- 4.6 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.
- 4.7 At the same time, moving to a low carbon economy means we need to give people more choices about how and 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.
- 4.8 To achieve this objective, our main priorities will 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.
  - 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***

- 4.9 Our third objective is to actively raise the profile of Cheshire East and 'sell' its undoubted assets and opportunities of the area, particularly to external investors, influencers, decision-makers and visitors.
- 4.10 To achieve this objective, our main priorities will 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.

### ***Unlocking development opportunities***

4.11 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.

4.12 To achieve this objective, our main priorities will include:

- Stimulating regeneration in our town centres, recognising the role that their retail, leisure and employment functions have, both in terms of economic development and cohesive communities.
- Actively work to bring forward strategic employment sites that are commercially attractive to investors, developers and occupiers.
- Support development of appropriate smaller employment sites
- Challenging loss of existing employment sites for other uses
- 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***

4.13 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.

4.14 To achieve this objective, our main priorities will include:

- inspire young people, raise 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 share 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.

### **Spatial objectives**

- 4.15 Reflecting an ambition to set out our priorities within a regional context (RS2010) and start delivering against local economic priorities, 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.
- 4.16 This approach will work in an integrated way with our thematic objectives and priorities, reflecting local assets and opportunities.
- 4.17 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.

### **Crewe**

- 4.18 Crewe and its immediate hinterland of South Cheshire represents 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 strategy is nearing completion. 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.
- 4.19 The emerging 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 skills base
  - its scope for growth in terms of development land

### **Macclesfield**

- 4.20 As the main town in North East Cheshire, it's economy is closely intertwined with that of South Manchester, and enjoys the highest levels of GVA per head and household incomes in the sub-region. However, growth has slowed and

the recession has hit the area hard, with unemployment rising much more sharply (albeit from a very low level) than in other parts of the North West or the UK.

- 4.21 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.
- 4.22 An Economic Master plan for Macclesfield is currently in development, which sets out to identify the role of the town within a regional, sub-regional and local context. In particular it will:
- help inform the development of the town centre, including revision to the proposed Wilson Bowden scheme
  - identify development options and a delivery strategy for the South Macclesfield Development Area.
  - Scope other opportunities for physical development and economic development initiatives in the town that can stimulate economic growth, whilst exploring the needs of the local community, evidence of demand for different facilities/uses, development opportunities and protection or enhancement of key assets
- 4.23 The Masterplan is expected to be completed in September 2010, and the resultant key actions will be incorporated into this strategy.

### ***Sustainable Towns and Rural Areas***

- 4.24 Cheshire East's smaller market towns and service centres play an important role in the local economy. Whilst, individually, they lack the scale and economic strength to have a major impact at 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.
- 4.25 Many of our market 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.
- 4.26 Cheshire East Council and its partners in the market towns are currently developing a 'Sustainable Towns Framework' which aims to be a catalyst in promoting renewed sustainable economic growth in these towns.

### **Appendix 1: Regional Strategy RS2010 Part 1 Priorities**

**Capitalise on the opportunities of moving to a low-carbon economy and address climate change by:**

- positioning the region to take full advantage of the opportunities from low-carbon energy and technologies
- ensuring that the region understands and adapts to the implications of unavoidable climate change; and
- ensuring that all sectors, including housing, transport and industry, are considering the challenges and opportunities presented by climate change and developing low-carbon, resource-efficient solutions and alternatives.

**Build on our sources of international competitive advantage and regional distinctiveness by:**

- developing our strengths in internationally competitive sectors in nuclear, advanced manufacturing, biomedical, digital and creative, chemicals and automotive;
- strengthening our concentration of knowledge based assets driven by our universities and science and innovation base;
- improving our international connectivity through the Liverpool Superport, including John Lennon Airport, and Manchester Airport; and
- developing our world-class sporting/culture/quality of place offer and the attraction of Manchester, Liverpool, Chester and the Lake District as international destinations.

**Release the potential of our people and tackle poverty by:**

- increasing the potential of the workforce by improving employment opportunities, enterprise and skills;
- building on our strong tradition of social enterprise;
- regenerating areas with deep-seated economic and social challenges and building strong communities;
- tackling the serious challenges raised by social exclusion, deprivation, ill health and inequality; and
- addressing the implications of demographic change for our workforce and services.

**Ensure the right housing and infrastructure for sustainable growth by:**

- securing high-quality housing in locations which support sustainable economic growth;
- ensuring high-quality digital connectivity to stimulate enterprise, improve service delivery and reduce the need to travel;
- improving internal connectivity through a sustainable transport infrastructure which better connects opportunity and need;
- developing the critical infrastructure the region needs to support sustainable economic growth; and
- developing the region's green infrastructure to provide economic, environmental and social benefits.

## Appendix 2: Cheshire East Economic SWOT

<b>Strengths</b>	<b>Weaknesses</b>
<ul style="list-style-type: none"> <li>• Strong GVA and employment growth in Crewe &amp; Nantwich</li> <li>• High productivity in Macclesfield</li> <li>• Sectoral strengths: Pharmaceuticals (AstraZeneca), Motor Vehicles (Bentley), Computing Services, Financial Services, Logistics</li> <li>• Expertise in advanced engineering</li> <li>• Major employment sites: Alderley Park, Basford</li> <li>• Local residents very well-qualified (particularly in Macclesfield District) and skills gaps less prevalent in CE than elsewhere</li> <li>• Local colleges (Macclesfield, Reaseheath, South Cheshire) and MMU, and proximity of other institutions (Manchester universities and Keele)</li> <li>• Level of entrepreneurship: high business birth rates and densities in CE generally and Macclesfield District in particular.</li> <li>• High quality of life, particularly in Congleton and Macclesfield</li> <li>• Visitor attractions: Tatton Park, Peak District, Weaver Valley, gardens, Jodrell Bank</li> <li>• Transport links: Crewe Station, M6/M56 motorways</li> </ul>	<ul style="list-style-type: none"> <li>• Weak GVA growth and shortage of jobs in Congleton District</li> <li>• Decline in manufacturing base and major redundancies (AZ, Bentley, Bombardier)</li> <li>• Pockets of deprivation and worklessness, particularly in Crewe (but also Congleton, Macclesfield and Handforth)</li> <li>• Qualification levels relatively low in Crewe &amp; Nantwich District</li> <li>• Negative image of Crewe (deters investors, businesses and visitors)</li> <li>• Limited HE provision</li> <li>• Business birth rates and densities below regional average in Crewe &amp; Nantwich</li> <li>• Lack of cultural facilities (major football clubs, concert halls, theatres, cinemas, art galleries, etc), particularly compared to Manchester</li> <li>• Housing relatively unaffordable, particularly in Congleton and Macclesfield Districts</li> <li>• Housing and services relatively inaccessible in some (generally more rural) neighbourhoods</li> <li>• CO2 emissions per head are high in Congleton and Macclesfield Districts</li> <li>• Road infrastructure in need of improvement and public transport provision is limited in some parts of the authority</li> </ul>
<b>Opportunities</b>	<b>Threats</b>
<ul style="list-style-type: none"> <li>• Economic growth in South Manchester and potential of Media City</li> <li>• Strong GVA growth expected in Communications, Pharmaceuticals, Health/ Social Work and Banking &amp; Finance</li> <li>• Relocation of AstraZeneca's Charnwood/ Bristol operations to CE</li> <li>• Regeneration of Crewe and Macclesfield (funding permitting), particularly Basford, Crewe Station, University Quadrant and town centres. Weaver Valley and rural economic growth.</li> <li>• Innovation/ collaboration between businesses, FE/HE institutions, Jodrell Bank</li> <li>• Further potential of Middlewich and Sandbach as sites for industrial and distribution sector activity and development of Crewe's existing strength</li> <li>• Development of green economy and green technology (and use of advanced engineering skills in renewable energy schemes)</li> </ul>	<ul style="list-style-type: none"> <li>• Slow economic recovery or another downturn</li> <li>• Continued downsizing of major high value-added sectors</li> <li>• Future growth being over-reliant on low-value added sectors (e.g. retail)</li> <li>• Continued weak GVA growth of Stoke acting as brake on SE Cheshire economy</li> <li>• Growth constrained by capacity (supply of adequate commercial land premises and supply of housing)</li> <li>• Increasing pressure on transport network because of lack of recent investment and trend towards greater car usage</li> <li>• Youth unemployment and NEET rates remain high and more young people become economically and socially disengaged</li> <li>• Likely constraints on public sector funding for regeneration of Crewe</li> </ul>