

Cabinet

Date of Meeting: 08 October 2019

Report Title: A Local Industrial Strategy for Cheshire and Warrington

Portfolio Holder: Cllr Craig Browne – Deputy Leader

Senior Officer: Frank Jordan – Executive Director Place

1. Report Summary

- 1.1. The Strategic Economic Plan which is the principal strategy for growth within the sub-region was developed and approved by the Cheshire and Warrington Local Economic Partnership in 2017. The Local Enterprise Partnership has also been asked by Government to produce a Local Industrial Strategy for Cheshire and Warrington and is one of the first nine areas to bring these forward.
- 1.2. Production of the Local Industrial Strategy is being led by the Government Department for Business, Energy and Industrial Strategy. The programme for publication includes broad agreement on priorities and key themes during the autumn and the government has set a publication target of week commencing 21st October 2019.
- 1.3. This report provides a summary of the key priorities for the draft strategy for Cheshire and Warrington and Cheshire East's engagement in the process.

2. Recommendations

2.1. That Cabinet:

- 2.1.1. Notes the current position in relation to the development of the Cheshire and Warrington Local Industry Strategy.
- 2.1.2. Delegates authority to the Deputy Leader of the Council, as the Cheshire East Local Enterprise Partnership Board representative, to consider the Government response, to make appropriate

amendments and approve the final draft of the Local Industrial Strategy on behalf of the Council.

2.1.3. Notes that the Cheshire East Local Area Industrial Strategy is currently being developed and will form part of the final draft of Economic Strategy for the Borough.

3. Reasons for Recommendations

3.1. Once finalised and approved, the Local Industrial Strategy for Cheshire and Warrington 2019 to 2030 will support the delivery of the Council's Economic Strategy and Corporate Plan helping the Council to:

3.1.1. Articulate our offer and opportunity to businesses, partners and potential investors.

3.1.2. Frame our conversations with Government Departments.

3.1.3. Inform any strategic bids submitted in the future for national programmes.

4. Other Options Considered

4.1. The Government published a White Paper in November 2017 stating its intention to work with areas to develop and deliver Local Industrial Strategies. A small number of areas were selected to pilot this process and Cheshire and Warrington were successful in securing funding and support in the second wave of pilots in July 2018.

4.2. It is important for Cheshire East to be engaged with the development of the Local Industrial Strategy for the Cheshire and Warrington sub-region to ensure that Cheshire East priorities are reflected appropriately in the final version.

5. Background

5.1. The Local Industrial Strategy will support the Strategic Economic Plan for Cheshire and Warrington. However, it differs from the Strategic Economic Plan since it is being developed in partnership with government and it will be aligned to the national Industrial Strategy. It also covers a shorter timeframe; 2019 to 2030 rather than 2017 to 2040 for the Strategic Economic Plan.

5.2. Given that it will all be agreed with government, the Local Industrial Strategy is likely to play a role in decisions made in Whitehall including the development and allocation of funding. This could include the UK Shared Prosperity Fund which is being developed to replace EU structural funds as the UK prepares to leave the EU.

5.3. Government has fixed views on the general style and format of Local Industrial Strategies and will be responsible for the production of the final document.

5.4. The analysis undertaken in the development of the strategy confirms that the Cheshire and Warrington economy is strong and growing particularly in relation to manufacturing. However, productivity has not yet recovered to 2007 levels and the number of working age residents is not growing quickly enough to support the growth ambition for the sub region. The draft strategy is therefore focussed on three main outcomes, to build:

5.4.1. **A more productive economy** – providing a supportive environment, addressing underperformance

5.4.2. **A more resilient economy** – building on sector strengths, developing a diverse business base, supporting sustainable growth, promoting innovation

5.4.3. **A more inclusive economy** – creating the conditions where people can be economically and socially engaged, provide access to skills and training to boost earning power

5.5. The strategy is being informed by a series of Policy Position Papers and an evidence base which will provide the content for nine key chapters as follows:

5.5.1. **Energy and Clean Growth** – a major strength in our area and one of the Grand Challenges within the Government's Industrial Strategy

5.5.2. **Life Sciences** – there are high levels of expertise in this field particularly in drug discovery

5.5.3. **Manufacturing** – a key element of our local economy with the opportunity to improve productivity further

5.5.4. **Logistics** – a fast growing sector with high potential to take advantage of new technologies

5.5.5. **People** – creating the conditions where people can achieve economic, environmental and social wellbeing

5.5.6. **Place** – creating a place where businesses want to locate and can grow; and where people want to live

5.5.7. **Business Environment** – building up business resilience through support

5.5.8. **Ideas** – strengthening our support for innovation

5.5.9. **Infrastructure** – reducing the barriers to growth due to lack of connectivity including transport and digital

5.6. A Local Area Industrial Strategy document is also being produced for the Cheshire East area specifically. This will form part of the final version of the Cheshire East Economic Strategy and will examine the productivity and earning power potential of Cheshire East within the context of the Local Industrial Strategy.

5.7. The Government has set a publication target date for the final version of the local industrial strategy for the week commencing 21st October 2019.

6. Implications of the Recommendations

6.1. Legal Implications

6.1.1. There are no legal implications arising from the approval of the Local Industrial Strategy.

6.2. Finance Implications

6.2.1. The development of the strategy is being funded through the Cheshire & Warrington Local Enterprise Partnership and the grant funding it has received from Central Government to support this.

6.2.2. There may be future benefits through gaining access to funding as a result of having a clearly defined Local Industrial Strategy for the sub-region.

6.3. Policy Implications

6.3.1. The Corporate Plan highlights how the Council is striving to create sustainable growth in the local economy. The draft Economic Strategy and the development of Local Area Industrial Strategy will inform the final drafting of the local industrial strategy so that it reflects the key issues facing the Borough's economy.

6.4. Equality Implications

6.4.1. An Equality Impact Assessment is not required.

6.5. Human Resources Implications

6.5.1. There are no Human Resource implications.

6.6. Risk Management Implications

6.6.1. There are no direct risks associated with this strategic work as it is an opportunity to provide support for the Council's economic growth ambition and help to allocate resource and generate funding opportunities.

6.7. Rural Communities Implications

6.7.1. A significant contribution to the economy in Cheshire East is made from the rural areas and the rural economy. The council is therefore keen to see the challenges and opportunities for the rural economy reflected in the Local Industrial Strategy.

6.8. Implications for Children & Young People/ Cared for Children

6.8.1. There are no direct implications for children and young people.

6.9. Public Health Implications

6.9.1. One of the three key outcomes of the LIS is to build a more inclusive economy. The People section focusses on actions which will improve the lives and opportunities for local residents which will have a positive impact for public health.

6.10. Climate Change Implications

6.10.1. The Council has committed to becoming Carbon neutral by 2025 and to encourage all businesses, residents and organisations in Cheshire East to reduce their carbon footprint.

6.10.2. Delivery of the actions outlined in the LIS will be done in a way that protects and enhances the environment; there is a main work-stream area focussed on energy and clean growth; and the environment and energy sector provides an opportunity for new business growth in the Borough.

7. Ward Members Affected

7.1. The Local Industrial Strategy applies to the whole sub-region of Cheshire and Warrington and therefore covers all wards within it.

8. Consultation & Engagement

8.1. The Local Enterprise Partnership has undertaken extensive engagement over the last 9 months to test its interpretation of the evidence and emerging

conclusions, with over 35 events across the sub-region involving a range of key stakeholders.

8.2. Further challenge has been provided through the establishment of an internal Steering Group and an external 'Expert Panel'. The former comprises representatives from the Local Enterprise Partnership, Local Authorities and government, whilst the Expert Panel comprises a mix of senior policy makers, industrialists and academics.

8.3. A presentation on the development of the local industrial strategy was provided to the Environment and Regeneration Scrutiny Committee on 16th September.

9. Access to Information

9.1. All evidence and insight has also been uploaded to the Local Enterprise Partnership's website:

<http://www.871candwep.co.uk/local-industrial-strategies/>

9.2. Further detail on the key messages and latest draft of the Local Industrial Strategy can be found on the website by following the link below:

<http://www.871candwep.co.uk/content/uploads/2017/11/7b-LIS-BRIEFING-NOTE.pdf>

10. Contact Information

10.1. Any questions relating to this report should be directed to the following officer:

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