

Environment and Regeneration Overview and Scrutiny

Date of Meeting: 17 June 2019

Report Title: Cheshire East Draft Economic Strategy

Portfolio Holder: Cllr Nick Mannion – Environment and Regeneration

Senior Officer: Frank Jordan – Executive Director - Place

1. Report Summary

- 1.1. The Corporate Plan includes the outcome of delivering sustainable growth in the Borough's economy (Outcome 2). Securing continued economic growth is important for two key reasons. Firstly, improving the opportunities for local residents can support their social, economic and environmental well-being. Secondly, economic growth will support the revenue funding of the council enabling it to support the delivery of essential services.
- 1.2. Delivery of this aim will require the Council to continue to secure government funding and inward investment. It will also require these resources to be targeted effectively to achieve the maximum effect. . This requires the Council to have a clear proposition regarding its approach to supporting economic growth that be understood by the community, businesses, partners, government and investors.
- 1.3. There is therefore the need for the Council to have a clear Economic Strategy.
- 1.4. This report provides a summary of the draft Economic Strategy for the committee to consider

2. Recommendation/s

- 2.1. That the committee reviews the draft Economic Strategy as outlined in Appendix A and provides feedback for the Portfolio Holder for Environment and Regeneration to consider.

3. Reasons for Recommendation/s

- 3.1. The draft Economic Strategy for Cheshire East 2019 – 2024 sets out an ambition for sustainable growth and the key priorities for enabling the delivery of this. Once finalised and approved, the Economic Strategy will support the delivery of the Corporate Plan and support the Council in:
 - 3.1.1. Articulating our offer and opportunity to Businesses, Partners and potential investors
 - 3.1.2. Framing our conversations with the Local Enterprise Partnership (LEP) and Government Departments
 - 3.1.3. Informing any strategic bids submitted in the future for national programmes

4. Other Options Considered

- 4.1. There is no statutory requirement for Local Authorities to produce an Economic Strategy. However, the need for an Economic Strategy is outlined in Section 1 of this report.

5. Background

- 5.1. Cheshire East sits in a strategically important position connecting the North to the Midlands and is therefore a key player in delivering economic growth in the region and the UK.
- 5.2. Cheshire East is one of the UK's most successful places with our economic growth consistently and significantly outperforming both the regional and national average.
- 5.3. For the period of this strategy there is an ambition to:
 - 5.3.1. Grow the Cheshire East Economy to at least £15.9 billion per year
 - 5.3.2. Be 4% more productive than the UK average
 - 5.3.3. Create an additional 6,200 jobs

5.3.4. Build up to 7,200 new homes

- 5.4. However the analysis undertaken in the development of the draft economic strategy highlights the fact that growth in productivity, or output per hour worked, in the Cheshire East economy is, in line with the UK, slowing down.
- 5.5. The economic analysis also suggests that there are a number of challenges that could affect our ambition to sustain this continued growth including:
- 5.5.1. The total working age population is reducing
 - 5.5.2. The number of older people (aged 65 and above) is increasing
 - 5.5.3. The current housing offer in the Borough does not meet demand and does not meet the requirements to support our residents
 - 5.5.4. Large commuting flows in and out of the Borough place additional pressure on transport networks and infrastructure
 - 5.5.5. Recruitment of skilled staff being reported regularly by employers
- 5.6. To meet these challenges, the Council needs to be proactive and intervene where it makes sense to support this growth. The draft strategy therefore outlines five priority themes to make our vision for the economy a reality - together they will make Cheshire East *“The Place to Live, Connect, Work and Learn, Invest and Visit.”* The draft Economic Strategy is included at Appendix A.
- 5.7. In addition to the work on developing the draft Economic Strategy, the Government has asked the Local Enterprise Partnership to develop a Local Industrial Strategy (LIS) for Cheshire and Warrington. This will provide a policy framework to boost productivity levels. This Local Industrial Strategy is expected to play an important role in the development and allocation of government funding streams in the future.
- 5.8. Furthermore, the LEP has asked for the development of a more Local Industrial Strategy for each Local Authority area in Cheshire and Warrington. These Local Area or Hyper LISs will examine the productivity and earning power potential of each area within the context of the Local Industrial Strategy and demonstrate how they can contribute to the delivery of the Cheshire and Warrington LIS priorities at a local level in local places.
- 5.9. Local Authorities are responsible for the production of these place based strategies with support from the LEP. The Cheshire East LIS is being developed at the same time of the development of this draft economic strategy and is proposed that this would be an appendix of the Economic Strategy with a particular focus on productivity and earning power

- 5.10. The LIS for Cheshire & Warrington is in development and scheduled for completion by September 2019 so the timing for production of the Economic Strategy and the Cheshire East LIS within this summer period is important. Not only will this save time and money in data collection and analysis, but also provide robust and consistent input ensuring that Cheshire East priorities and projects receive recognition and support.

6. Implications of the Recommendations

6.1. Legal Implications

- 6.1.1. There is no statutory requirement to produce an Economic Strategy and there should not be any direct legal implications arising from its approval.

6.2. Finance Implications

- 6.2.1. In addition a specialist consultancy commission is providing supplementary bespoke analysis and editorial (£10,000 maximum funded from the Investment Sustainability Reserve) and there will be a small implication for the design and any printing required.
- 6.2.2. The LIS work is being funded through the Cheshire & Warrington LEP and the grant funding it has received from Central Government to deliver the Cheshire and Warrington LIS. Up to £25,000 is available for development of the Cheshire East LIS
- 6.2.3. There are benefits to the Council in the timing of this work i.e. in parallel with complimentary strategy development through accessing data and analytic resource which will inform our own work.
- 6.2.4. There may be future benefits through gaining access to funding as a result of having a clearly defined economic strategy for the Borough.

6.3. Policy Implications

- 6.3.1. The Corporate Plan highlights how the Council is striving to create sustainable growth in the local economy. Cheshire East is now developing an Economic Strategy to support our economic growth ambition, setting out our growth proposition and key priorities for delivery.

6.4. Equality Implications

- 6.4.1. An Equality Impact Assessment has not been required.

6.5. Human Resources Implications

6.5.1. There are no Human Resource implications for this work.

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. There are no direct implications from the Economic Strategy for rural communities although some of the themes and objectives may have a positive impact in the future. .

6.8. Implications for Children & Young People

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

6.9. Public Health Implications

6.9.1. There are no direct implications for public health.

7. Ward Members Affected

7.1. The Economic Strategy applies to the whole of the Borough therefore covers all wards within it. As such all member briefing and engagement sessions will be included as part of the consultation process.

8. Consultation & Engagement

8.1. The Cheshire East Place Board includes representation from local businesses, further education, housing providers and the chambers has worked as a steering body for the development of this draft Economic Strategy. It has provided direction and suggested the priorities for the Strategy.

8.1. Subject to Cabinet agreement to the draft, the Economic Strategy will be published for public consultation for a period of 8 weeks. The consultation will seek feedback from residents, businesses, public service partners and other non-government agencies on the following themes:

- Agreement / disagreement with the aims identified in the Economic Strategy;
- Views on the proposed priority actions;
- How respondents can support the Council in the delivery of the strategy.

9. Access to Information

- 9.1. The Draft Economic Strategy has been informed by a suite of strategies at national, sub regional and local levels including the Industrial Strategy, Strategic Economic Plan and Local Industrial Strategy work being carried out by the LEP:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/664563/industrial-strategy-white-paper-web-ready-version.pdf

<http://www.871candwep.co.uk/strategic-economic-plan/>

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

- 9.2. The strategy is also informed by ongoing borough profiling and performance monitoring and the set of economic data which sits behind it including the Economic Assessment and the Cheshire Business Survey:

https://www.cheshireeast.gov.uk/business/business_information/local_economic_assessment.aspx

https://www.cheshireeast.gov.uk/business/business_information/cheshire-business-survey-2017.aspx

10. Contact Information

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

Name: Carol Young

Job Title: Place Team

Email: Carol.young@cheshireeast.gov.uk

