

**INDUSTRIAL  
STRATEGY**

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**CHESHIRE & WARRINGTON**

# Environment & Regeneration Overview & Scrutiny Committee

Monday 16<sup>th</sup> September 2019

# Aims of the session

- Background to Local Industrial Strategy
- Approach to Cheshire and Warrington's Local Industrial Strategy
- Key messages
- Timescales to completion



# The UK Industrial Strategy



## Grand Challenges



Artificial intelligence  
and data



Ageing society



Clean growth



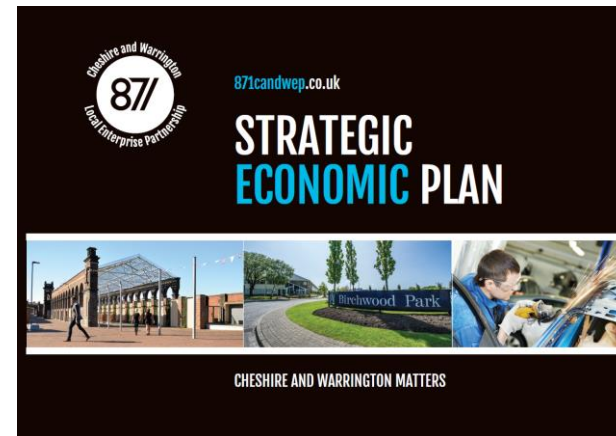
Future of mobility

# What Local Industrial Strategy should do

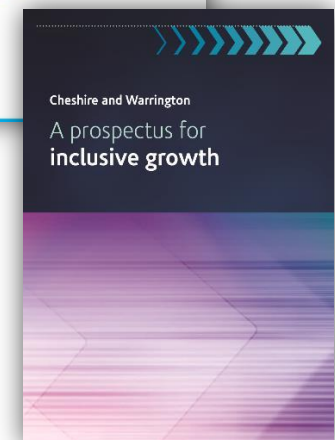
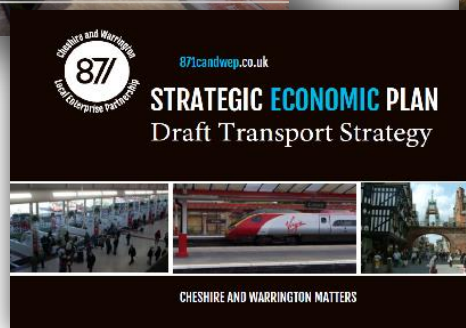
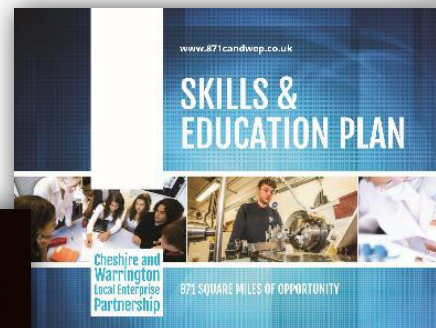
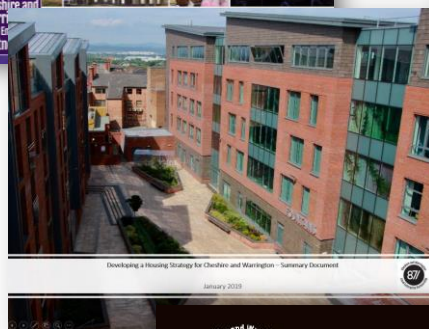
- Be long-term, designed to inform future local and national decision making and local growth funding (e.g. UKSPF)
- Complement the national strategy and developed in partnership with Government
- Have a robust evidence base and demonstrate the distinctive strengths of the area
- Set out clearly defined priorities and be clear on how places will maximise their contribution to UK productivity
- Collaborate across boundaries to maximise growth, especially where there are joint assets or clusters
- Led by those who best know the needs of the local economy, with a strong business voice
- Not try to cover everything or start again

# Journey so far

- Original SEP evidence base developed in 2013/14
- Refreshed in 2016/17 (supported by Metro Dynamics)
- Additional policy work undertaken over last 12 months with supporting evidence

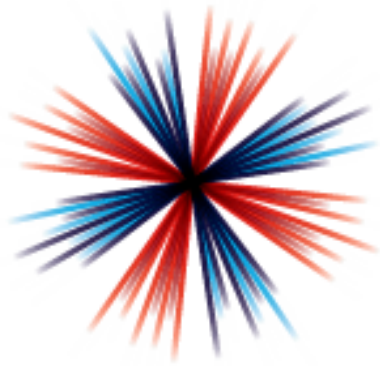


# Local Policy Context



# Our approach

- Not start afresh – draw on existing strands of work and strategies
- Develop a finer grain evidence base and understand key insights
- Engage with local stakeholders (35+ events so far)
- Create the LIS for our place with key partners – be bold with our interventions to support sectors and cross cutting foundations of productivity and Grand Challenges
- Support development of Local Area Industrial Strategies by each LA to highlight local strengths and issues



# **INDUSTRIAL STRATEGY**

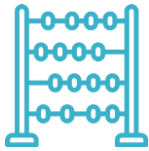
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## **CHESHIRE & WARRINGTON**

### Key Messages



# Economy and productivity



A **£30bn** economy with an ambition to be a **£50bn** economy by 2040



**2.6%** average annual GVA growth compared to 2.1% in the UK and 1.9% in NW



**Highest** GVA per head of **northern LEPs** and **5<sup>th</sup> highest** of all LEPs – **£32,529**



**£34.63 produced per hour worked** – 4.1% higher than UK and 13.6% higher than the NW but falling over time and still not back to pre 2007-2008 crisis levels

# Sectors



Manufacturing is the largest sector by GVA at **£7.4bn**



**Super strengths** (high productivity, specialisation and jobs) in **petroleum, chemicals & pharma** and **motor vehicles**



**Almost 46%** employed in public services and retail and hospitality. High employment in services and manufacturing



**Good supply chain links** signalled through tiers one & two and final product firms located in the region

# Three Clear LIS Outcomes



## A More Productive Economy

Build the super strengths

Address sector underperformance

Develop supply chain innovation and foster cross-sector collaboration



## A More Resilient Economy

Create a more dynamic business base

Use digital to innovate

Diversify investment in research and development

Expand international links



## A More Inclusive Economy

Improve progression in work

Develop an education system which meets labour demand

Encourage entry level positions, including apprenticeships

**Leading** the **Clean Growth Grand Challenge** nationally and contribute to UK development of other Grand Challenges

**Enabled by strategic investments in infrastructure and place** – investing in connectivity – HS2, NPR and local, delivering 100,000 new homes, and place making through local area industrial strategies

# Energy & Clean Growth

**Establish Cheshire & Warrington as the international centre of expertise in zero carbon energy and growth by: -**

- Establishing a smart energy grid in Ellesmere Port and Runcorn
- With Liverpool City Region, developing a Hydrogen grid and production facilities to power public transport and grid energy
- Leading the development of small modular reactors, with a prototype U-Battery operating at Capenhurst
- Establishing at least one heat network capturing the heat from industrial processes
- Delivering a zero carbon industrial cluster by 2040



# Life Sciences

**Build on our globally significant life science assets to make Cheshire and Warrington a centre of excellence for medicines discovery, formulation and manufacture by: -**

- **Developing the Cheshire Science Corridor** as a prime location for life sciences, through a prioritised investment programme using retained business rates from the EZ
- Support the growth of the **Medicines Discovery Catapult** and Work with industry to develop an open access high containment **facility to support medicines development** – ‘turning molecules into medicines’, which could allow specialisation in lower volume manufacturing for personalised medicines
- **Creating the right business environment and networks** to enable cluster development, attract talent and maintain the sector’s significant productivity performance.
- **Supporting life sciences SMEs to face the challenges of scaling up**, making the best use of existing funding mechanisms



# Manufacturing Supply Chains

**Make our supply chains amongst the most productive and the most sustainable in Europe by: -**

- Maximising the impact of the Made Smarter pilot programme, raising levels of adoption of digital technologies amongst manufacturing SMEs and securing long term future for the programme
- Working collectively with Liverpool City Region, Lancashire LEP the Welsh Government and DIT to raise the profile of and **attract inward investment into our automotive manufacturing cluster**
- Early adoption of regional and national pilots for **National Manufacturing Competitiveness Levels (NMCL)** and **National Product Launch Excellence (NPLX)**, developing the competitiveness of existing manufacturing supply chains
- Work with the Chemical Industry Council to **increase innovation into sustainable manufacturing** including greening of supply chains



# Logistics

Capitalise on our outstanding strategic location to grow a high value, high productivity logistics centre by: -

- Identifying the land and infrastructure needed to accommodate future logistics sector growth in a sustainable way.
- Increasing the productivity of the logistics sector through trialling adoption of AI and other digital technologies (linked to the **Future of Mobility Grand Challenge**)



# Bringing finance and business services to the forefront



<p><b>69,125</b> jobs with <b>15.2%</b> employment growth</p> <p></p> <p> <b>£3.9bn</b> GVA with <b>19.4%</b> growth</p> <p><b>5,060</b> VAT registered businesses </p> <p>Finance &amp; insurance  <b>15%</b> less productive than GB</p>	<p> Specialised in:</p> <p><b>Financial service activities, especially banking, credit provision and other services</b> </p> <p>Large companies in all major towns</p> <p> <b>ASSURANT®</b></p> <p> <b>M&amp;S Bank</b> </p> <p> <b>ROYAL LONDON</b>  <b>LLOYDS BANK</b> </p>	<p><b>Key assets:</b></p> <ul style="list-style-type: none"> <li>• Hartree Centre</li> <li>• Barclays UK Global Technology Centre</li> <li>• Bank of America EMEA Global Technology Centre</li> <li>• North West Financial Centre of Excellence</li> <li>• Proximity to             <ul style="list-style-type: none"> <li>- Financial services in Manchester and Liverpool</li> <li>- HEIs – talent and R&amp;D assets</li> </ul> </li> </ul>
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*Figures for number of jobs are for 2016, with growth 2011-16; GVA and productivity are for 2017, with growth 2012-17; number of businesses are for 2017. All sources are quoted on the relevant pages.*



# Ideas

**We will make Cheshire and Warrington a place where ideas and new thinking are encouraged and supported, by: -**

- **Capitalising on our key science and innovation assets** including the Medicines Discovery Catapult, Jodrell Bank Sci Tech Daresbury.
- Creating a network of open access facilities in key centres of excellence across the Cheshire Science Corridor to encourage and enable start-ups and SMEs to innovate and undertake R&D
- Creating cluster development programmes in key target sectors to encourage supply chain development, incubate new start-ups, build strong networks of experts and mentors to support SMEs and ensure that the skills agenda is aligned to the R&D agenda
- Developing an open innovation platform across the Cheshire Science Corridor to encourage cross-sector collaborations and encourage larger businesses in the sub-region to open up their supply chains to local SMEs
- Working with Liverpool and Manchester City Regions to promote the North West as a science and technology location on the international stage
- Building stronger, more sustainable links with our nearest research-intensive Higher Education Institutions (HEIs) by creating formal innovation and R&D programmes that encourage them to engage in collaborations with Cheshire and Warrington Businesses



# People – Skills and Education

**We will ensure business has access to the skilled and motivated workers they need to grow, by: -**

- Placing **business** at the heart of our **Pledge Network** to inspire and inform young people to ensure they make informed decisions about training, education and career choices
- Developing our Employer Skills and Education Panel so that it adds real value to the data and labour market **intelligence** collected, to inform future skills needs.
- Enabling employers to drive the development of a **virtual 'Institute of Technology'**, bringing employers and colleges together to design and deliver training and education packages – initially focussed on digital and STEM skills.
- Delivering the Cheshire and Warrington **Digital Skills Partnership** to ensure that digital skills are a key priority



# People – Inclusive Growth

**We will build a more inclusive economy, working to ensure that residents have access to opportunities and can share the benefits of economic prosperity and growth, by: -**

- Promoting investment to achieve high levels of **social value** through local supply routes and **promote a fair living wage**
- Maximising the post-retirement **opportunities for our older residents**
- **Removing complex barriers to employment** and financial independence through our 'In to Work' support programmes and enable people to be well in work by directly supporting their mental well being



# Business Environment

**We want to make Cheshire and Warrington the best place in the UK to start and grow a business, by: -**

- Providing higher value targeted support with an emphasis on growth and productivity.
- Supporting SMEs with growth potential a broad mix of support, ranging from identification of opportunity through to mentoring, Leadership and Management and key investment support.
- Supporting larger companies through development of a High Value Mentoring Network, building on the success of local and national companies who have successfully scaled
- Increased peer-to-peer learning and information sharing, capitalising on the knowledge and expertise of our business base
- Development of a network of fully-resourced accelerators, using Alderley Park as a template for success, a geographic network with a clear focus on growth and productivity



# Infrastructure & Connectivity

**We will ensure that Cheshire and Warrington has the physical and digital connectivity to support the needs of a £50 billion economy, by: -**

- Continued delivery of our sub-regional transport strategy priorities including HS2 and Northern Powerhouse Rail
- Working with TfN and others to develop robust business cases and priorities to support the growth agenda
- Ensuring that our growth ambitions aren't hindered by constraints on availability of power, water and other utilities
- Developing by 2020 a detailed, prioritised Digital Infrastructure Plan to support a network of smart, digitally-enabled and creative places to meet the changing digital needs of residents, businesses and learners



# Place

## **Making Cheshire and Warrington a great place to 'live, work, invest and relax', by: -**

- Building on the success of the Cheshire Science Corridor EZ by creating new commercial and industrial floorspace
- Maximising the benefits of HS2 through the delivery of the Crewe Station masterplan
- Supporting ongoing delivery of Warrington New City and the opportunities presented by Northern Powerhouse Rail
- Working with Homes England to positively disrupt the housing market to ensure that the housing market meets the needs of existing and potential residents
- Piloting at least one 'Town Centre Investment Zone' by 2021
- Ensuring that our economy in rural areas isn't disadvantaged because of their location e.g. access to services and economic opportunities
- Creating a pro-active place branding and marketing and inward investment strategy by 2020, to showcase Cheshire and Warrington on the global investment stage.

