Executive Summary

This prospectus is unique. Its scope, tone and objectives have been conceived by the businesses of Cheshire and Warrington. It is supported by all of the key business representative bodies in Cheshire and Warrington and commands the full support of our Local Authority partners. This prospectus represents what the businesses of Cheshire and Warrington want from the Local Enterprise Partnership proposed by Central Government, an approach we fully embrace.

Our Vision

Cheshire and Warrington (C&W) is an outstanding place to do business. We have the strongest economy in the North of England and that's because businesses thrive here. Our unique offer stems from our strategic location. Our vision is:

“To make Cheshire and Warrington quite simply the best place to do business in the UK. We will provide the ideal environment for businesses to grow: access to the right skills; supportive and efficient public services; effective infrastructure and utilities; and a beautiful part of the country for people to enjoy.”

A successful economic area

Cheshire and Warrington boasts the ninth largest economy in the UK, delivering some £20 billion GVA, with 75% of people both living and working here, and approaching 1,000,000 population. Perhaps most significantly, we have a real sense of identity, as the commercial heartland of the country enjoying excellent relationships with neighbouring economies.

Our growth objective

The C&W economy is the jewel in the economy of the North of England. It has significant potential to grow and help the national economic recovery. Success in the period to 2030 would look like:

- increased annual GVA by at least £10 billion to some £30 billion through accelerated growth of our existing businesses and new start ups;
- increased population by 100,000 involving the need for 70,000 new homes; and
- over 20,000 jobs created with a key focus on manufacturing and exports.

Businesses have expressed the need to kick-start the growth programme and maximise new employment opportunities in the short-term through:

- sector-focussed property developments geared to capturing business growth opportunities;
- engendering entrepreneurship through business generation centres offering both incubation facilities and much needed on-the-ground business advice;
- working with the Higher and Further Education sectors to ensure that adult courses reflect business needs;
- helping our rural areas to move to a low carbon lifestyle through digital technologies;
- promoting the development of a major transformational tourism project in Chester; and
- developing local supply chains for major manufacturers.
The Partnership will comprise a lean and efficient core capability using existing bodies and personnel already operating in the sub-region. It will not be a sub-regional development agency. The Partnership Board will set the policy and oversee the delivery of five private sector-led functions:

- **Facilitating growth** through the provision of housing and employment sites, utilities, infrastructure and a planning application support service.
- **Assisting investment** in and development of new and growing businesses through business support of targeted sectors, incubation facilities, signposting best practice in start up, innovation, managing growth and exporting, including connecting business with government.
- **Providing the skills and local intelligence** needed by new and growing businesses to accelerate their growth and to provide the information to Local Authorities so they can shape their services to meet business needs.
- **Promoting Cheshire & Warrington** as a great place to live, work, study and visit.
- **Supporting the transition to a low carbon economy** by identifying and promoting the opportunities it creates for our businesses.

The Partnership will have a **Stakeholder Forum** to ensure that the wide range of local interests are fully engaged and that the Partnership Board is locally accountable. At its core, it will have a strategic policy **Board** – devolving all delivery to a number of **Delivery Agents**. The proposal for the Partnership governance and accountability arrangements is summarised in Figure 1 below.

Critically, all of these bodies will largely comprise private sector representatives. It will build on existing arrangements and networks, evolving to meet the needs of business today. Our Partners in the Local Authorities will actively participate in each activity with a view to shaping their services to meet our shared objectives. At a sub-regional level, all of those services which can be efficiently pooled will be delivered by a single delivery mechanism which will lead to support being delivered more efficiently and more cost effectively.

Our businesses do not recognise administrative boundaries and we will reflect this in our behaviour with our neighbouring economies. We will proactively engage with adjoining LEPs to ensure that we share priorities, work together on common interests such as Atlantic Gateway and Daresbury Science and Innovation Campus, and collaborate to avoid cost duplication.

The formation of the Partnership will commence in September 2010 with a view to it being established in shadow form from February 2011 and operational from March 2011. This is timed prior to the wind-up of the Northwest Regional Development Agency (NWDA) in order to create momentum, to link with the first tranche of the Regional Growth Fund awards, and to assist in the orderly transition from the RDAs to the new arrangements.

Our priority is to get the Partnership up and running as soon as possible building on existing networks to kick-start C&W’s further job and economic growth. We are committed to achieving our vision and will work with Government to deliver it.
The following require ongoing dialogue with government during the LEP establishment period:

(i) the manner in which the ERDF Operational Programme is to be managed and the role of LEPs;
(ii) the availability of additional resources to secure maximum business investment having regard to Cheshire and Warrington’s high performing economy and its growth potential;
(iii) the potential to commission adult skills provision where there is a clear business need;
(iv) progressing the Housing Growth Point programmes to ensure that C&W has the residential capacity to attract new employees;
(v) the transfer of assets, as appropriate, from the NWDA and the Homes and Communities Agency; and
(vi) the need for local involvement in the delivery of centrally-controlled economic development activities such as inward investment, business support and sector development.

Figure 2: Cheshire and Warrington Enterprise Partnership economic area in context
# Contents

**Cheshire and Warrington Means Business**

A Prospectus for a Cheshire and Warrington Local Enterprise Partnership (The Partnership)

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. The vision – the difference the Partnership will make</td>
<td>6</td>
</tr>
<tr>
<td>2. Why a Cheshire &amp; Warrington Enterprise Partnership?</td>
<td>6</td>
</tr>
<tr>
<td>3. What is its economic potential?</td>
<td>6</td>
</tr>
<tr>
<td>4. Why is it a functional economic area?</td>
<td>7</td>
</tr>
<tr>
<td>5. The opportunities for change</td>
<td>8</td>
</tr>
<tr>
<td>6. What are the key principles behind the proposal?</td>
<td>8</td>
</tr>
<tr>
<td>7. What will be the remit of the Cheshire and Warrington Enterprise Partnership? What will be its role and functions and what would it not do?</td>
<td>9</td>
</tr>
<tr>
<td>8. What are the Cheshire and Warrington priorities?</td>
<td>10</td>
</tr>
<tr>
<td>9. How will it operate and what would its partnership and governance arrangements be?</td>
<td>12</td>
</tr>
<tr>
<td>10. Maintaining a relationship with other LEPs</td>
<td>14</td>
</tr>
<tr>
<td>11. How would it be mobilised and provide transition from existing arrangements?</td>
<td>14</td>
</tr>
<tr>
<td>12. What principles will be adopted in the comprehensive growth package to be submitted to the Regional Growth Fund in December 2010 and in 2011?</td>
<td>15</td>
</tr>
<tr>
<td>13. Issues for discussion with Government</td>
<td>16</td>
</tr>
</tbody>
</table>

**Annexe 1**  
A summary of sector economic forecasts  

**Annexe 2**  
The Cheshire and Warrington economy and its relevant position  

**Annexe 3**  
Cheshire and Warrington - Socio-Economic Profile  

**Annexe 4**  
Consultees in the development of the Cheshire and Warrington Enterprise Partnership  

**Annexe 5**  
Expressions of support
Cheshire and Warrington is an outstanding place to do business. We have the strongest economy in the North of England and that’s because businesses thrive here. Our vision is:

“To make Cheshire and Warrington quite simply the best place to do business in the UK. We will provide the ideal environment for businesses to grow: access to the right skills; supportive and efficient public services; effective infrastructure and utilities; and a beautiful part of the country for people to enjoy.”

Enjoying a strategic location between the Liverpool/Manchester city regions and the West Midlands conurbation, Cheshire and Warrington (C&W) has:

• a business base rich in high growth, high value firms (see example of firms in the list below);
• the communication links to exploit its locational advantages; and
• the sites and skilled people to accommodate its growth plans.

There is already a high level of co-operation between public and private sectors in the development of the local economy. Since the two new unitary local authorities were established some 18 months ago, the three unitary authorities of Cheshire East, Cheshire West and Chester and Warrington, have already made rapid progress in establishing and formalising collaborative arrangements. There is now a significant level of joint working between all three unitary (upper tier) authorities.

There is also a Cheshire Business Leadership Team which works with and alongside other players in the economic development scene, including the three local authorities, the Cheshire and Warrington Enterprise Commission, the five local Chambers of Commerce, the education and skills sector and the voluntary and community sector.

There are, however, a number of constraints that need to be addressed so that the full potential of the economy can be realised. These include: investment to open up employment sites; skills development to support our growth sectors and high growth businesses; the provision of high capacity ICT, especially in rural areas and; addressing deprivation that persists in certain neighbourhoods. The proposal for LEPs provides an opportunity to build on the collaborative arrangements already in place, to restructure public sector service provision, and agree priorities for intervention (including the new Regional Growth Fund) to the benefit of this area and its adjacent economies, particularly in the Manchester and Liverpool City regions.

The Partnership will be directed and driven by business to achieve a dynamic and prosperous area where businesses want to invest and people want to live and work.

Some key firms in Cheshire and Warrington :

<table>
<thead>
<tr>
<th>Air Products</th>
<th>Ideal Standard International</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amec plc</td>
<td>Innospec Inc</td>
</tr>
<tr>
<td>AstraZeneca</td>
<td>Marks and Spencer Money</td>
</tr>
<tr>
<td>Bam Nuttall Ltd</td>
<td>National Nuclear Laboratory Ltd</td>
</tr>
<tr>
<td>Bank of America</td>
<td>Shell UK Oil</td>
</tr>
<tr>
<td>Bentley Motors Ltd</td>
<td>Siemens</td>
</tr>
<tr>
<td>Brunner Mond Group Ltd</td>
<td>Stobart plc</td>
</tr>
<tr>
<td>EA Technology Ltd</td>
<td>United Utilities</td>
</tr>
<tr>
<td>Flowcrete Group Ltd</td>
<td>Urenco UK Ltd</td>
</tr>
<tr>
<td>Gist Ltd</td>
<td>Vauxhall Motors Ltd</td>
</tr>
</tbody>
</table>

The current economic strategy for C&W is to unleash its potential and contribute significantly to economic growth. By 2030, the sub-region has the potential:

• to increase annual GVA by at least £10 billion to some £30 billion based on increasing levels of productivity;
• to achieve this it has been estimated that a population increase of some 100,000 (to a total population of 982,000) will be required along with some 70,000 new homes; and
• to increase employment by no less than 22,000 (to 461,000).

These ambitions for growth in housing are underpinned by the government’s Housing Growth Point status in West/Mid-Cheshire and Warrington.

1 Cheshire East, Cheshire West & Chester and Warrington Councils.
The C&W economy is the jewel of the North of England. It has massive potential to grow and help to rebalance the economy of the wider region. It has a relatively low dependence on public administration, is currently worth £18.7 billion per annum in GVA and contributes some 16.4 per cent to the overall GVA of the North West of £114.3 billion².

C&W is also a significant employment area providing some 439,000 jobs, and a high activity rate of some 78%. In national terms, excluding London, the area is 9th in the ranking of overall GVA produced (see Annexe 2)³, placing it in a group comparable with the cities of Birmingham and Leeds and ranking as the highest performing of the county areas outside of the South East. It is therefore considered to be ripe for growth and ready to play a major role in rebalancing the economy.

Although our employment profile reflects the national picture, we have a number of locations, notably Crewe, Ellesmere Port, Macclesfield and Warrington with concentrations of manufacturing businesses. These locations will be a platform for investment growing the sub-region’s manufacturing assets.

Cheshire and Warrington provides the opportunity to direct targeted public intervention to lever the highest levels of private investment and employment growth. This high rate of return on public investment will lead the economy into sustained growth. This is in stark contrast to the recent past where policies have been focussed on supporting locations in economic decline.

Business networks recognise the geography of Cheshire and Warrington and the five Chambers of Commerce (which collaborate through a trading entity reflecting this geography) represent a combined membership exceeding 2,000 businesses.

The statistics also support this choice of geography. Travel to work data (although somewhat dated) confirms that C&W operates as a relatively self-contained functional economic area with almost 75% of the workforce living in the area also working within it⁴. Other indicators confirming the economic distinctiveness of the area include:

- GVA per capita;
- percentage of the workforce with NVQ Level 4 or above; and
- high employment rates.

It has important external functional links with the Manchester and Liverpool city regions, with some 18% of the workforce resident in the area travelling to work there. The functional links to the West Midlands and Wales are less significant, with some 6% of the resident C&W workforce working in these areas.

Critically, Cheshire Business Leaders have developed important business relationships in this geography and these sort of business-to-business dialogues and inter-relationships mean more than statistics.

---

4. Why is it a functional economic area?

Advanced manufacturing – a priority sector, photo courtesy of Bentley Motors
There is an opportunity to restructure business responsive services in an efficient and cost-effective way utilising the strengths of the private, public, voluntary and community sectors.

It is acknowledged that there are currently a considerable number of economic development and associated programmes being delivered across Cheshire and Warrington. Establishing the Partnership provides the impetus to organise this existing activity and future provision in a more structured and business responsive way and break down the administrative boundaries that frustrate businesses. Private, voluntary and community sector providers will be the first choice for service provision.

This will lead to more cost efficient and effective provision, make deliverers more accountable and enable better networking so that linkages can be made between seemingly discrete programmes.

### Key principles

The remit of the Partnership has been derived following a comprehensive series of business-led consultation events and meetings (see Annexe 4). It has been shaped with reference to a number of principles established during these consultations and will be charged with:

- being comprehensive and ambitious;
- focussing on the delivery of economic growth;
- creating the conditions for private sector growth including housing;
- delivering local priorities;
- supporting the delivery of national priorities, in terms of transferring economic activity:
  - from south to north;
  - from public to private; and
  - from service sector to manufacturing.
- empowering partners especially the private, voluntary and community sectors;
- being outward looking;
- restructuring local service provision;
- offering value for money;
- reducing carbon emissions; and
- being locally accountable.
The remit of the Partnership

The primary remit of the Partnership Board will be to:

• provide strategic leadership and direction to achieve local economic growth by securing business investment;
• establish the investment priorities for the sub-region;
• commission additional activity in line with established priorities and investment criteria;
• performance manage its delivery programmes; and
• act as the natural link between the central Government retained functions and the local delivery of business responsive activities.

The Partnership Board will remain strategic; it will direct activity and implement new policies through a number of delivery agents (see section 9 on page 13), which will also be the contracting bodies.

Functions

It will focus on five principal functions - all private sector-led - that will provide the conditions for business growth:

• place marketing, including tourism and the visitor economy;
• strategic planning for growth including research and intelligence, economic strategy development and supply planning (responding to demand signals) for skilled people, housing, transport and infrastructure (including utilities and ICT);
• providing the capacity for growth including the provision of employment sites, housing sites and infrastructure through its place delivery teams;
• seeking out and supporting business investment and development projects from innovation, to business start-ups, through SME development, and major corporate investments including supply chain and new products, and connecting businesses with government; and
• promoting and supporting the transition to a low carbon economy, assisting businesses to reduce their costs, take advantage of new commercial opportunities and adapt to climate change.

In addition, businesses have identified the following projects to kick-start the growth programme and maximise new employment opportunities:

• sector-focussed property developments geared to capturing business growth opportunities such as Omega, Basford and an energy technology park;
• engendering entrepreneurship through business generation centres offering both incubation facilities and much needed on-the-ground business advice;
• working with the Further Education sector to ensure that adult courses reflect business needs;
• helping our rural areas to move to a low carbon lifestyle through digital technologies;
• promoting the development of a major transformational tourism project in Chester; and
• developing local supply chains for major manufacturers.

Through its performance management arrangements, the Partnership will continually ensure that the delivery arrangements offer real support to businesses and their wealth creation.

The need for complementary local involvement in nationally controlled functions

Central government is retaining control of business support, inward investment and international trade, sector leadership, innovation and finance for business. As the C&W economy is poised for growth, the delivery of all business support activities with local involvement will be crucial if these growth ambitions are to be realised. Additional resources will need to be secured to enable a comprehensive suite of services to be provided to make Cheshire and Warrington truly business-focussed and to unleash its full economic potential. As additional resource becomes available, the priorities for future activity will be drawn from:

• a planning advice and facilitation service;
• a business start up programme;
• business investment support;
• inward investment project support;
• access to business finance;
• sector development (with particular reference to the low carbon economy);
• utilities advice for business; and
• international trade support with particular focus on BRIC economies.

Secondments will be sought from private sector partners to contribute to these activities.
The role of partners and local businesses

Through a stakeholder forum (see section 9 on page 13), local businesses will be asked to submit suggestions to the Partnership about solutions to business constraints and also to offer secondments to the delivery arrangements. More importantly, as funding for additional service provision becomes available, the delivery of these services will be opened up to private, voluntary and community sector businesses rather than retained within the traditional domain of the public sector.

Local authorities’ enabling role

Local authorities play a crucial enabling role. The three local authorities\(^6\) will continue to collaborate on the provision of services at the Cheshire and Warrington level. Combined services for activities such as research & intelligence, strategic planning and housing will be embedded in the delivery arrangements and the authorities will expand the scope of these arrangements.

Voluntary and community sectors’ role

Civil Society, encompassing social enterprises, plays a crucial role in the development of communities for business development and the planned increase in population, making C&W a dynamic place to live and work. The Partnership with key local organisations will support sector development, promote the development of business skills and encourage the voluntary and community sector to be active delivery partners.

What the Partnership will not do

The Partnership will not involve itself in those issues properly the responsibility of other agencies or organisations. It will not duplicate the work of others. For example, it should not involve itself in the delivery of health, education and housing services, with the exception that they are directly affecting or constraining the ability of local firms to invest and grow. Even in such cases, the Partnership’s role would be to work with the relevant organisations to lobby for relevant interventions to remove the barriers to economic growth.

Building on C&W's competitive advantages

Priorities will build on C&W's significant competitive advantages which include its:

- knowledge-rich economy;
- enterprise culture;
- educated and skilled workforce;
- improved public transport within the sub-region and to major cities;
- well connected geographical location; and
- high quality of semi-rural and rural life.

It has an acknowledged need to increase the pace of its transition to a lower carbon economy, including further investment in Next Generation Access and providing broadband throughout rural areas.

A focus on sectors with real growth potential

Priority will be given to the development of key sectors of the economy. These will include:

- digital and creative industries,
- business and professional services,
- leisure and tourism;
- biomedical;
- advanced manufacturing; and
- energy and environmental technologies;

along with a number of core C&W sectors such as retail, nuclear, food & drink, transport & logistics, manufacturing and environment which are forecast to have more modest increases in GVA and may suffer some falls in employment levels.

The development of a strategic approach and appropriate actions will enable statistical projections to be challenged. A summary of latest available economic projections for Cheshire and Warrington is attached as Annex 1. Of course, the Partnership will work with all firms that can secure new orders, new markets and growth and employment opportunities irrespective of sector.
It is important to note that the manufacturing sector in C&W, which in common with the UK as a whole has suffered some decline, is still important to the economy, employing some 46,000 people (10.6% of the workforce). Public administration, education & health represent some 22% of the total workforce, which represents an exposure to some employment losses – but much less than elsewhere. The strength and growth potential in the C&W economy means that it will be able to re-employ people displaced by the reduction in the scale of the public sector both in C&W and from adjacent economies.

Learning, skills and social mobility

The C&W economy will increasingly focus on high value, knowledge-based activity, although a proportion of the workforce will continue to be engaged in relatively low-skilled, low-value occupations. Recognising the needs of businesses and to encourage social mobility, it is essential to have a well-educated and appropriately skilled workforce. Businesses are particularly keen that training and education provision is demand-led to address any fundamental skill shortages.

The Partnership will work with the Cheshire & Warrington Consortium of Colleges and Universities to ensure that the conditions attached to their funding allow the provision of demand-led courses as the norm. C&W’s areas of deprivation will need particular attention and resource. It will be important to raise aspirations and provide suitable re-training opportunities building on existing community provision, such as that provided by the Blacon Community Trust.

C&W partners have developed a Work and Skills Plan to 2014. This was compiled in consultation with business representatives. Implementation of the Plan will be key to businesses, sectors and the “Place Teams” (see section 9 on page 13).

The low carbon challenge

It is acknowledged that C&W’s carbon footprint is too high. The analysis shows that much of this is attributable to a small number of installations whose output serves national and international markets. There are also examples where C&W is an exemplar of good practice, for example, the community in Ashton Hayes which is striving to be the first carbon-neutral village in the UK. Moreover, the Energy Innovation Centre in Capenhurst supports small businesses in commercialising transformational technologies for the energy sector.

There is a Climate Change Action Plan to 2012 which has been compiled with business inputs. The Partnership will monitor achievement against this plan and encourage the adoption of new technologies to help businesses and individuals adapt their behaviours.

What will the Partnership do about these priorities?

Specialist sector support will need to be secured in the proposed delivery arrangements (see section 9 below) in order to ensure that key investment opportunities are won. The Partnership will work with multi-national firms to ensure that their ability to compete internationally is not constrained. Of particular importance is the need to track research and development projects and ensure that the full benefits of this are secured in the local economy. An example is the £40m planned investment in AstraZeneca’s R&D facilities in Alderley Park.

In all cases, the Partnership and its delivery partners will need to be ready with support to ensure that appropriately skilled staff are available for high growth projects and developments. This will involve cross-boundary co-operation particularly with Manchester and Liverpool City Regions in that both economies will be in transition with declining public sector employment.
The Partnership will support businesses within C&W to address the challenge of moving to a lower carbon footprint, whilst remaining competitive in global markets.

**Additional support**

Resource will also be identified to provide intensive support for SMEs particularly high growth ones that have loyalty to Cheshire and Warrington and to develop voluntary and community sector organisations and social enterprises.

**The spatial focus**

In addition priorities will have a spatial focus. Key locations, in particular:

- Chester;
- Crewe;
- Ellesmere Port;
- Warrington; and
- Weaver Valley

have identified growth potential and the site development opportunities to exploit this growth. Delivery teams have already been established for these spatial priorities and where not already in place, private sector developers will be appointed to realise their full potential. Other priorities are Macclesfield and North East Cheshire and the Market Towns. Land for new development can and will be released, providing sustainable urban extensions to these identified growth locations.

Economic growth will address specific pockets within these areas which suffer economic and social deprivation and are in need of regeneration.

**The Partnership Board to establish priorities**

An early action for the new Partnership Board will be to review all existing provision and, within the resource constraints, set out the priorities for future investment. It will consider this through a Commencement Business Plan, to be commissioned so that it is ready for the Board to approve when formed (see the timetable in section 11 on page 14).

The Partnership Board, in commissioning new provision, will open all opportunities to local private, voluntary and community sector providers. The Partnership Board will monitor the performance of all delivery organisations and instruct contracts to be terminated in the event of under-performance.

---

9. How will it operate and what would its partnership and governance arrangements be?

---

A strategic body

From comprehensive, business-led consultations, there is a clearly identified desire for the Partnership to be a private sector-led strategic and policy body and not one directly engaged in programme or project delivery. The Partnership Board should concentrate on providing strategic direction to ensure that the maximum leverage and economic impact are derived from the limited resources available. The partnership will ensure that relevant agencies are established to deliver the actions and implement the policies that it determines.

There is already a local economic development “family” operating in Cheshire and Warrington. This includes private businesses, business representative bodies, the Cheshire and Warrington Enterprise Commission, the voluntary and community sector, the three local authorities, higher and further education institutions, and other public sector organisations (especially those engaged in skills procurement and employment services). The introduction of the Partnership allows all this activity to be deployed in a structured, more effective and more cost efficient fashion. Establishing a LEP for Cheshire and Warrington will bring together the business acumen of some of the country’s top performing companies, the democratic mandate and accountability of the local authorities, the resources and knowledge of higher and further education and the skills and local knowledge from the voluntary and community sector.

---

8 Together with Macclesfield (North East Cheshire) and Market Towns/Weaver Valley which are also identified as having growth potential.

9 These include the Weaver Towns of mid-Cheshire (Middlewich, Northwich and Winsford).
The Partnership Board

Whilst an open and robust recruitment process will be undertaken, it is envisaged that the Partnership Board will consist of top ranking individuals led by a private sector Chair. The three local authority leaders will be members of the Board and the higher and further education sectors, (reflecting the importance given to skills and learning), and the voluntary and community sectors will also be represented. A further five private sector representatives will be appointed covering the range of business interests and sectors that will be at the forefront of C&W's economic growth. Chambers of Commerce are expected to be represented. One of the private sector members will be charged with external relations, including with Government.

Local accountability through a Stakeholder Forum

The Partnership Board will also engage with a widely drawn Stakeholder Forum which will meet regularly to review the Partnership and its progress and to hold the Board to account. Through such a forum, the Partnership will be able to engage with a wide range of interested parties. It may be appropriate for the Stakeholder Forum to sub-divide into a number of special interest groups but this can be determined once it is formed.

Projects committee

A private sector-led Board sub-committee will be established to oversee growth project development and selection. It will be chaired by a private sector Board member. This sub-committee will have a key role to play in compiling and submitting a comprehensive package of bids to the Regional Growth Fund.

Delivery channels

The delivery channels that will be put in place are summarised in Figure 1 below and will include:

(i) A place marketing organisation – its remit will be to co-ordinate place marketing with the private and public sectors to ensure that C&W wins more investment and to lead the development of tourism and the visitor economy.

(ii) A “combined services” operation – with a private sector Chair, that would undertake functions more relevant at the C&W level than at the local authority level. Such services would include skills development/coordination, strategic transport, infrastructure, and research and intelligence. It would be the agent of the Partnership in the procurement of business support services (opening up all opportunities to private, voluntary and community sector organisations), some of which will work with government in respect of local delivery support for the nationally retained functions

It would also offer a secretarial support role to the Partnership Board.

(iii) A number of “place teams” have already been established in C&W, including Warrington, Crewe, Chester, Ellesmere Port and Weaver Valley. These teams will be a key source of projects for the Partnership in developing bids to the Regional Growth Fund. They also ensure that the localism agenda is maintained and will be responsible for specific capacity-building measures such as the allocation of land for economic and much needed housing development.

Secondees will be sought from the private sector to supplement the staffing on all of the delivery arrangements above.

The Board will receive progress and monitoring reports from each of these delivery channels and review their annual business plans to ensure that they continue to serve the business growth agenda.

Figure 1: The Partnership and its proposed governance arrangements
10. Maintaining a relationship with other LEPs

It is recognised that businesses operate in national and international markets. It is therefore essential to establish appropriate links with other LEPs that will be established in the North West, in particular in Manchester and Liverpool City Regions but also across the boundary directly with Wirral, North Wales and North Staffordshire. This may take the form of a meeting of Chairs along with a number of officer meetings on relevant cross-boundary issues such as sector development or transport infrastructure. Future opportunities for a market led expansion of the Partnership boundaries should be considered.

There has been dialogue for some time with emerging LEPs and adjoining local authorities. The discussions have focussed on areas of mutual interest and include the performance of specific major businesses (such as AstraZeneca and Vauxhall), important sectors (such as pharmaceuticals and automotives) and development opportunities (such as Ellesmere Port). We will continue to proactively engage with adjoining LEPs to ensure that we share priorities, work together on common interests such as Atlantic Gateway and Daresbury Science and Innovation Campus, and collaborate to avoid cost duplication.

The formation of LEPs provides the opportunity to formalise these arrangements and introduce a more businesslike approach to ensure a productive outcome. Opportunities for reciprocal associate/observer status with adjoining LEPs will be pursued.

As well as working collaboratively with neighbouring LEPs, the Partnership will also support the identification of appropriate LEPs to lead on key strategic issues. For example, a national lead role could be taken jointly by Manchester/Cheshire and Warrington/Liverpool on the pharmaceuticals sector; whilst Cheshire and Warrington might take a national lead role on the energy and environmental technologies sector.

Furthermore, a successful Cheshire and Warrington is a key dependency for success in the economic development of the adjacent core cities of Manchester and Liverpool. As mentioned in section 4 above, there are clear cross-flows between the cities and C&W and it will be important to both cities that C&W has capacity to re-employ staff displaced in particular by the reduction in the public sector.

It is also envisaged that appropriate arrangements for liaison between LEPs and Government will be established in order to ensure a consistency in approach and develop good practice. This may involve an annual liaison meeting.

11. How would it be mobilised and provide transition from existing arrangements?

Following discussions with government on this proposal, a number of activities have been planned. The formation of the Partnership will commence in September 2010 with a view to it being established in shadow form from February 2011 and operational from March 2011. This is timed prior to the wind-up of the NWDA in order to create momentum, to link with the first tranche of the Regional Growth Fund.

In addition, transition arrangements will include the identification of projects being funded by NWDA that may carry residual liabilities in terms of payments beyond March 2012, monitoring and evaluation, or other issues. The primary responsibility for these issues is expected to lie with the local authorities. However, the Partnership will want to consider how it can assist an orderly transition to the new arrangements.

**Target dates for the transition to the LEP are as follows:**

<table>
<thead>
<tr>
<th>Action</th>
<th>Target dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) Preparation and submission of projects to Regional Growth Fund (through Shadow Partnership Board)</td>
<td>August to December 2010</td>
</tr>
<tr>
<td>(ii) Appointment of private sector Chair</td>
<td>December 2010</td>
</tr>
<tr>
<td>(iii) With the leadership of the Chair, prepare a Commencement Business Plan including staff and financial resource requirements and solutions for agreement of the Board when in place</td>
<td>End of January 2011</td>
</tr>
<tr>
<td>(iv) With the leadership of the Chair, complete the formation of the Board</td>
<td>Mid February 2011</td>
</tr>
<tr>
<td>(v) Board to approve Commencement Business Plan</td>
<td>End of February 2011</td>
</tr>
<tr>
<td>(vi) Appoint Business, Skills and Strategy Team and Board secretariat</td>
<td>End of February 2011</td>
</tr>
<tr>
<td>(vii) Commence implementation programme through the Partnership Board</td>
<td>April 2011</td>
</tr>
</tbody>
</table>
Acknowledging the objectives of the Regional Growth Fund

The C&W Partnership broadly considers that the proposals expressed in the consultation on the Regional Growth Fund to support LEPs are appropriate. In particular, the key purposes in encouraging private sector enterprise and cushioning the effects of a rebalancing away from public sector employment are noted. The bidding system will generate projects offering best value for money, and a two-stage approach will limit initial costs of preparing schemes. A sub-committee of the main Board will be established – the Projects Sub-committee - to provide appropriate decision-making on the choice of investment projects especially for submission to the Regional Growth Fund.

Integration with JESSICA funding

C&W partners are exploring the possibilities of securing the European JESSICA funding in respect of a number of sites, some of which need gap funding. Key schemes will be considered as part of C&W's Regional Growth Fund bid.

Private sector leverage – C&W's track record is noteworthy

The level of private sector leverage is emphasised as important. C&W has a good track record in delivering value for public sector investment as demonstrated by the following case studies. The Partnership will expand on this experience to ensure that public investment in C&W delivers real value for money for tax payers in this area and nationally.

Case Studies

Golden Square, Warrington – a town centre extension
2004 to 2007

By using the Council’s land asset and its CPO powers, investment levered in from the private sector amounted to some £120m and created 140 shop units, a full-line Department Store, a new bus interchange and a 1,700 space car park. The Council’s land was of negligible value but after completion the scheme was valued at some £29m and was the trigger to the revitalization of this important sub-regional centre.

Chester Railway Station
2006 to 2010

There has been considerable investment in this important but previously poorly maintained gateway to Chester, a national tourism destination. Public expenditure of £3.9m has resulted in £8.5m of private sector investment so far and more investment is now planned in an adjacent major city centre mixed-use redevelopment induced by the quality of the place created by the initial investment.

Crewe Green Link Road (CGLR) - South
Basford in Crewe is a strategic regional site involving 147 hectares on both sides of this link road. The planned road scheme opens up the opportunity for a wide range of commercial employment uses including science and business parks, a logistics base and a new residential settlement. The public sector cost of CGLR South is some £20m. This has already levered in some £8m of committed investment from the private sector on related adjacent infrastructure improvements. The scheme overall is expected to lever in some £250m of private sector investment in the commercial developments that will not be possible without the initial public investment in CGLR.

Rural Enterprise Grants
2002 to 2008

Some £10m was invested across Cheshire in 151 rural enterprise projects. The grants resulted in private sector investment of £23.2m and other public sector investment of £7.4m. The main impacts were the creation of 131 new businesses, the creation of 687 FTE jobs (gross) and 623 safeguarded jobs (gross) through these important projects in the rural economy.

Warrington “Housing Kick-Start” schemes
2009 to 2010

These schemes involved some £10.3m investment by the Homes and Communities Agency in Walton Locks, Edgewater Park and Westminster Place and resulted in private sector investment of £29.3m.
The need for ongoing funding in the medium term

It is considered that C&W is likely to be able to bring forward a number of schemes that will be competitive on a national basis. The long-term future of the Regional Growth Fund will depend on a number of factors, not least the level of finance available. Whilst the initial £1bn over two years is a useful start consistent with national financial restraint, this represents a relatively small sum in comparison with funding in recent years to support the English regions. There are a number of priorities that would clearly address market failures in C&W as there are in other areas, and the scale of the Government’s ambitions needs to be realistic against the opportunities offered by the new LEPs. Whilst there will be some “quick wins” available, there are a number of economic development needs that will require longer term funding to realise their potential.

These and other comments are expressed more fully in the separate response to the RGF Consultation.

The first bidding round in December 2010 - key principles

C&W is gearing up to be in a position to respond positively to the anticipated deadline of December 2010 for an initial funding round, and for delivery of the successful bids from April 2011. The Partnership Board will be in shadow form by that stage and therefore able to review the project selection to make sure it fits with the guidance and, in particular:

(i) delivers a scale of economic impacts in GVA and employment;
(ii) has a high level of private sector leverage;
(iii) is appraised as consistent with HM Treasury Green Book; and
(iv) is State Aid compliant.

13. Issues for discussion with Government

(i) It is important for the North West that capability is retained to ensure administration of the ERDF Operational Programme at least to its operational closure in 2013. It is anticipated that there will be projects in Cheshire & Warrington that could be beneficially brought forward in support of its new vision and strategy.

(ii) In view of the strength of the C&W economy and its potential to grow, there will be a need for a cohort of staff able to assist businesses, from start-ups to major corporates with investment projects – thereby assisting in the delivery of Government retained functions. A dialogue with Government about resourcing of this important activity in the context of the special nature of the C&W economy and its prospects would be welcome.

(iii) The importance of adult skills in underpinning C&W’s economic growth cannot be underestimated. The Partnership would wish to discuss the potential for commissioning adult skills provision (other than those provided normally through the Further Education sector) in order to be responsive to employer-led demands, particularly where growth projects are identified.

(iv) To underpin the growth potential in C&W there is a need to continue to progress the housing Growth Point programmes.

(v) The Homes and Communities Agency and the NWDA each hold property assets in Cheshire and Warrington. The ownership of these assets will need careful consideration since they could help to unlock additional private sector financial resources.

(vi) Local involvement in delivery of inward investment projects will strengthen the UK’s offer and performance. Local land and property knowledge, skills availability and supply chain intelligence will sit in the local partnership. Such issues are often critical to location decisions.

12 In 2006, 20 local authorities and partnerships were named as first round Growth Points, with a wide regional spread covering the east, south-east and south west of England as well as the Midlands. The government announced a further 21 Growth Points in 2008, with areas in the north of England joining the initiative for the first time. Ellesmere Port, mid-Cheshire and Warrington were nominated as Growth Points in 2008.

Woolston Grange, Warrington
A SUMMARY OF SECTOR ECONOMIC FORECASTS

The Cheshire & Warrington Econometric Model’s (CWEM) latest GVA and employment forecasts (from 2007-2020) compare across sectors and three different time periods. The CWEM forecasts imply that prospects are as follows:

<table>
<thead>
<tr>
<th>Sector</th>
<th>Prospects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Biomedical</td>
<td>strong positive GVA growth during 2010-20, with employment also growing. (The latest CWEM forecasts show strong GVA and employment growth for the Pharmaceuticals sector during 2010-20.)</td>
</tr>
<tr>
<td>Digital &amp; creative</td>
<td>strong positive GVA and employment growth for the higher tech digital &amp; creative sectors (e.g. computing services). But rising GVA and falling employment for some lower tech ones (e.g. printing &amp; publishing) and falls in both GVA and employment for some others (e.g. textiles, clothing &amp; leather). C&amp;W based growth will depend on the extent to which growth takes place in other parts of the region, most notably Media City and the extent to which C&amp;W can also build on this.</td>
</tr>
<tr>
<td>Other business services</td>
<td>the CWEM shows robust GVA growth and more modest (but still substantial) employment growth for financial, professional and other business services (SIC2003 2-digit codes 65-74).</td>
</tr>
<tr>
<td>Tourism</td>
<td>modest growth in both GVA and employment.</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>some large manufacturing sub-sectors, such as motor vehicle manufacture, are forecast to see falling employment but rising GVA, whereas others, such as chemicals, are forecast to see falls in both GVA and employment. And in a small number of sub-sectors, including the manufacture of fuels, the forecast is for both GVA and employment to rise.</td>
</tr>
<tr>
<td>Construction</td>
<td>modest rises in both GVA and employment.</td>
</tr>
<tr>
<td>Food &amp; Drink</td>
<td>modest rise in GVA, but falling employment but there are plans for growth in this sector should funding / developments go ahead (e.g. at Reaseheath) and past forecasts / analysis showed this sector growing.</td>
</tr>
</tbody>
</table>

Biotechnology – a priority sector for Cheshire and Warrington
CHESHIRE AND WARRINGTON - SOCIO-ECONOMIC PROFILE

- In 2009, the total population of Cheshire and Warrington was 887,100 of whom 565,000 (63.7%) were of working age. The working age population was below the regional and Great Britain averages of 64.6% and 65% respectively (source: mid year population estimates, Nomis).

- 439,000 people are economically active in Cheshire and Warrington. The economic activity rate is 77.7%, which is above the regional (74.6%) and national (76.7%) averages (source: annual population survey January to December 2009, Nomis).

- 46.5% of employment in Cheshire and Warrington is in SOC major groups 1 to 3 (senior managers and professionals). This is above the regional (41.4%) and national (44.1%) averages. Conversely, only 17.6% of the area’s employment is in SOC major groups 8 and 9 (elementary and unskilled), below the regional (19.1%) and national (18.1%) averages (source: annual population survey January to December 2009, Nomis).

- 33.3% of Cheshire and Warrington’s working age population are educated to NVQ level 4 or above. This is above the regional average of 27.0% and the national average of 29.9%. Only 11.2% of Cheshire and Warrington’s population have no qualifications, below the regional and national averages of 13.8% and 12.3% respectively (source: annual population survey January to December 2009, Nomis).

- Unemployment levels across Cheshire and Warrington, as measured by the claimant count, were 2.9% in July 2010. This was below the regional and national averages of 4.0% and 3.6% respectively (source: claimant count, Nomis).

- In 2008 there were 432,391 employee jobs in Cheshire and Warrington. The most important sector was banking, finance and insurance, which accounted for 25.1% of employment, above the regional and national averages of 19.7% and 22.0% respectively. Distribution, hotels and restaurants accounted for 24.8% of employment, above the regional and national averages of 23.5% and 23.4% respectively. Employment in the public sector is relatively low at 22.7%, below the regional and national averages of 28.2% and 27.0% respectively. Manufacturing accounts for 10.6% of employment in Cheshire and Warrington, below the regional average of 11.6% but above the national average of 10.2% (source: annual business inquiry, Nomis).

- In 2007 there were 32,175 VAT registered businesses in Cheshire and Warrington, representing one business per 17.6 working age residents. The regional ratio was one business per 22.8 working age residents and the national average was one business per 19.6 working age residents (source: VAT registrations / de-registrations, Nomis).

- Cheshire and Warrington does not suffer from high levels of deprivation, though there are some pockets of intense poverty. 108 of the area’s Super Output Areas (SOAs) are in the most deprived 30% of SOAs in England, including 23 in the most deprived 10% and 39 in the most deprived 11% to 20% (source: Indices of Multiple Deprivation 2007).
ANNEXE 4

CONSULTEEES IN THE DEVELOPMENT OF THE CHESHIRE AND WARRINGTON ENTERPRISE PARTNERSHIP

Three consultation events were held on the proposal for a Local Enterprise Partnership for Cheshire and Warrington (on 10th August, 11th August and 23rd August). These consultations were led by the Cheshire & Warrington Enterprise Commission (CWEC) and were attended by 143 delegates from the following organisations (some organisations sent more than one representative over the three days):

Private Sector
Aaron & Partners
AMEC
Applied Computing & Engineering Ltd
AstraZeneca
Avanta/InBiz
Aventura
Birchwood Forum
Blue Orchid
Brunner Mond (UK) Ltd
BT Global Services
Business Venture
Cheshire Business Leaders
David Wilson Homes
Dawsons Music
Deaville&Co
EA Technology Ltd
ELECT
Energy Projects Plus
ESTC Group
Experto Crede
Federation of Small Businesses
Fifield Glyn Ltd
Four Seasons Health Care
GrowHow
Heathercliffe Hotel
Innovas Group
Institute of Chartered Accountants in England & Wales
Institute of Directors
Investors in People North West
KBW Consulting Ltd
Kerridge End Holiday Cottages
Manchester Airport
Meadow Foods
Murray Smith
National Farmers’ Union
National Nuclear Laboratory
NJL Consulting
North West Business Leadership Team
Nuvia Ltd
Peel Holdings (Management) Ltd
Pochin Developments
Profile Solutions
QHotels
Regionplus Ltd
Roger Parkin Associates
Royal Institute of British Architects
Serco
Solvay Interox
South Cheshire Chamber of Commerce
Specops Software UK Ltd
The Grosvenor Estate
TWP Solutions
URENCO UK Ltd
Virgin Trains
Warrington Borough Transport Ltd
West Cheshire & North Wales Chamber of Commerce
Winning Pitch

Public-Private Partnerships
Chemicals Northwest
Enterprise & Education Alliance
Visit Chester & Cheshire
Warrington & Co.
Weaver Valley Partnership

Third Sector
Cheshire & Warrington
Social Enterprise Partnership
Cheshire Community Action
Cheshire FM
Christian Concern
Campaign for the Protection of Rural England (North West)
Council for Voluntary Service – Cheshire East
Ethnic Minority Business Forum
Groundwork Cheshire
Inland Waterways Association
North West Forum of Faiths & Cheshire Inter Faith Network
Plus Dane Group
The Mersey Forest
The Orford Neighbourhood Project
The Social Enterprise Loan Fund
Third Sector Assembly – Cheshire West
Warrington Disability Partnership
Weaver Vale Housing Trust

Public Sector
Business Link Northwest
Centre for Construction Innovation
Cheshire East Council
Cheshire West & Chester Council
Confederation of Passenger Transport
Connexions
Envirolink Northwest
Environment Agency
Homes & Communities Agency
Lord Lieutenant of Cheshire
Middlewich Town Council
National Apprenticeship Service
National Skills Academy for Process Industries
Northwest Regional Development Agency
Reaseheath College
South Cheshire College
Unionlearn with the North West TUC
University of Chester
Warrington Borough Council
West Cheshire College

In addition, the following organisations and representative groups were consulted separately through a series of personal meetings with the Chairman and/or Managing Director of CWEC.

Macclesfield College
Manchester Metropolitan University Crewe
Reaseheath College
South Cheshire College
ANNEXE 5

EXPRESSIONS OF SUPPORT

The following organisations have offered their support to this prospectus:

University of Chester
Warrington Collegiate
West Cheshire College
Government Office for the North West
Northwest Regional Development Agency
Cheshire East Council
Cheshire West and Chester Council
Warrington Borough Council
St Helen’s Council
East Cheshire Chamber of Commerce
Macclesfield Chamber of Commerce
South Cheshire Chamber of Commerce
Warrington Chamber of Commerce and Industry
West Cheshire and North Wales Chamber of Commerce
UKTI

Cheshire Business Leaders
Cheshire Community Action
Chester Renaissance
Common Purpose
Lord Lieutenant of Cheshire
Envirolink North West Ltd
Green Bough Hotel
Lord John Grantchester
Manchester Commission for the New Economy
McArthur Glen Designer Outlets
Premier Inn
Royal Bank of Scotland
Social Policy Solutions
Uniglobe Diamond Travel
Visit Chester and Cheshire
Warrington & Co

Graham Evans MP - Weaver Vale

Applied Computing and Engineering Ltd
Arriva Trains Wales Ltd
Avanta Enterprise Ltd
Bentley Motors Ltd
BiG Storage
Birchwood Forum
Blue Bell Wilmslow
Bovis Landlease
BT
Cheshire and Warrington Business Venture Ltd
Cheshire and Warrington HE and FE Consortium
Cheshire and Warrington Housing Alliance
Cheshire Business Leaders
Cheshire Community Action
Crewe Alexandra Football Club Ltd
David Wilson Homes NW
EA Technology Ltd
Environment Agency
ESTC Group
Envirolink Northwest
Experto Crede
Federation of Small Businesses
Groundwork Cheshire
Halton Borough Council
Innovas Group

Kerridge End Holiday Cottages
Kressel Regeneration Ltd
Lord Lieutenant of Cheshire
Manchester Metropolitan University
National Nuclear Laboratory
Northwich Town Council
Peel Holdings
Pochin Developments Ltd
Reaseheath College
Regenerate Northwich
Scott Wilson
Stockport Metropolitan Borough Council
The Mersey Forest
The North of England Zoological Society
University of Chester
Visit Chester & Cheshire
Voluntary Action Vale Royal
Warrington &Co
Weaver Valley Housing Trust
Weaver Valley Partnership Board
West Cheshire and North Wales Chamber of Commerce
Vauxhall Motors Ltd
David Rutley MP - Macclesfield
Contact
Cheshire & Warrington Enterprise Commission
Dalton House
Dalton Way
Middlewich
Cheshire
CW10 0HU

T. 01606 738083
F. 01606 841471
E. info@cwecc.org.uk