Stakeholder Engagement Forum

Wednesday 26th June 2019

Our LIS 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

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
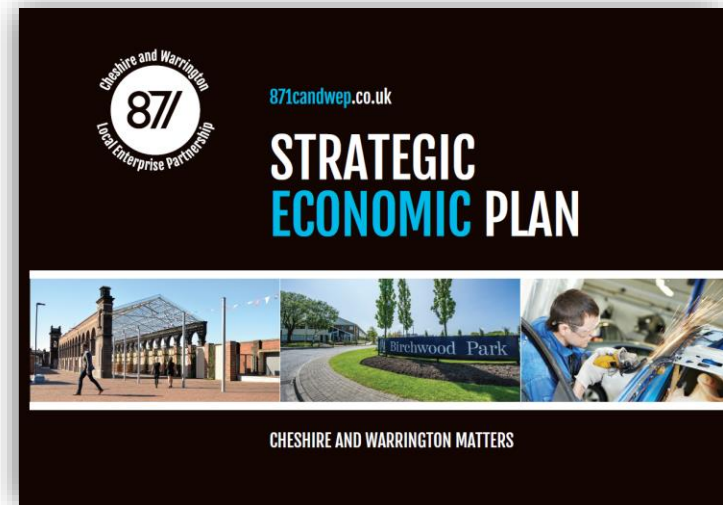
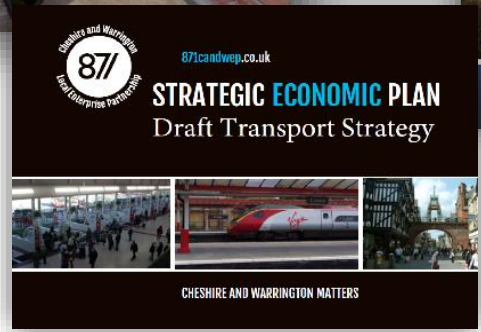Developing the Cheshire and Warrington Local Industrial Strategy – Evidence and Insight Summary.

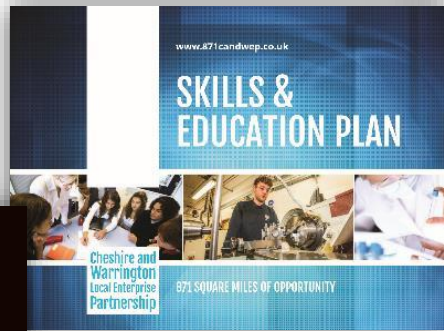# Developing Responses

- Original SEP evidence base developed in 2013/14

- Refreshed in 2016/17 (evidence base produced by Metro Dynamics)

- Additional policy work undertaken over last 12 months with supporting evidence

Local Policy Context

Progress update

- Evidence work practically complete – and submitted formally to Government

- Deep dive activity commissioned on Logistics from Cardiff University – looking to do similar with Finance & Business Services

- Summary document published March 2019 – and online presence established on LEP website

- Initial engagement with Whitehall Evidence Panel

- Positive feedback on the establishment and membership of the expert panel

Progress update (2)

- Work undertaken on individual workstream development as key part of 'next steps'

- Work underway at Local Authority level on development of 'Local Area Industrial Strategies'

- Progress updates to LEP Board and Sub Regional Leaders Board

- Second round of consultation underway

Cross border engagement

Dialogue ongoing

- Liverpool, Lancashire & North Wales on automotive supply chains work
- Across the North West on 'Made Smarter'
- Liverpool City Region on hydrogen economy
- Cumbria & South West LEPs on nuclear sector deal
- Greater Manchester on infrastructure & logistics
- Tees Valley on Clean Growth

Key take aways

- Challenges around **demography** – low population growth and lower than average numbers of younger people

- Skilled and talented **workforce** but high proportion of these skills resting in older (often retired) residents

- Lots of strengths and opportunities but need to be able to 'compete' effectively for 'talent' – importance of **connectivity, housing** and **place**

What you told us…
Stakeholder Engagement

Ideas

Research and Development in regional assets

- The sub-region would benefit from a **greater emphasis on R&D in local Higher Education institutions** (HEIs)

- **Increase links with neighbouring R&D academic assets**, e.g. University of Manchester, STFC Daresbury, Liverpool University

Supporting commercial applications of R&D

- Perceived benefit from **practical SME support programmes to help turn R&D into commercial applications** – e.g. supporting bid applications, funding and access to HEIs

- Improved facilitation of business engagement in R&D programmes, e.g. developing a **Strategic Investment Fund to support business R&D** aligned to the sub-region's strategic priorities

- **Supporting a start-up culture** may help improve links between R&D and business

- **Grow-on space** seen as a barrier to further innovation and growth

People (1)

Prioritising local employment

- Businesses currently hire employees from outside the local area. Suggestion of **creating a recruitment portal, facilitating easier access to the local talent pool**

- This is an attractive place to work – **increased focus to drive local recruitment**

Linking education and skills to employers

- STEM skills are a key priority, but **difficult to find the right skills in the workforce**

- **Links between businesses and training providers need to be improved.** Employers and employees benefit from close involvement by business in education and training

- **Multiple education pathways into employment should exist and be supported**, including technical & non-academic routes

- **Improved links between apprenticeships and employment outcomes will help change how apprenticeships are perceived**, however the Apprenticeship Levy was commented to be a barrier to apprentice recruitment

People (2)

Inclusivity

- Stakeholders are wary of leaving people behind – 22% of people are earning less than the real living wage – this should be a LIS priority. Businesses need to commit to the living wage, however productivity improvements are required too. **Some stakeholders suggested the LIS include a pledge around Living Wage and Inclusive Growth**

- Suggested the **LIS should retain a focus on sectors that provide employment for people on the living wage**, such as retail / hospitality

- **Improved workplace health and wellbeing should be viewed as a driver of productivity**

Infrastructure (1)

Transport

- **Substantial improvements are required to transport infrastructure,** particularly east – west, opposed to north - south

- **Difficult to travel from urban to town, and town to town**. Especially difficult out of hours. **Many rural areas are entirely lacking public transport options**, which causes and/or exacerbates other issues present in those areas

- **The motorway system is unreliable** – a proper evaluation should occur of how this impacts businesses

- **Rail infrastructure needs improvement and better maintenance.** Is there a 'Plan B' in the event HS2 stops at Birmingham?

- **Public transport** to key employment sites (e.g. Stretton-Woolston Grange) is limited and is a barrier to recruitment.

- Some stakeholders spoke favourably of the **Northern Powerhouse** programme and the potential to maximise the sub-regional investment from this

Infrastructure (2)

Other infrastructure

- **Digital infrastructure – particularly fibre – is vital to businesses**; Improving rural digital connectivity to encourage rural enterprise

- **Suggested the LIS should focus on enabling infrastructure**: energy, transport, digital, care

- **Natural infrastructure should not be overlooked** – contributing to resilience and quality of life

Business Environment

Providing support for start and scale-ups

- Important to create an ecosystem that supports new businesses and start-ups, particularly those doing innovative things in sectors which play to the sub-region's strengths. There has been some investment but **more can be done to support new businesses**

- The sub-region struggles to attract and retain start-up businesses – **how can businesses be encouraged to remain in the area**? Need to understand the right offer for start-ups and scale-ups (e.g. premises, digital connectivity, cost, access to skilled labour)

Land availability

- There is **limited access to affordable sites and premises for businesses in the region**. This is a constraint on SME growth, especially in manufacturing

- **Are businesses in the sub-region supported to work differently**, e.g. through availability of shared workspaces?

Other suggestions include

- Stakeholders note that manufacturing faces an uncertain future. **How prepared is C&W for potential future adjustments to the manufacturing sector?**

- **Stakeholders recommended developing a 'community of businesses' operating in the region**, which would help businesses connect and grow especially in a polycentric area

Place

Making the area an attractive place to be

- **'Place making'** – making areas attractive – encourages people to come to, and stay in, an area

- Investing in tourism and C&W's tourist attractions will help contribute to a **distinct sense of place** for the region

Rejuvenating town centres

- Businesses should be encouraged to locate themselves in town centres, rather than in business parks

- **Town centres should be supported to grow** and be made the focal point of activity

Keeping young people in the area

- **Retaining talent in the area is a priority** – a younger demographic will help offset the ageing workforce

Housing affordability and supply

- Housing affordability is a significant concern. **More affordable housing located near employment and education centres is required.** Providing this housing may help attract a younger demographic to the area

- **Housing development should be 'needs led' not 'market led',** and should aim to connect housing and employment opportunities

Clean Growth

Clean growth presents an opportunity

- **Most stakeholders identify Clean Growth as the right grand challenge for the LIS to focus on,** but other grand challenges should be considered too

- Stakeholders suggest the **aim should be to create 'net-zero' rather than zero emissions manufacturing cluster**. Opportunities to develop carbon storage (in the Irish Sea) technologies and infrastructure which will help achieve this net-zero aim

- **Skills can (and will need to) be transferred from traditional industries into the clean growth industry.** The education and training sector will need to help support this transition

- Cheshire and Warrington is in "prime position" to become the first low carbon cluster

- **Clean growth should be linked to the transport agenda** (improving public transport and reducing reliance on cars)

Constraints and challenges

- Stakeholder caution against selecting Clean Growth as the "right" challenge. Some suggest the LIS should focus on AI and Data and Ageing Society, as these link to the sub-region's strengths in health & care, and logistics

- Stakeholders express concern about the retention of energy reliant large employers if a low carbon economy is pursued

- The sub-region's electricity infrastructure may not be ready for the transition to a low carbon system

Ageing Society

Viewing an ageing society as an opportunity

- Many stakeholders highlighted that the ageing society presents opportunities which under the right conditions can be harnessed for the betterment of the whole sub-region.

- The ageing workforce may enable business mentorship, volunteering and entrepreneurship

- Helping to facilitate an ageing workforce to pursue and attain 'second' careers may help boost the sub-region's productivity

Challenges to address

- A person's quality of life is an important factor - not just the length of their life. The challenge is to "add life to years, as well as years to life"

- Significant challenges identified include how to reduce isolation, and how to foster digital inclusion

- The health and care sector requires investment to support the ageing society. Wages are relatively low and infrastructure struggles to cope with demand

AI & Data

Application to existing industries

- The sub-region benefits from local strengths in big data analytics, modelling and simulation which are embedded within industries, including the nuclear power industry

- AI & Data are already a great strength in C&W for prevention, early diagnosis and treatment of chronic disease

- The sub-region's logistics industry has the opportunity to deploy AI and big data analytics to drive productivity gains

AI and data as a stand-alone service

- The sub-region needs to invest in skills in AI and big data analytics so that employers have access to employees with the right skill set
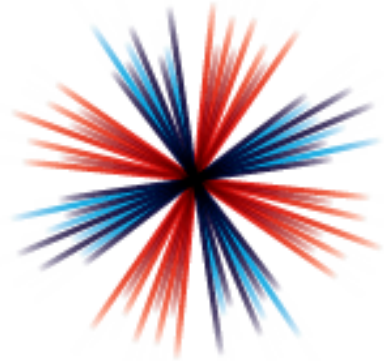
Future of mobility

Opportunities

- Mobility – end of car ownership as such – mobility as a service. How do we create something that works in a non-city area? What's our role in supporting creation of a seamless transport offer?

- C&W offers a different challenge/opportunity for Grand Challenge thinking – how to make mobility solutions and ideas work in a non-city, polycentric area

Preparing for the future

- Incentives for non-car use may help speed up the transition towards mobility as a service

- Future of mobility depends on an improved grid system for electrical charging on a grand scale. May be opportunity to set up an Electrical Distribution R&D centre in the sub-region

Defining our priorities

Three clear LIS outcomes

A more productive economy:

providing the environment and support to ensure that all of our sectors are at least as productive as the national average, and the economy as a whole is at least 10% more productive than the UK average.

A more resilient economy:

building on our key strengths whilst supporting diversity across the business base to ensure the economy can absorb and recover from economy shocks in as short a time as possible, and meet the challenges of sustainable growth

A more inclusive economy:

Creating conditions where people can reach their full potential, be economically and socially engaged and where our workforce have access to the skills and training needed to boost their earnings power.

Energy & Clean Growth

We have an unparalleled level and breadth of expertise in **energy and clean growth** combined with the assets and opportunities to lead the way on the Energy and Clean Growth Grand Challenge.

- Significant strengths in nuclear engineering, energy systems including power distribution and storage

- Creating a multi vector smart energy grid powered by green energy and a mix of energy storage technologies

- Becoming the UK's **first net zero carbon industrial cluster by 2040.**

Energy & Clean Growth

Establish Cheshire &Warrington as <u>the </u>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

In **Life Sciences**, we are one of a handful of locations in the world with the strength and depth of knowledge and expertise in **medicines discovery, formulation and manufacturing**.

By better linking this with academic institutions and business support we can work to increase the rate of success for development of new medicines and the proportion of these manufactured in the UK.

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

Manufacturing remains the foundation of our economy. Chemicals, pharmaceuticals and automotive are highly productive sub-sectors, whilst others such as food & drink manufacturing have scope to improve their productivity.

- We need to ensure key manufacturers and their supply chains are ready and able to compete effectively in a digitally enabled, low carbon market.

- Our Virtual Institute of Technology will help equip their workforce with the skills needed to adapt to changing work roles

- Our work on the Clean Growth Grand Challenge should also grow supplies of **secure, affordable low carbon energy** to help the manufacturing sector remain competitive in the face of international competition.

Manufacturing Supply Chains

Make our supply chains 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 along 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

Logistics is an important and fast-growing sector, but it is complex in its nature and composition and its rate of growth seems to have impacted on its productivity compared to national benchmarks.

- Our strategic location will bring further significant growth

- Our multi-modal connectivity makes Cheshire and Warrington a prime logistics location.

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**)

Ideas

Cheshire and Warrington is home to businesses and science assets of global significance.

We have the largest life sciences cluster outside of the south east, are home to the world's largest scientific experiment and are surrounded by centres of academic excellence.

Our businesses excel at translating ideas into practical, commercial opportunities.

- Ongoing success needs a distributed and resilient innovation eco-system that can support start-ups and SMEs to innovate and flourish whilst encouraging businesses innovate in order to improve productivity.

Ideas

We will make Cheshire and Warrington a place were 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

We have a **skilled workforce**, although our education and training system has been slow to adapt to meet the fast-changing skills needs of our economy. We need to accelerate and **increase the numbers of people trained in STEM subjects** – both young people leaving education and existing, older workers.

- Our employer-led **Virtual Institute of Technology** and **Digital Skills Partnership** will be critical in achieving this.

- Too many of our people don't feel the benefit of our wider economic success. We will build on our existing programmes of support and training to equip our residents with the skills and capabilities to maximise their potential and take advantage of opportunities to progress in work and **increase their earning power**.

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 have an economy that many places would envy, but recognise challenges around resilience and productivity.

Our ambition is to create a genuine eco system for scaling businesses through the repurposed Growth Hub. This will bring together business support activity across the sub-region, creating a single front door for businesses with clear signposting to the right support.

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 are developing a **robust, costed and prioritised investment programme** which will set out the infrastructure and other interventions needed to improve our productivity and facilitate sustainable economic growth.

Digital infrastructure will be a critical part of this investment programme.

Infrastructure & connectivity

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

Our 'place' is what makes us different and where our Local Industrial Strategy comes together. We recognise the importance of creating places that are connected and which will **attract and retain the talent** that we need to grow our economy in the long term.

In particular:

- making sure our housing offer meets the needs of people through the various stages of their working life and beyond,

- Ensuring our rural areas, town and city centres are diverse, vibrant and attractive places to live, work invest and relax.

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.