**Increasing job creation and business investment in Cheshire and Warrington**

**Draft proposition for discussion – 04.11.20**

The economic impact of Covid19 is already creating significant changes in the local economy. We will need to create additional employment opportunities to meet our objective of being one of the fastest growing economies in the UK. There have been great strides made in last 6 months of supporting people back into work through identifying existing vacancies, but to ensure a jobs-led recovery we will need to work with business to create significant new vacancies within Cheshire and Warrington.

Historically, Cheshire and Warrington had more jobs than people and strong growth. We are fortunate to be home to many multinational companies and historically have not had to take a very pro-active approach to inward investment. That means that we do not have the structures and systems that have been developed by our neighbours in city-regions, such as the Manchester Growth Company, or in other areas in the Northern Powerhouse such as the Humber region, with Marketing Humber, which is a network of business bondholders.

A more pro-active approach requires integrated account management for our existing large businesses that are considering expansion; and better targeting of those companies that could base themselves in Cheshire and Warrington. This is critical as our businesses adjust to the risks and opportunities of the new trading environment following the end of the EU Exit transition period. We are already seeing opportunities. Despite the uncertainty caused by Covid19 and EU Exit we have received a significant number of enquiries from businesses in the EU, particularly Spain and Italy.

To address the current situation, we need to act quickly. The three local authorities and the LEP need to work together as a single virtual team to support companies considering expanding and taking on additional staff, companies considering moving into the area and to support companies where there is a risk that they may downsize or re-locate outside the sub-region. This will ensure we are able to support the private sector in the creation of jobs locally and position us to grow our high value, high productivity businesses and sectors.

We propose building on existing resource to develop three-tiered approach that will bring together existing work steams with a stronger focus on job creation:

* **Inward Investment, both internationally and UK based** – The LEP currently leads responding to investment enquiries, usually directly through DIT. Each Local Authority provides detailed support and information to support responses. Currently this is largely responsive and therefore potential investment is restricted to what DIT bring forward. We should look to the virtual team to develop a more proactive approach, that identifies Cheshire and Warrington’s strengths and opportunities to attract both the sectors and types of jobs that will have the most impact on the economy.
* **Accelerating expansion of existing private sector businesses based in Cheshire and Warrington** – There is currently one DIT funded post based at the LEP leading key account management for foreign owned businesses. KPIs for this role include securing 8 ‘project wins’ per year which essentially means expansion of existing businesses. Each LA also carries out significant account management though the resource behind this is very limited. We should co-ordinate all of this so that firms based in C&W are actively supported by a single relationship manager able to follow up on issues across the sub-region.
* **Removing barriers to investment** – Many of the expansions and investments that we are currently handling tend to focus on small gains with focussed investments which often require decisions from planning, highways, and other regulators. Businesses intelligence tells us this is often a barrier to investment and therefore job creation. Some of these levers are local whilst others require greater join-up with national Government and agencies. Greater support to businesses and a more direct line into regulators could help remove time barriers.

We will make sure that this work programme is integrated with place-marketing to attract business and talent to the region. We have already conducted perceptions work and will start to develop our proposition so that we are on the front foot in 2021.

It is also important to align existing and planning capital investment in transport, infrastructure, and digital. These physical improvements are essential to the Cheshire and Warrington offer to business. Our proposals for the Comprehensive Spending Review set out some of the investment opportunities, including the opportunities of the High-Speed Growth Corridor and Science Corridor. We are now recasting some of these projects for a 1-year budget and to be prepared for any Government requests for ‘shovel-ready’ schemes or further initiatives like the Getting Building Fund.

**Potential way forward**

The current Business Growth Committee, which is a private sector led sub-group of the main LEP board is well placed to lead the strategic scoping of this work programme. The committee includes LA representation and strong private sector knowledge which is vital in this work. The membership of this committee could evolve over time to reflect and steer our job creation and investment priorities. This could include political representation from each of the three local authorities.

Operationally, there is an existing investment group made up of the LEP and all Local Authority officers, this is currently designed to act as an information exchange on existing enquiries and expansions. This group could recast its Terms of Reference to operate as a single joint team focussed on delivery and account management. This would require a new chair and potentially some senior representation to reach decision making points more quickly and efficiently. We could also invite representation from local authority planning, transport, housing, etc when their input could be useful. Currently the investment group is made up of the following representatives:

* Ana Carbonell-Gailana - LEP
* Gill Williams/Jacqueline Wilson – CWAC
* Debra Foxley-Smith – CEC
* Stephen Fitzsimons/Angela Hankey – Warrington
* Nick Thomas – DIT
* Sara Knowles - DIT

The make-up of the group ensures the detail of updates is very strong, however some more senior input from each of the LAs and LEP would facilitate improved decision making and allow further linkages with regulators. It is suggested this group is chaired by one of the three Economic Directors while the LEP would continue to act as secretariat.

This work is not done in isolation, weekly updates are held with all LAs and the LEP to share information on ongoing account management and data sharing. With some small additions and by formalising some of these arrangements a large chunk of the preparation will already be in place. In addition, there is potential to consider how we engage at a political level in each Council. Cheshire East have introduced a business champion position and we could use this role to provide intelligence, challenge, and act as an advocate with key businesses.

This approach is not designed to chase all potential investment but to work proactively to get to the point of decision more quickly and demonstrate to investors in the UK and internationally that Cheshire and Warrington has a clear and simple process to support investment and expansion that fits the strategic needs of the sub region.

**Next Steps**

* The LEP Business Growth Committee next meets on Tuesday 10th November and will work through this agenda and come up with a series of recommendations which will form a follow up to this paper.
* In the meantime the existing officials investment group will develop new terms of reference and look to the Local Authorities to submit new members to carry forward the revised agenda, the next meeting of this group will be in mid-November, date TBC.
* We suggest a further update to Economy Directors in December so that we can agree a programme of work for the final quarter of 2020/21 and set our sights on plans for the rest of the 2021 calendar year.

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**ANNEX A: Investment Opportunity Case Studies**

**Westwood Technical - Account Management with Department for International Trade**

Engineering specialist Westwood Technical joined forces with global energy firm Engie to launch a new technology that aims to facilitate green energy and reduce carbon emissions.

The collaboration enabled the development of Aircom™, a self-contained, battery-powered communications device used to monitor the gas network.

Working with the LEP and the Department for International Trade (DIT) has given Westwood Technical access to a key account manager who has worked closely with the team to progress the company and help maintain its ongoing relationship with Engie.

As a result of working with their key account manager, Westwood Technical has:

* Been awarded a £231,000 grant from the LEP’s energy and innovation fund to further develop the Aircom™ technology and network
* Seen growth through this grant, recruiting two engineers
* Developed an understanding of skills gaps and training opportunities in the business
* Received advice and guidance about trading during Covid-19
* Received advice and guidance about planning for the EU Exit.

**Fassa Bortolo – Existing Cheshire and Warrington business**

Fass Bortolo is an Italian manufacturer that wanted to expand its operations in the region. This is an example of a project that came into the LEP independently of DIT or other partners which is the type of project that could be attracted more consistently with a more refined proactive approach.

**Project details**

* 30,000M2 industrial site to set up a manufacturing plan
* Total investment £25M
* Job creation: <50

Total manufacturing sites in EU: 18

**Action plan**

LEP and LA partners developed and sent a presentation to FASSA covering 4 potential sites This included the support available from LEP and some information about the area. Virtual team works very well with contributions from the following:

* Ana – LEP, Skills and area overview
* Jacqueline (Cheshire West) - Winsford site
* Debra (Cheshire East) - Congleton Business Park, Crewe and Middlewich
* Matt (LegatOwen) - video from the sites

This work is ongoing and is one of several examples of how it can be built on.