##### Cheshire & Warrington Local Enterprise Partnership

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| **Title:****Local Industrial Strategy - Automotive** | **Agenda item**  |
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| **Prepared by:****Andy Hulme** | **Date of Meeting** **21st June 2017** |
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| Executive Summary:This report updates the Board on activity being undertaken to support the Automotive sector as part of the development of a ‘Local’ Industrial Strategy.Recommendations / Action Requested: The Board is asked to: -1. Note the contents of this report.
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| Details:**Background**1. The LEP Executive has been progressing a number of linked conversations aimed at identifying collaborative opportunities to support the automotive sector, especially the supply chain, to ensure that, as part of a ‘Local’ Industrial Strategy, it is ‘well-rooted’ in the sub-region and neighbouring areas.
2. The refresh of the SEP has highlighted the importance of manufacturing in general to the Cheshire and Warrington economy, and events since the EU Referendum in June 2016 have served to emphasise the risks to the automotive industry as a key manufacturing sub-sector.

**Discussion**1. The decision to leave the EU, the announcement of the proposed sale of Vauxhall Motors by General Motors to the PSA Group and the publication of the Industrial Strategy Green Paper have provided impetus for the LEP Executive to initiate discussions with Government (including the Welsh Assembly Government) other LEPs, the automotive sector and its key regional and national representative bodies.
2. The aim of these discussions, which have developed over several months, is to gain a greater understanding of the potential risks and opportunities to the sector post-BREXIT, and to identify areas for collaboration in ensuring that the sector continues to be successful and well-rooted in the sub-region and wider north West and North Wales.
3. 95% of the UK’s motor manufacturing industry lies within a three-hour drive of Cheshire and Warrington, and the north west and North Wales represents the second largest automotive cluster in the UK
4. To date we have engaged with General Motors (Vauxhall), Bentley, the Society for Motor Manufacturers and Traders (SMMT), BEIS, Northern Automotive Alliance and the Welsh Automotive Forum. Most recently the LEP hosted a Roundtable event in Chester, the result of which is a series of actions to be progressed over the summer by the LEPs and Welsh Government.

 1. In summary, the next steps were: -
	* LEP and Welsh Government Officers to work up a programme of engagement with Manufacturers, key suppliers and industry groups to get a more detailed understanding of the issues and potential local measures that could be developed to improve the competitive environment
	* Undertake work to better understand existing capacity and capability within the automotive supply chain
	* Undertake work to better understand potential levels of aggregated demand for specific components which could support inward investment decisions
	* Develop an initial set of proposals for September 2017 which could then be used to feed in to any wider ‘sector deal’ for Automotive.
2. A further (smaller scale) roundtable event, hosted jointly by Cheshire and Warrington, Liverpool City Region and the Welsh Government has been arranged for 21st July 2017 targeted at supply chain representatives who were unable to make the Chester event.
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| Appendices:* N/A
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