



Key findings from consultation and engagement

Summary of consultation responses on the February and
March 2019 Cheshire and Warrington Local Industrial Strategy
evidence base and suggested workstreams

May 2019

Overview

The purpose of this report is to **summarise the comments and reflections from the Local Industrial Strategy Events** held by the Cheshire & Warrington LEP between January – March 2019.

A standard format was followed for each event, with the LEP facilitating the event, the evidence presented by Metro Dynamics, and a workshop session where tables considered four questions on the evidence and potential local industrial strategy priorities.

The consultation sessions

The LEP held three open invitation consultation events over six weeks across the Cheshire and Warrington LEP, accompanied by a number of thematic or sector based roundtables, dinners and breakfast sessions. The three open events were:

1. Crewe, January 31st
2. Warrington, February 12th
3. Ellesmere Port, March 5th

The topics covered

At each of the sessions we asked our stakeholders to talk to us about:

- The LIS Evidence Base and whether it resonates with them
- The Five Foundations:
 - Ideas & innovation
 - People
 - Infrastructure
 - Business environment
 - Place
- The Four Grand Challenges:
 - Clean growth
 - AI and data
 - Ageing workforce
 - Future of mobility

For each of these topics we have sorted the information we received into key themes, which are presented here, highlighting the points which came up repeatedly.

Key words – what we heard

Five Foundations



Grand Challenges



LIS Evidence Base

Stakeholder suggestions on the LIS Evidence Base

- Most feedback received indicated that the LIS evidence base resonated with stakeholders and reflects the sub-regional economy
- One stakeholder suggested considering the policies contained in the Local Neighbourhood Plans and Local Plans as inputs
- One suggestion was to split pharmaceutical industry evidence out of figures on manufacturing and chemicals
- The agriculture and Agri-tech sectors could be examined further with commuters removed from the dataset

Potential gaps in the evidence base

- The charitable sector, which is substantial and is not mentioned
- How to assess productivity in retail and hotels
- Growth in housing – concentration on high GVA areas/structural sectors. Focus on smaller areas required?
- Universities and FE institutions as employers and businesses



Key Findings

The Five Foundations

Ideas

Stakeholders comments were received around:

Research and Development in regional assets

- The sub-region would benefit from a greater emphasis on R&D in local Higher Education institutions (HEIs)
- At the same time, more can and should be made of links with neighbouring R&D academic assets, e.g. University of Manchester, STFC Daresbury, Liverpool University

Supporting commercial applications of R&D

- To support the commercialisation of R&D stakeholders suggest the sub-region would benefit from practical SME support programmes to help turn R&D into commercial applications – this includes supporting bid applications, funding and access to HEIs
- More should be done to facilitate business engagement in R&D programmes, such as developing a Strategic Investment Fund to support business R&D which is aligned to the sub-region's strategic priorities
- Supporting a start-up culture in the sub-region may help improve links between R&D and business
- Grow-on space was also seen as a barrier to further innovation and growth

People

Stakeholders comments were received around:

Prioritising local employment

- Consultees note that businesses are currently hiring employees from outside the local area. Some stakeholders suggest creating a local recruitment portal for industries, facilitating easier access to the local talent pool
- This is an attractive sub-region in which to work – more needs to be done to drive local recruitment

Linking education and skills to employers

- STEM skills are a key priority for many businesses, but it can be difficult to find the right skills in the workforce
- Links between businesses and training providers need to be developed and improved. Both employers and employees benefit from businesses being closely involved 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
- The Apprenticeship Levy was commented to be a barrier to apprentice recruitment

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
- Some stakeholders suggest 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

Stakeholders comments were received around:

Transport

- Stakeholders note that substantial improvements are required to the sub-region's transport infrastructure, in particular to travel east – west as opposed to north - south
- It is difficult to travel from urban to town, and town to town. This is especially the case for shift workers, as public transport may not be operating reliably outside of standard 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
- Stakeholders are uncertain if there is a 'Plan B' in the event of HS2 stops at Birmingham
- Public transport to some key employment sites (e.g. Stretton-Woolston Grange) is limited and is therefore reducing business ability to recruit.
- Some stakeholders spoke favourably of the Northern Powerhouse programme and the potential to maximise the sub-regional investment from this

Other infrastructure

- Stakeholders note that digital infrastructure – particularly fibre – is vital to the sub-region's businesses; Improving rural digital connectivity will encourage enterprise in rural areas
- Stakeholders suggest the LIS should focus on enabling infrastructure: energy, transport, digital, care
- Natural infrastructure should not be overlooked - natural capital contributes to resilience and quality of life for people

Business Environment

Stakeholders comments were received around:

Providing support for start and scale-ups

- Stakeholders noted how important it is to create an ecosystem that supports new businesses and start-ups, particularly those which are 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 is 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, for example through the 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

Stakeholders comments were received around:

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



Key Findings Grand Challenges

Clean Growth

Stakeholders comments were received around:

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. There are 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

- Some stakeholders caution against selecting Clean Growth as the “right” challenge. It does not apply to all sectors / businesses – and may threaten some existing businesses in the area. Instead, some suggest that 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 whether some large employers who are reliant upon existing energy supply conditions can be retained 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

Stakeholders comments were received around:

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

Stakeholders comments were received around:

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

Stakeholders comments were received around:

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. There may be an opportunity to set up an Electrical Distribution R&D centre in the sub-region

Further comments

General comments

- Ongoing Brexit uncertainty is impeding the UK's Industrial Strategy, which is impacting on the LEP's Local Industrial Strategy
- Stakeholders note the opportunities to drive productivity changes in smaller organisations – this is because culture change is easier, and culture change can drive productivity improvements
- Stakeholders suggest the LIS should focus more on collaboration between the private and public sectors

LEP feedback and next steps

- Stakeholders appreciate that the LEP is trying hard to “pull the thinking together”
- Actions and outcomes – stakeholders would like to understand how actions and outcomes are going to be delivered