

REGIONAL ECONOMIC STRATEGY (RES) REVIEW 2005

Consultation and publication process

1 The North West Development Agency (NWDA) published a consultation draft of its revised Regional Economic Strategy (RES) on 1 July. The RES is the second of four major regional strategies underway to reach draft stage – the others being the Regional Housing Strategy (RHS), Regional Spatial Strategy (RSS) and Regional Transport Strategy (RTS). As such, it will have a major impact on future land use and transportation plans - and the future investment programme of agencies like the NWDA. A brief summary of the draft Strategy is outlined in Appendix A.

2 Consultation takes place through to 30 September 30 2005. Whilst each local authority and many other partner organisations will be making their individual responses, this Cheshire Partnership meeting is one of a series of events which hopefully will enable a strong and united response to be developed on behalf of Cheshire & Warrington as a whole. This collective response is being co-ordinated by the Cheshire & Warrington Economic Alliance (CWEA). In refining the response, CWEA have engaged the technical support of Regeneris Consulting, who were involved in the production both of the Cheshire & Warrington Economic Strategy, Investing in Success, and the Regional Economic Analysis and Issues Report which underpin the new draft RES. Regeneris expertise will be particularly useful in identifying the mismatches between their regional economic analysis and issues papers and the draft RES, with a particular focus on Cheshire & Warrington.

3 The series of events include:

- September 7 – draft response considered and approved by CWEA Strategy Development Group (consisting of Chief Economic Officers of all C&W local authorities, Business Link, LSC and Chambers of Commerce)
- September 8 – Cheshire Partnership meet to consider and comment
- September 9 – Cheshire (local authority) Chief Executives meet to consider and comment.
- September 13 – Special Board Meeting of CWEA, facilitated by Regeneris, to approve ‘final draft’ response
- September 20 – two open consultation events at Tatton Park, co-hosted by NWDA and CWEA, the first a ‘practitioners’ event, aimed at the public and voluntary sectors, including LSP members, and the second aimed at senior public and private sector stakeholders. Both will be attended by NWDA, including at the second event the Chief Executive.

4 Each of these stages will allow the response to be refined and improved and enable a completed version to be submitted by the NWDA’s deadline.

5 It is anticipated that the format of the response will be a brief two/three page submission, supported by a short appendix which will provide evidence for the changes to the RES which we are seeking.

6 Following the consultation period, NWDA will produce an amended RES which will be approved by its Board in November and submitted to Government early in the new year. NWDA are also starting to develop a three-year Action Plan to accompany the RES, and this will clearly have a major influence on investment decisions. It is understood that the draft Action Plan will be completed by the end of December and approved by the NWDA Board in January. It is not clear at this stage what, if any, 'public' consultation process will be followed for the Action Plan.

7 Cheshire & Warrington is represented, through the CWEA, on a RES Advisory Group, which includes the five sub-regional partnerships and a further twenty organisations representing wide range of other interests. The Advisory Group has been a useful sounding board for the NWDA in developing the draft RES. The Agency is now considering forming a smaller 'writing group' comprising the sub-regional partnerships, NWRA and GONW, to oversee the re-drafting of the RES.

Draft Response

8 There are few common threads in the responses being made from across the Region – each sub-region and other organisation has serious concerns, but the focus of each is very different. Of particular note, there is a strong lobby from Manchester that the Northern Way initiative is underplayed in the RES and that there should be a far stronger City Region perspective. Locally there may well be different concerns from different areas and interests and the NWDA should be made aware of these through local responses. However, there are key common views which form the basis of a common response. These are:

- There is much to be welcomed – particularly the emphasis on business development and Quality of Life, continued support for strategic sites at Omega and Crewe, on encouraging enterprise, on tackling worklessness, promoting knowledge industries and key sector development
- The strategy is balanced too far towards addressing failure and too little towards sustaining and supporting areas of economic strength, and improving the links between areas of opportunity and areas of need. There is little or no reference to sustaining areas with high economic potential, sub-regional and local centres, areas of high enterprise and centres of key sector importance
- It focuses almost exclusively on a strong concentration of resources for skills and regeneration on areas of deprivation at a whole district level which would debar interventions at ward or sub-ward level elsewhere.
- Given Cheshire and Warrington's role as a centre of knowledge industries, little is made of this and provision for future knowledge based industries here, additional provision is limited and reference to our own research and higher education strengths absent
- The Chemical industry – a key driver of value added – needs specific mention as a key sector
- The role of Cheshire and Warrington in providing opportunities for those in adjacent deprived areas is grossly underplayed and improving access and links to enable them to take advantage of these opportunities almost absent

- Little reference is made to key strategic infrastructure – links to Merseyside and N.E.Wales, key Gateways (i.e. Crewe, Chester and Warrington) and important links like the A556
- The need for more specific reference to the 'transformational' projects at Northwich, Crewe and the Weaver Valley
- No specific recognition of the wider development of the rural and visitor economy outside of Chester
- Little or no reference to the need for additional - especially affordable - housing in areas of high economic growth and house prices
- Whilst based on the broad concept of City Regions, there is a welcome focus on existing sub-regions which are more inclusive.

The Cheshire Partnership is asked to:

- 1) comment on and endorse the key points highlighted in paragraph 8 as the basis of an emerging Cheshire and Warrington response;**
- 2) forward any additional comments for inclusion in the emerging Cheshire and Warrington response to Alison Armstrong by Friday 23 September 2005; and**
- 3) note the further work underway on a detailed collective response by the CWEA.**

REGIONAL ECONOMIC STRATEGY – SUMMARY OF CONSULTATION DRAFT

BACKGROUND

Northwest is a £98bn economy with approximately 6.8m people and 230,000 firms.

Key gaps in NW performance compared with England average include:

- 80,000 fewer people working
- 120,000 more people with no qualifications
- 80,000 fewer people with degrees
- 90,000 fewer people working in Knowledge Economy
- 38,000 fewer businesses

£13bn productivity gap - £3bn from fewer people working and £10bn from lower GVA per employee (in service sector)

Huge sub-regional variations - 'As well as forming a key part of two city regions, Cheshire & Warrington is also a major contributor to high value added jobs in the economy.....The importance of the rural economy in the region is demonstrated by the fact that it accounts for 23% of the GVA of the Northwest and has 40% of all firms'.

OVERALL STRATEGY & VISION

“Transform England’s Northwest through sustainable economic development into a competitive, high added value, knowledge based inclusive economy.”

To achieve this vision, progress is needed on two fronts:

1. The region needs to build on its areas of success and increase productivity per person employed. This means increasing the added value of jobs in the region as well as protecting the high added value jobs we already have. This will require work with companies to invest in product, process and market innovation as well as work with individuals to upskill them.
2. The region needs more people working and to encourage all forms of economic activity....linking people from more deprived communities to job opportunities where they are close by and encouraging new enterprise activity into certain areas.

These two drivers need to be underpinned by investment in infrastructure, image, and sustainable communities.

STRATEGIC THEMES

BUSINESS

1. Encourage higher value added activity through innovation
2. Encourage higher added value activity through internationalisation

3. Develop an enterprise culture and job growth, especially in under-performing locations and communities
4. Develop sectors – Food & Drink, Energy, Environmental and Nuclear, Advanced Engineering & Materials, Biotech/Healthcare, Digital/Media, Business & Professional Services, Public Sector

SKILLS & EMPLOYMENT

1. Increase proportion of workforce with basic skills required for work (spatial focus on Liverpool, Manchester, Knowsley, Oldham, Tameside, St Helens, Salford, Halton, Blackpool)
2. Ensure appropriate Level 2/3 provision and educational attainment for sectoral needs (spatial focus East Lancs, Blackpool, W Cumbria)
3. Increase proportion of workforce with Level 4 skills (spatial mention of university for Cumbria)
4. Encourage workforce development
5. Improve leadership and management skills
6. Develop enterprise skills (schools, colleges and HE)
7. Maintain size of workforce

REGENERATION

1. Tackle worklessness & unemployment in deprived areas within and close to areas of economic growth by linking people and jobs (spatial focus Liverpool, Manchester, Salford, Halton, Knowsley)
2. Create conditions for sustainable growth in urban areas with few economic drivers (spatial focus W Cumbria, Blackpool, E Lancs)
3. Create conditions for sustainable growth in rural areas (spatial focus 10 rural districts with worst performance; sectoral focus food & drink)
4. Join up responses and increased capacity to deliver sustainable economic growth

INFRASTRUCTURE

1. Enhance road and rail infrastructure
2. Enhance road, rail, port and airport connectivity
3. Provide appropriate sites and premises for development across region
4. Create high quality physical environment
5. Create housing quality and quantity to support economic growth (including: secure affordable housing to maintain balanced communities, ensure new build housing supports wider regeneration and economic growth, including demand for knowledge workers)
6. Make best use of ICT infrastructure
7. Ensure a supportive planning framework (continue to give primacy to Manchester/Salford and Liverpool City Centre)

QUALITY OF LIFE

1. Improve image of region (enhance areas around Northwest attack brands and ensure critical mass of activity to attract overnight stays)
2. Build on impact of major events (including Capital of Culture)
3. Develop uniqueness of cultural offer
4. Capitalise on and strengthen natural and built heritage (including regional parks, Chester, key historic towns)
5. Increase quality, range and value of business and leisure visitor economy (including Chester Zoo)