

Appendix 1

Halton Borough Council

Economy, Enterprise and Property Department

An Overview of national, local and regional strategies and policies

Section 1. Introduction

1.1 The work undertaken by this Department to support the Halton economy, is to a large extent determined by this Council in response to local needs and priorities. However, Economic Development and Regeneration activity is not undertaken in a vacuum or without reference to regional or national policies or direction. Many other agencies intervene in the local economy in numerous ways. Most organisations, if not all, have published strategies and policies in place. To some extent the contents of these strategies influence this Council's thinking and consequently, to some extent, shape our activities and service delivery.

1.2 The number of national and regional strategies relating to economic issues has proliferated in recent years. Everyone, so it seems, has a strategy. However, the number of strategies relating to the economy has undoubtedly increased because of the political focus on the economy in Brexit, and also as a consequence of an increase in the various powers to intervene in the economy being devolved to the regions.

1.3 The purpose of this document is to consider the contents of these strategy documents and how they could influence aspects of This Council's service delivery.

1.4 New and revised strategies frequently emerge from National and Regional government. This Department monitors and reviews the documents periodically to determine the relevance and potential impact and to ensure that informed choices can be made about local direction and to ensure that opportunities to advance our local economy are not overlooked.

Section 2. National Priorities, Policy and Strategies

2.1 The Government intervenes in the economy in numerous ways. These include regulation, taxation, subsidies and legislation. However, this document only considers the government's strategic policy and how this may impact on our local economy in Halton.

2.2 **The following key documents have been considered in the preparation of this section;**

- The Path to Strong, Sustainable and Balanced Growth, HM Treasury & Department for Business Innovation and Skills, November 2010.
- No Stone Unturned, the Heseltine Review, Department for Business, Innovation and Skills, 2012
- Government's response to the Heseltine review HM Treasury & Department for Business Innovation & Skills, March 2013.

- Growth Deals – Initial Guidance for Local Enterprise Partnerships HM Government, July 2013
28 Local authorities, Local Enterprise Partnerships and the Growth Agenda Derek Walker CEDOS/ADEPT, February 2014
- ‘Fixing the Foundations; creating a more prosperous nation’, July 2015
- Policy paper 2010 to 2015 government policy: industrial strategy Updated Department for Business Innovation and Skills, May 2015
- The Government’s Productivity Plan. House of Commons Business, Innovation and Skills Committee Second Report of Session 2015–16 (26 January 2016)
- Building Our Industrial Strategy. H.M. Government Green Paper, January 2017

Background

2.3 The Prime Minister launched a Green Paper to consult on future industrial strategy at Sci Tech Daresbury on Monday 23rd January 2017. The Consultation period is twelve weeks and will close on 17th April 2017.

Government thinking about the economy and business has shifted considerably since the start of the coalition government. There are several reasons for this. Firstly, an industrial strategy is a critical part of the Government’s plan for post-Brexit Britain, as leaving the European Union requires making long-term decisions about Britain’s economic future. Secondly, there is a need to reconsider economic policy in the light of changes in the international economy that have resulted in an increase both in terms of competition and opportunities from global markets. Thirdly, political change; a new approach has been adopted by the incoming Prime Minister. The Department for Business, Innovation and Skills (BIS) and the Department of Energy and Climate Change (DECC) were merged to form the Department for Business, Energy and Industrial Strategy (BEIS) soon after she succeeded David Cameron last July. That move was a notable step away from the previous approach. Under David Cameron’s leadership, the Government pursued a more hands-off approach to encouraging business growth.

2.4 The UK Government has had many industrial strategies over the years. In the late 1960’s and 1970’s the Government’s industrial strategies became almost synonymous with spectacular industrial failures, such as British Leyland and Upper Clyde Shipbuilders. As a consequence, for many years the concept of an industrial strategy became tainted in the UK and led to a more laissez faire approach being adopted. In countries, as diverse as South Korea, the United States and Germany, implementing ‘industrial strategy’ has led to successful interventions and good outcomes. Far from the experience of 1970s Britain, the international approach to industrial strategy has often been fruitful, leading to more productive and better balanced economies.

2.5 The UK in contrast, has mostly settled for incremental, targeted interventions from Government that range from tax breaks and deregulation to strategic procurement decisions and specific investment in skills. However there have been a series of strategic documents relating to economic policy, each containing common themes, that have been produced since the Coalition government was formed in 2010.

‘The Path to Strong, Sustainable and Balanced Growth’ -2010

2.6 The first of these strategic documents was produced when the Coalition Government first took office, entitled ‘The Path to Strong, Sustainable and Balanced Growth’.

2.7 The strategy emphasised that the best way for Government to support business was to provide the right conditions for success, by removing the barriers and putting the private sector first when making decisions on tax, regulation and spending.¹ A further paper, published by The Department for Business Innovation and Science, identified four pillars crucial to driving growth. These were: 1. Providing the stability business needs; 2. making markets more dynamic; 3. Effective government that supports investment and growth; and 4. supporting individuals to fulfil their potential.

2.8 The strategy advocated some themes that are included in the new Green Paper, such as providing access to funding, creating incentives for innovation and reducing regulation and red tape. In addition, for the first time in many years, the document highlighted the need to prioritise public spending on infrastructure. A key element was also the need to ensure that the UK was well-positioned for a transition to a low-carbon economy.

2.9 Regarding the skills agenda, the report highlighted that businesses needed improved basic skills and called for an emphasis on the teaching of science, technology, engineering and mathematics (STEM) skills and a competitive and sustainable world-class higher education system. In a nutshell, the document indicated that the UK needed a simpler, more flexible skills system that responded better to the needs of employers and which repays the efforts of learners. Overall, the importance of this document was that for the first time it identified the type of issues that the Government is still striving to resolve in the latest Green Paper.

‘Fixing the Foundations’ – Productivity Plan 2015

2.10 ‘Fixing the Foundations’ – Productivity Plan was launched following the general election of 2015.

2.11 Until the outcome of the referendum vote, this document was considered to be the definitive statement in respect of the government’s policy agenda for business for the whole of the five year parliamentary term. The key objective was to try to reverse the UK’s long-term

¹ The Path to Strong, Sustainable and Balanced Growth, HM Treasury & Department for Business Innovation and skills, November 2010. p3

productivity problems compared to other G8 economies, through a number of small improvements. However, it was more a collection of existing policies than a new blueprint for the future.

2.12 The government's framework was built around two pillars and was an evolution of the ideas contained in the previous document, - The Path to Strong, Sustainable and Balanced Growth. Firstly, once again, it highlighted the need for investment in infrastructure, skills and training. Secondly; it sought to promote an economy that encouraged innovation and helped resources flow to their most productive use. The document set out a fifteen-point plan for productivity comprising the following elements;

1. A competitive tax system, **2.** Rewards for saving and long term investment, **3.** A highly skilled workforce, **4.** World leading universities, **5.** A modern transport system, **6.** Reliable low carbon energy, **7.** World class digital infrastructure. **8.** High quality science and innovation, **9.** Planning freedoms and more houses to buy, **10.** Higher pay, lower welfare society **11.** More people able to work and progress, **12.** Financial services that lead the world in investing for growth, **13.** Competitive markets with less regulation, **14.** A trading nation opens to international investment; and; **15.** A rebalanced economy and a thriving Northern Powerhouse.

2.13 The document highlighted that the UK has weaknesses in its skills base that has contributed to its longstanding productivity gap with France, Germany and the US. Results from the OECD show that England and Northern Ireland are in the bottom four countries for literacy and numeracy skills among 16-24 year olds.² The document recognised that a step change in the scale of the apprenticeship programme was needed in response to the decline in training. The government therefore introduced a training levy on large UK employers to fund the new apprenticeships. Levies to fund training are in place in Germany, France, Denmark and over 50 other countries, often supporting high quality apprenticeship systems.³

2.14 In addition to investment in rail, the report put road building in a position of prominence. England's roads carry over 95% of all passenger journeys and are used for over 85% of journeys by distance.⁴ As an illustration of how Britain's road building programme compares, since 1990 France has built 2,700 miles of motorway, more than the entire length of the UK motorway network⁵ In addition, there is an estimated backlog of maintenance works on the local road network of up to £8.6 billion.⁶

2.15 The document highlighted the need to support for Science, Technology and Innovation in recognition that technology based innovation is a major driver of economic growth. The UK produces 16% of top quality published research findings, with less than 1% of the world's population.⁷ The UK is ranked 4th in the world for business and university collaboration, and

² Adult Skills Survey, Organisation for Economic Co-operation and Development, 2013. Results are not available for Scotland or Wales.

³ Subsidies and Levies as Policy Instruments to Encourage Employer-Provided Training, OECD Education Working Papers, No. 80, N Müller and F Behringer, June 2012; A review of national training funds, Richard Johanson, November 2009

⁴ National Travel Survey, Department for Transport, 2013

⁵ Action for Roads, Department for Transport, 2013

⁶ Internal analysis conducted by the Department for Transport in 2015. This is based on a central spot estimate from a range of between £4.3 billion and £8.6 billion

⁷ International Comparative Performance of the UK Research Base, Elsevier, 2013

attracts more R&D funded from abroad than Finland, Russia, Canada, Japan and China combined.⁸ The expansion of Sci Tech Daresbury was specifically mentioned in the plan, in the context of the £200 million industry funding from IBM to drive forward Big Data research at Hartree.⁹

2.16 A core component of Government thinking at that time was that the economy required rebalancing from a low wage, high tax, and high welfare society to a higher wage, lower tax, and lower welfare society. The Government believed that the National Living Wage (NLW) was an essential part of a package of measures, including changes to tax, national insurance, and further welfare reform, to achieve this. The Government wanted to reduce reliance on the State topping up wages through the benefits system, and that low wage workers take a greater share of the gains from growth. The UK should do more to raise the wages of the low-paid compared to other countries - 22% of UK workers are low-paid, compared to the OECD average of 16%.¹⁰

‘Building Our Industrial Strategy’; – Green Paper January 2017

2.17 Although this industrial strategy has so far received less publicity than Brexit, it could, ultimately, have a more significant long-term impact on Britain than leaving the European Union. But that impact depends on the government not only producing a substantial plan but also sticking to it over years and parliaments, which will not be an easy task. Increasing Britain’s post-Brexit economy will rely heavily on state intervention as the government looks to exploit the impending removal of EU state aid rules.

2.18 The Prime Minister said at the launch that the new strategy represented a “new approach to government” of “not just stepping back but stepping up to a new, active role”. As mentioned previously, under David Cameron’s leadership, the government had pursued a more hands-off approach to encouraging business growth.

The proposed industrial strategy for the UK is based on 10 pillars:

1. Investing in science, research and innovation – to become a more innovative economy and do more to commercialise our world leading science base to drive growth across the UK.
2. Developing skills – to help people and businesses to thrive by: ensuring everyone has the basic skills needed in a modern economy; building a new system of technical education to benefit the half of young people who do not go to university; boosting STEM (science, technology, engineering and maths) skills, digital skills and numeracy; and by raising skill levels in lagging areas.
3. Upgrading infrastructure – upgrade digital, energy, transport, water and flood defence infrastructure, and better align central government infrastructure investment with local growth priorities.

⁸ Global Competitiveness Index 2014-15, The World Economic Forum, 2014; Main Science and Technology Indicators, OECD, 2015

⁹ Fixing the Foundations; Creating a more prosperous nation. July 2015 page 39 para 8.12

¹⁰ The OECD defines this as earning less than two thirds of median earnings. - http://www.legislation.gov.uk/ukia/2016/3/pdfs/ukia_20160003_en.pdf

4. Supporting businesses to start and grow – ensure that businesses across the UK can access the finance and management skills they need to grow; and we must create the right conditions for companies to invest for the long term.
5. Improving procurement – use strategic government procurement to drive innovation and enable the development of UK supply chains.
6. Encouraging trade and inward investment – government policy can help boost productivity and growth across our economy, including by increasing competition and helping to bring new ways of doing things to the UK.
7. Delivering affordable energy and clean growth – keep costs down for businesses, and secure the economic benefits of the transition to a low-carbon economy.
8. Cultivating world-leading sectors – build on areas of competitive advantage, and help new sectors to flourish, in many cases challenging existing institutions and incumbents.
9. Driving growth across the whole country – create a framework to build on the strengths of different places and address factors that hold places back – whether it is investing in key infrastructure projects to encourage growth, increasing skill levels, or backing local innovation strengths.
10. Creating the right institutions to bring together sectors and places – we will consider the best structures to support people, industries and places. In some places and sectors there may be missing institutions which could be created.

2.19 In many ways the ‘Building our Industrial Strategy’ is an evolution of recent government documents, including ‘Fixing the Foundations’ and ‘The Path to Strong, Sustainable and Balanced Growth’. The Green Paper is focused around objectives to build and extend the UK’s sectoral strengths, close the productivity gap and increase the UK’s overall competitiveness. Whilst the number of key headings have reduced from 15 to 10 the elements contained in the 2015 document are largely the same.

2.20 There is however, a wider focus emerging in this Green Paper: improving UK productivity, while investing in research and innovation and improving skills across all sectors.

2.21 The Green Paper asks a series of structured questions at the end of each section.

2.22 The Green Paper calls for significant investment in research and development for nascent UK sectors, including an Industrial Strategy Challenge Fund which could go as far as to invest in innovations like modular housing.

2.23 The government has earmarked £4.7 billion in funding for R&D, first announced in November 2016, to help industries including robotics, artificial intelligence, 5G mobile technology and smart energy. Announced during the autumn statement, R&D investment will grow by an additional £2 billion over and above existing spending by 2020. An increase in investment year-on-year will give an overall boost of £4.7bn by 2020-21. This is the biggest increase in R&D investment in any parliament since 1979. This could be instrumental in supporting businesses to create new technologies.

2.24 There is additional funding for the British Business Bank (BBB) and a commitment to helping the BBB to provide finance to more businesses outside of London and the South East.

2.25 The Government will also offer a “range of support” to struggling sectors following the UK’s exit from the European Union, including deregulation and state assistance in trade deals. Five sectors that will receive government support are: nuclear, life sciences, low-carbon-emission vehicles, Industry 4.0 and the creative sector.

2.26 The Prime Minister’s suggestion that the government will look to intervene more in business once the UK has left the EU, represents a change of approach. Real-terms public spending on R&D has been in decline since the 1990’s, when it was decided that industry, not the state, should pick up the bill for more long-term, expensive research.

2.27 Business groups have largely welcomed the Green Paper. Carolyn Fairbairn, Director General of the Confederation of British Industry (CBI), said: ‘A modern industrial strategy will be a landmark opportunity to build a successful, modern economy as the foundation for a prosperous, fairer and more inclusive society.’

2.28 Meanwhile, Adam Marshall, Director General of the British Chambers of Commerce (BCC), commented: ‘Business communities across the UK will be pleased to see that harnessing the potential of our cities, towns and counties lies at the heart of the government’s approach to [the] industrial strategy.’

2.29 The actions outlined in the Green Paper sound sensible – but the point must be made that there has never been a government that was actually ever hostile to new business start-ups, and didn’t want to upgrade skills. The problem with the Green Paper is the basic premise. Until the terms of leaving the European Union are known, there is no idea what trade barriers will be in place, and how that might disrupt supply chains. Therefore, it is difficult to anticipate what industries will do well or badly in post-Brexit Britain and therefore what industries may need support from government interventions.

What does this mean for Halton?

2.30 As demonstrated in this section, government strategies relating to engagement with business have come and gone over the years. Few have really had any lasting effect because they have lacked enduring support and commitment from the government to deliver.

2.31 However, the latest seems to clearly identify the challenges, if not all the solutions. The focus on skills and technical education is welcome, but it must be recognised that this is only one part of what a modern industrial strategy needs. The UK requires a blend of improvements to transport, infrastructure, including superfast broadband and access to finance, if it is to flourish post-Brexit.

2.32 The government’s Green Paper talks of a string of new Institutes of Technology in England and Wales for students from 16-19 years of age. Throughout this region, the skills gap is widening and so we must work with partners to encourage more young people to study the STEM subjects – science, technology, engineering and mathematics.

2.33 This Council needs to be engaged with partnerships that can attract optimum levels of government finance and support to the local area. It will be particularly important that plans for development of science and technology, in particular those associated with Sic -Tech Daresbury, are aligned with this plan to take advantage of the strategic targeting of resources being pursued at a national level.

2.34 There are some very contradictory proposals in the Green Paper – it suggests we want to be an open market and yet suggest a procurement policy which buys British. This may be beneficial to local business, - but may also change how this Council sources external goods and services.

2.35 The Green Paper contains no mention of the Shared Society and inclusive business in the document outside the introduction. The social contribution of business is neglected. This needs to be emphasised.

2.36 Real opportunity exists for this Council in the future to work with universities to extend their contact with local employers, ensuring every employer that wishes to recruit locally is able to access local graduates.

2.37 This Council engaging widely with local business community and individuals and encouraging them to respond to the strategy. We believe that by the Government developing a clear industrial strategy, Halton's businesses will be best positioned to boost their competitiveness.

2.38 The government's emerging Industrial policy will be monitored on an ongoing basis. In particular, how changes to government policy may impact on local businesses and in particular how they might affect vulnerable small local businesses and low paid, local people. Alongside other businesses and organisations and public sector bodies, Halton Borough Council will submit a response to the strategy before the 17th April deadline.

Section 3. - Regional Priorities, Policy and Strategies.

3.1 **The following key documents have been considered in the preparation of this section;**

- The Northern Transport Strategy;
- The Northern Powerhouse: One Agenda, One Economy, One North A report on the Northern Transport Strategy March 2015
- Liverpool City Region Growth Strategy 2015
- Atlantic Gateway Business Plan July 2012
- The State of Liverpool City Region Report: Making the Most of Devolution January 2016,
- Liverpool City Region Innovation Plan 2014-2020
- Liverpool City Region Skills for Growth 2015-16
- Sectoral Strategies, Liverpool City Region, - various dates.

The Northern Powerhouse;

- 3.2 This initiative was instigated by Central Government. However, it is included here, rather than the previous section on Government policy, because it relates entirely to the North of England, as opposed to a national policy or initiative.
- 3.3 The Northern Powerhouse project proposal to boost economic growth in the North of England by the 2010-15 coalition government and 2015-20 Conservative government. It relates particularly in the "Core Cities" of Manchester, Liverpool, Leeds and Sheffield.¹¹ The proposal is based on urban agglomeration and aims to reposition the UK economy away from London and the South East.
- 3.4 The proposal involves improvement to transport links, investment in science and innovation, and devolution of powers in City Deals
- 3.5 Transport for the North (TfN) represents all 11 Local Enterprise Partnerships and all Combined Authorities and Local Transport Authorities in the North. Its role is to enhance and add value to the existing governance framework between local and central government – filling a strategic gap to plan and develop the strategic transport networks of the North with its partners to help achieve the vision Northern Powerhouse. However, especially so, as it is underpinned by the first Independent Economic Review for the North, identifying the region's key prime and enabling capabilities¹² and The TN Economic Study identifies that the North has four distinctive prime capabilities within the world economy that have the highest potential to drive growth and increased productivity:¹³
- digital technology, including software and content;
 - advanced manufacturing, especially materials and processes;
 - energy, including nuclear and offshore wind; and
 - health innovation, including life sciences, medical technology and service delivery.
- 3.6 The study suggests that to support these prime capabilities and drive job numbers, there are three key enabling capabilities; **financial** and **professional services, higher education, and logistics**.
- 3.7 The economic assets represent activities in which the North has distinctive specialisation, highly productive jobs and which export to and compete in wider UK and global markets. The North accounts for 19% of total exports in the UK.¹⁴

¹¹ The Northern Powerhouse: One Agenda, One Economy, One North, TfN 2015

¹² The term 'capabilities' is used in spring TfN 2016 update report, rather than 'sectors' because the capabilities cut across the conventional statistical definitions of sectors, and include wider competencies in the knowledge and asset bases. For example, 'Health Innovation' comprises activities found in both manufacturing industry, in services, and across the research base. Prime capabilities are those that are distinct and specialist across the North and competing on a global stage.

¹³ TfN Economic Study, Spring 2016

¹⁴ 2014 data from HM Revenue and Customs:

<https://www.uktradeinfo.com/Statistics/RTS/Pages/RTSArchive.aspx>

- 3.8 Transport connectivity is key allowing the agglomeration effects to be more fully realised across the network of the largest towns and cities in the North – creating a single economy. The report identifies the important role of transport connectivity in closing the productivity gap, alongside other key components of the economic ecosystem such as skills improvement and pervasive innovation.
- 3.9 TfN is also planning improvements to the strategic road network. The shared vision for roads, first stated in the March 2015 report, is for a faster, less congested strategic road network, which is crucial to delivering the Northern Powerhouse. Central to this vision of motorways and expressways increasingly offering a ‘mile a minute’ journey times, linked to local networks and key locations including ports, airports and other logistics hubs. Northern City Regions have developed Strategic Economic Plans to demonstrate how they will develop their strengths in the knowledge-based growth sectors of the future: creative industries in Liverpool; media in Manchester; legal in Leeds; advanced manufacturing in Sheffield; energy in Hull; and software development in Newcastle.
- 3.10 The number, capacity, and reliability of east-west road connections are seen as a constraint on the Northern economy. The M62 is the only east-west motorway spanning the North. The road that connects Greater Manchester and the Sheffield City Region is a single carriageway road through the middle of the Peak District National Park. East-west travel across the Pennines and so can be unreliable with severe delays and closures in bad weather.
- 3.11 High demand for freight travel to and from the North’s ports, for commuting to work, and for other business trips means that many parts of the North’s road network are heavily congested. Some of the most congested parts of the network include the M60 in Greater Manchester, the M62 in the Liverpool City Region, Cheshire and Warrington. The first Road Investment Strategy also announced three strategic studies to consider some of the biggest challenges in the north of England and potentially transform east–west strategic road connectivity:
- The case for a new high performance tunnel under the Pennines between Sheffield and Manchester;
 - Upgrading of the east–west A66 and/or A69 to dual carriageway across the Pennines north of the M62; and
 - Improvements to the M62/M60 between Warrington and the north and west of Manchester.
- 3.12 The Annual Update of the Northern Transport Strategy in March 2017 will present a prioritised programme of investment.
- 3.13 Highway England’s current Road Investment Strategy 2015 to 2020 recognises that increased demand on roads to ports and airports is making it harder to access export markets. Already in development are schemes to improve linkages, such as improving road access to the Port facilities at Liverpool. TfN is, therefore, identifying the trade links that best secure competitive advantage and export growth potential for the North. Existing and future barriers to growth will be identified, along with ways in which the competitiveness of the North’s airport, port and inland waterway facilities can be enhanced. This will then lead to

an assessment of the infrastructure improvements likely to be required to allow the North to be adequately connected to airports, ports and multi modal facilities, including rail interchanges. This, if implemented may have positive benefits for the economy of Halton.

- 3.14 HM Treasury analysis shows that realising the ambition of the Northern Powerhouse to rebalance the UK economy would be worth an additional £56 billion in nominal terms to the northern economy, or £44 billion in real terms equal to £1,600 per individual in the North¹⁵. The idea of the Powerhouse is to fully harness the talent and potential offered by an area of 15 million people, which already generates around £290 billion output per year
- 3.15 The Northern Powerhouse agenda would generate an additional 48,000 jobs by 2040¹⁶. It must be emphasised that these potential jobs would be additional to the anticipated growth identified by Oxford Economics in its Economic Outlook document, prepared for the Liverpool City LEP in July 2016. This growth will have implications for Halton Borough Council and other authorities as demand for public services will increase as a consequence.

The 'North West'

- 3.16 The Atlantic Gateway is a key project for the North West Region. It claims to be is the most significant opportunity in the UK to attract investment, accelerate growth and rebalance the economy.¹⁷ As such, it certainly has potential to create a critical mass that will attract growth. By 2030, there is the potential for some 250,000 new jobs to be created in the Atlantic Gateway area and around 140,000 of these jobs will be associated with Atlantic Gateway priority projects, involving £14 billion of new investment. With a current focus on the Liverpool and Manchester City Regions and the surrounding areas of Cheshire and Warrington, Atlantic Gateway is driven by the private sector with public sector support. This includes the area's Local Enterprise Partnerships (LEPs) who, in conjunction with other partner agencies, will play a key role in delivery. An independent report¹⁸ written by Lord Heseltine and Sir Terry Leahy, stated that 'if anywhere in the UK can develop the critical mass and momentum to become an alternative growth pole to London, it is the Atlantic Gateway... there has never been a credible proposition of that nature in Britain to achieve something decades of regional policy failed to achieve". The Atlantic Gateway seeks to draw upon the area's key assets – several high growth economic sectors, excellent infrastructure, emerging enterprise zones and a talented skilled workforce. It seeks to unlock this potential in a way that supports sustainability and promotes the use of low carbon technologies.
- 3.17 Atlantic Gateway has a focus on five key themes: growth, connectivity, infrastructure, sustainability and talent. It will focus on securing investment for projects, supporting cross

¹⁵ If the northern economy grows in line with the OBR's forecast for the average across the UK between now and 2030, its GVA would be £56 billion higher in nominal terms or £44 billion in real terms, than if it grew at its historic average (1994-2012): <https://www.gov.uk/government/news/northern-powerhouse-chancellor-sets-out-pathway>

¹⁶ Liverpool City Region, Economic Outlook, Oxford Economics, July 2016, p47

¹⁷ Page 1 Atlantic Gateway Business Plan 2012

¹⁸ Rebalancing Britain; Policy or Slogan Liverpool City Region – Building on its strengths. An independent report by the Rt Hon Lord Heseltine CH & Sir Terry Leahy (Oct 2011)

LEP collaboration on critical issues, strategic leadership on key Atlantic Gateway issues and informing policy. Halton is in a key location for distribution; the proximity of the Port, Manchester Ship Canal and John Lennon Airport, (JLA) offers a particular opportunity for Halton to maintain and enhance its role as a major hub for cargo distribution. The common ownership of these transport assets by the wider Peel Group can ensure that the synergy between the businesses and their economic potential for the Liverpool City Region are maximised. The Manchester Ship Canal is unique as an inland waterway in the UK. It is capable of handling vessels of up to 15,000 tonnes to Runcorn. Runcorn Docks can accommodate vessels up to 6,500 tonnes and specialises in the import and export of bulk minerals for the chemical, glass and pottery industries. The port, with its excellent road connections has strong locational advantages for these industries. Runcorn lay-by, adjoining Runcorn Docks is the seaward end of feedstock pipelines, serving the North West's chemical industry. Large volumes of hazardous chemicals are imported and exported in this way, without impact on the local highway network.

- 3.18 The Mersey Gateway Port (formerly known as the Port of Weston) also lies alongside the Manchester Ship Canal and is being considered for redevelopment. This Port located just a couple of miles from the 3MG terminal is within easy reach of Manchester and Liverpool, as well as being in close proximity to the M62, M57 and M56 motorway hub, the West Coast Main Line, the increasingly important Manchester Ship Canal and the Mersey Gateway Crossing. The site was recently awarded its Harbour Revision Order, giving the go ahead for developments that will realise the full potential of the long-under-utilised site. Following the planned developments, the Mersey Gateway Port will be capable of handling ocean-going container ships of up to 15,000 tonnes. With its extensive road and rail connections, the Mersey Gateway Port has the potential to be a major new facility for the North West. Having this complimentary facility in the Borough only strengthens the position of 3MG as a freight hub for the region.

The Liverpool City Region

- 3.19 The overarching goal for Liverpool City Region is to produce a step change in the scale of enterprise and business activity, to expand the business base and accelerate economic growth. A healthy business base with strong business growth is crucial to increasing economic performance and competitiveness.
- 3.20 Political devolution and the emerging Liverpool City Region governance structure from May 2017, including the Combined Authority and a directly elected City Region Mayor, will bring new powers and responsibilities to deliver growth and manage public services at the city-regional scale. The City Region Mayor will exercise powers over strategic planning, supported by the creation of a Mayoral Development Corporation, a Single Statutory City Region Framework, and a Land Commission and a Joint Assets Board for economic assets; as well as a devolved local transport budget. The Combined Authority will gain control over a devolved budget for post-19 adult skills funding from 2018/19 and will be in a position to co-design future employment support for harder-to-help claimants. They will also oversee the Liverpool City Region Single Investment Fund – comprised largely of an annual £30m funding allocation over 30 years.

- 3.21 The Liverpool City Region's Growth Strategy (2015) categorises activities in three pillars of activity; Productivity, People and Place.¹⁹

Productivity; the strategy puts a focus on sectoral strengths and related assets to ensure they are maximised to their full potential. Encouraging people to start and grow more successful businesses by promoting innovation and entrepreneurial activity.

People; Improve and increase skills, developing existing talent and attract new talent for sustainable growth.

Place; Improve transport, energy and digital infrastructures, and protect and enhance cultural and environmental assets. This will improve quality of life for residents and attract and retain investors, skilled workers and visitors who will contribute to growth. This is our bold and ambitious Growth Strategy which aligns our City Region ambitions and

- 3.22 The plan sets targets that by 2040 it will create 20,000 businesses, add an additional 100,000 jobs and increase GVA of the LCR by over £20bn to £50bn.²⁰

What Does being part of the City Region mean for Halton?

- 3.23 Being part of the Liverpool City Region gives access to increased levels of funding allocated to the region. Halton has already benefited, with the Alstom project having been allocated £5million from SIF funding.
- 3.24 Despite considerable strengths, Liverpool City Region faces challenges which highlight the Need for co-ordinated intervention and investment. This is to ensure the City Region's Potential is exploited and that 'challenges' within the region (both technology and social) are overcome. It is important to work collectively to incentivise the development of new technologies and business processes, and to encourage strategies to access new markets and to attract and retain inward investment.
- 3.25 The Liverpool City Region LEP brings together all sectors to create one powerful voice to develop economic priorities, engage with government and secure investment. This enables support for business and key sector growth. The enhancement and development of relevant skills, the creation of jobs for local people and will ensure the future prosperity of the region.

3.26 The Liverpool City Region oversees Strategic Economic Development, by contributing to the development of spatial planning, housing, transport, skills and infrastructure. We are the main economic development interface with Government and form part of the Liverpool City Region Combined Authority where our role is to lead on economic development;

¹⁹ Liverpool City Region Growth Strategy 2015

²⁰ Liverpool City Region Growth Strategy 2015

Section 4 Local Priorities, policy and strategy

The following key documents have been considered in the preparation of this chapter;

The Council Plan

The Council Corporate Strategy

The Third Local Transport Plan for Halton Transport 2011: Providing for Halton's Needs

The Council's corporate plan 2015-18 Halton's Local Plan, Core Strategy April 2013 – to 2028

Halton Unitary Development Plan April 2005 (to be read in conjunction with the above)

Halton sustainable Community Strategy 2011-2026

Mersey Gateway Regeneration – Development, Investment & Delivery Plan 2017- 2027.

Sic-Tech Daresbury: Skills Pipeline – August 2016

The Apprenticeship Hub Strategy & Action Plan 2015-2020. (March 2016)

Riverside College/Croton sixth form College Strategic Plan 2016/17

The Business of Success: Our Strategy for Science, Innovation & Growth.

The Masterplan for the development of Sic-Tech Daresbury.

Daresbury Framework Strategy and Action Plan. 2007

The Council Vision.

4.1 Halton Borough Council has an overarching vision that Halton will be a thriving and vibrant location where people can:

- Learn and develop their skills,
- Enjoy a good quality of life with good health,
- Benefit from a high quality, modern urban environment,
- Have the opportunity for all to fulfil their potential,
- Develop greater wealth and equality, sustained by a thriving business community, and;
- Live in safer, stronger and more attractive neighbourhoods.

4.2 The Council's Corporate Plan has five strategic priorities for the Borough which will help to build a better future for Halton. These are;

- A Healthy Halton,

- Employment, Learning & Skills in Halton,
- A Safer Halton,
- Halton's Children & Young People,
- Environment and Regeneration in Halton, and;
- Corporate Effectiveness and Business Efficiency.

4.3 The Environment

4.4 Halton has a historic legacy of obsolete and poor quality land, housing and commercial buildings, physical infrastructure and contaminated land²¹. The physical appearance of the Borough has improved considerably over recent years, through a number of regeneration schemes, challenges still remain, including revitalising the image of the Borough.

Availability of Employment Land

4.5 The Halton Local Plan Core Strategy indicates that the Spatial Strategy for Halton is focused around a balanced mix of prioritised urban regeneration, supported by appropriate levels of Greenfield expansion.²² The strategy will largely be realised by the delivery of four Key 'Areas of Change' across the Borough where the majority of new development will be located. The four areas are;

- a) 3MG in Widnes
- b) South Widnes
- c) West Runcorn
- d) East Runcorn, Allocation of a strategic site encompassing Sic -Tech Daresbury and Daresbury Park.

4.6 Outside of the Key areas of Change, the Plan indicates that overall, the re-use of previously developed land will be prioritised, notably where regenerating or bringing sites back into use will bring wider benefits to the Borough. However, the Local Plan also identifies that is concentrated in a limited number of large sites, particularly in Widnes, where land forming the 3MG development is likely to be developed in the next five years.

4.7 Employment land will be provided over the lifetime of the Core Strategy to strengthen Halton's economy and to offer business and industry a choice of sites, so that differing requirements and locational needs can be met.

²¹ Halton's local Plan, Core Strategy 2013 P27 para 2.39

²² Halton core local strategy, local plan 2013 p 29

4.8 That said, the supply of employment land in Halton has become increasingly constrained in recent years, with competing pressure to redevelop former or existing employment areas for housing.

4.9 The Core Strategy document attempts to identify both how provision for new employment land for future use by business.

4.10 The Core Strategy assessed average take-up rates for employment land (past trends of employment land planning applications) to project the likely future requirement for employment land needed within the Borough to 2026. A 20% flexibility factor was also added to provide some choice of sites for investors. The annual figure calculated in the Plan has now been revised and recalculated based upon more sophisticated data at an annual requirement of 7 ha (circa 17 acres) per year.

4.11 Clearly, actuality is much more complicated. Demand for sites fluctuates. The types of development are often varied and depend on many variable factors, such as site location, configuration and specific end user requirements. However, the above indicates that the supply of suitable and attractive sites is important to the economic health of the Borough.

4.12 A number of strategic projects are either underway or at an advanced planning stage. Local priority projects include;

The Mersey Gateway Regeneration Strategy

4.13 The Mersey Gateway Regeneration Plan is a document currently in preparation. Its authorship is triggered by the completion of the Mersey Gateway Bridge project in autumn 2017. Although the benefits that the Gateway Crossing brings to the wider regional road network are significant, it is also important to recognise that the Gateway is more than just a new bridge across the Mersey. It gives further impetus to our ambition to move our economy forward.

4.14 The new road network associated with the Gateway will upgrade access and prominence of various underutilised sites. These sites are in locations on both sides of the bridge. These will be places where the new crossing and wider project help unlock land for new development and reposition the area for growth. In total, around 230 hectares of new and existing employment land could be released over the next decade. This total is of regional, not just local significance. It is a large area of land, equivalent, in total, to around 200 football fields. Once fully developed, these sites have the potential to accommodate up to 20,000 new jobs over the next fifteen to twenty years.

4.15 The Mersey Gateway Regeneration Project Delivery Plan will be a key regeneration strategy for the Borough. The future prosperity of Halton Borough is to some extent linked to the strategy that will instigate a steady pipeline of regeneration and development opportunities over a 10 year period.

Skills Development

4.17 There is no overarching specific local skills plan for Halton. That said, there are a range of individual strategies such as the Apprenticeship Hub Strategy & Action Plan 2015-2020 and

Riverside College/ Croton Sixth form College have a strategic plan for the 2016/17 Academic year outlining priorities, vision, values and strategic aims.

4.18 The work of the Department's Employment Learning and Skills Division links to the city region priorities. This Council is no longer required by the Skills Funding Agency to produce a local learning plan. When the Adult Skills budget is devolved to the City Region This Council will need to complete an outcome based agreement with the Liverpool City Region team.

4.19 That said, there is a wide acknowledgement locally that the development of skills and expertise are the bedrock of boosting economic growth. They are also a key component in the quest for competitiveness and productivity and therefore link to key economic policies of central government. Attracting and developing the best talent is therefore a key component of economic planning.

4.20 The Skills Strategy Group

The Skills Strategy Group was established in 2013 to identify the issues for Sci-Tech Daresbury and to develop a strategy to deliver the priorities identified in 'The Business for Success' Strategy. The Group comprises representatives from the Joint Venture partners, alongside Local Enterprise Partnership, Liverpool City Region Apprentice Hub, Skills Funding Agency and other relevant agencies.

4.21 The Skills Strategy Group has explored the establishment of a Skills Factory for Sci-Tech Daresbury, based on the Black Country Skills Factory (BCSF). This translates into a series of activity strands including the Up-skilling of Existing Workforce – to counteract ageing workforce and to reflect new technology; Apprenticeships – to extend and encourage SME's to take on apprentices; School Engagement – to increase the pipeline of people wishing to enter the sector; Links with Universities and Graduate retention.

4.22 The Halton Employment Partnership, (HEP) is Halton's approach to supporting skills and recruitment for businesses locating to the area or seeking to expand.

4.23 The aim is to engage with businesses very early in the life of a project. This is important to understand their skills and recruitment requirements. Once needs are identified, bespoke pre-employment training programmes are developed, which are delivered with other HEP partners (e.g. the college). All HEP partners have access to residents who are seeking employment/better employment and these pre-employment opportunities are offered out to them. Residents are then better skilled to apply for the vacancies once they become available.

4.24 HEP partners are able to offer a range of support to residents and businesses to ensure sustainable outcomes including access to apprenticeship grants, in-work support and help with interview clothes. The largest project supported was the recruitment to the Tesco Chilled Distribution Centre that processed around 6000 applications.

Section 5 – Summary

What do these strategies tell us?

5.1 Firstly, these strategies assist in identifying trends & patterns in the wider context of economic intervention and support for business. This helps to shape policies and strategies for Halton. Secondly, they articulate the intentions of other agencies and therefore promote an opportunity to enhance co-operation and 'joined up' working. Finally, and most persuasively, they often align with the availability of regional or national funding programmes.

5.2 Fundamentally, at a high level, all of these strategic documents share a common theme. All of those concerned with direct delivery focus on three crucial elements; firstly, improving the skills of the workforce; secondly, reducing the cost of doing business (by improving infrastructure or reducing bureaucracy) and, thirdly; making available the resources (money or suitable premises etc.) that all business need to compete and thrive in today's global economy.

5.3 Being part of the City Region needs to be central not peripheral to our thinking going forward. It is important that we have a strong voice in the debate relating to the Northern Powerhouse. The City Region will assist this Council to positively influence central government. The resources within the region will help us to build powerful evidence and develop arguments when cases are made for funding to government in general and the Treasury in particular.

5.4 It is clear that going forward that in the current environment it is important to showcase our existing assets and growth potential. There is a need to promote the identity of Halton Borough more effectively and tenaciously. The local economy is now broad-based and has considerable strengths in key sectors, including Logistics, Advanced Manufacturing and Scientific Research. As a result, the popular image of the area is outdated and work needs to be undertaken as part of a considered, structured, long term plan to change public and media perception to ensure that this area attracts its share of government resources.

5.5 Over the next decade an ageing population will have a serious effect on the skilled population and those working in manufacturing. However, it will also impact upon the products we need to develop. Medicine and products designed to support end of life will be increasingly important. Building a young, skilled manufacturing and engineering workforce is vital. Businesses need better trained and new, often younger talented people, need to be embedded in our businesses to embrace change. We will seek to "grow our own" and will need to work to retain our brightest graduates and attract new key workers to the Borough.

Conclusion.

Against these changes and challenges, The Economy, Enterprise and Property Department are currently involved in driving the economy forward, providing essential business support and infrastructure development to promote local growth. Our services and support will need to adapt and change. Working with partners within both the Borough and in the broader area of the City Region will be core to our activity going forward. We will continue to monitor the strategic approach of partners and central government to identify potential linkages and possible benefits.