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ANNUAL REVIEW 2016/17

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Cheshire and
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Cheshire and Warrington Enterprise Partnership

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FOREWORD

CHESHIRE AND WARRINGTON'S ECONOMY CONTINUES TO GO FROM STRENGTH TO STRENGTH

I'm delighted to introduce this year's annual report in what has been a really successful year for the LEP and for our region.

Cheshire and Warrington's economy continues to go from strength to strength. We have the second highest income per head of any area in England outside of London and we produce 25% of the North West's manufacturing output. Nearly as many people commute in to Cheshire and Warrington every day as Manchester, showing the strength of the opportunities that we offer as a place to work and do business.

We are one of the strongest economies in the country and the LEP has been working hard with our partners to develop strong growth propositions over the last year to support our ambitions to

double the size of our economy by 2040.

We launched the Cheshire Science Corridor Enterprise Zone in May 2016, joining together our significant science assets and strengths in key growth sectors including advanced scientific analysis and research, pharmaceuticals R&D and manufacturing, chemical engineering, energy and nuclear engineering, radio-astronomy and astronomy.

As an Enterprise Zone we can now offer incentives for businesses to locate within a number of sites in the Science Corridor, and generate investment for key infrastructure projects to help us create the conditions for further growth.

Most importantly, it gives us a strong foundation to

raise the profile of Cheshire and Warrington as a leading location for science and innovation.

Already, in its first year, the EZ has made good progress, attracting nearly 370 new jobs and 26 businesses and attracting over £8 million of private sector investment.

We also made good progress in developing our partnership with Stoke and Staffordshire LEP and seven local authority partners across Cheshire and North Staffordshire to capitalise on the significant growth opportunities that an HS2 hub station will bring to Crewe and surrounding areas.

We launched this partnership in October 2015, now known as the Constellation Partnership, and are working on developing a masterplan for this

area of opportunity and a portfolio of investment sites in what will be the best connected area of the UK once HS2 arrives.

A key priority for the LEP is to ensure HS2 delivers the maximum benefit for local residents and our economy. The hub at Crewe and the connections around it have the potential to benefit 1.5 million people across the North West and North Wales and we are committed to ensuring that these benefits are realised.

We recognised that to deliver our economic growth ambitions, we needed to review and refresh the area's Strategic Economic Plan (SEP). The SEP is Cheshire and Warrington's economic blueprint, telling our story and setting out how we will make Cheshire and Warrington a £50 billion per annum economy by 2040. Following wide consultation with businesses and partners, we published our revised plan at a Sub-Regional Conference on 7th July, and it is available on our website at www.871candwep.co.uk

Crucially, supporting the SEP are emerging strategies around issues such as transport, skills and quality of place which will be developed in the year ahead.

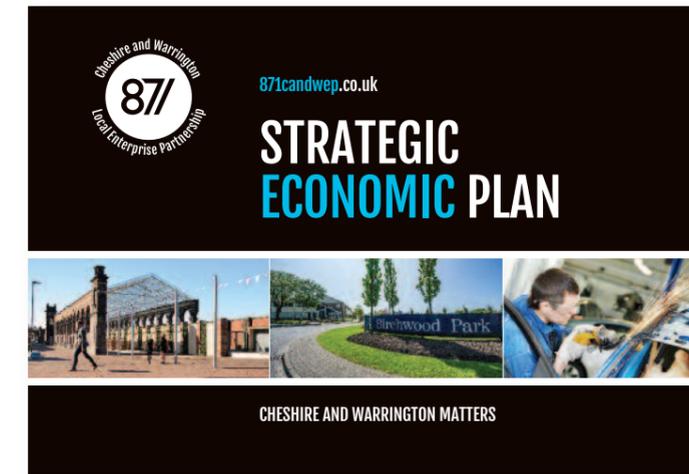
As the voice of business for Cheshire and Warrington and the organisation that sets the

strategic direction for our economy, we have strengthened the LEP team this year to put us in a strong position to deliver the SEP, together with our partners. This includes appointing a Deputy Chief Executive, Growth Director for the Cheshire Science Corridor and Transport Coordinator.

I was also delighted to be reappointed as Chair of the LEP for a further three years in early 2016 and to welcome five new members of the Board to take the place of the members who had reached the end of their six year terms. All of them had made an exceptional contribution to the Board over that period.

I'm confident that as we move forward we have a strong team and Board in place to drive our growth plans for Cheshire and Warrington and build on our position as a thriving economy and a great place to live, work and grow successful businesses.

Christine Gaskell
Chair, Cheshire and Warrington LEP



CHESHIRE AND WARRINGTON MATTERS



Cheshire and Warrington Enterprise Partnership

CHIEF EXECUTIVE'S REVIEW



A SUCCESSFUL 12 MONTHS FOR THE LEP

The role and work of the LEP has grown considerable over the last 12 months. We have led a refresh of Cheshire and Warrington's Strategic Economic Plan (SEP), setting out the priorities that we need to deliver to achieve our ambitions of doubling the size of the region's economy by 2040.

This has been a really important piece of work, developed from a robust evidence base and in consultation with our local authority partners and businesses across the region to give us a clear understanding of the area's economy, its strengths, assets and challenges.

Importantly, the SEP is a 'living document' that will be updated to reflect and respond to key changes in national and local policy as and when they happen and we will be undertaking an early review

towards the end of this year.

Our priority for the year ahead is to develop a set of delivery plans to support the SEP through detailed delivery plans across a wide range of areas including transport, skills, science and innovation, energy, digital, housing and quality of place. Supporting this, the LEP is also leading the sub-region's response to the Government's Industrial Strategy, which picks up key themes around science, research and innovation, skills, infrastructure and energy.

We have made strong progress with the delivery of our major growth propositions, building in particular on the success of being awarded Enterprise Zone (EZ) status for the Cheshire Science Corridor at the end of 2015.

Following its launch in May 2016, the EZ has

performed extremely well in its first year, with new businesses moving on to all of the main EZ sites, which stretch from Ellesmere Port and Thornton Science Park to Birchwood Park in Warrington and Alderley Park in East Cheshire. Speculative development is also underway as a direct result of EZ status, with an additional £1 million of private investment being generated during its first year.

Our aim is that the EZ will act as a catalyst for the growth of the science sector in Cheshire and Warrington and help us to position the area as a vibrant hub for science and innovation. The appointment of a new Growth Director in early 2017 is crucial to this, helping to raise the profile of Cheshire and Warrington as one of the country's best locations for science businesses.

Other key priorities for the LEP over the coming year will be progressing the work of the Constellation Partnership as it works to develop a masterplan to capitalise on the investment opportunities generated by HS2 across South Cheshire and North Staffordshire.

As part of this, we will be working to ensure that the regional rail hub at Crewe delivers wide reaching benefits to people across the North West and North Wales in what will be the best-connected area of the UK once HS2 arrives.

Building on Cheshire and Warrington's success in the latest round of Local Growth funding at the beginning of 2017, we will also be continuing our work to deliver what is now a total Growth Deal of over £200 million.

A number of major projects funded through previous rounds of Growth Fund investment completed over the last year and are already making a real difference. Examples include the Birchwood Pinchpoint scheme in Warrington which has reduced congestion at a key junction around one of our major EZ sites, the opening of Chester Bus Interchange which has paved the way for the £400 million Northgate development, and the launch of the Life Sciences Fund to support growing businesses at Alderley Park.

Our latest funding will enable us to take forward additional projects including opening up an important industrial site in Winsford, making improvements to the town centre in Crewe, and capital investments for our colleges.

Together with our European Funding programme, the LEP channels around £3/4 billion of funding into growth projects in Cheshire and Warrington, and this will remain a major part of our work in the year ahead as we work to ensure we capitalise on the investment available before the UK leaves the EU.

In particular, we will be working to develop and enhance the role of Cheshire and Warrington's Business Growth Hub, which launched in November 2015 with ERDF funding, to boost the support available to businesses to help them grow and develop.



We have an exciting and challenging agenda for 2017/18 as we work to deliver an ambitious economic plan for Cheshire and Warrington.

Working with our local authority partners and in partnership with the business community we have made significant progress in driving the growth of a sub-region that is now one of the strongest performing in the country, and it is vital now that we capitalise on this success as we work to put the area on the map as a fantastic place to live, work and invest.

Philip Cox
Chief Executive
Cheshire and Warrington LEP

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MEET THE TEAM...
(PICS TO COME)



2016/17 KEY ACHIEVEMENTS

OVER THE LAST 12 MONTHS, WORKING WITH PARTNERS, THE LEP HAS:

- Launched the Cheshire Science Corridor Enterprise Zone after leading a successful bid for Enterprise Zone status
- Secured a further £43 million Local Growth Fund investment for Cheshire and Warrington from the Government's third round of funding, giving us a total of £243 million Local Growth Fund investment.
- Signed up as a partner in the Government's Northern Powerhouse Partnership
- Joined the Growth Track 360 campaign to secure £1 billion of improvements to the Cheshire and North Wales rail network, to create 70,000 jobs over 20 years
- Reviewed and refreshed the Cheshire and Warrington Strategic Economic Plan, the blueprint for the growth of our economy
- Coordinated the sub-region's response to the Government's draft Industrial Strategy
- Worked with partners in Greater Manchester and Cheshire East on the Science and Innovation Audit looking at the strengths of each area in health innovation, advanced materials, energy, digital and industrial biotechnology - one of only five areas nationally
- Worked with the Constellation Partnership to develop a Growth Strategy for Cheshire and North Staffordshire to capitalise on HS2 investment



REFRESHING CHESHIRE AND WARRINGTON'S STRATEGIC ECONOMIC PLAN

The LEP has been engaging with businesses, our local authority partners and politicians to review and refresh the area's Strategic Economic Plan (SEP).

The SEP is Cheshire and Warrington's economic blueprint, telling our story and setting out how we will achieve a £50 billion economy by 2040. It describes our areas of focus in order to achieve our growth ambitions, setting out proposed growth propositions centred around Warrington, Crewe and Chester, creating quality environments in which people can live, work and relax, and addressing key issues around housing, skills, connectivity, business support, energy and science and innovation.

It will determine what the area needs to do to build on its position as one of the strongest economies in the country and fulfil its potential, taking into

account the changes over recent years such as Brexit, the emergence of the Northern Powerhouse, confirmation of an HS2 hub station at Crewe and the Creation of Transport for the North.

Following a wide consultation to ensure that the SEP reflects as many views as possible and the key priorities of our businesses and sectors, the refreshed SEP is now available on the LEP's website.

£27.6 Billion Economy

Employing over
472,000
People

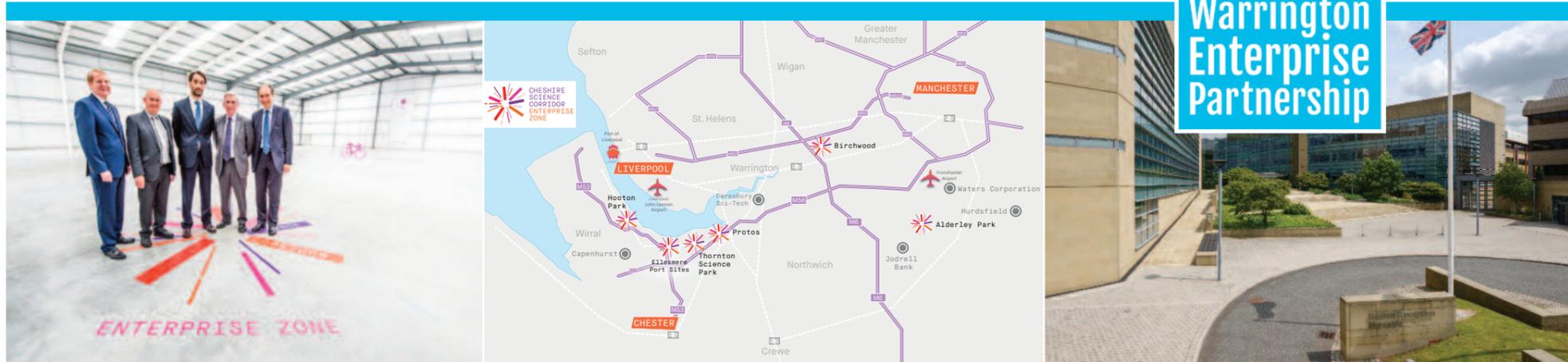


In over
41,000
businesses

Home to almost
920,000
people

= **1.5%**
of the UK





ENTERPRISE ZONE CELEBRATES SUCCESSFUL FIRST YEAR



Cheshire and Warrington has some of the most significant science based assets in the north of England some of which are of global importance in key growth sectors including: advanced scientific analysis and research; pharmaceuticals R&D and manufacturing; chemical engineering; energy and nuclear engineering; radio-astronautics; and astronomy.

Collectively these assets form the Cheshire Science Corridor, a crescent that crosses the northern part of the Cheshire and Warrington sub-region, linking together a number of nationally and internationally significant science and technology assets including Alderley Park, Birchwood, Capenhurst, Daresbury, Jodrell Bank and Thornton Science Park.

In September 2015, the LEP was successful in securing Enterprise Zone status for a number of sites within the Science Corridor, including Alderley Park, Birchwood Science Park, Thornton Science Park and sites in Ellesmere Port, enabling us to offer business incentives including business rate discounts and enhanced capital allowances.

The EZ has made excellent progress in its first year of operation:

- **Attracting 368 new jobs and 26 new businesses**
- **Attracting over £8 million of private sector investment**
- **Refurbishing over 100,000 sq ft of floorspace**
- **Delivering over 40,000 sq ft of new industrial space**

In February, we appointed Cheshire Science Corridor Growth Director to provide strategic direction and operational management of the EZ and to unlock and accelerate development of the EZ sites.

Raising the profile of the Cheshire Science Corridor

Enterprise Zone status offers a key platform for us to raise the profile of Cheshire and Warrington as one of the country's leading locations for science and innovation.

We have significantly raised the profile of the Cheshire Science Corridor this year, including hosting a launch event at Birchwood Park, presentations and stands at key property market events including the Liverpool Festival of Business, MIPIM UK and MIPIM 2017 in Cannes – the premier global real estate expo where over 50 delegates attended a Cheshire Science Corridor breakfast event.

The Enterprise Zone was also the focus of a high profile event in the House of Lords last autumn as Cheshire Business Leaders, the LEP and EZ partners joined together with government officials and MPs to promote the strengths of science in the area.

The annual event, hosted every year by Cheshire Business Leaders to showcase the best of Cheshire business, welcomed George Osborne as guest speaker and was attended by government representatives, and business leaders in Cheshire. Other organisations represented included the Australian High Commission and Embassy of the People's Republic of China.



NEW £700 MILLION ENERGY HUB LAUNCHES IN ELLESMERE PORT

A key development for the Science Corridor last year was the launch of Peel Environmental's £700 million energy destination Protos, adjacent to Thornton Science Park in Ellesmere Port.

As the only energy-focused development in the government's Northern Powerhouse Investment Opportunities Portfolio, Protos will attract £5 billion of investment across 13 projects. Phase One, a £170 million investment in a 20MW biomass facility is currently being built, a 19 wind turbine wind farm is being commissioned with several plots ready for development.

The 126-acre Protos site, a key part of the Enterprise Zone portfolio, includes the biomass facility currently under construction and the University of Chester's Thornton Science Park, which provides important links to a skilled workforce.



LOCAL GROWTH FUND SUCCESSES

In January this year, the Government announced an additional £43.3 million for Cheshire and Warrington to help create jobs, support businesses and encourage growth through the third round of Local Growth Fund investment.

This latest award is on top of £157.8 million of Growth Deals already awarded to Cheshire and Warrington. The total award could see over 17,000 jobs created, over 6,400 homes built and attract nearly £380 million in other investment over the next 10 years.

Some of the projects set to benefit over the next few years include a new bus interchange in Crewe, a new highways access scheme and local road upgrading to improve infrastructure around Winsford Industrial Estate and a scheme for Warrington East Highway Improvements designed to unlock land for development around Birchwood. These projects, alongside others, will improve educational attainment, create jobs, build homes or improve infrastructure.

In Cheshire & Warrington, Local Growth Deal funding has already delivered:

- £13.5 million to relocate Chester's bus interchange to enable the wider Northgate development scheme to progress, which will create more than 1,000 jobs.
- Over £2 million for the Birchwood Pinchpoint scheme in Warrington to tackle congestion and improve road safety around Birchwood Park, including improvements to three junctions along Birchwood Way.
- £10 million for the Greater Manchester and Cheshire Life Sciences Fund to provide a source of risk capital to local SMEs to drive the growth of innovative young life sciences businesses, focusing on Alderley Park in Cheshire East.

Through the third round of funding, projects in Cheshire and Warrington include:

- **Unlocking Winsford Industrial Expansion Land** – Infrastructure improvements to unlock the development potential of a 30-hectare area of new employment land around Winsford Industrial Estate, with a highways access scheme that includes a new highway alignment and upgrading of the local road network.

• **Warrington East Highway Improvements** – Designed to unlock land for development and maximise the growth potential of the Birchwood employment area in East Warrington.

- **Crewe High Speed Ready Heart** – A project to ensure Crewe is ready to deliver growth ahead of the development of the HS2 Hub Station by delivering redevelopment, including leisure, retail and residential elements, and a new bus interchange.

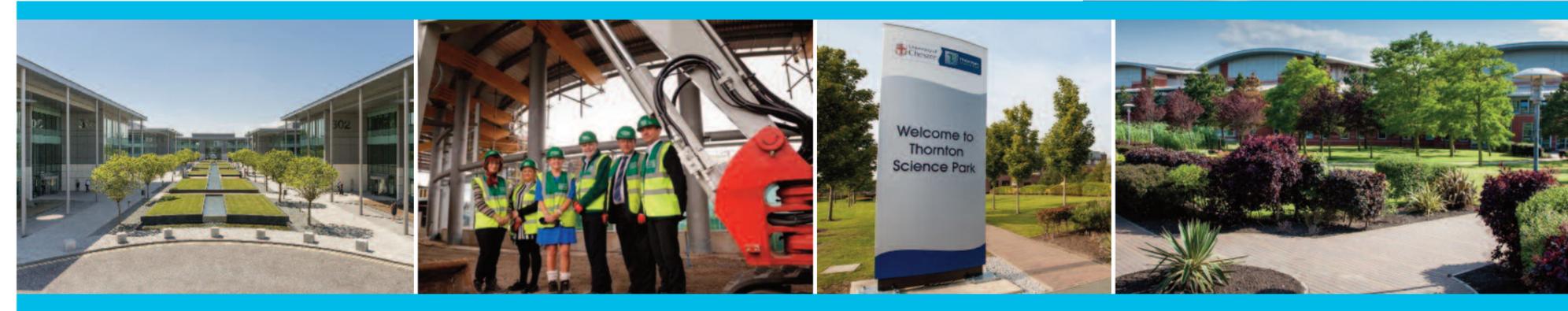
• **Joint Cheshire and Warrington Sustainable Travel Access Fund** – A package of transport infrastructure targeted at overcoming walking and cycling barriers to key economic areas across Cheshire and Warrington, including new cycle routes, bridge crossings and upgrading existing routes.

- **Omega Local Highway Schemes Phase 2** – Major junction improvements at the junction of Omega Boulevard and Lingley Green Avenue in North and West Warrington to reduce traffic congestion and accessibility problems, which are both seen as a key constraint on growth and investment in the adjoining Omega and Lingley Mere development sites.

• **A51 Tarvin Road** – Removing two pinchpoints by delivering carriageway improvements, additional lanes and widening the A51/B5132 roundabout to alleviate a bottleneck which impedes economic development, access to jobs and opportunities and strategic investment along the A51 corridor.

• **Skills Capital** – A programme of projects to deliver higher level technical and professional education, including estate improvements, to support demand within the Cheshire Science Corridor Enterprise Zone, the wider Northern Gateway Development Zone and the Mersey Dee Economic Axis.

• **Energy Innovation Fund** – supporting the delivery of the LEP's Low Carbon Action Plan by stimulating innovation in SMEs working in the low carbon and energy sectors, and by increasing skills and capacity of SMEs and their workforce to expand services into low carbon market.



Birchwood road improvement scheme hailed a big success

A major roadwork improvement scheme in Birchwood, Warrington, was celebrated as a huge success, with feedback from residents and commuters reporting a significant improvement in journey times around the town.

The Birchwood Pinchpoint scheme, delivered by Warrington Borough Council and Balfour Beatty, was supported through a £2.14 million investment from the LEP to reduce high levels of congestion at peak times as well as improved journey times along the A574 corridor, improved safety for users, including pedestrians and cyclists, and improved bus journey times to and from Birchwood.

Chester Bus Interchange

Chester's new state of the art bus interchange opened for passengers following the completion of a multi-million project to relocate the station from Princess Street to pave the way for the £300 million Northgate development which will transform the city's leisure and retail offer.

The project was supported by Cheshire and Warrington LEP through a £13.5 million Local Growth Deal investment, as well as funding for public realm improvements to Frodsham Street and the surrounding streets to improve connections to the city centre.

Its completion will enable work to progress on the Northgate project which aims to deliver 500,000 sq ft of retail, restaurant and leisure facilities and create more than 1,000 jobs.

Energy Centre at University of Chester's Thornton Science Park opens for business

The creation of the 'Intelligent Energy System Demonstrator (IESD)' facility, located on Thornton Science Park, completed during the year ahead of schedule.

It involved the complete refurbishment of an existing building on site, named 'The Energy Centre at Thornton', provides a flexible space where industry and academia are able to come together to innovate, develop and demonstrate new intelligent energy technologies.

Examples of technologies that may be tested and developed include:

- **New types of photovoltaic solar cells**
- **Innovative electrical energy storage solutions**
- **Developments in low power motor drives**
- **Advanced software to control and manage multiple renewable energy sources connected to the same power network**
- **New thermal systems based on stored and pumped heat**

The project was funded through £6.8 million from the Local Growth Fund.

Logo?



EUROPEAN FUNDING

Cheshire and Warrington LEP is investing over £120 million of EU funds into the local economy. What changes will be coming in the future, this support will continue in its current form for the next two years and so it is a crucial time to ensure that the region and local companies make best use of the funding available.

In November last year, over 100 delegates gathered at Birchwood Science Park in Warrington to learn more about the support programmes available to businesses through European and Structural Funds to help them grow, increase turnover, create jobs and develop new products or processes.

The event provided an update on the current

European funding position and businesses were encouraged to access the wealth of support currently available to them through a wide range of different programmes.

This includes Cheshire and Warrington Growth Hub, an impartial, clear and expert first stop shop service for businesses looking for support with their growth ambitions, as well as young and potential new businesses seeking advice and guidance. It also delivers a Business Growth Programme providing a bespoke package of business advice, mentoring and technical support to SMEs.

The Growth Hub is managed by Cheshire and Warrington Local Enterprise Partnership (LEP) and has a wide range of business support products in

addition to its own, which are delivered through third party expert providers including the Northern Powerhouse Investment Fund, a £400m fund provided by the British Business Bank matched by investment from the European Investment Bank, which offers investment to companies at different stages of development.

SMART Cheshire was also launched in September this year, offering leaders of small companies looking to innovate a combination of expert workshops and individual coaching and peer support. Other innovation support available include the 'Innovation to Commercialisation' programme, delivered by the University of Chester and providing technical support and access to equipment for SMEs, enabling them to develop

and test prototypes and develop collaborative project between universities and SMEs.

There are also a range of sector specific support programmes including Healthcare Business Connect, helping small companies break into the NHS market, the Cheshire and Warrington Manufacturing Advice Growth Service, providing specialist manufacturing advisors and grant funding for additional support, ECO Innovation, providing university expertise, facilities and equipment to grow low carbon markets and new technologies, and international trade and skills support for the workforce products.

More information on all support and products offered is available at www.candwgrowthhub.co.uk



FACTS
Over the last year, Cheshire and Warrington's Growth Hub has:

Managed over 2,400 business enquiries

Awarded £114,000 in grants to SMEs

Generated match funding from the private sector of £177,000

£10 million to support people into work. European funding is also being channeled into projects to support people into skills and employment opportunities.

£10 MILLION TO SUPPORT PEOPLE INTO WORK

European funding is also being channeled into projects to support people into skills and employment opportunities.

In the last year, a project to deliver support to around 3,000 people across the region into work was awarded a £10.6 million grant.

Project 'New Leaf', spearheaded by Golden Gates Housing Trust partnering with Cheshire West & Cheshire Council, CVS Cheshire East and Weaver Vale Housing Trust, amongst others, aims to upskill local people, make them work ready, attractive to employers and better able to access the opportunities that the region offers as an economic and commercial hotspot.

The funding is through the Building Better Opportunities programme, a key part of the LEP's European Funding Programme. The scheme sees the Big Lottery Fund matching funds from European Social Fund (ESF) 2014-2020, to provide joint investment in local projects that tackle poverty and promote social inclusion. Over the next few years the funding will be delivered in 38 Local Enterprise Partnership (LEP) areas according to local priorities.

Mark Livesey, Deputy Chief Executive at Cheshire and Warrington Local Enterprise Partnership, said: "Cheshire and Warrington is one of the fastest growing economies in the North, with ambitious plans to deliver a £50 billion economy by 2040. If

we are to deliver our vision, it is vital that we ensure there are opportunities for everyone to fulfil their potential."

"This significant funding award to support people with complex needs and multiple barriers to work will make a real difference in ensuring that some of the most vulnerable people have the help and guidance they need to get back into employment."

The New Leaf project will run from October 2016 until 2019.



ANNUAL ACCOUNTS

During 2015/16 the LEP was awarded £500,000 core funding from Government (£250,000 each from the Department for Communities and Local Government and the Department for Business, Innovation and Skills), along with £145,000 in contributions from our three local authorities. Cheshire West and Chester Council provided in kind contributions through seconding two members of staff to run the European funding programme for the LEP, as well as providing office accommodation free of charge at Gadbrook Business Park in Northwich. The net value of these contributions totalled £250,000 during the year.

Following Government introducing core funding for LEPs towards the end of the 2013/14 financial year to enable systems to be put in place for the management of Local Growth Fund investment, the LEP brought forward significant levels of reserves into 2015/16 to enable us to properly plan for the processes that needed to be in place to manage a capital budget. The built up reserves from the funding being awarded at the end of 2014, enabled us to bring the money forward into the new financial year and allowed us the time to develop the right programme to deliver LGF funding across the region.

	2017	2016
Turnover	249,998	145,001
LA subscriptions	499,999	500,000
Growing Places Fund (professional fees)	249,999	40,004
Growing Places Fund (interest fund 1%)	159,582	200,000
Growth Hub (recharge of professional fees)	-	50,000
Growth Hub (Blue Orchid)	287,000	300,000
Capacity Fund	-	51,2000
DCLG (Team NW)	-	5,500
Sundry income	1,900	3,916
Employment Land Study	-	(3,257)
Local Growth Fund	204,119	-
EU Technical Assistance	47,400	-
	1,699,997	1,292,364
Expenditure		
Rent	14,938	-
Insurance	2,557	4,365
Directors' salaries	20,604	20,500
Directors social security	1,724	1,710
Wages	329,972	321,361
Social Security	39,192	35,458
Pensions	41,051	193,030
Consultancy and third party support	383,805	69,864
Recruitment costs	85,533	25,000
Telephone	2,148	2,952
Post, stationary and consumables	7,523	6,976
Travel and subsistence	25,383	24,900
IT support	27,722	15,341
Subscriptions	18,023	12,954
Training and Development	500	4,592
Bank Charges	237	389
Internal meetings	2,250	1,649
Legal and Professional	1,548	4,989
Strategy development work	103,893	226,548
Communications, PR and website	24,235	110,674
Growing Places Fund and professional fees	-	40,004
Operational management	-	157,956
Programme development	21,233	110,674
Growth Hub expenses	-	50,000
Growth Hub - Blue Orchid	286,948	300,000
Enterprise Zone	-	-
Accounting body charge	109,996	-
Auditors' remuneration	3,114	3,289
Accountancy	2,769	17,897
	1,556,898	1,829,059
Carried forward	143,099	236,965