**Increasing job creation and business investment in Cheshire and Warrington**

The previous discussion paper presented some of the basic needs that a new approach to investment and expansion and was presented to Economy and Directors and the Business Growth Committee in November. The proposition was also discussed at the LEP Business Growth Committee in order to get private sector feedback.

The main issue to come out of those discussions was understanding what the model could look like in comparison to other areas of the UK, as well as to provide further specifics on the business and sector priorities for the sub-region.

**What does a ‘good’ investment team and strategy look like?**

Within Cheshire and Warrington, the LEP currently leads in responding to international investment enquiries, usually directly through the Department for International Trade (DIT). Each Local Authority provides detailed support and information to support responses. Currently this is largely responsive and therefore potential investment is restricted to what DIT bring forward. The previous paper suggested the development of a virtual team to deliver a more proactive approach that identifies Cheshire and Warrington’s strengths and opportunities to attract both the sectors and types of jobs that will have the most impact on the economy. It also suggested that when considering investment, we should also focus efforts on those businesses that already have a footprint in Cheshire and Warrington, or the wider North West, that are looking to grow.

Each LEP area has different model and approach, not all will provide a direct comparison with the priorities for Cheshire and Warrington. However, a look at some these provides useful insight:

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| **Coventry & Warwickshire**  One of most successful LEP areas per capita for inward investment  Track high growth automotive companies and engage early  Deep focus on one major strength (Auto) and its future direction (Autotech/Mobility)    Integration of account management of existing players and inward investment    Coventry and Warwickshire teams collaborate closely, share website and act with single voice (using LEP as umbrella)  Supports development of significant R&D assets to act as magnets for future investors  Close collaboration with BEIS as well as DIT, including working in partnership with BEIS automotive strategy team | **Greater Brighton**  Little track record of inward investment and few resources, but recognised need to up their game  New approach based on creating a light-touch inward investment desk (2-3 people) serving several council areas  Puts market research and intelligence at heart of approach  Largely sector agnostic, instead focus on specific opportunities  Good working with relationships established DIT and local authorities  Universities play a key role in supporting the team, especially with access to global alumni networks | **Bristol and Bath**  Core LEP team (4-5) supported by four local council EDOs operating a One Team approach  Wider team shares workplaces and deploy flexible and transparent arrangements  Regular LEP-wide training of inward investment team is key, especially on new channels and tools + Strong sector focus which uses experts and secondees in target industries to leverage their networks  Active in outreach with similar regions globally with same sectors  Good integration with local start-up ecosystem to promote to inward investors |

There are some key questions here that Cheshire and Warrington need to address. The virtual team approach is a common one, but the level of cooperation and resource attached is key. There are also lessons to be learnt on the importance of using wider networks.

It appears that the most successful models are built on this ‘one front door’ approach. The ‘product’ is the entire place rather than individual sites, areas, or institutions. The approaches that have been successful over time also have a clear mission statement and priorities.

We intend to also speak to other areas to better understand their investment models and funding approaches. The Tees Valley would provide an interesting comparator on proposals for the Green Industrial Revolution; whilst we may also be able to learn from Oxford and Cambridge on the approach they have historically taken to attracting innovative firms, particularly in the life sciences sector.

**LEP Priorities**

There is an abundance of data available on priority sectors in Cheshire and Warrington, and significant work has been undertaken by the LEP to identify investments prospects in the following sectors:

* Life Sciences
* High Value Manufacturing
* Clean Energy
* Business and Financial Services

Historically focussing on these sectors has been the accepted rationale, however in a post COVID world and after the UK has transitioned from the EU this could restrict the opportunity to compete with other areas and potentially not take advantage of the diverse skills and business base which is already present n Cheshire and Warrington. A clear understanding of approach to prioritising investment and expansion activity needs to be agreed.

We also need to ensure that our inward investment strategy is fully integrated into other economic activity and the levers we have available locally. At a strategic level this could include the Sustainable and Inclusive Growth Commission, whilst spatially this would mean making use of our Enterprise Zone sites alongside other key growth and regeneration opportunities.

**Integration**

Bringing regulators together to make business expansion and wider economic development a more user-friendly process is being led by the Better Business For All programme which is a Government initiative to increase collaboration between regulators and businesses. Warrington have taken a lead role in this area; this should form a key part of these discussions and could be added as a standing item of the Investment Group.

Key Account Management in the LEP is already well integrated into the existing infrastructure, but resource is limited to 1 FTE due to Government funding constraints. Discussions are ongoing with DIT to potentially increase this from April 2021 onwards.

**Next Steps**

The Business Growth Committee will discuss the approach on the 8th December and make further recommendations. The key conversation we want to have is between a sector agnostic approach versus a much more tailored model that plays to specific strengths. We will also ask for feedback on how the model could work following the end of EU Exit transition, although there is still significant uncertainty over the shape of any trade deal.

We suggest appointing a new Chair for the sub-regional Investment Meeting. This should be someone at a senior level from a local authority. The Terms of Reference for this group should be revised, alongside aa clear timeline for agreeing priorities and resource availability in early 2021. This would allow us to launch a new approach at the beginning of 2021/22 financial year.

In the meantime, we will continue to pursue live opportunities. By way of example, Cygnet has a proposed £15m investment in Northwich. We are currently working with them to ensure they have access to the right type of support and to help them access national funding pots for the sector. The joined-up approach will allow us to present a coordinated support package taking into account enterprise zone, growth corridor, skills and growth hub. This offer can then tailor according to requirements.