

CHESHIRE & WARRINGTON GROWTH DEAL

The Cheshire and Warrington Growth Deal aims to drive growth across the whole of the Local Enterprise Partnership (LEP). The Deal will invest in new road infrastructure to improve connectivity between and within key towns across Cheshire and Warrington, such as Chester & Congleton. In Warrington for example, the Deal will support a new Swing Bridge across the Mersey, opening up development potential in several sites, ensuring that the town is best placed to meet the growing demand for more homes and employment space as a result of the expanding logistics operation along the Atlantic Gateway. Building on the important UK science assets in the North West, the Deal will also supporting new business growth in science – particularly at Alderley Park through a new business start-up fund, and investing in new equipment at Thornton.

The Cheshire and Warrington LEP will work with Government and the Homes and Communities Agency to review how Homes and Communities Agency assets in Warrington South might be better aligned with the strategic growth objectives of Warrington Borough council and the LEP.

The Growth Deal, subject to a satisfactory conclusion of the funding agreement, will bring together local, national and private funding as well as new freedoms and flexibilities to focus on three priority areas as identified in the LEP's Strategic Economic Plan:

- Transport improvements in the Warrington area delivering a new bridge crossing, motorway improvements and traffic easing measures and to the Chester area delivering junction improvements and a new bus interchange. These critical improvements will enable better access to existing business parks and to the development of new sites for housing and employment.
- Supporting the expansion of science & innovation in the North West through a new joint Life Science Investment Fund with Greater Manchester which will support new science start-up businesses. The Deal will also invest in new critical new equipment at the Thornton Science Park which will attract more business.
- Continued discussion with Government on the alignment of Homes and Communities Agency owned land in Warrington South with Cheshire and Warrington's growth objectives, exploring the potential for sharing income from that land, a proportion of which could enable the development of local sites supporting the building of more homes and jobs

The Cheshire & Warrington LEP has secured **£142.7m from the Government's Local Growth Fund to support economic growth in the area – with £15.3m of new funding confirmed for 2015/16 and 36.7m** for 2016/17 to 2021. This includes:

- as part of the Government's ongoing commitment to the Cheshire & Warrington LEP an indicative award of a further £71.7m of funding for projects starting in 2016 and beyond; and
- £19m of funding which the Government has previously committed as part of Local Growth Deal funding to the area.

This substantial investment from Government will **bring forward at least £50m of additional investment from local partners and the private sector. Combined together this will create a total new investment package of £192.7m for the Cheshire & Warrington area.**

By 2021, this Deal will create at least 9,000 jobs and allow 400 homes to be built.

The Cheshire & Warrington LEP brings together local business leaders with Cheshire East, Cheshire West and Chester, and Warrington Councils.

Summary of Cheshire & Warrington's Growth Deal projects and funding

The Cheshire and Warrington Growth Deal brings together different funding streams designed to support local growth, and with a share of the new Local Growth Fund.

Cheshire and Warrington LEP Local Growth Fund breakdown (£m)			
	2015/6	2016 onwards	Total
Local Growth Fund award	15.3	36.7	52.0
Previously committed funding	4.8	14.2	19.0
Provisional allocation to projects starting in 2016/17 and beyond	-	71.7	71.7
Total	20.1	122.6	142.7

The table above includes increases to the Housing Revenue Account borrowing limit for Cheshire West and Chester Council by £7.5m to help support the development of new affordable homes.

These totals exclude match funding for European Social Fund (ESF) skills activities. The total amount of ESF skills activity LEPs have planned in their draft strategies over the 7 year programme is currently just over 1 billion euros. Actual skills ESF match will be used on the basis of the skills activity which is delivered at LEP level according to their final strategies].

The Cheshire & Warrington LEP and Central Government have agreed to co-invest in the following jointly-agreed priorities:

- **Chester Central** - Inner ring road junction improvements and bus infrastructure measures including a new bus interchange to free up capacity and open up development sites to accommodate city centre growth. These measures are critical components of the city's regeneration plans, enabling the mixed-use development of Northgate, which is 5.4 ha of brownfield developable land earmarked for the development of a retail and leisure led mixed-use scheme with a gross development value of £313m.
- **Omega Birchwood transport improvements** – enable use of sites and land in the Birchwood employment area of North East Warrington, currently hampered by congestion and access by making changes to three critical locations.
- **Life Science Investment Fund** - Revolving Investment Fund to support growth in the life science business cluster in Cheshire and Greater Manchester. Although not exclusively focused on the AstraZeneca Alderley Park campus, this Fund will be instrumental in encouraging new start-ups and spin outs following AstraZeneca's departure to Cambridge by 2016.
- **Thornton Energy Demonstrator** - Establishment of an energy systems demonstrator site, building on the significant national assets left by Shell to the University of Chester, that enables energy companies to test at scale new power saving and distribution technologies.
- **Skills Capital** – Employer informed programme to address skills needs in engineering, energy, logistics, manufacturing, agri-tech and sports science. Focus on estate renewal and employer led business hubs.

Central government agrees indicative allocations for the following priorities for 16/17 – 20/21

- **West Warrington, Omega, M62 Junction 8** - Motorway junction improvements and revised connections to local road and motorway sliproad, allowing for improved access and less congestion to the Omega development sites for employment and housing.
- **Warrington Waterfront / Swing bridge** - supports release of employment and residential sites which are currently hampered by lack of access through additional infrastructure in the form of (i) a new bridge crossing over the River Mersey and (ii) improved route from there to Slutchers Lane at the Southern end of the town centre and road changes in the Palmyra Cultural Quarter of the town centre itself.
- **Poynton Relief Road** - a 3km relief road, reducing traffic congestion in Poynton, and contributing to the physical and social regeneration of Poynton. It also improves connectivity for the northern Macclesfield business area and the strategic link between A6 to Manchester Airport Relief Road (A6MARR) and Junction 17 of the M6 via Congleton, facilitating wider economic and transport benefits.
- **Congleton Link Road** - 5.5km single carriageway road between the A534 Sandbach Road and the A536 Macclesfield Road, with links to the existing Radnor Park trading estate and the Congleton business park. It will include a new 80m bridge across the River Dane, and combined footway and cycleway on one side of the road. The link road is a crucial piece of infrastructure required to support the employment and housing aspirations included within the council's Local Plan Strategy.

Local flexibility over Growth Deal programme: The Government recognises the significant steps that the Cheshire and Warrington LEP have taken to deliver a successful and achievable Local Growth Deal and that the programme agreed in this Growth Deal represents a step up in the ambition of, and therefore expectations on, the LEP. The LEP will be expected to deliver all the projects in the Deal document and to achieve this; the Government will disburse funds to the LEP quarterly in advance – with any changes to projects agreed each quarter. The Cities & Local Growth Unit will work closely with the LEP to resolve any outstanding concerns that will allow the Cheshire & Warrington LEP to achieve increased flexibility ahead of the first payments in April 2015.

The Growth Deal does not amount to an endorsement of everything in the submitted SEP. All development decisions for specific proposals must go through the normal planning process and be guided by local plans taking into account all material considerations.

The Cheshire & Warrington Growth Deal

The investment secured by the deal will be focused on three key areas to deliver transformative growth:

Enabling housing and employment sites

A comprehensive package of transport improvements totalling £87.34m over the lifetime of this Deal with £5.5m confirmed for 2015-16. Aligned to the plans of the Liverpool and Manchester LEPs which will enable growth and investment along the Atlantic Gateway, this deal identifies and confirms a series of critical transport and infrastructure improvements to the Warrington area (new bridge crossing, motorway improvements and traffic easing measures) and the Chester area (junction improvements and new bus infrastructure) which enable better access to existing business parks and to the development of new sites for housing and employment. This Deal also identifies some critical transport improvements which start later. They support improved connectivity and expansion of the wider Crewe area, with the new Congleton Link Road supporting the employment and housing aspirations identified in the Councils Local Plan. In addition, the Halton Curve project - (joint with the Liverpool City Region LEP will enable better access to employment and education between Merseyside, Cheshire West and Chester and North Wales through line improvements.

Complementary to our local growth fund offer, through the Deal the LEP and Warrington Borough Council to work with Government and the Homes and Communities Agency on better aligning use of Homes and Communities Agency owned land in Warrington South with LEPs growth objectives. The LEP will also have more influence and engagement with DfT, Network Rail and the Highways Agency over the longer term planning of rail and the strategic highways network.

Through this deal the Government also recognises the commitment, enthusiasm and proposals set out in the Cheshire and Warrington's SEP for maximising the economic benefits of HS2.

In the published consultation on HS2, the route for Phase Two included stations at Leeds, Manchester Airport, Manchester City Centre, Sheffield Meadowhall and Toton. DfT and HS2 Ltd are considering the responses to the consultation, along with Sir David Higgins' recommendation to accelerate the benefits of HS2 to the Midlands and the North by extending the line to Crewe. Ahead of the Secretary of State for Transport announcing the outcome of that consultation, support from the Growth Deal will focus on Phase One locations.

Government has established a package of support which will be provided to all HS2 station LEPs once the route is announced. Government commits to working with and supporting Phase Two LEPs to develop their HS2 Growth Strategies once the final decision on Phase Two is published. This will include the development of detailed proposals which LEPs can put forward for financial or other support through future Growth Deals. In the meantime, the Cheshire and Warrington LEP will work with Phase One LEPs and Government officials to co-design an approach to developing and delivering HS2 Growth Strategies.

Cheshire & Warrington LEP commitments	Central Government commitments
<ul style="list-style-type: none">• Invest £7.5m in Chester Central• Invest £1.5m in the Birchwood Pinchpoint transport scheme• Deliver 448 new homes	<ul style="list-style-type: none">• Invest £13.50m (£3.42m confirmed for 15-16) in Chester Central• Invest £2.14m in the Birchwood Pinchpoint transport scheme

<ul style="list-style-type: none"> • Develop a strong business case for the Chester Central project which sets out a clear economic case • Support housing delivery by committing to work with their local planning authorities to deliver housing provided for in Local Plans. • Agree to the Local Enterprise Partnership taking on a more proactive role in consultation on long-term rail planning and franchise specification and provide a co-ordinating role between constituent local authorities. • The LEP and partners agree to the LEP to take a more proactive role in consultation on long-term strategic road network planning and provide a co-ordinating role between constituent local authorities. • Progress on the development and delivery of the priority transport schemes identified by the Cheshire and Warrington Local Transport Body that are fundable within available pre-allocated Local Growth Fund resources. 	<ul style="list-style-type: none"> • Establish joint working arrangements to explore better alignment of the use of Homes and Communities Agency owned land in Warrington South (50 hectares) to support Warrington's growth objectives highlighted in the Cheshire & Warrington SEP and Homes and Communities Agency national targets. • Explore the potential, as part of the above work, for sharing receipts above an agreed profile (this will be subject to detailed negotiation and completion of a positive business case) between the Homes and Communities Agency and Cheshire and Warrington LEP and Warrington Borough Council with the local share supporting a ring fenced infrastructure fund to enable identified sites. • Assets would remain in Homes and Communities Agencies ownership and be subject to Homes and Communities Agency procedures and approval processes. Government will commit to working with all HS2 station places to identify the activity required to maximise the economic benefits, and to support this will set out agreements to define such joint working with each station place - as soon as the Phase Two consultation response is published. The specification and requirements for the work to be undertaken will be agreed jointly by Government and the LEP. • The Highways Agency commits to developing a more proactive and collaborative approaches to promoting national and local growth and commits to continue building strong relationships and working arrangements with Local Enterprise Partnerships and the Local Enterprise Partnership Network, in the same way as with Local and Combined Authorities and the Local Government Association. Through its Route Strategies, the Highways Agency will engage the LEP in better understanding the challenges and opportunities associated with the network and to develop evidence based long-term plans to bring about much needed local economic growth and development, and commits to providing each LEP with a named contact, generally the relevant regional director. The Highways Agency commits to
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	<p>forming a Growth and Economic Development Group to support LEPs at a national and sub-national level, and a license published on 23rd June 2014 for the new Highway Agency company includes a requirement to co-operate, which will underpin the arrangements described above.</p> <ul style="list-style-type: none"> • The Department for Transport and Network Rail commit to more proactive engagement of the LEP in the long-term rail planning process (e.g. Route Studies) and in rail franchise specification through targeted local engagement of the LEP as part of an enhanced consultation process. The Department for Transport also commits to encourage bidders for franchises to identify and take into account the priorities of LEPs and other key local stakeholders as part of the franchising process, and will also encourage Train Operating Companies to continue with, and enhance where possible, their engagement with LEPs as key local stakeholders.
<ul style="list-style-type: none"> • Local Transport Board Pre-Commitment of £5.6m for Poynton Relief Rd. • Invest additional investment of £48.3m across the later starting transport package. 	<ul style="list-style-type: none"> • Indicative allocation of £71.7m for the following later starting projects: <ul style="list-style-type: none"> ○ West Warrington, Omega, M62 Junction 8 £5m ○ Warrington Waterfront/ Swing bridge £5.3m ○ Poynton Relief Road £16.4m ○ Congleton Link Road £45m

Supporting the expansion of science and innovation

This deal seeks to maximise the growth potential from the strategically important science assets in the North West through two key projects – a joint Life Science Investment Fund with Greater Manchester, for which the Government has confirmed support in 2015-16 of £6m, subject to the completion of a strong business case. This project will support new science start-up businesses – a particular priority for the Alderley Park Science Park given AstraZeneca - the anchor tenant's impending departure in 2016. The Deal will also invest in new infrastructure at the Thornton Science Park, £3m confirmed for 15-16 subject to completion of a robust business case. The LEP in turn are committing £20m for the Life Science Fund, and £11m in the Energy demonstrator.

Cheshire & Warrington LEP commitments	Central Government commitments
<ul style="list-style-type: none"> • Invest £10m into the joint Manchester – Cheshire Life Science Investment Fund. • Invest £11m in the Thornton Energy Demonstrator. • Working with Manchester to develop a strong business case for the life sciences fund, and also a business case for the Thornton Energy Demonstrator which set out a clear economic cases. 	<ul style="list-style-type: none"> • Invest £10m (£3m confirmed for 2015-16) in the joint Manchester – Cheshire Life Sciences Investment Fund (similar amount invested for Manchester Local Growth Fund). • Invest £6.8m (£3m for 15-16) in the Thornton Energy Demonstrator. • To facilitate discussions with the Cheshire and Warrington LEP on the suitability of their science parks – Alderley Park and Thornton, to site one of two new Technology Strategy Board catapults (precision medicine and energy systems).

Growing the local skills and business base

The Deal includes a substantial package of measures to enhance the skill levels of the workforce of future and growing the business base in key economic sectors such as engineering, advanced manufacturing, energy and logistics.

This deal also recognises the importance of a strong and co-ordinated offer of support to local business, with £350k of revenue funding being made available to the Cheshire and Warrington LEP, matched by £1.1m of local resource.

Local Enterprise Partnerships are well-positioned to enhance the current Careers Information, Advice and Guidance offer by influencing the shape of provision so that it meets the needs of the local economy. Moreover, they have the ability to link employers with education providers; can have strategic influence over skills supply; and have the ability to coordinate local services towards a shared goal.

Improving skills levels is a key factor in stimulating local growth and taking advantage of new economic opportunities. Government is committed to ensuring that adult skills provision is increasingly responsive to the needs of business and supports local economic growth and jobs.

Cheshire & Warrington LEP commitments	Central Government commitments
<ul style="list-style-type: none"> • Meet employer demand for new skills in engineering, energy, logistics, manufacturing, agri-tech & sports science by investing £24.3m in estate renewal and new build at a number of Further Education sites and a network of employer led business hubs. • £1.1m of public and private funding in 2015/16 to support the delivery of the local growth hub. Provide a clear model for coordinating and simplifying business support so that it joins up national, local, 	<ul style="list-style-type: none"> • Invest £12.1m in Skills Capital Fund. • Invest £0.35m funding to the Cheshire & Warrington LEP for growth hub business support coordination, subject to the growth hub meeting minimum conditions that reflect position agreed by the Government review on business support and services. • UKTI will commit to effectively communicating its strategic priorities to LEPs and where possible help them access relevant opportunities. UKTI has doubled the number

<p>public and private support and creates a seamless customer experience for businesses, which makes it easy for them to get the right support at the right time.</p> <ul style="list-style-type: none"> • To support extension of superfast broadband coverage to 90% of UK premises by 2016, via existing broadband projects, the Cheshire & Warrington LEP will commit to work with local partners and BT to support delivery. • To support extension of superfast broadband coverage to 95% of UK premises by 2017, Cheshire & Warrington LEP will also work with local partners to help ensure match funding is in place for the next round of projects. 	<p>of Partnership Managers to 16. This will ensure that UKTI can work more closely with LEPs and help build their capability to secure more inward investment.</p> <ul style="list-style-type: none"> • The Technology Strategy Board recognises the important and valuable role that LEPs are playing in promoting and supporting innovation, and is committed to developing strong and effective relationships with LEPs both individually and collectively to build on this. The Technology Strategy Board is committed to supporting LEPs in developing the emerging Growth Hubs and in exploring how LEPs can help drive up local business awareness and engagement in Technology Strategy Board programmes and initiatives.
<p>Influencing skills provision and careers advice</p> <ul style="list-style-type: none"> • The Government expects the Cheshire & Warrington LEP and its partners to open up new jobs associated with the Local Growth Fund to local unemployed and long-term unemployed people working closely with local and national back to work initiatives. This would be part of a wider expectation that local areas use the Social Value Act, drawing on best practice across local councils and central expertise in maximising social value. • The Cheshire and Warrington LEP will facilitate stronger linkage between education providers and local businesses. The LEP will also work with relevant local stakeholders to communicate our priorities and align our offer to the National Careers Service (NCS) providers ahead of the new service's roll-out in October 2014 in order to augment the service. • The Cheshire and Warrington LEP will consider skills implications as part of any decision on growth strategies. • The Cheshire and Warrington LEP will clearly articulate and evidence their skills priorities in the light of strategic national and local growth opportunities and communicate 	<ul style="list-style-type: none"> • The Government commits to working with the Cheshire & Warrington LEP to help ensure that local employer priorities are fed into the operations of the new National Careers Service providers in Cheshire & Warrington. • Government, through the Skills Funding Agency, will support the process to ensure that provision meets local priorities and that increasing responsiveness is delivered through a three-pronged approach: <ul style="list-style-type: none"> ○ Procurement of new provision: LEPs will be involved throughout the process and providers' track records against LEP requirements will be considered as part of this assessment. ○ Accountability: Providers will be required through their funding agreements with the Agency to explain to LEPs details of their provision and planning and we are testing ways in which they can be most effectively held to account for being responsive to local economic priorities. The Skills Funding Agency is trialling Skills Incentives Pilots from 2014/15 in Stoke and Staffordshire, the North East and West of England, designed to explore the mechanisms through which providers will account to LEPs for delivery.

<p>them to the Further Education and skills sector.</p> <ul style="list-style-type: none"> • The Cheshire and Warrington LEP will positively engage the Further Education and skills sector in key strategic partnerships eg Skills and Employment Boards. • The Cheshire and Warrington LEP will recognise where the private sector has a responsibility to invest in skills provision and work with business and the skills system to realise that investment. 	<ul style="list-style-type: none"> ○ Allocations and Intervention: In future years providers' records in delivering to LEP requirements will be taken into account when setting allocations and triggering interventions. From 2015/16 the Skills Funding Agency will take into account the outcomes of the Skills Incentive Pilots in Stoke and Staffordshire, the North East and West of England, in making allocations to those providers in scope; subject to evaluation of the pilots, these mechanisms will be rolled out to other LEPs in future years. ○ Government will set out revised information for LEPs on how they can take advantage of this approach and options for seeking advice if provision is not responsive to their needs. The Skills Funding Agency will publish information during summer 2014 on how LEPs can influence the use of all skills budgets in their localities, and the steps they can take if they are dissatisfied with the pattern of delivery. ○ Government will seek to improve the provision of skills data for LEPs and will develop and publish new reports that will quantify and assess responsiveness to local skills needs. In the summer of 2014 the Skills Funding Agency will provide all LEPs with a data set that updates them on the provision delivered in their areas.
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As part of the deal, the LEP will:

- **Review LEP governance and supporting local authority partnership working** to strengthen collaboration, prioritisation and effective collective decision making and delivery.
- **Ensure implementation and demonstrate success**, by accepting the funding agreement, and by tracking progress against milestones and agreed core metrics and outcomes in line with a monitoring and evaluation framework. This will include agreeing monitoring metrics and reporting arrangements with the Government by September 2014. The LEP will also produce an evaluation plan for the projects contained in the Deal before April 2015.
- **Ensure value for money** by developing robust processes that will guide local decision-making. This will include agreeing an assurance framework with the Government by September 2014, building on existing local and national frameworks
- **Communicate the ongoing outputs and outcomes of the Deal to the local community and stakeholders** by publishing the Growth Deal and reporting regularly, and publically, on their progress to implement the strategy, ensuring that local people understand how Government

money is being spent via the Growth Deal, and what the benefits are for them and the area. The Cities and Local Growth Unit will continue to work with the LEPs on communications activities, and help make the links with other Government communications teams.

Funding for projects starting in 2016/17 will be subject to conditions that Government will discuss with the LEP over the next few weeks and months, along with establishing the best timetable for the project, taking into account practicalities and affordability.

The Government commits to opening discussions with the LEP right away on its priorities for the next round of Growth Deals.