

Liverpool City Region

Growth Prospectus

Our Overall Strategic Approach

1 Introduction

1.1 The Liverpool City Region

1.1.1 Liverpool City Region covers the Local Authority Districts of Liverpool, Halton, Knowsley, Sefton, St. Helens and Wirral. A coastal City Region in the North West of England, we have economic connections with our neighbouring areas but also the globe; trading through Liverpool provides easy access to around 32million individuals in the UK within just a few hours. The City Region itself has a population of 1.5million people and an economy worth £23.1bn.

1.1.2 We are a functional economic area. Around 85% of all travel to work flows take place within the City Region. We have an internationally recognised City, major employment sites and significant global companies. We are also a City Region with an outstanding physical environment including the Mersey and our rural hinterland, and we are a great place in which to live and visit with an outstanding history, heritage, culture, and a reputation for having a vibrant and energetic people and nightlife. All of this makes the Liverpool City Region distinct from other City Regions in the UK.

Our partnership

1.1.3 Government enabled local areas to form Local Enterprise Partnerships (LEPs) and determine Governance structures that most appropriately suited their local economy building on what already works while making improvements where necessary.

1.1.4 Our City Region has grasped that challenge. In March 2012 the Liverpool City Region LEP was formed building on an existing 20year partnership that had been a driving force of economic growth. As a result, **we have the most private sector orientated LEP in England** and no other LEP area can claim to have the same level of private sector commitment to achieving local growth.

1.1.5 As a LEP however we also bring together the considerable capability and strength of the public sector and a host of additional partners. Our LEP Board includes the Mayor of Liverpool and all of the other City Region Leaders. **We have a shared ambition for our City Region and a shared vision for how we can work together to achieve economic growth.** This has been proven by the commitment by City Region Local Authorities to investigating how a potential Combined Authority might be formed to maximise the resources we have influence over and to strengthen our on-going efforts to attract investment, secure jobs, and achieve growth in a more efficient and effective way.

What we exist to do

- 1.1.6 When established the LEP set itself three high-level outcomes which it wished to see achieved on behalf of all partners in the City Region. These are the core objectives set in the LEP Business Plan published in 2012. The **three high-level objectives** are to achieve:
- Growth – both in terms of absolute output (GVA) but also in jobs
 - Increased productivity - by being more innovative and effective in how we do business, increasing our competitiveness on the national and international stage
 - A rebalanced economy – with a reduced emphasis on public sector employment through a renewed focus on creating private sector jobs
- 1.1.7 The Liverpool City Region has strengths and employment opportunities in a range of sectors particularly as our economy continues to transform. Econometric Forecasts show the nature of the challenge that we face but also where there are opportunities to enable more people into work, to grow our business base and to attract investment.
- 1.1.8 In addition, the Liverpool City Region has a unique mix of assets and market facing opportunities – within our SuperPORT, our Low Carbon Economy, our Knowledge Economy and within our Visitor Economy – that will enable these objectives to be met. Through our Partnership approach we can capitalise on these market facing, growth achieving opportunities in a way that no other City Region in the UK can match.

What we have achieved...

- 1.1.9 Over recent years our City Region has begun to take tentative steps that will see each of the three objectives above being achieved. Since the depths of the recession an additional 31,000 private sector jobs have been created in our economy whilst at the same time we have not seen the level of unemployment that many thought would be the case.
- 1.1.10 This has been because we are now a more resilient economy compared to the past. The resurgence of Liverpool City Centre as a tourism and business destination increases in productivity in a number of key sectors but in particular in manufacturing, and the resourcefulness of our businesses and people have all meant that we enter a period of potential economic expansion well prepared and well positioned to take advantage. This tourism concentration complements our other assets such as Southport, and the coastal towns of the Wirral.
- 1.1.11 In 2013 alone the City Region will see work begin on two major projects totalling £1bn of capital investment that are fundamental to City Region level growth. The Mersey Gateway project (£660m) and a deep water berth at the

Port of Liverpool (the 'Liverpool 2' project - £340m) have both been strategic necessities from which further economic opportunities will emerge. Both have also been a feature of economic strategies, at a City Region level, for many years and demonstrate how through a shared and joint approach, the City Region can deliver initiatives with the private sector integrally involved. With the £1bn investment in 'Liverpool One' having created a world class retail and leisure destination in the City Centre, and the redevelopment of Liverpool Royal Hospital (£300m) set to begin, the City Region has a proven track record in delivering major capital schemes.

- 1.1.12 We are also a City Region that has delivered far more than just bricks and mortar. In 2008 Liverpool was the European Capital of Culture which was a huge success with 9.7 million additional visitor trips and an economic impact of £750million¹. In 2014 we will deliver an International Festival for Businesses to which the whole of the City Region will contribute and from which all our businesses and people will benefit.
- 1.1.13 We are also a leading City Region for innovation in what we do; our low carbon and skills commitments in our City Deal, and development of a private sector led "Skills for Growth Bank" that is already fulfilling Governments desire to see businesses buying and co-investing in skills and Apprenticeship delivery. These are the types of initiatives where 'on the ground' knowledge of a problem can result in an ask of Government to deliver an on the ground benefit. Our Growth Deal with Government therefore is not just about money – but about how we can work together with Government better to see economic growth achieved.

Our ambition to achieve more....

- 1.1.14 Unashamedly in this document we have a focus on our market facing, and private sector driven opportunity. We recognise that public resources are constrained and that it is from leveraging and encouraging private sector growth that the City Region will maximise our impact in what we do. If we are serious as a nation about rebalancing our economy – from South to North and from public to private sector jobs, then we need to invest where we have private sector growth potential and strength – our City Region represents such an opportunity.
- 1.1.15 We have strengths in a great number of economic sectors and many are predicted to grow over time – our approach is to better enable that growth where we can and support all businesses who want to grow, employ more, and add more value to our economy.
- 1.1.16 This approach of maximising economic benefit where economic opportunity exists must be recognised by Government too. High Speed 2, as an example, is a great economic opportunity but the economic impact can be increased significantly if its implementation better reflects our City Region opportunity.

¹ Impacts08 – Liverpool's Experience as European Capital of Culture

Our SuperPORT requires increased rail capacity for its full economic potential to be delivered and this can only be achieved by us working closely with Government to identify what needs to be done and to then co-invest with Government so that opportunities are fully grasped. This is just one example of how we will work together with Government to maximise growth.

This document...

- 1.1.17 This document represents the strategic, over-arching ambition of the Liverpool City Region. It is our long-term Growth Plan. It builds on extensive work already undertaken in the City Region and will be complemented by our European Investment Plan for the 2014 – 2020 European Programming Period as well as a Strategic Economic Plan (SEP) which details key investments that are necessary for growth to occur.
- 1.1.18 Government has committed to a c. £2bn per annum Single Local Growth Fund (SLGF) from 2015/16 that will include housing, skills and transport resources that can be invested locally to maximise growth potential. Government will test the Growth Plan and Strategic Economic Plan of individual LEP areas, with resources allocated to local areas based on the quality of their submission. This Plan therefore is of critical importance to the prosperity of our City Region.
- 1.1.19 This Plan is laid out as follows:
- Our strategic approach...
 - Competitive Business Base
 - Competitive Strengths
 - Our globally connected City Region built around our **SUPERPORT** concept but also our attractiveness as a visitor economy destination
 - A Centre for Low Carbon Growth
 - A Hub for Science, Innovation and Creativity
 - How we will be the Place for Growth by being:
 - A Competitive Place...
 - ...with Competitive People...
 - Our Strategic Projects to transform our economy

2 Our strategic approach...

2.1 Our framework for investment

A City Region of vision and ambition...

2.1.1 Our vision is to be:

A globally connected City Region delivering sustainable growth, opportunity and prosperity for people and businesses.

2.1.2 Our Growth Plan and Growth Deal will take a twin-track approach. First, where we have genuine comparative strengths and competitive advantage we will prioritise and target our investment to hasten the speed of growth.

2.1.3 This approach alone will not be enough. So second, we also need to create an environment that supports growth across all aspects of our economy and in all sectors that ensures that all people and places benefit from the growth achieved and in a sustainable way.

Our strategic approach – investing in strength while creating an environment for growth...

2.1.4 Our Strategy therefore is to have a focus on three areas where we have genuine strength and considerable economic opportunity while also focussing on our overall economic potential.

2.1.5 First, we will seek to see all of our economy capitalise on business growth opportunities as we aim to **develop a more competitive business base**. As a City Region we need to close the deficit of 18,500 businesses that the City Region suffers from when compared to the rest of the nation. We need to renew focus on encouraging new-start businesses as well as assisting our established businesses to grow.

2.1.6 This will focus not just on a limited selection of sectors but on all sectors – encouraging businesses of all types to grasp economic opportunities and create jobs.

2.1.7 Simultaneously we will focus on where we have specific market facing or asset based opportunities that make us distinct from any other economy. Those market facing or asset based opportunities will allow us to:

- build on our international connectivity and brand-recognition. We will invest in being a **globally connected City Region** further enhancing the SuperPORT concept, our visitor economy assets, our ability to be a centre for trade and export led growth and our attractiveness as an inward investment location

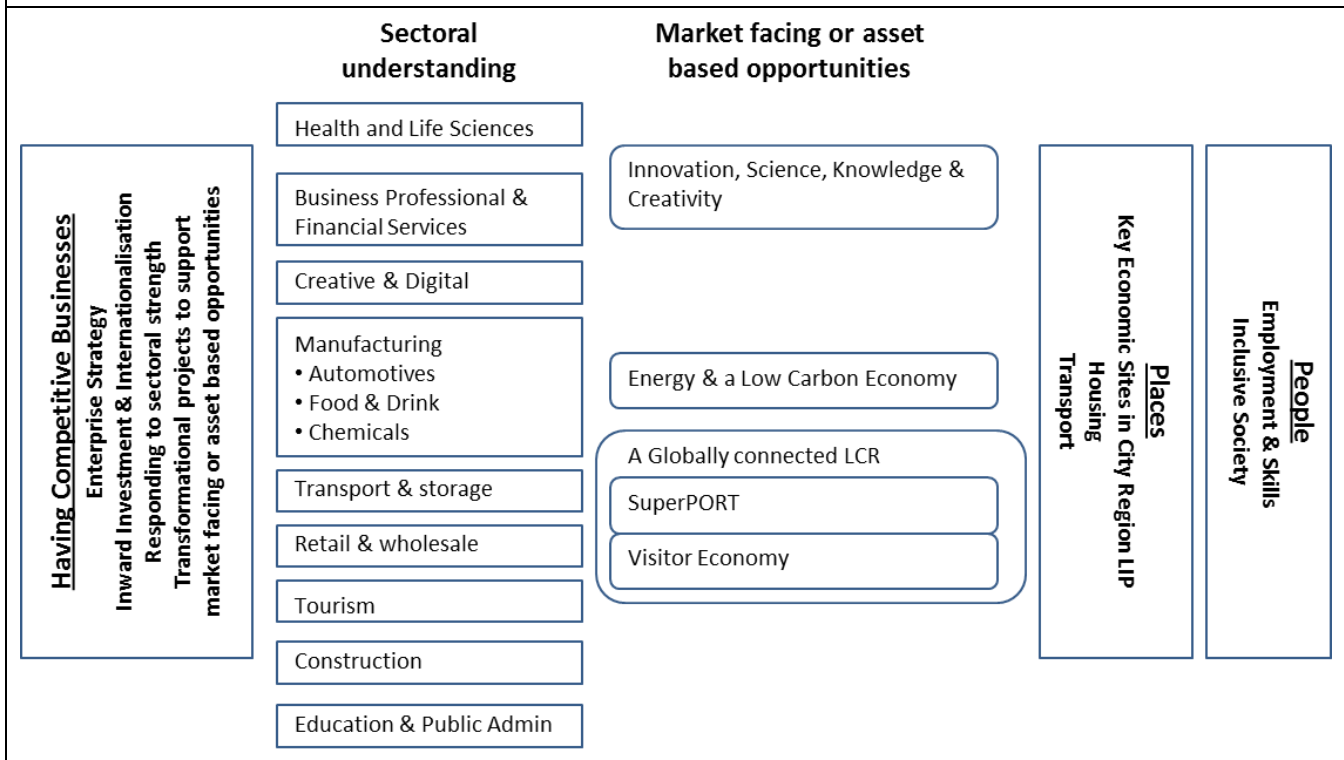
- maximise our economic growth opportunity from being a **centre for low carbon businesses** by developing potential resilient and competitive energy infrastructure and capitalising on our unique asset base
- build on our status as a **hub for innovation, science and creativity** to ensure the acceleration of benefits. To exploit our science and innovation strengths at Daresbury, major companies, and in our Universities but by also developing the latent talent of our people in sectors such as advanced manufacturing and digital technology

2.1.8 In addition to investing where we have comparative advantage and high growth potential we will also invest in the necessary enabling infrastructure and environment so that growth can be achieved and benefitted from by all. We will therefore maximise the impact of our resources as a City Region to:

- **Be a competitive place...**by investing in major employment sites to create growth but also in the regeneration of our communities such as through town centre regeneration and improvements to the City Region housing offer as well as through using sustainable and connecting transport as a stimulant to growth and ensuring we have an attractive, high quality and resilient place to attract investment
- **With competitive people...**through targeting our efforts on those who need re-engaging with the labour market, through up-skilling our workforce and through seeking flexibilities in delivery that support our local economy

2.1.9 Only through taking such a broad 'whole systems' approach to shaping our the economy can the City Region start to address the 90,000 jobs short-fall from which it currently suffers. We have unique, market facing opportunities that we can grasp, our challenge is to capitalise on that latent potential.

The Liverpool City Region 'whole-systems' approach to delivering economic growth



2.2 The difference we are seeking to make

Our high level targets

2.2.1 Our targets are simple; we wish to continue to see our City Region population grow and work towards closing:

- **The £8.2bn GVA output gap**
- **The 18,500 deficit in businesses**
- **The 90,000 deficit in jobs**
- **The gap of 46,200 16-64 year olds who need to enter employment**
- **The deficit in household income equivalent to £1,700 per head**

Enhanced Governance: improved efficiency and effectiveness

2.2.2 As a City Region there is a joint commitment amongst partners to align our resources in an effective and efficient way. We have undertaken a Governance Review to inform our Combined Authority submission and we are now working through the detailed operating protocols for improved efficiency in joint working in the future.

2.2.3 This will also include a joint approach to measuring performance and focussing our resources.

2.2.4 The first element of this is selecting projects that maximise impact. The City Region is already working to establish a single appraisal and approval process for all schemes seeking funding. The appraisal process will ensure that:-

- schemes fit with LCR objectives
- schemes meet the EU eligibility criteria (when funded by EU monies)
- the deliverability criteria is fully tested including all risks
- economic impacts are clearly determined
- value for money will be tested
- social distribution impacts will be clearly determined

2.2.5 This process will be in place by summer 2014 and will build on the Assurance Framework required by DfT for devolution of Major Scheme funding and, will build on the already existing co-investment led by the LEP in Capital projects within the City Region.

3 A need for a more competitive businesses base

3.1 Growing our Business base

3.1.1 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 the economic performance and competitiveness of Liverpool City Region overall; with enterprise a key driver of productivity growth in the economy through the stimulation of dynamic competition.

3.1.2 To ensure that the City Region's ambition to become an internationally competitive business environment in an increasingly global economy is achieved, we will need to build upon its significant strengths, particularly in key sectors. The City Region has a number of first rate knowledge, research and development assets including science parks, business incubation facilities, universities and hospitals, these need to be fully exploited to maximise our business growth.

The opportunity...

3.1.3 Liverpool City Region is home to a stock of over 37,000 businesses, providing some 574,000 jobs. Since 2004 the business base has grown by 8.6%, matching the national growth rate. However well documented challenges remain, the City Region faces structural issues that if not dealt with will limit economic growth potential. Business density in the City Region is too low; we require an additional 18,500 businesses to match the UK average business density rate. Business formation has consistently under-performed the national average; a historical reliance upon large employers having left a weak entrepreneurial culture with many people lacking the experience, confidence and resources to start their own businesses.

3.1.4 Our market-facing growth sector strategies are led by the privates sector to enable the City Region to identify where private sector driven growth might occur. We therefore have a *market responsive* mechanism to capture economic opportunities rather than a 'picking winners' approach.

What we have achieved...

3.1.5 The City Region remains a location in which businesses choose to invest. Over recent years the City Region has attracted investment from the likes of ServiceSource, Atlantic Container Line and Santander while major businesses such as Jaguar Land Rover have been successful in expanding their City Region based operations.

- 3.1.6 The closure of Business Link has required the City Region to develop a locally-driven business support model ensuring that businesses receive the support they need to grow. The City Region has continued to invest in business assistance with Local Authorities and wider partners central to helping business develop in their local area.
- 3.1.7 The City Region is doing this in an increasingly co-ordinated way. Delivery of a co-ordinated approach to business support was a key action of “The Enterprise and Business Growth Strategy for the Liverpool City Region 2008-2013”, and the City region has subsequently commissioned start-up support and key sector development activity at a City Region scale. The task of fully coordinating activity is not complete, a recent mapping exercise found that there remain over 300 different business support products available causing considerable confusion to private sector businesses seeking access, but the City Region has improved co-ordination considerably over recent years.
- 3.1.8 The City Region is fully supportive of the need to maximise the take-up of nationally procured business support programmes being delivered from outside the City Region, and ensuring local delivery works in conjunction with these programmes.
- 3.1.9 To enhance business growth in the City Region, a bid was submitted for Regional Growth Fund (Round 3 and Round 4) monies. The City Region bid was successful and is now delivering a City Region wide ‘Business Growth Grant’ programme to stimulate business expansion and private sector growth creation.

Our objectives...

- 3.1.10 Our ultimate and overarching objective in creating a more competitive business environment is to close the 18,500 deficit in businesses from which the City region currently suffers. **Our aim therefore is to increase the business base of the City region by 20,000 businesses over the next twenty years.**
- 3.1.11 Under the remit of the LEP, the City Region has established a Business Growth Hub Board to steer a new strategy that will help deliver on this bold ambition.

What we will do...

1. Delivery of a shared Enterprise Strategy and shared Enterprise Programme with a simplified business support offering across the City Region, building on our successful delivery to date. This will also maximise the take up of programmes delivered from outside the City Region, help achieve more effective and efficient cross-referral between activity, and help ensure a more coherent business support offer is available in the City Region. Public funds will be more targeted to reflect a recognition that public support will increasingly need to complement what the private

sector already provides.

2. We will continue to promote an entrepreneurial culture to increase business start-ups in the City Region via a focus on raising the confidence and aspiration of people. The aim of embedding entrepreneurship within the education system and raising awareness of the benefits of entrepreneurship is fundamental in stimulating business start-ups. Particular focus will be placed on encouraging young people and other under-represented groups in entrepreneurship. We will build community engagement, ensuring all those wishing to start a business are able to, through the utilisation of a range of promotional tools providing advice across all relevant needs. Our colleges and Universities will be integral within our approach with the aim of having an 'entrepreneurial ecosystem'.
3. It is vital that the City Region exploits its business growth potential, expanding its business base and stimulating productivity. We will look to encourage businesses to access new markets and local demand dependent businesses will be encouraged to explore the possibilities of diversifying into new markets and products. Support will be provided for outward facing businesses with the potential to export, building on the services offered by UKTI.
4. We will ensure that business support will meet business need. With the aim to flexibly provide the right mix of assistance from:
 - a. Supply chain development activity
 - b. Financial planning and accessing financial support
 - c. Business improvement assistance – support that makes a business more competitive.

Our approach will need to be flexible as markets change.

5. We will also work to guarantee a provision of business premises capable of enabling businesses to grow. This will focus on our key sectors and their market facing opportunities but also to ensure that key employment sites are brought forward so that large businesses can expand.
6. Good transport is essential for the quality of life and economy of the City Region. It provides for the efficient movement and access of people and goods across the area. We will work to ensure that transport infrastructure supports business growth. City Region partners will ensure that benefits from High Speed 2 and the Mersey Gateway are maximised for the local area. Transport projects will be brought forward that maximise the impact on the local economy to reduce congestion, improve travel times/experience, attract new businesses and allow businesses to operate more efficiently. Development of the City Region transport infrastructure should reduce the transport costs of

businesses and open new business opportunities; it should link business districts and housing neighbourhoods through a sustainable system.

7. The City Region attracts 57 million visitors a year and is ranked 5th of all UK Cities and Towns in terms of international visitors. Going forward we will continue to focus on the Visitor Economy as a key City Region employer with considerable growth potential. An area of particular focus is mid-week business visits, work will be undertaken to grow this market.
8. The Employment and Skills Board will deliver Skills for Growth Agreements focusing activity in sectors where the City Region has a competitive advantage, including each of the established key sectors. Strengthening the local employment and skills system to meet the needs of local businesses will support business growth and reduce worklessness through the provision of easy and efficient access by companies with job and skills needs to employment and skills providers. We will also continue to encourage investment in specialist facilities such as University Technical Colleges and studio-schools across the City Region and promote sector leadership and innovation to ensure the involvement of small businesses.

4 A globally connected City Region

4.1 Internationally connected & known

- 4.1.1 Liverpool is known internationally as a centre for commerce and trade and as a visitor destination of international appeal. Through its Port, airport accessibility, and its international companies and cultural assets it has reach far beyond the UK and will host an International Festival for Business in 2014.
- 4.1.2 In recent years companies such as ServiceSource, Atlantic Container Line and Santander have chosen our City Region as a place to locate because of its inter-connectivity and the opportunities this presents. Over 55million visitors a year come to the City Region to sample its culture, heritage, music as well as sporting prowess.

The SuperPORT has been a consistent part of the City Region Growth Strategy for a number of years securing the commitment of some of the world's biggest businesses; the SuperPORT is important for the whole of the UK, an integral component of the Atlantic Gateway, and can create up to 20,000 new jobs for our City Region. For more detail see:

- The LCR SuperPORT Action Plan
- SuperPORT Port Centric Logistics Brochure
- The SuperPORT Skills for Growth Agreement

These documents can be found at:

<http://www.liverpoollep.org/priorities/superport.aspx>

- 4.1.3 The attack brand of 'Liverpool' is known across the globe. As globalisation continues, being a place that is internationally connected, with a distinct global profile will be of ever greater importance and an asset for not just the City Region, but for the UK as a whole.

What we have achieved...

- 4.1.4 In our City Region Development Plan 2006 we identified that to remain competitive in a globalising world we would need a second Mersey crossing in Halton and a deep water berth at the Port of Liverpool. In 2013, £1bn of capital investment will get underway that will see these ambitions achieved.
- 4.1.5 Both these investments are a feature of our SuperPORT Strategy & Action Plan. For close to a decade the City Region has recognised the importance of its port, airport, road, rail and logistics assets that extend out across the whole City Region – in combination these represent a strategically important freight and growth opportunity for the UK as a whole.
- 4.1.6 The City Region attracts 57 million visitors a year and is ranked 5th of all UK Cities and Towns in terms of international visitors. While the recession has impacted on many places – we have bucked the national trend witnessing

more people coming to our City Region. We have continued to invest in our assets to deliver the highest quality experience for visitors. Key to continuing this success is expansion of the visitor market through improvements in City Region connectivity; working closely with LJLA and Manchester Airports, improving rail services and the local transport network to better align transport services/products with the needs of the visitor economy. Few other places in the UK can match what Liverpool, and the City Region, has to offer...

Our Visitor Economy supports 46,000 jobs and is worth £3.4bn. Our ambition is to see 57,000 jobs supported, to remain in the top 5 most visited places for overseas visitors and to be in the top 3 nationally for conference tourism. For more detail of what makes our City Region one of the most exciting places in the World to visit, see:

- The LCR Visitor Economy Strategy to 2020
- Destination Management Plan 2013

These documents can be found at:

http://www.liverpoollep.org/priorities/visitor_economy.aspx

4.1.7 The City Region is also a growing centre of export orientated business especially as BRIC² economies continue to expand. Unlike so many parts of the UK our economy is an exporting economy – our strengths are in advanced manufacturing (such as chemicals and automotive), life sciences and low carbon with businesses such as Jaguar Land Rover, Stobarts, Getrag, NSG (Pilkingtons), Unilever, Ineos Clor and Cammell Laird – our businesses export throughout the world. In 2014, the City Region as part of our City Deal, will host an International Festival for Business which was launched in January 2013 by the Prime Minister; business is at the centre of our international strategy.

The Business, Place and People sections of this document tell you how our City Region will invest in being an environment that supports our businesses, and people, to trade abroad and be internationally focussed.

The International Festival of Business (IFB) will take place in the City Region in 2014 with the aim of attracting 250,000 visitors and generating an economic impact of £100m. It will be the largest festival of its kind and will be showcasing UK business expertise and potential to the world. More information on the International Festival of Business can be found at:

<http://www.ifb2014.com/>

² Brazil, Russia, India & China.

- 4.1.8 Our international focus is not limited to trade and exports, connectivity, and attracting people to our 'place'. Students from around the World, especially China, choose Liverpool to study while our research capability – in our businesses and in our Universities, provide us with international prestige. We are also conscious of how critical it is to connect to other Core Cities and to ensure that these connections continue to be developed. It is essential that connectivity within the City Region is of the highest standard. Future Local Transport Plans and how we invest in skills and employment will continue to be about connecting our opportunities with our need and how growth can be supported.

We identify our world leading research capability, and our attractiveness as a place to study in the Innovation Section of this document while each of our 'Place' and 'People' sections identify what it is we will deliver to make our City Region one in which opportunity and need interact.

Transport connections, both within and without of our City Region are critical and are considered in the 'Place' section of this document and build on our existing Local Transport Plans (LTPs) for the Merseyside area and Halton.

The LTP for Merseyside can be found at:

http://www.letstravelwise.org/content206_Local-Transport-Plan-3.html

Delivering our ambition...

Our Objectives...

- 4.1.9 To deliver a Globally Connected City Region our objectives are to:
- Deliver the SuperPORT Action Plan (to 2020) – building on Liverpool City Region's port, airport, rail and logistics assets to secure the benefits from increased global trade and up to 20,000 new jobs.
 - Invest in transport and key site infrastructure to capitalise on our unique 'connectivity' opportunity in the national context – delivering benefits for the UK as a whole and as part of the Atlantic Gateway initiative.
 - By 2023, to have a City Region Visitor Economy supporting 57,000 jobs and worth £4.3bn.
 - Develop transport infrastructure with improved connections to other core cities and a local network that ensures the efficient movement of people and goods maximising its contribution to a thriving economy.

What we will do...

1. Maximise the benefits from the £340m of private sector investment in 'Liverpool 2' by improving Port Access and freight connectivity and ensuring that the City Region has the sites and premises available to capitalise on the jobs and business expansion potential that will result. The City Region has an outstanding opportunity to be a Freight and Logistics Hub generating jobs and wealth.
2. Capitalising on Government investment in High Speed 2 as an engine for growth and renewal in the City Region; improving our business and tourism connectivity, allowing for an increase in freight capacity, and supporting a renewal and economic expansion of Liverpool City Centre.
3. Expand our cultural offer and visitor economy asset base. Improve our tourism related connectivity, increasing links from LJLA and working closely with Manchester Airport on developing better routes from BRIC markets, improvements to rail services and the local transport network, and our image as a place to visit – increasing further the City Region's attractiveness as a national and international destination attracting more tourism and business visitors and increasing their aggregate spend.
4. Become a premier location from which businesses can trade and export overseas and in which businesses will choose to locate by building on the International Festival of Business (2014), ensuring businesses have the ability to connect with their customers (via transport links but also through Broadband and ICT), while continuing to support export driven growth especially in our key growth sectors such as Advanced Manufacturing, Life Sciences and the Low Carbon economy.
5. Prioritise our transport infrastructure and key site investment to ensure the efficient movement of people and goods both internally and externally to maximise economic growth.

5 A centre for Resilient Energy and Low Carbon Growth...

5.1 A unique proposition

- 5.1.1 Few other locations in the UK or Europe have the natural potential and low carbon business capability of the Liverpool City Region. With strengths in offshore wind, marine tidal energy, retro-fitting, bi-product hydrogen, waste management and recycling, water treatment and energy management – the mix of capability is second to none.
- 5.1.2 This is combined with our coastal location and ability to service Irish Sea wind-energy developments, a tidal river with huge energy potential, and a conurbation of 1.5m people with their energy needs to be met.
- 5.1.3 The result is that the low carbon agenda is as much a sustainable economic opportunity as it is an environmental necessity.

What we have achieved...

- 5.1.4 Delivery of a low carbon economy was a transformational action within our Multi-Area Agreement produced in 2009 with the ambition of being the biggest low carbon goods and services City Region economy in the UK.
- 5.1.5 Since then, the City Region has launched its Low Carbon Action Plan (could add a reference here to the mini stern report) and achieved the status of being a Centre for Offshore Renewable Engineering (CORE). This national recognition is a vindication of the City Region approach.

The Liverpool City Region Low Carbon Economy Action Plan was launched in 2011 with the full commitment of City Region partners. The Action Plan is owned by the City Region Low Carbon Committee – a private sector led committee feeding into the LEP but with public sector representation. The Action Plan can be found here:

- Liverpool City Region Low Carbon Action Plan

The City Region achieved Government recognition as a Centre for Offshore Renewable Engineering in 2012; our potential as a Low Carbon Wind Energy Hub is outlined in the links below alongside Government's own aspirations for CORE areas:

- Offshore Wind-Energy Hub brochure
- UK Government's Building Off-shore Wind in England : CORE
- Offshore Wind Industrial Strategy

These key documents can be found at:

http://www.liverpoollep.org/priorities/low_carbon_economy.aspx

- 5.1.6 Construction has been underway for some time on 160 off-shore wind turbines in the Gwent y Môr field in Liverpool Bay; up to £18bn of investment is possible in total in Irish Sea wind-farm development. There has been

significant investment by City Region businesses to take advantage of this market opportunity, we have over 1,200 businesses operating in the low carbon sector in the City Region. Recognition of the opportunities in the sector has led to the development of a Skills for Growth Agreement covering low carbon industries.

- 5.1.7 The City Region successfully bid and implemented a Green Deal Go Early project successfully delivered through the Viridis Partnership of Registered Social Landlords, Local Councils and the LEP.
- 5.1.8 As a partnership, the City Region also bought into delivering the Sustainable Energy Action Plan (SEAP) which identified the local market led projects that could maximise economic prospects in a sustainable and socially responsible way. Opportunities exist in district heating schemes, domestic and commercial retrofit, micro-generation and energy from waste initiatives, as well as supporting behavioral change to improve resource efficiency (and with it, help to tackle energy poverty).

The Sustainable Energy Action Plan (SEAP) collates a host of City Region projects to the scale at which the private sector, with public support can invest. The Action Plan can be found at the link below:

http://www.liverpoollep.org/priorities/low_carbon_economy.aspx

- 5.1.9 While in transport – our investment in public transport options have seen increases in the use of MerseyRail and other sustainable transport modes in the City Region, reducing our overall carbon impact. Over 90,000 journeys are made by rail a day in the Liverpool City Region – far more than in any other conurbation outside of London.

5.2 Capitalising on that proposition

Our objectives...

- 5.2.1 To deliver on being a centre for Low Carbon Growth the Objectives of the City region are:
- Capture and realise the economic and business opportunities from a Low Carbon Economy – with an ambition of creating 12,000 new jobs
 - Ensuring business continuity in light of climate change and long-term resource impacts
 - Support business growth aspirations with a progressive reduction in localised energy costs and increased diversity of supply
 - Provide and promote a cleaner, low emission transport system resilient to climate and energy price change

What we will do...

1. We will build on Government's Centre for Offshore Renewable Engineering (CORE) status by investing in our Offshore Wind Energy Hub infrastructure while continuing to examine other possibilities for low carbon energy generation (e.g. tidal)
2. Deliver the Sustainable Energy Action Plan (SEAP) projects that include opportunities in city-wide scaled deployment of Micro-generation, Bio-mass and Energy from Waste, localised heat networks and CHP, while simultaneously encouraging low-carbon behavioural change and the development of SMART-grids. In combination, delivery of the SEAP will help tackle fuel poverty (and rising energy costs for business?).
3. Be a Centre for Lower Carbon Transport and Vehicle development through delivery of a sustainable transport network via a modal mix for freight that reduces UK emissions, and a Local Transport Plan that delivers sustainability through behavioural change.
4. Maximise our economic opportunity from emergent technologies, such as through extending the City Region's nuclear servicing capability or through taking advantage of our unique potential for developing hydrogen vehicle technology and energy networks
5. Ensure sustainability through lower carbon construction, promotion of local and low carbon supply chain procurement, and through ensuring that both commercial property development and housing developments occur with job creation opportunity in mind.
6. Identify emerging business resilience risks and 'green growth' opportunities for the City Region arising from climate change and to seek to mitigate any impact of such on the economy

6 A hub for innovation, science and creativity

6.1 Exploitation of Innovation

6.1.1 The Liverpool City Region has a strong asset base of science, technology and innovation capabilities, with some world leading centres of excellence, concentrated mostly in the national science asset at Sci-Tech Daresbury and in the Liverpool Knowledge Quarter as well as in knowledge intensive industrial sectors including healthcare, advanced manufacturing, renewable energy and creative content.

6.1.2 The Liverpool Knowledge Quarter makes an important contribution to the national innovation ecosystem. It is remarkable in the UK as a significant city centre concentration of outstanding research, teaching, technology transfer and commercialisation assets, inter-acting and connected with North West national and global networks of innovation, intellectual creativity, technological invention and commercial exploitation. Located as a gateway to the city centre, and with a strong cultural offer, the Quarter is home to the University of Liverpool and Liverpool John Moores University and institutions, including Liverpool School of Tropical Medicine, the Royal Liverpool and Broadgreen University Hospital Trust, Liverpool Hope University, Liverpool Science Park, Proudman Oceanographic Laboratory, Liverpool Community College and the Liverpool Institute for Performing Arts. The Knowledge Quarter covers a breadth of disciplines including;

- **Probably the largest national grouping of complementary health and bioscience related disciplines in Medicine, Veterinary Science and Tropical Medicine** alongside international expertise. Partners in the Quarter are working on scientific and practical responses to many of the world's most serious health challenges, including HIV and other retroviruses, malaria and obesity, oncology, and microbial infections, sports science and public health.
- **Leading edge research in Accelerator Science, Micro and Nanotechnology, Bio-engineering, Materials Chemistry, Astrophysics and Advanced Computing.** This expertise supports the ongoing development and expansion by the Universities and their business partners, of nationally and internationally important research centres, including in **Aerospace, Astrophysics, Materials Development, General Engineering, Mechanical**

Engineering, Accelerator Science and Digital Technology.

- **A combined research portfolio approaching £300m** in value between the University of Liverpool and Liverpool Moores University.
- **Liverpool Science Park** provides first-class accommodation, business support, and links to expertise from the Universities for developing knowledge-based companies. Currently the park is home to over 75 companies from a variety of knowledge intensive sectors including graduate start-ups, and key commercial facing R&D facilities.

6.1.3 The University of Liverpool, Liverpool John Moores University, the Royal Liverpool and Broadgreen University Hospital Trust and the Liverpool School of Tropical Medicine together support 14,000 FTE jobs and generate some £1bn GVA. The largest two Universities in the Knowledge Quarter produce around 14,000 graduates every year.

6.1.4 **Sci-Tech Daresbury** is widely recognised nationally and internationally as a location for "Big Science" – for national scale investments in major science capabilities that provide the focus for outstanding national and regional scientific collaboration. It has achieved prominence as one of the UK's two National Science and Innovation Campuses, which combined with its status as an Enterprise Zone, provides a unique combination of scientific capabilities and business benefits. Its fundamental strength and the differentiator from other business and innovations locations in the UK is that it is based on the successful co-location and interaction between the business development and national scale innovation and science facilities.

6.1.5 Strategically located to serve the whole of the UK, this ecosystem approach connects the UK and North West's science community with the economy and ensures the effective delivery of real business growth, innovation, the creation of high value employment and thriving science based businesses. This underpins the local, regional and national high technology companies, jobs and growth and supports a rebalancing of the economy towards the knowledge intensive businesses that must form the basis of our future prosperity. Key strengths include;

- **Scientific computing:** providing world-class expertise and support for the UK theoretical and computational science communities, in both academia and industry, supporting a step change in the UK's ability to address key challenges and deliver new breakthroughs in science - from more accurate weather and climate prediction, to developing cleaner and more efficient energy sources and modelling new medicines.

- **Accelerator science:** the technology of particle accelerators supports and advances particle physics, nuclear physics, the large facilities needed for photon and neutron scattering experiments. It has great potential for the translation of the knowledge generated into grand challenge areas of energy, environment, health and security. The accelerator science programme is delivered in partnership with the Universities of Liverpool, Manchester and Lancaster through the Cockcroft Institute, based at Daresbury.
- **Nuclear Physics:** the STFC Nuclear Physics Group supports research in nuclear physics and applied projects in medical and security imaging.
- Underpinning these important scientific capabilities, STFC's Technology Department supports a wide range of advanced engineering, technology, instrumentation, facilities and skills.

6.1.6 Sci-Tech Daresbury supports and accelerates successful innovations, providing all elements of the innovation ecosystem support at all stages through:

- Co-location and interaction between business development and national scale innovation and science facilities
- National investments and local support in major science capabilities that are internationally recognised across a number of areas of instrumentation
- Collaboration and partnerships – e.g. N8 Partnership, the Hartree Centre, the VEC and EPSRC's SuperSTEM
- Infrastructure and capacity for expansion– including an incubator, space for growth, blue chip companies and international organisations
- Support: Sci-Tech supports start-ups, helps companies to grow and works through third parties including VC funds, corporate finance businesses
- Geographical proximity and international outlook: SciTech entertains links with network of science and knowledge assets, particularly at Sci-Tech Daresbury and the Knowledge Quarter.

- 6.1.7 Currently 83,000 people are employed in knowledge intensive industries in the City Region, with further concentrations of high and medium technology jobs. Academic excellence across the City Regions Universities, School of Tropical Medicine, hospitals and science and innovation centres, and our vibrant cultural offer are vital magnets for attracting talented people.
- 6.1.8 The exploitation of our science, technology and innovation assets to develop - and then bring to market - new ways of meeting the 'grand global challenges' is critical to the city region's competitiveness and prosperity. Our businesses need open access to scientific discovery and technological developments in order to develop the new products, processes and services which will give them competitive advantage in fast changing international markets.
- 6.1.9 The increasing globalisation of economic activity means Liverpool City Region businesses need to be able to compete effectively in the global market place. Global competition and technological change have increased the need for innovation, application of new technologies and improved efficiency. The Liverpool City Region Innovation Plan has established the ambitions for the City Region going forward, based on smart specialisation principles within broad areas in which the City Region has established advantage and created and connected diversification opportunities.

6.2 What we have achieved...

- 6.2.1 In our City Region Development Plan 2006 we identified the Knowledge Economy and Innovation as an opportunity through which to accelerate City Region productivity and drive economic growth and job creation. Key developments identified included; the continued development of Sci-Tech Daresbury, implementation of the Liverpool Science Park and the accelerated development of health science research capacity within the City Region.
- 6.2.2 These developments have been progressed through the leadership and oversight of a dedicated Innovation Board comprising University, and local and national private and public sector partners.
- 6.2.3 Sci-Tech Daresbury continues to expand as a world class asset through a partnership of private and public sector investment and is a world class asset for the City Region. The key science and technology cluster has established a track record of strong performance for SME growth, investment and survival rates. Internationally leading edge facilities have been developed such as the Hartree Centre (computing), Virtual Engineering Centre and the Cerne Business Incubator Centre which will exploit ground breaking scientific discovery in physics.
- 6.2.4 Several new, leading edge centres of excellence have been established in the Liverpool Knowledge Quarter, including the Centre for Materials Discovery and Stephenson Institute (renewable energy, supported by the development and operation of the Liverpool Science Park. Healthcare and Wellbeing capabilities have been expanded - and will grow yet further - through the

development of the Royal Liverpool and Broadgreen University Hospital Trust, the Biomedical Campus, the National Bio Manufacturing Centre (now Eden Bio) and The Heath. The DALLAS project, a TSB funded pilot in assisted living at scale, is pioneering new approaches to the needs of a rapidly growing elderly section of the population. The Creative Baltic Area has seen the rapid growth of some 105 companies in just under two years.

- 6.2.5 Manufacturing remains a significant contributor to the City Region economy. The sector has experienced improved competitiveness, transformed through innovation, new investment and the impacts of global change. Manufacturing continues to be an asset to be exploited in the City Region; we have world renowned companies that still choose the City Region as a place to be based including Jaguar Land Rover, Getrag, Unilever and Cammell Laird. Manufacturing productivity has grown year on year in the City Region, the sector is more productive than manufacturing on average in the UK. Science and technology capabilities in the city region, notably in advanced materials and engineering, will play a key role in maintaining 'leading edge' in our manufacturing sector into the future.

6.3 **Building on Inherent Strengths**

Our objectives...

- 6.3.1 To become a national hub for science, technology and innovation, we have defined two key ambitions of:
- Creating an effective innovation ecosystem with a dynamic, self-sustaining innovation culture which provides the essential conditions for open innovation and its commercialisation – and therefore for competitive advantage for our businesses; and
 - Developing innovation excellence and economic growth by exploiting comparative strengths and opportunities within – and between - the Innovation Platforms within the Innovation Eco-system.
 - Investing in key sites for science and innovation including Daresbury and the Knowledge Quarter
- 6.3.2 To support these, we will;
1. Establish an innovation environment based on best practice from the most successful innovation places in the UK and across the world. Priority actions will include ensuring strong leadership within the city region's innovation community; embedding the innovation agenda and a dynamic innovation culture; local, national and international networks to connect ideas with markets; effective facilitation of innovation processes of discovery, collaborative R&D and the commercialisation of R&D; innovation intelligence, foresight and the dissemination of best practice; improved skills for technology transfer supported by

dedicated higher level business services for our innovative companies; an enhanced talent and skills pool; and increased access to capital. In addition to these 'soft' factors, we will continue to invest in top quality physical infrastructure particularly in the Liverpool Knowledge Quarter and Sci-Tech Daresbury and in facilities for collaborative R&D such as the Liverpool Bio Innovation Hub.

2. Invest in our Enabling Science and Technologies, delivering the Sci-Tech Daresbury Strategy and developing further science, technology and R&D collaboration facilities in the Liverpool Knowledge Quarter and delivering new models of R&D collaboration with business such as the Global Eco-Innovation Centre and Materials Innovation Factory;
3. Build a greater critical mass of research excellence and its commercialisation in the Health and Wellbeing Platform, focusing on the joint priorities of our NHS, University and private sector partners to exploit important established capabilities in infectious diseases, oncology, clinical trials, stratified medicine, pancreatic disease, sport science and assisted living and dementia. Linked to this we will support the expansion of our bio-manufacturing cluster.
4. Develop further our capabilities for Solutions for Sustainable Growth, through research and development in renewable energy; 'food for the future' – developing sustainable and intensified agriculture solutions including aquaculture and aquaponics; developing a leading edge in clean water innovation ; developing smart services for urban management and new approaches to effective future public services and responding to new market demand for smart marine and port operations;
5. Build a national reputation for Smart Products and Processes, increasing access for business to our capabilities in advanced materials, molecular manipulation and engineering and focusing on national process scale-up solutions, marine water ballast treatment, lightweighting and smart non invasive monitoring;
6. Continue to support the expansion of our Creative Content sector through the expansion of Creative Baltic, development of an e-Health cluster to support new assisted living services, development of the Liverpool Film Studio and supply chain, and supporting our creative applications and games technology cluster to access new national and international markets.

6.3.3 Our Innovation Platforms support the city region's knowledge intensive industrial sectors and particularly those which are also national strategic industrial priorities including: Life Sciences, Nuclear, Offshore Wind, Information Economy and Agri-Tech. Importantly, the Innovation Plan also aims to harness the city region's technological capabilities to maximise our

contribution to the development and commercial exploitation of the 8 Great Technologies, notably Big Data, Advanced Materials and Nano Technology, Robotics, Energy Storage, Agri Storage and Regenerative Medicine.

- 6.3.4 The Investment Plan for Innovation will make maximum use of all available European and UK funding sources, particularly the EU Programme 2014-2020 and Horizon 2020, as well as seeking co-investment and budget alignment with local and national partners and programmes.

7 A competitive place....

7.1 A competitive place in which to invest

Introduction

- 7.1.1 The Liverpool City Region is not a contained City Region. It is the Western end of what is probably the largest agglomeration economy in the UK outside of London with Liverpool at one end and Manchester at the other. The assets contained within this wider geography include nationally significant concentrations of commercial activity, University and scientific institutions, cultural and sporting institutions as well as heritage and visitor attractions.
- 7.1.2 It also contains the most complete collection of infrastructure outside of London and the South East. The motorway network is considerable (M6, M62, M56, M58 and ready access to the M60, M66, and M61) and is unrivalled elsewhere in the UK. The Port of Liverpool offers the most substantial container facility outside of the South East region while Manchester and Liverpool Airports have by far the strongest European and Global networks outside of the South East. With a considerable rail network for freight, and the presence of the Manchester Ship Canal, the City Region and Atlantic Gateway corridor offer a truly multi-model response to the need to use our infrastructure in the best way to ensure sustainable growth can be achieved.
- 7.1.3 In combination, the assets, infrastructure and geography of this corridor - the 'Atlantic Gateway' - is of truly national significance because it offers a credible spatial option to assist in the process of 'rebalancing the UK economy'.
- 7.1.4 Within the City region, the Merseyrail network is one of the most extensive in the UK and use of rail in the City Region is considerably greater than in other comparable metropolitan areas. The network and Merseyrail service, alongside City Region bus services and investment by firms such as Arriva provide sustainable travel to work links in an era where car commuting is increasingly cost and environmentally prohibitive. Our Local Transport Plans will ensure City Region transport infrastructure is fully aligned to the growth opportunities our Growth Plan presents.
- 7.1.5 The City Region has more terraced property, more property in housing association tenure and greater levels of vacancy than nationally. Housing is however more affordable in the City Region. Arguably, the City Region continues to retain an over-supply of derelict and redundant stock and it therefore remains a critical need to upgrade the housing offer for both regeneration requirements in some areas, but also to provide an appropriate mix of housing to help support growth

- 7.1.6 Although subject to uncertainty, the risks to the City Region businesses and infrastructure due to climate change impact have to also be considered. Such can have a material impact on our economy and must be factored in to our development proposals.

What we have achieved...

- 7.1.7 The Liverpool City Region has been acknowledged nationally and internationally for the physical transformation that has taken place in the last decade. With increased visitor numbers and efforts to tackle the City Region housing need it is ever more a 'place to be' for many people from the UK but also from overseas.
- 7.1.8 Transformation of the City Centre alone has been significant with the development of Liverpool One the latest in a long-line of (private sector driven) investments that have seen the urban core regenerated, the upgrading of University facilities and the recently committed to Liverpool Royal and Broadgreen Hospital Trust redevelopment offer economic opportunity as well as servicing particular needs.
- 7.1.9 The transformation however has not been limited to just Liverpool City Centre. The development of commercial floorspace, industrial units and logistics capability at sites such as 3MG in Halton, or along the A570 in St. Helens are seeing new employment opportunities created in areas where the previous economic activity has reduced
- 7.1.10 This is all part of taking a market facing approach to regenerating the economy of our 'place'. The Liverpool City Region LEP with our partners has recently commissioned a refreshed 'Local Investment Plan' for the City Region identifying and prioritising key sites for investment between 2014 and 2017. This work is specifically designed to inform our Growth Plan and support the City Region in quickening the speed at which growth can be achieved. The Plan will also develop our approach on housing as well as key employment sites.
- 7.1.11 This Investment Plan will continue much of the best practice that can already be found in the City Region. This includes ensuring that our Enterprise Zone sites are enabled to create jobs and that the Science and Innovation facility at Daresbury is able to grow further.
- 7.1.12 We will build on joint investment of our resources to target private sector investment and jobs growth. The LEP has fully allocated our Growing Places Funds to job creation schemes and has ensured that where possible this is co-invested alongside European Funds and the City Region Chrysalis Fund which provides loan capital to developers to get schemes underway
- 7.1.13 We will also apply this approach to our key transport investments in the future. Liverpool City Region has a UK leading transport network and service, the MerseyRail network has patronage levels that are considerably higher than any other in the UK outside London.

- 7.1.14 This network however needs continuous investment, both to improve our passenger experience, and to enable goods and especially freight to move around our region and connect to external markets. We are making these investments with the resources under our control and the City Region has recently prioritised its Major Schemes in readiness for greater delegation of funding
- 7.1.15 The River Mersey is an iconic part of our City Region identity and is an important economic, social and environmental asset. Over the past 25 years significant water quality improvements have been achieved in the Mersey basin and catchment area supporting sustainable waterside regeneration.

7.2 Being an even better place for growth

Our objectives...

- Bring forward, on a prioritised basis, key employment sites to service growing markets particularly in response to sectoral growth opportunity in the SuperPORT etc.. This includes:
 - Multi-phase investment sites such as the City Centre, Parkside in St. Helens, and our Enterprise Zones and key corridors such as Edge Lane and Dunningbridge Road (East)
 - Investment Opportunity Sites where more immediate investment might be made such as Stonebridge Park in Liverpool, Widnes Waterfront and the former Pleasureland site in Southport
 - Local Opportunity Sites which are generally smaller and exist in every District
 - Longer-term employment sites where market readiness is some way off
- Deliver a housing offer to meet City Region needs which focuses especially on bringing forward sites for housing growth. Recognising the growing importance of the market rented sector and developing it as an option of choice, and continuing to raise the quality of residential neighbourhoods and their housing offer to underpin economic growth in those adjacent areas identified for transformational economic investment and growth eg SuperPORT sites, Enterprise Zones and the City Centre etc.
- Provide and promote a clean, low emission transport system which is resilient to changes to climate and oil availability while ensuring that the transport system

promotes and enables improved health and wellbeing and road safety.

- A transport system that provides equality of travel opportunity for all, allowing people to connect easily with employment, education, healthcare, other essential services as well as leisure and recreational opportunities.

What we will do...

1. Support delivery of the Liverpool City Centre Strategic Investment Framework to create a world class City Centre that supports multiple sector including business, professional and financial services, creative and digital businesses, and the Visitor Economy
2. Ensure the regeneration of town and district centres throughout the City Region in response to changing market dynamics and a need to recognise their changing role
3. Capitalising on our Enterprise Zones including:
 - a. Liverpool City Enterprise Zone as a key component of delivering the City Centre ambitions
 - b. Mersey Waters Enterprise Zones and the employment generating potential of Wirral Waters (it's International Trade Centre, Advanced Supplier Park and other initiatives) as well as Liverpool Waters long-term growth potential
 - c. Daresbury Enterprise Zone as a Science and Innovation Campus recognised nationally as an important science and innovation centre
4. Enabling business growth through provision of key sites and commercial space which includes having sites capable of supporting business growth including logistics facilities to capitalise on the market changing potential of Liverpool 2, as well as the right mix of office space, laboratory and grow-on space for the life science and innovation sector, development and renewal of light industrial and small business space so that all businesses have the sites they need to grow
5. Improving the City Region Housing offer and achieving an appropriate housing mix through development of low carbon housing, market supply, improved private rented sector provision as well as bringing properties back into use and ensuring that peoples housing aspirations (and needs) are better met.
6. Ensuring that transport investments and our transport network supports our growth need through maximising the strategic opportunities of the Mersey Gateway and HS2 as engines for growth. Our transport network should be an efficient mover of goods and services as well as people, and we will promote more

sustainable use of transport that also improves people's ability to access jobs as well as services they need. We will also need to invest to maximise our connectivity for tourism through initiatives such as the Cruise Liner Terminal and our airport connections overseas.

8 ...with competitive people...

8.1 Competitive people...

8.1.1 Liverpool City Region has been transformed over the last 20 years with the rejuvenation of Liverpool City Centre, greater utilisation of indigenous assets, the on-going development of high value sectors and attraction of new business investment. However the potential for additional economic activity and improved competitiveness exists through realising the full potential of our people which in turn, would assist the City Region to tackle long-established weaknesses in our labour market.

8.1.2 The City Region has a number of long-term labour market challenges:

- A need to improve economic activity rates and to have a greater proportion of the population engaged with the labour market
- A need to improve employment rates in the City Region so that more people are in work
- Tackling in particular the issues of youth and long-term unemployment which risk being a long-term drag on the City Region's economic performance as well as a barrier to individuals maximising their own potential
- A legacy of higher levels of illness than national rates has led to a significant number of residents being in receipt of sickness benefits.
- A need to tackle skills deficiencies where they exist
- To improve demand within our economy for higher skills/occupations within the economy
- A strategic high level requirement to rebalance our economy from an above average reliance on public sector employment to having more private sector job creation.

8.1.3 However, the City Region has a number of long-term labour market responses that are driven by our Growth Plan. These skills challenges are not purely a series of issues that must be addressed in isolation; they are inescapably linked to our wider Growth Plan – our aim is to ensure that growth and skills need match to improve our economy overall.

What we have achieved...

8.1.4

Our skills strategy and Skills for Growth Agreements outline what is needed to meet our labour market challenge AND what it is our economy and Growth sectors need from a skills perspective to maximise their impact. See:

- Link to Employment & Skills Strategy
- Link to Annual Report

These reports can be found at:

http://www.lcrskillsforgrowth.org.uk/?page_id=47

Our Skills for Growth agreements are for:

- SuperPORT
- Advanced Manufacturing
- Visitor Economy
- Low Carbon
- Etc.

- 8.1.5 Improving the development and deployment of skills across all ages and levels has been a long-standing priority not only for Liverpool City Region, but also nationally. In 2010 we published a clear 10-year Strategy that set us on course to ensure that our skills delivery system was the most demand-led in the country. We have built on this principle by developing detailed Sector Skills for Growth Agreements between businesses and employment and skills providers working in each sector where we have a competitive strength. These documents identify not only specific skills challenges but also initiatives to tackle particular sector skills issues and identified labour market weaknesses for the City Region as a whole. The impact of these has been a widespread curriculum redesign process taking place across our colleges and provider network.
- 8.1.6 The City Region has an Employment and Skills Board (ESB), Chaired by the private sector that has been operating at the City Region level for a number of years. The ESB includes all six local authorities and, working closely with the LEP, leads on employment and skills strategy as well as strategic commissioning.
- 8.1.7 The ESB is a further demonstration of the strong track-record of City Region level working between the private and public sector and is recognised nationally as a leading developer of new initiatives and market facing responses to labour market issues. The City Region put forward a series of proposals within our City Deal which have been progressed since that document was signed in 2012. These included:
- Creation of the UK's first Skills for Growth Bank – bringing together public and private sector skills investments
 - Creation of the Labour Market Information Service – clearly articulating our skills needs to schools, colleges, universities and employment and skills providers.
 - Commissioning a Youth Unemployment Taskforce – consisting mainly of businesses and young people to undertake a deep review of what support is needed to promote increased youth employment.
 - Developing proposals for introducing payment-by-results elements of adult skills funding to increase demand-side sensitivity.

- Developing proposals for customer choice in the Work Programme.

8.1.8 The City Region has recorded significant achievements led by the ESB, including:

- More than 160,000 qualification achievements in Further Education in 2010-11.
- Over 8,000 completed apprenticeships at intermediate, advanced and higher level and 11,800 new Apprenticeship starts aged 16-24 in 2010-11.
- Substantial increases in GCSE attainment in the City Region.
- Progress in reducing the level 2 qualifications gap.

8.1.9 The Coalition Government has clearly articulated its objective to deliver a skills system that is driven by demand and is responsive to the needs of individuals, communities and employers. As such the City Region Deal with Government provides a shared commitment against a number of tasks to reshape the skills environment to fully meet the needs of employers and improve the competitiveness of the labour market. Our £32million Skills for Growth Bank has placed employers in charge of Apprenticeship and skills funding and latterly our proposals around the Youth Contract Underspend will provide a radical testing of individual responsiveness through a cutting edge Personalised Budgets pilot for young unemployed people. We have demonstrably proven our capacity to undertake even greater levels of devolvement of funding to the City Region and greater alignment of European and central funding.

The opportunity...

8.1.10 Whilst recent growth has narrowed the gap with the UK on a number of economic indicators, more could be achieved.

- For Liverpool City Region to achieve an economic activity rate equivalent to the national average, an additional 35,000 (approx) individuals would need to be economically active.
- For Liverpool City Region to achieve an employment rate equivalent to the national average, an additional 46,200 (approx) individuals would need to be in employment.
- There are too few jobs in Liverpool City Region for the number of resident 16-64 year olds, and job density in the City Region has consistently been below the UK average over the last ten years.
- For Liverpool City Region to have an equivalent proportion of people employed in higher-level occupations as the

national average, it would have to add 40,800 individuals to those occupations.

- Liverpool City Region would require an additional 82,000 people of working-age to hold NVQ4+ qualifications for it to meet the current UK average of 34.2%.
- Nationally since 2010 the private sector has created 3 jobs for every public sector job lost, whereas in the City Region, 1¼ jobs have been created for every public sector job lost.

Our objectives...

- 8.1.11 To deliver the goal of competitive people in a well functioning labour market, action will be focused on the key challenges outlined in the Liverpool City Region Skills for Growth Annual Report 2013. Those are:
- A. To raise skills levels at all ages – close the skills gaps with national rates
 - B. To increase employer ownership of and involvement in the delivery of education, learning and skills
 - C. To ensure curriculum review and decisions are routed in a solid demand-side evidence base and wherever possible involve individual businesses
 - D. To improve the relevance and consistency of careers information, advice and guidance
 - E. To work together (as a City Region partnership between the public and private sector) to tackle youth unemployment

How we will do this....

- 8.1.12 To deliver these objectives the City Region will:
- Tackle unemployment and promote resilience by (among other measures) pursuing the recommendations of the Employment and Skills Board's Youth Unemployment Task Force.
 - Work with health providers and welfare to work contractors to ensure that the correct support is in place for residents with health conditions preventing them from accessing jobs.
 - Ensure that workforce development and skills attainment in the City Region is geared towards creating a high-skill equilibrium, where the availability of qualified labour incentivises employers to create higher skilled occupations

which in turn encourage individuals to further invest in skills. A high-skill equilibrium labour market would, to an extent, reduce the flow of graduates out of the City Region who feel required to move to gain graduate level employment. We will encourage businesses to provide insight on future demand in order to build higher levels of employer responsiveness within the skills system and the up-skilling of the workforce.

- The City Region will deliver the Skills for Growth Bank, a £32m venture to give employers ownership of how and where skills funding is invested. We will promote the Skills for Growth Bank as an opportunity for partners to address skills needs through employer led-investment. Businesses will be encouraged to invest in up-skilling the workforce utilising the Skills for Growth Bank as a means of obtaining skills investment in their business.
- The Employment and Skills Board, through the Labour Market Information Service, will provide and make available key, high quality labour market information to help employment and skills providers to reshape their services. Businesses will be encouraged to work with providers in designing curriculum that will more effectively meet their needs. We will support the increasing spread of apprenticeship frameworks being utilised by businesses.
- The Employment and Skills Board will deliver Skills for Growth Agreements focusing activity in sectors where the City Region has a competitive advantage, including each of the established key sectors. We will also continue to encourage investment in specialist facilities such as University Technical Colleges and studio-schools across the City Region and promote sector leadership and innovation to ensure the involvement of small businesses.

9 Strategic Economic Plan – Our Investment Pipeline

9.1 Strategic Economic Plan

- 9.1.1 Government has requested that Liverpool City Region LEP produce a Growth Plan that outlines our long-term ambition as a City Region and Strategic Economic Plan that details the interventions that will deliver growth.
- 9.1.2 We have sought to both articulate the economic opportunity that exists in Liverpool City Region and also identify key projects that will deliver growth. These projects include what is already identified as priorities (such as Major Transport Schemes) and longer-term aspirations.
- 9.1.3 Annex B details the projects that represent our Strategic Economic Plan Investment Pipeline. These are framed around the various sections of this document and are designed to deliver our City Region objectives via what we will do to deliver growth.
- 9.1.4 In addition however we recognise the need to work with Government and over upcoming months we want to adapt our objectives so that they can be regarded as shared ambitions for the Liverpool City Region – shared *with Government* so that we are working together to see jobs and investment achieved. This will be integral to our ‘Growth Deal’ discussions and negotiation. We will be looking to build on our City Deal asks, and the work undertaken by the Core Cities to identify what can be done to free the City Region to capitalise on its latent opportunity.

9.2 Strategic Growth Projects

- 9.2.1 We are an ambitious City Region with huge growth potential. We have therefore identified five transformational ‘strategic projects’ that will deliver maximum impact and that will tie together the various elements of this overall Growth Plan approach
- 9.2.2 The five strategic growth projects are:
 - A. Liverpool City Centre
 - A centre for Business Growth across a range of sectors including business, financial and professional services, creative businesses and knowledge businesses in the Knowledge Quarter
 - As a destination attracting people from around the world as part of our Globally Connected City Region supporting our Visitor Economy ambition
 - As a fundamental component of our Place as a City Region
 -

B. Liverpool City Region Freight & Logistics Hub

- Capitalising on the £340m investment in Liverpool 2 and the restructuring of logistics in the UK and therefore benefiting from being a Globally Connected City Region, the Hub would link transport and key site investments under the Place strand to create jobs in every part of the City Region

C. Multi-modal Port Access – Accessing the Port of Liverpool

- This would further enable the Freight and Logistics Hub but is a longer term project due to its scale and the need to identify the preferred and optimal multi-modal solution. Integral again to the Globally Connected City Region and Place elements of this plan.

D. LCR²Energy

- Will facilitate and enable the transition of the City Region's Energy supply for the needs of the Growth Plan and the 21st Century; by converting the 37GWh* used for City Regions electricity, heat and transport power requirement to 100% Low Carbon, including local sourcing of offshore and marine renewable generation, by the most cost effective and efficient means. Will support the Place strand of this plan by delivering competitive, resilient energy infrastructure and also supports the significant supply chain opportunities by stimulating market requirements from energy/low carbon and innovation linked Business Growth

E. City Region Capital Investment Fund – builds on our City Deal commitment to create a City Region Investment Framework and will support:

- Delivery of projects in Liverpool City Centre as a focus of economic opportunity within the City Region; see Strategic Project A
- Delivery of the ‘City Region Freight & Logistics Hub’ investing in sites throughout the City Region, see Strategic Project B
- Delivery of key projects at science and innovation locations including Daresbury; see Innovation Section
- Delivery of key elements within the LCR2Energy project; see Strategic Project D
- Delivery of key growth projects within the Liverpool City Region’s 3 Enterprise Zones;
- A ‘responsive’ programme flexible enough to respond to inward investment and/or end user demand at any site within the City Region when jobs may be immediately created (see the list of sites below as locations within the City Region that have been identified as strategic sites for potential business use and growth).

9.2.3 These five strategic projects will be the focal point of our Growth Deal discussions with Government.

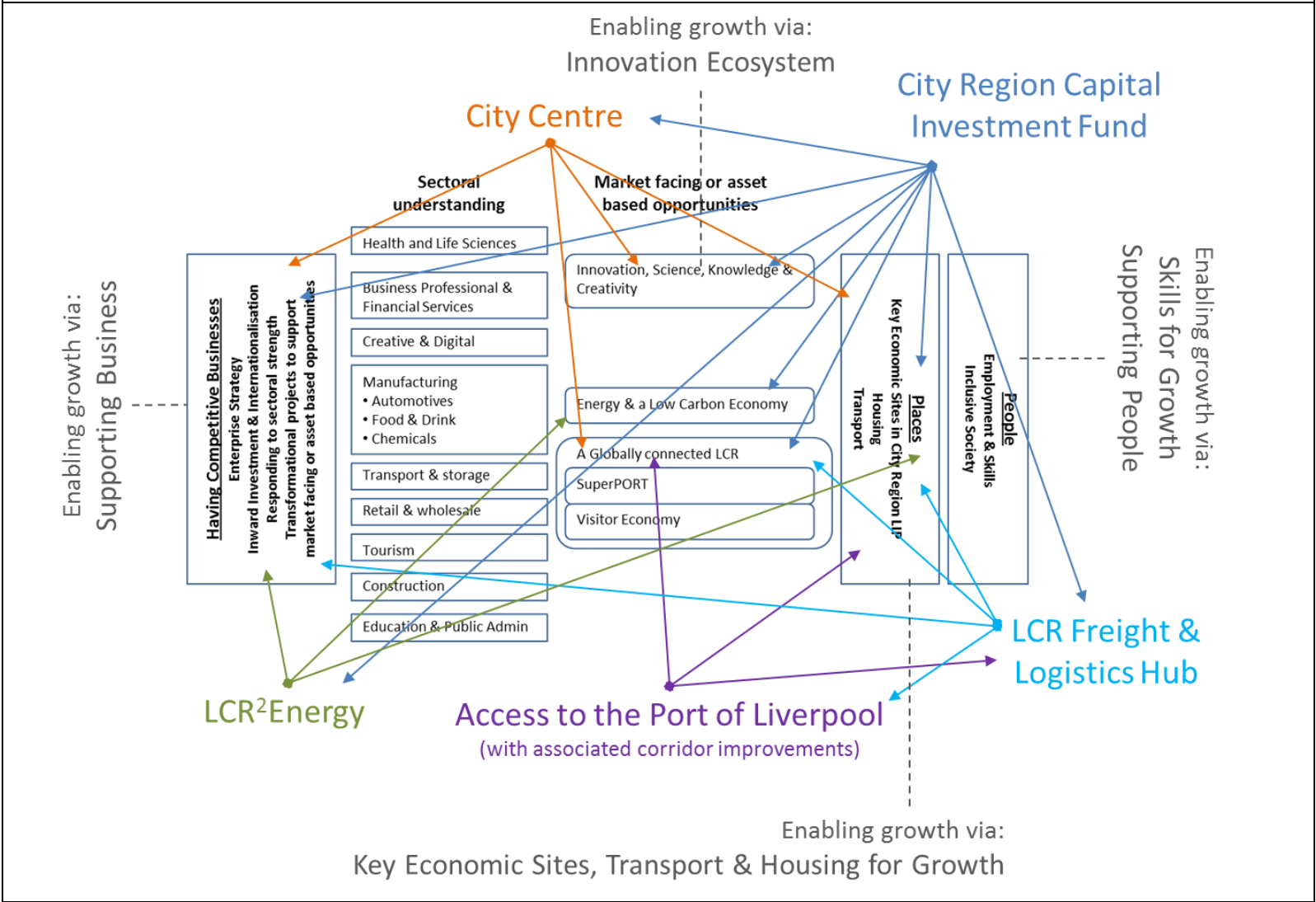
9.3 Enabling requirements

9.3.1 Returning to our strategic approach, these five Strategic Projects will also require enabling activity within the City Region to be delivered. Those enabling areas are:

- Enabling growth by supporting business
- Enabling growth via an innovation eco-system through the City Region
- Enabling growth by delivering Skills for Growth
- Enabling growth through our place – key economic sites, transport, and an improved housing offer

9.3.2 The inter-relationships of the Strategic Projects and enabling elements within the whole-system framework for growth is shown in the diagram on the following page.

The Liverpool City Region ‘whole-systems’ approach to delivering economic growth – our five strategic projects and enabling requirements



Annex A – Mapping of European Priority Headings against Growth Plan Themes

Sections where we have comparative advantage:

<u>Growth Plan Strands</u>	<u>European Programme Fit</u>	<u>Justification</u>
<u>Building on our distinctive assets and competitive advantage...</u>		
Globally Connected City Region	Fit with Blue/Green Economy & also the Place and Connectivity strand	The City Regions strengths are built on its connectivity – the Port and associated connectivity with national transport networks, global contact networks but also its internal connectivity and transport networks. The European Programme cannot focus on Port associated activity and cannot focus specifically on ‘transport’ as the Growth Plan must so will only be able to deliver certain elements of the City Region need. Transport featured prominently in the City Deal although this reflected a desire to reform Governance to better identify City Region priority schemes.
City Region of Low Carbon Growth opportunity	Integrally part of the Blue/Green economy	Key strength of the City Region with a long established strategy and set of key projects identified. The European Programme will have a significant focus on Low Carbon but will not be able to deliver the breadth and scale of opportunity presented by the City Region. Low Carbon must therefore sit front and centre of the Growth Plan, particularly given the strength of the City Region to use ‘low carbon’ to connect across housing, transport and energy to leverage significant private sector investment as well as creating jobs. Low Carbon asks formed part of the City Region Deal with Government.
Innovation, Science and Creativity Hub	Significant correlation with the Innovation Economy strand	The City Region has a set of science and innovation assets of significant potential especially when recognised in the context of wider asset base of the North West which acts as a ‘counter-weight’ to the South East. The emergent Innovation Plan has identified that strength across five areas (see later) and will further refine City Region opportunity. Innovation remains fundamental strand of the European Programme but again, not all activity will be fundable from European Funds alone – essential in this space is an ability to leverage greater investment from national funding pots Additionally, innovation and science were features of the City Region Deal with Government.

Enabling Sections of the Growth Plan

Enabling elements of the growth plan...		
A Competitive Place...	Fit with the Place & Connectivity priority	<p>The City Region has a variety of 'place' based opportunities to take advantage of (Enterprise Zones, Strategic Sites, City and Town Centres) while the Growth Plan must also focus on Housing and Transport as key elements. 'Place' therefore must be a key theme of the Growth Plan.</p> <p>The European Programme will be able to support place based initiatives such as commercial floor-space development but is unlikely to extend to cover the scale of the place based 'ask' and will not be able to deliver the full set of place based activity likely to be desired (e.g. funding of 'Housing' as a theme is not possible while Transport is not easily delivered as a strand in itself).</p> <p>A 'Competitive Place' as an enabler of growth therefore captures the requirement to focus on housing and transport as well as other place based activities.</p>
...With Competitive People...	Inclusive Economy	<p>The City Region has a deficit of people in work as well as particular issues of youth unemployment and long-term unemployment. It is also a City Region will skills deficits in a number of key areas.</p> <p>Skills and enabling people to access employment are therefore critical. Skills was a named element likely to be included in the 'Single Pot' while the City region is still pressing for devolution of ESF and other 'non-local' employability/skills money to the local level.</p> <p>As has been recognised, the City region suffers lower household income than the national average and 'competitive people' is as much about improving peoples standards of living as it is just supply side skills intervention. Skills for Growth Agreements and the Skills Bank are important in this regard.</p>
...and Competitive Businesses....	Business Economy	<p>The City Region suffers a deficit of close to 18,000 business compared to the national average with a need to both grow the businesses we do have but to also encourage the start-up of more. Creating a better business environment is therefore essential whether through the provision of business support or through enabling activity such as provision of business premises.</p> <p>The City Region does however have many successful businesses and a number of world leading employers can be found in the City Region area.</p> <p>SME competitiveness is an expected strand that requires inclusion in the European ERDF Programme.</p>