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Northwest Regional Economic Strategy 2006



Summary



The Northwest Regional Economic Strategy is the blueprint for sustainable economic growth in the region.

It has been produced in consultation with hundreds of public and private sector organisations and sets out how the Northwest can improve its economy over the next 20 years. It analyses what the Northwest's strengths and weaknesses are, and sets out prioritised actions that the region should take to maximise its sustainable economic performance. The Northwest Regional Development Agency led the production of the strategy but it is owned by the region and those organisations that contributed to it.

ECONOMIC BACKGROUND

England's Northwest is a £98 billion economy, home to 6.8 million people and 230,000 firms. Recent economic performance has been strong, with 150,000 new jobs created in the last four years alone and faster growth than the average rate for England. However, economic performance is inconsistent, with some parts of the region (such as south Greater Manchester) experiencing rapid growth while other areas (such as Cumbria) are growing much more slowly.

For the region as a whole there remains an economic gap when compared to the average performance of other UK regions. The gap (expressed as Gross Value Added) shows that, if the region's economy was performing at the England average based on its size of population, it would generate an additional £13 billion per year (or £2,000 per person). There are two main reasons for this:

- £3 billion of the shortfall is because a proportion of the region's potential workforce is not in work
- £10 billion of the shortfall is due to a productivity gap in key business sectors



WHAT IS THE STRATEGY?

The strategy sets out an overall vision of what the Northwest would be like if its potential was realised:

A dynamic, sustainable international economy, which competes on the basis of knowledge, advanced technology and an excellent quality of life for all where:

- 1** Productivity and enterprise levels are high, driven by innovation, leadership excellence and high skills; and carbon emissions are low.
- 2** Manchester and Liverpool are vibrant European Cities and, with Preston, key drivers of city-regional growth.
- 3** Growth opportunities around Crewe, Chester, Warrington, Lancaster and Carlisle are fully developed.
- 4** Key growth assets are fully utilised, (Priority Sectors, the Higher Education and Science Base, Ports/Airports, Strategic Regional Sites, the Natural Environment especially the Lake District, and the Rural Economy.)
- 5** The economies of East Lancashire, Blackpool, Barrow and West Cumbria are regenerated.
- 6** Employment rates are high and concentrations of low employment are eliminated.

There are **three major drivers** to improving the Northwest's economic performance and achieving the overall goals of the vision:

- 1 Improving productivity and growing the market** – particularly in terms of economic output per person employed. This means both retaining and increasing the number of higher added-value jobs in the region by investing in innovation, R&D, leadership and higher level skills.
- 2 Growing the size and capability of the workforce** – getting more people into work, especially in our most deprived areas, amongst disadvantaged communities and areas remote from growth. This means ensuring people have the skills to work, linking people to nearby job opportunities and encouraging more new businesses.
- 3 Creating the right conditions for sustainable growth and private sector investment** – through investing in the region's environment, culture, infrastructure and communities. This underpins everything in the strategy.

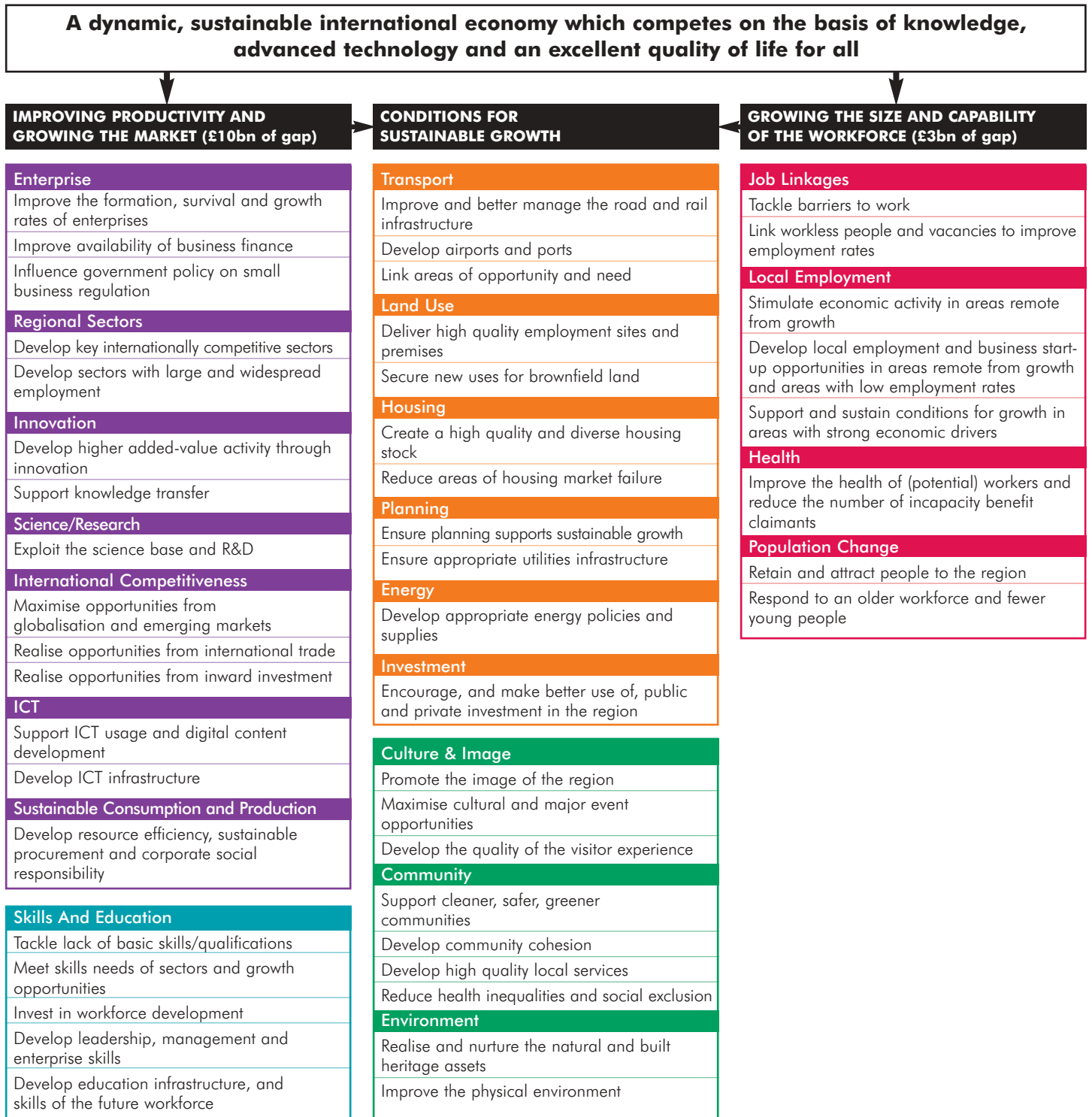
There are, of course, a host of external factors that have a considerable influence on regional development, but the strategy focuses on those things within the region's control.



DELIVERING THE VISION

The strategy sets out 122 actions for achieving the vision, split into five themes of **Business, Skills and Education, People and Jobs, Infrastructure,** and **Quality of Life.**

These are summarised in the diagram below.



The region must make tough choices in order to achieve the vision. All the actions listed in the strategy are important, but priority has to be given to those that are absolutely fundamental to success – the **Transformational Actions**. There are 45 of these which are most crucial to delivering the vision and the drivers of growth. They are shown in a shortened form below and are listed in full in the strategy.

IMPROVING PRODUCTIVITY AND GROWING THE MARKET (£10bn of gap)

1	Transform Business Link into a key enabler of high productivity and enterprise, and integrate skills brokerage with this service
8	Cluster programmes in priority sectors to develop higher value activity and improve productivity
9	Exploit opportunities from creation of a Media Enterprise Zone linked to BBC relocation
12	Help businesses to implement process and product/service innovation
13	Enhance Business/HEI collaboration and knowledge transfer
15	Implement the Northwest Science Strategy
16	Support major research concentrations and knowledge nuclei
17	Inform companies of global opportunities/risks and help them to compete internationally
23	Improve Business Resource Efficiency and Waste minimisation (BREW) support to business
24	Develop and implement a Regional Climate Change Action Plan

26	Deliver the basic skills required by employers for those without qualifications
27	Deliver the skills required by priority sectors
28	Deliver the skills required to maximise the economic impact of key growth opportunities
31	Develop intermediate/higher level skills and linkages to workless people
35	Develop management/leadership and corporate social responsibility skills
37	Develop educational attainment
38	Develop the University for Cumbria and ensure provision of HE opportunities in East Lancashire

CONDITIONS FOR SUSTAINABLE GROWTH

63	Deliver demand management and improvements on the Greater Manchester/Cheshire motorways
64	Improve road access to Liverpool City Centre
65	Develop the second Mersey crossing
66	Reduce levels of congestion by increasing use of public transport and reducing peak traffic volumes
67	Deliver capacity improvements to the Manchester Rail Hub
72	Grow Manchester and Liverpool John Lennon Airports
73	Grow the Port of Liverpool
77	Develop Manchester Metrolink, and mass transit for Liverpool and the Mersey Belt including links to Deeside
80	Deliver the designated Strategic Regional Sites
85	Ensure new housing to support regeneration or knowledge based economic growth
87	Set Housing Market Renewal within a strong economic context

96	Support Liverpool European Capital of Culture 2008 to maximise the full economic benefit
101	Improve the product associated with tourism 'attack brands' and 'signature projects'
111	Deliver the Regional Equality and Diversity Strategy
113	Develop the economic benefit of the region's natural environment
114	Implement The Lake District Economic Futures Policy Statement
119	Invest in quality public realm/ greenspace/environmental quality

GROWING THE SIZE AND CAPABILITY OF THE WORKFORCE (£3bn of gap)

43	Deliver employability activities and reduce the number of people on Incapacity Benefit
44	Deliver intensive support for those groups with low employment rates
45	Develop job brokerage to link employers with vacancies and workless individuals
47	Develop and implement an integrated economic plan for East Lancashire
48	Implement the Blackpool Masterplan
49	Develop and implement the Barrow Masterplan
50	Develop and implement an integrated economic plan for West Cumbria
52	Encourage employment creation in or near deprived areas
54	Capitalise on the strengths and assets of Manchester, Liverpool and Preston as drivers of city-regional growth
55	Develop plans to capitalise on ongoing private sector investment around Crewe, Chester, Warrington, Lancaster and Carlisle
56	Implement plans to ensure ongoing growth in the rural economy as part of the Regional Rural Delivery Framework



HITTING THE TARGET

To measure the region's progress, the strategy sets eight ambitious short-term targets to be achieved by 2009:

GVA growth:	Achieve growth in economic output above the average for England.
Job creation:	Create 150,000 new jobs, 80,000 of which should be in knowledge-based occupations.
Company formation:	Raise the company formation rate to 21,000 per year.
No qualifications:	Reduce the number of people with no qualifications by 80,000 and ensure that no district has more than 29% of people with no qualifications.
Graduate qualifications:	Increase the number of graduates in the workforce by 120,000.
Employment rate:	Increase the number of people in the workforce by 83,000 and ensure no district has an employment rate lower than 68%.
Deprivation:	Reduce the number of areas which are categorised in the worst 5% nationally in terms of deprivation.
CO2 emissions:	Reduce CO2 emissions per £ of economic output.

The strategy also identifies longer term ambitions to be achieved by 2026 and these are shown in full in the strategy.



LEADING THE TRANSFORMATION

Each action is assigned a “lead” organisation responsible for overseeing and coordinating its delivery. The NWDA has an overall leadership responsibility. The region’s five Sub-Regional Partnerships (SRPs) also have a responsibility for coordinating all the actions relevant to their sub-regions. As part of its leadership role, the NWDA will track the progress of each action and publish a yearly progress report which highlights how the region is performing against the targets in the strategy.

Fit with other Strategies

The strategy is closely linked to, and has helped shape, the region’s other key priorities of housing (defined in The Regional Housing Strategy) and land use and transport (defined in The Regional Spatial Strategy). It also reflects the region’s economic relationship with neighbouring regions and is clearly linked to the Northern Way Growth Strategy.

Funding

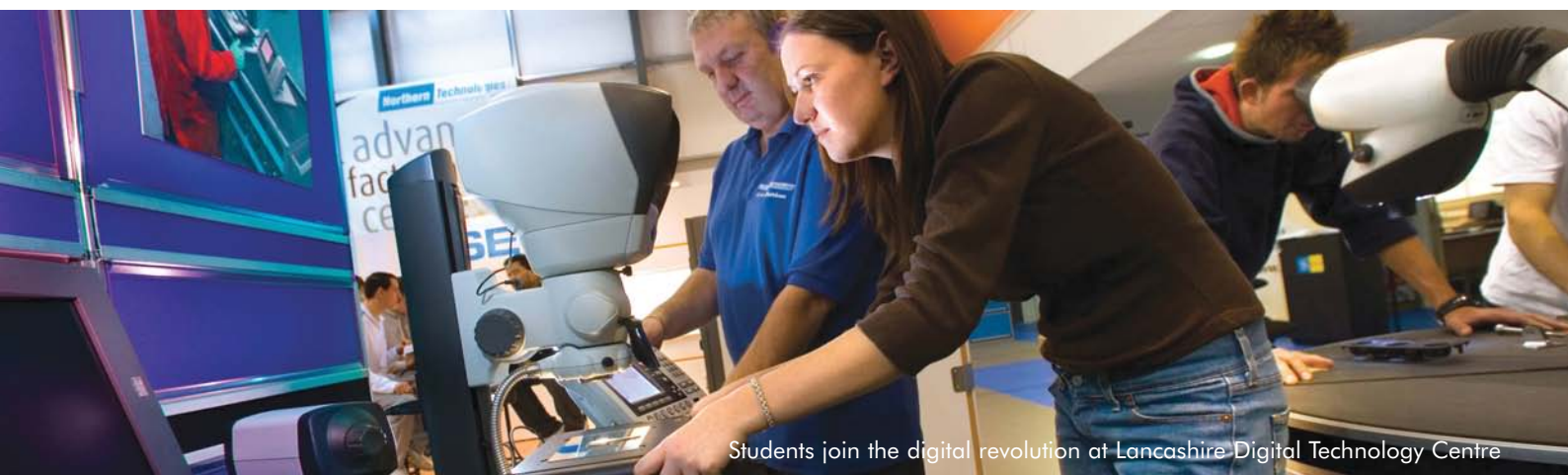
It is estimated that over the period 2006-2009, the region will receive £167 billion of public resource of which £45 billion is for economic development. It is essential that this money is used to support the priorities in the strategy and that the region attracts substantially more private sector resources by creating the conditions and opportunities for increased private sector investment.

Only through these measures, and with the continued support of everyone in the region and government, can we ensure that the Northwest economy fulfils its potential and contributes even more effectively to national economic performance.

Find out more

To find out more about the strategy and download a full version, visit:

www.nwda.co.uk/strategy



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