

Building Our Future

Liverpool City Region
Growth Strategy

 **Liverpool City Region**
Local Enterprise Partnership
www.liverpoollep.org

 **LIVERPOOL
CITY REGION**
COMBINED AUTHORITY
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Foreword

Liverpool City Region faces a unique opportunity to deliver greater prosperity for residents for generations to come. This is our single, sustainable strategy to realise our ambitions for economic growth over the next 25 years.

This document outlines our Strategy for Growth, a strategy which encompasses the entire City Region, acknowledging the unique strengths and assets of each of our local authority areas and communities.

The timing of this document is crucial because it follows our Devolution Agreement with Government, a milestone which means we are better able to shape our own future.

The time to face our challenges and to seize our opportunities is therefore now. We have, for the first time in a generation, the right powers and the right governance to deliver real and lasting change. Not only are we stronger together, we are also stronger when we make decisions locally together.

Whilst the focus of this Strategy is economic growth, it is important to remember that economic growth is not, in itself, an end. It is rather the key factor in ensuring that all of our residents have the opportunity for a decent quality of life for themselves and for their children and their children's children.

Action for us will be built upon the three pillars of this strategy: Productivity, People and Place.

By Productivity, we mean focusing on businesses where the opportunity for growth is greatest; by People, we mean ensuring residents and workers

are equipped with the right skills; and by Place, we mean making the most of our physical and cultural assets and our infrastructure.

Our ambition is to deliver this Strategy and to translate it into effective action by working collaboratively and inclusively.

Only together can we say with confidence that we have the assets, the talent and the ambition to deliver our vision to create a truly global and competitive City Region.

Everyone can play their part in realising our bold ambitions. We would like to thank all partners and stakeholders who have supported the development of this Strategy and who will help us make it happen.

Produced by
Liverpool City Region LEP
on behalf of Liverpool City Region
Combined Authority



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Contents

1	Introduction	4
2	Vision and Delivery	6
3	Our Strategic Approach	8
4	Productivity	10
5	People	14
6	Place	16
7	Summary	19

The Three Queen's weekend attracted an economic spend of **£29.1m** in Liverpool and a further **£3.8m** in Sefton and Wirral with audiences of **1.2 million.**



1 Introduction

Since the turn of the millennium, Liverpool City Region has undergone a remarkable renaissance, with a rising population and economic growth, a burgeoning of high growth companies and a vibrant cultural resurgence.

£28.3bn
economy.

1.5m
population.

969,000
working age
population.

691,000
residents in
employment.

598,000
jobs.

We are at a pivotal moment in Liverpool City Region's history. In May 2017, our residents elect a City Region Mayor who will take control of newly devolved budgets, ranging across transport, skills, infrastructure, business support, innovation, planning and housing as part of our historic Devolution Agreement.

Devolution provides us with an unprecedented opportunity to take control of our economic future, to build on recent success and to address the challenges before us.

The City Region's diversity and its local characteristics and assets are a major strength. By bringing those assets together and working collaboratively, that strength is multiplied many times over.

Our City Region economy is worth £28.3 billion GVA, with output increasing by 8.4% in the five years up to 2014. We now have the second highest incidence of high-growth firms in the country, second only to London.

Our City Region is internationally renowned, with an outstanding physical environment, more listed buildings of architectural distinction than any UK city outside London, and a waterfront recognised by UNESCO as a World Heritage Site. With a rich history and heritage to draw upon, and a contemporary

culture of vibrant and energetic people, Liverpool City Region is a great place to live, work and visit.

We have significant strengths and huge potential in innovative and globally-competitive sectors: Advanced Manufacturing, Digital and Creative, Financial and Professional Services, Health and Life Sciences, Low Carbon Energy, Maritime and Logistics, and the Visitor Economy.

This Strategy will capitalise on our strengths in these sectors to unlock growth, creating tens of thousands of new jobs and new businesses.

Despite our great strengths, we still face many challenges. A historic skills gap, too few private sector jobs, high levels of worklessness and pockets of concentrated poverty and poor health are the biggest barriers to growth. This Strategy aims to address these challenges.

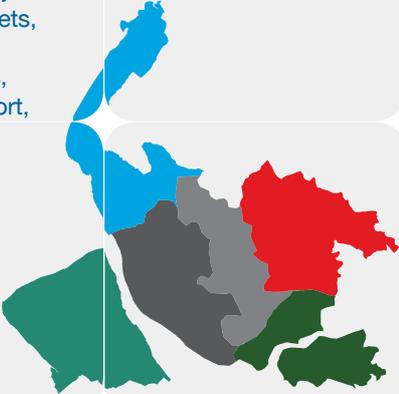
It will take advantage of the opportunity presented by devolution, by providing the strategic focus for the priorities and objectives of the Single Investment Fund (SIF) and future investment programmes.

We have the assets, the heritage and the talent to deliver our vision of creating a truly global and competitive City Region. This Strategy will help us make our vision a reality.

Liverpool City Region

Historic Devolution Agreement signed in November 2015

Control of newly devolved budgets, ranging across transport, skills, business support, innovation, infrastructure, planning and housing



We have to address:

A wealth gap
with below average GVA per head



A business gap
with low rates business density and too few private sector jobs



A skills gap
with more skilled workers required for our growing industries



To date we have secured **£264m** of Growth Deal funding from Government



Liverpool City Region now has the 2nd highest incidence of high-growth firms among all LEP areas in the country



One of Europe's largest Health and Life Science clusters
20% of LCR workforce contributing **£4.1bn** to GVA



LCR is part of the UK's **2nd largest manufacturing region**
12% of LCR GVA vs 8.8% for UK



Digital and Creative new business growth rates more than doubled between 2010 and 2013



Liverpool recognised by Government as a financial centre of excellence



A City Region built on a rich history of innovation and cultural creativity
UNESCO World Heritage Site
UNESCO City of Music
World renowned Football

Mersey Gateway a new 6 lane bridge



£4.3bn private sector investment in Low Carbon Energy over the last 5 years



A car produced **every 80 seconds** at Jaguar Land Rover's Halewood factory



Investment in Liverpool2
Set to treble Port of Liverpool container capacity



From 2001 to 2014, population grew by **31,000**



In 2014 and 2016, Liverpool City Region hosted the **biggest business event of its type in the world**, the International Festival for Business (IFB) and will do so again in 2018 and 2020

2

Vision and Delivery



Our Vision:

We will build on our core strengths and capacity for innovation to create a truly global and competitive City Region at the heart of the Northern Powerhouse.



Our Mission:

To start, attract and develop more businesses.

To nurture and grow our talent base.

To enhance and protect our distinctive quality of place.

To create more sustainable employment and high value jobs.



Our Guiding Principles:



Outcomes:



PRODUCTIVITY

The creation of over **100,000 additional jobs** in the Liverpool City Region by 2040.

A net increase of **20,000 businesses over the next 25 years**, with an increased **diversity** of business ownership, including a **doubling of the number of women owning and running businesses**.

The creation of an additional **£22 billion** (2012 prices) in GVA by 2040 so that it stands at **£50 billion**.

Average productivity per worker to increase by **56%** by 2040 to over **£76,000**.

A substantial **increase** in the number of **exporting businesses** and the **value of exports**, plus a substantial increase in the **commercialisation of research and development**.



PEOPLE

Falling unemployment in the City Region, with the resident employment rate of the 16-plus population increased to **58% by 2025**.

Population increase by 83,000 to **1.6 million** by 2040, with an additional **50,000 people** coming to live in the City Region.



PLACE

Increased demand for public services such as health and education, with additional demand for public transport as well.

Increased demand for housing across the Liverpool City Region and rising **house prices** in response to that demand.

To date we have secured **£264m** of Growth Deal funding from Government.

£188m future funding from European sources.

£30m per year for 30 years.

The State of Liverpool City Region Report: Making the Most of Devolution, published jointly in 2016 by the University of Liverpool and Liverpool John Moores University has provided a detailed, yet clear sighted analysis of the City Region's assets, capabilities and opportunities for the future, and an invaluable platform on which to build our Strategy. It's conclusion is simple and compelling: "Liverpool City Region has achieved a lot and there is a lot to build upon. With the right leadership, capacity and ambition, it could achieve even more in the future."

We are committed to implementation of this Strategy so that we can achieve these outcomes at pace and with scale.

The key to implementation will be the attraction and focused allocation of investment, with partners across the City Region aligning their existing resources to support the growth pillars of Productivity, People and Place. This resource will help leverage private sector and external investment opportunities as they become available.

To date we have secured £264m

of Growth Deal funding from Government and have an allocation of £188m from European sources.

The Single Investment Fund (SIF) commitment through the Devolution Deal creates an opportunity for an additional £30m per year for 30 years. £1.8 billion is also to be allocated by Government to LEP areas through a further round of Growth Deals in 2016.

The City Region will use this Strategy to identify priorities to ensure we secure further funding for growth.

3

Our Strategic Approach

Our strategic approach to securing the City Region's economic future is focused on three pillars: Productivity, People and Place.



Productivity:

The first pillar to sustained economic growth is to maximise the potential of our sector strengths and related assets and to focus on starting and growing more successful businesses by promoting innovation and entrepreneurial activity.



People:

The second pillar is to improve and increase skills, developing existing talent and attracting new talent for sustainable growth.



Place:

The third pillar is to improve our transport, energy and digital infrastructures, and protect and enhance our cultural and environmental assets. This will improve quality of life for residents and attract and retain investors, skilled workers and visitors who will contribute to growth.



A car comes off
the production line
every 80 seconds
at Jaguar Land Rover's
Halewood factory.



4



Productivity

Liverpool City Region has the ambition and partnerships to become one of the best places in Europe to start, grow and invest in companies through the development of a dynamic innovation and enterprise ecosystem.

Enterprise

Liverpool City Region has a diverse and resilient business community in a wide range of sectors. In recent years we have seen growth through inward investment, an increase in start-ups and the number of high growth firms. Despite this strong recent performance, significant challenges and opportunities remain to uplift our business density and female entrepreneurship levels.

Our ambition is for Liverpool City Region to become an 'Enterprise Capital of Europe' delivering increased business density, growth and employment.

There are a wide range of factors that impact on business formation, survival, investment and growth.

Never before have we had a coherent approach to all of these factors to deliver increased business density and growth across the whole City Region.

Our Strategy embodies a coordinated approach to these challenges and opportunities, informed and developed by business, education and the public sector to create a dynamic enterprise ecosystem that identifies and responds to the needs and opportunities of our diverse community.

It recognises the multiple factors that impact upon business performance, proposing new and incisive interventions in each to achieve our ambition.

Particular interventions proposed include comprehensive, sustained and coherent City Region-based development and delivery of:

[Competitive procurement programme](#)

[Business leadership mentoring](#)

[Premises for new and growth businesses](#)

[Extended business start and growth mentoring](#)

[Export plan and exporters network](#)

[Finance Hub and growth funds](#)

[Inward Investment](#)

[Schools Enterprise](#)

All of these initiatives will be developed with business for business, with and through the City Region's business support organisations, to create new, dynamic and commercial solutions.

This approach to enterprise will be integrated into our smart specialisation work in our key growth sectors to realise specific opportunities in each area.

Liverpool2

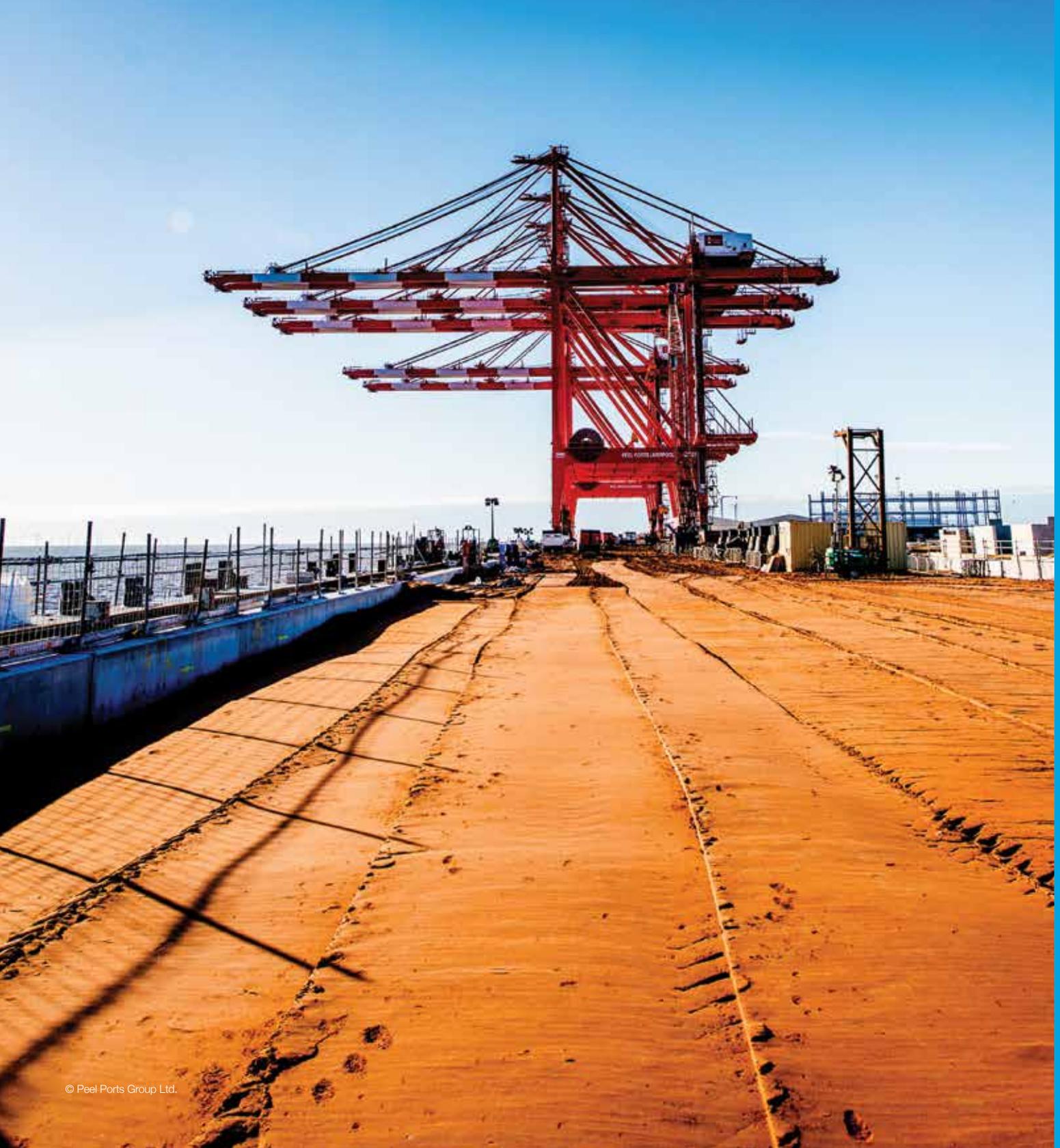
will be the most centrally located deep water container terminal in the UK and will allow **global** services to connect with Liverpool.

Liverpool2

will be one of the most operationally efficient and modern terminals in **Northern Europe.**

Liverpool2

will be capable of handling two 380m mega **post-panamax** vessels simultaneously.



Growth Sectors

Liverpool City Region has a wealth of intelligence, expertise, capacity, capability and opportunity in its core business sectors that will be the catalysts to provide a powerful engine for increased productivity and the sustained growth of our economy over the coming decades.

Our ambition is for each sector to become a beacon of excellence, productivity and accelerated growth.

We have exceptional, world-leading assets and capabilities in businesses and universities in these sectors that offer the potential for regional, national and international competitive advantage for indigenous and investing businesses.

Whilst they currently make a significant contribution to the City Region economy, their potential, both individually and collectively, is not as yet fully realised.

Our ambition is for each sector to become a beacon of excellence, productivity and accelerated growth, through investment in facilities, infrastructure, networks, people and innovation, creating more and higher skilled jobs and more growth businesses throughout our economy.

Achieving this ambition requires multiple strategic interventions in each sector, with hard-edged, evidence-based technical and commercial appraisal in order to demonstrate the deliverability and the economic impact of each.

There are considerable synergies between our sectors and we recognise that some of our most potent and distinctive opportunities are in the overlap between them.

These sector strengths significantly align and complement those of the Northern Powerhouse and highlight the potential for growth through wider, cross-boundary collaboration.

Our approach embodies innovation and recognises the emerging technological and market trends and disruptive technologies which will impact on our economic landscape in the future.

A particular opportunity is in the application of digitisation, big data analytics and high performance computing, where our City Region has some of Europe's leading capability.

Sector-based interventions will focus particularly on those activities that accelerate growth, apply innovation commercially and deliver increased productivity.

Identification of these interventions is already taking place, driven by the private sector and enabled by the public sector and education in powerful and effective partnerships.

Further foresighting and capacity building work will be undertaken to develop and prioritise these interventions.

OUR AMBITIONS FOR PRODUCTIVITY

ENTERPRISE ECOSYSTEM



ENTERPRISE CULTURE:

Comprehensive programme in schools and colleges to raise business awareness, interest and core skills in young people; ensure the pipeline of business property meets the needs and opportunities of new, growing and investing businesses; and foster a culture that champions and inspires enterprise.



MORE BUSINESS:

Extend business start, growth and survival mentoring and increase use of peer-to-peer support; increase local procurement by large and public bodies and support businesses to be more procurement-ready; establish a clear inward investment strategy with a single City Region delivery approach.



GROWING BUSINESS:

Coherence of business support through Local Growth Hub; extensive support to help businesses into new markets, through supply chains and exports, working with experienced high growth businesses; a Finance Hub to increase the pipeline of investment ready businesses accessing finance for growth; innovation support to enhance business products and services.



WORKFORCE DEVELOPMENT:

Alignment of our skills resources to the workforce needs of growth businesses; underpinning support to raise aspiration of business leaders through peer mentoring, equipping of senior and middle managers in key finance, procurement, tendering, sales and systems training to deliver business growth and productivity.

GROWTH SECTORS



ADVANCED MANUFACTURING:

To become a global hotspot for digital manufacturing with the smartest networks, talent, technology and investment in automotive, Fast Moving Consumer Goods, chemicals and rail manufacture.



DIGITAL AND CREATIVE:

To be a world-leader in the application of high performance and cognitive computing and sensor technology to revolutionise productivity across all sectors, and the best place in the UK to start, grow and scale up a digital or creative business.



FINANCIAL AND PROFESSIONAL SERVICES:

To be a European Centre of Excellence for Financial and Professional services with international strengths in private clients, maritime and business services attracting new investment whilst actively supporting the development and growth needs and opportunities of local business.



HEALTH AND LIFE SCIENCES:

To be home to world leading centres of excellence for precision medicine, infectious disease, children's health, independent living and eHealth attracting research funding, talent, investment and business to commercialise this excellence.



LOW CARBON ENERGY:

To become the largest marine energy hub in Europe, generating local, competitive and resilient energy to support the growth of our economy.



MARITIME AND LOGISTICS:

To be the Global Logistics Hub for Northern UK and Ireland and a globally significant Maritime Knowledge Hub with a thriving cluster of industries and services.



VISITOR ECONOMY:

To continue to establish the Liverpool City Region as an internationally renowned thriving and vibrant destination for business and leisure visitors, with global connectivity, enhancing the attractiveness of the area as a place to study, live, work and invest.

5

People



Improving and increasing skills, developing existing talent and attracting new talent will be pivotal for sustainable growth and will be delivered through the production and adoption of a comprehensive business-led skills strategy for the City Region.

Over 17,700 apprenticeship starts in 2014/15, equating to more starts per resident in the City Region than nationally.

A City Region skills strategy will be developed and adopted by summer 2017 and be subject to continuous monitoring and refinement. This will significantly uplift skills levels to meet the growing needs of our businesses.

Over 80,000 undergraduate and postgraduate learners enrolled in City Region Higher Education Institutions.

Attainment gap between LCR and nationally for GCSEs and A-levels has **narrowed** over recent years.

OUR AMBITIONS FOR SKILLS



Skills Commission to be established by the Combined Authority to work with business to establish skills needs, provision and opportunities; providing a robust evidence base for increasing devolution of responsibility and budget for skills from Government to the City Region.



Definition of clear skills 'pathway partnerships' which will link businesses and their needs with skills provision from Key Stage 1 to board level, for each of our priority sectors and others as appropriate.



New ways to bring **public and private sector skills investment together** to improve outcomes and increase return on investment.



New ways to **improve diversity and linked productivity** across the skills and learning agendas.



New ways to **support employment and business growth** in our priority sectors through **innovative scholarship models** and recruitment processes, including through education and pre-employment.



The development of **common skills frameworks** for our priority sectors to enable workforce flex and improve overall sustainable employment.



In parallel with development of the skills strategy, there will be a review of the entire **landscape of skills investments** to optimise the amount of funding available to support skills development in the City Region.

Graduate retention in LCR **4th** highest of core cities.

Our comprehensive review of skills provision will be informed by the current skills Area Review and existing and potential proposals for devolution of skills funding to the City Region.

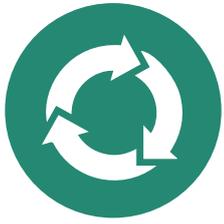
The implementation of the Devolution Deal will give the Combined Authority some of the levers and powers it

will need to meet these challenges.

The agreement of a Skills Strategy by the Combined Authority following the current Area Review of Further Education will provide the detail to steer provision, guide investments and ensure that talent is realised to support the ambitions of businesses.



6



Place

Enhancing and making the most of our cultural and environmental assets, our transport, energy and digital infrastructure, and our unique quality of place is essential if we are to enable business growth and attract talent.

Physical and Digital Infrastructure

Liverpool City Region benefits from excellent transport and energy infrastructure. New investments include the £300m Liverpool2 deep water container terminal and the £600m Mersey Gateway Bridge. In the last five years £4.3bn has been invested in offshore wind energy. The proposed Northern Powerhouse Rail holds the potential to free up capacity for freight to strengthen our economy as a multi-modal logistics hub.

Our vision

is for the Liverpool City Region to be green, global and digital.

We have an exceptional city-regional rail system, Merseyrail, one of the most extensive and well-used in the UK, which with our improved bus network will help support affordable transport for all residents to access education and employment opportunities and services.

Liverpool City Region has a rich asset base in green energy, particularly in offshore wind, biomass fuels and hydrogen gas. Liverpool Bay, has the second largest concentration of offshore wind turbines in the world, whilst the Mersey has huge untapped capacity for clean tidal energy.

Despite growth in our digitally-driven sectors, our digital connectivity is poorer than other UK cities.

We need to fund new broadband infrastructure and embed both digital and green technologies in our transport and built environment.

We aim to be a globally-connected city region, powered by green energy, with excellent digital connectivity to drive business growth, support access to opportunities for all our residents, and transition to a globally-competitive Low Carbon Economy.



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OUR AMBITIONS FOR PHYSICAL AND DIGITAL INFRASTRUCTURE



TRANSPORT

Capitalising on the **Atlantic Gateway** and **Northern Powerhouse** initiatives, Liverpool City Region will be the global logistics hub for Northern UK and Ireland.

Link Liverpool Lime Street to HS2 to create the start of an east-west Northern Powerhouse Rail link, as part of Transport for the North's plans for a smart integrated pan-Northern network.

Develop an **integrated multi-modal transport system** for the City Region which will deliver economic growth whilst reducing the City Region's carbon footprint.

Build on new legislation such as the Buses Bill to pursue partnership working to deliver an **efficient, accessible, affordable and green bus network**.



GREEN ENERGY

Become the largest marine energy hub in Western Europe and a world-leading centre for research, education and training in Low Carbon technologies.

Construct a tidal power scheme across the Mersey to provide green energy generation.

Develop a Hydrogen Gas Grid to provide cheap, low carbon heating and explore options for a city-regional municipal energy company to manage energy distribution.



DIGITAL

Provide comprehensive coverage of **ultra-fast broadband infrastructure** and ensure digital connectivity is part of future strategic planning and built in to transport systems through smart ticketing and new commercial and residential developments.

Explore the development and use of freely available **public WiFi networks** to contribute to a vibrant Visitor Economy.

Place-making

Our history, unique cultural and economic assets and architectural distinctiveness have already made Liverpool City Region a globally renowned destination. Our ambition is to protect and enhance that distinctive quality of place and our cultural and environmental assets, to improve quality of life for our residents and attract and retain those investors, skilled workers and visitors who will contribute to future economic growth.

We have more museums, theatres, galleries and listed heritage buildings than anywhere in the UK outside London.

A port city region with a rich, cosmopolitan maritime history, bringing together diverse cultures, communities and assets. Liverpool City Region is a unique place.

One of our greatest assets is the River Mersey. We aim to capitalise upon our unique geography by developing the Mersey Waters Enterprise Zone – including Liverpool and Wirral Waters – as part of the Atlantic Gateway vision.

With a beach-lined coastline and easy access to mountainous national

parks, Liverpool City Region is one of Britain’s most liveable places.

We have architecturally distinctive housing stock, but we must address the oversupply of terraces and concentrations of poverty to ensure growth benefits all of our residents.

We need to upgrade our housing offer and regenerate deprived communities and town centres by developing innovative spatial strategies, working closely with communities, anchor institutions, social enterprises and SMEs.

Our culture, quality of place and natural environment bring great economic benefits.

OUR AMBITIONS FOR PLACE-MAKING



Identify and **maximise new spaces** and places of potential economic opportunity.



Capitalise on existing spaces of economic opportunity, particularly Mersey Waters Enterprise Zone.



Make the **International Festival for Business** a permanent fixture in the City Region’s calendar.



Upgrade and rebalance our housing offer.



Regenerate deprived communities and promote Health and Wellbeing across the City Region.



Adopt a ‘whole place’ approach to capture the full benefits of growth through local supply chains and public procurement for maximum social impact.

ACHIEVING OUR AMBITIONS FOR PLACE

As part of the Devolution Agreement, the new Mayoral Combined Authority will exercise strategic planning powers and control over devolved transport budgets, as well as enhanced powers

to direct investments through our Single Investment Fund (SIF). Our ambitions for place will be delivered largely through these powers and the SIF.

7 Summary

This is our bold and ambitious Growth Strategy which aligns our City Region ambitions and creates a single vision and framework to realise our aspirations over the next 25 years.



Our Vision

Liverpool City Region will build on our core strengths and capacity for innovation to create a truly global and competitive City Region at the heart of the Northern Powerhouse.



Our Mission

- To start, attract and develop more businesses.
- To enhance and protect our distinctive quality of place.
- To nurture and grow our talent base.
- To create more sustainable employment and high value jobs.



Our Guiding Principles



Meaningful Collaboration



Local knows best



Form follows function



Added Value



Measurable Delivery

Our Pillars



Productivity

Focusing on our sector strengths and related assets to ensure they are maximised to their full potential.

Starting and growing more successful businesses by promoting innovation and entrepreneurial activity.



People

Improve and increase skills, developing existing talent and attracting new talent for sustainable growth.



Place

Improve our transport, energy and digital infrastructures, and protect and enhance our cultural and environmental assets. This will improve quality of life for residents and attract and retain investors, skilled workers and visitors who will contribute to growth.

Outcomes



Create an additional 100,000 jobs by 2040.



Increase diversity of business ownership.



Increase in the commercialisation of research and development.



Population increase by 83,000 to 1.6m by 2040.



Increased demand for public services such as health, education and public transport.



Increase GVA by over £20bn to £50bn by 2040.



Double the number of women owning and running businesses.



20,000 businesses over the next 25 years.



Increase in the number of exporting business and the value of exports.



Resident employment rate of 16-plus population increased to 58% by 2025.



Increase the number of people coming to live in the City Region by 50,000 by 2040.



Increase the demand for housing across the Liverpool City Region and rising house prices in response to that demand.



Average productivity per worker to increase by 56% by 2040 to over £76,000.

Delivery

Implementation of this Strategy is our next focus so that we can achieve our ambitions at pace and with scale. Key to implementation is the attraction and focused allocation of investment, with partners across the City Region.

We will use our existing resources:

£264m

Growth Deal funding from Government



£188m

European sources



£900m

Single Investment Fund (SIF) £30m per year for 30 years



The City Region will use this strategy to identify priorities for SIF and to secure further funding for growth.



What next?

Now we have our bold strategy, we will follow with our tangible and measureable Implementation Plan. We will turn our vision into reality by developing targeted programmes of work, with clear lines of deliverability and accountability. We have the assets, the heritage and the talent to deliver our vision to create a truly global and competitive City Region. This Strategy is the first step towards making it happen.

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