Green Investment Bank The case for Warrington

January 2012

Introduction

" Both the Warrington&Co Board and Warrington Borough Council are pleased to submit this case for the Green Investment Bank to choose Warrington for its Headquarters. You will see from the details of our submission that the business case for locating in Warrington is strong.

As well as providing good value for money, Warrington can provide the quality accommodation associated with Headquarter functions and provide easy access to the markets which the Green Investment Bank will be working within.

Warrington&Co is an Urban Regeneration Company whose function is to work in partnership with both the public and private sector to deliver regeneration projects and grow the town's economy. The Green Investment Bank can expect full support and co-operation from the Warrington&Co team in locating to Warrington, both in terms of identifying a property that best suits their requirements, and ongoing support to help business grow.

On behalf of Warrington's Business Community and public sector, we look forward to welcoming you to Warrington in the near future."

Peter Crompton
Chairman
Warrington&Co

Cllr Terry O'Neill
Leader of the Council
Warrington Borough Council

Cheshire & Warrington LEP

25th January 2012

Cllr Terry O'Neil
Warrington Borough Council
Town Hall
Warrington
Cheshire
WA1 1UH

Dear Terry

Re: Green Investment Bank

I am delighted to confirm the support of the Cheshire and Warrington Local Enterprise Partnership (LEP) to your submission to establish the Green Investment Bank in Warrrington.

As you know, one of the LEP's priorities is to 'maximise business growth' attracting new ventures into our sub-region consistent with our strategy.

Just as importantly, Warrington would provide an ideal location for this activity. With a thriving financial and professional sector, a host of companies already active in environmental technologies, a supportive public sector and fast, direct rail links to London, the business case is very compelling.

Please let me know if I can be of any further assistance, and do keep me informed of progress with your bid.

Your sincerely

Christine Gaskell
Chair

CHESHIRE BUSINESS LEADERS

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27th January 2012

Andy Farrall
Warrington Borough Council
New Town House
Buttermarket Street
Warrington
WA1 2NH

Dear Andy

I write formally on behalf of Cheshire Business Leaders to offer our full support for Warrington's bid to become the chosen location for the new Green Investment Bank.

This will be a very important opportunity for Warrington and will provide great economic benefits and successes in and around the Cheshire and Warrington area.

Locating the bank in Warrington will also encourage investment in key green sectors. Warrington and its surrounding areas have the infrastructure to support green investment in many areas with key employers expanding their green businesses.

Warrington has access to a quality highly skilled financial workforce and associated professions. The Green Investment Bank will also benefit from this fantastic resource if it chooses to locate here.

Overall, we are confident that our strong network of key businesses and stakeholders will provide the support needed for the Green Investment Bank and are fully behind Warrington's bid.

Yours sincerely

Neville Chamberlain

Neville Chamberlain CBE
Chairman

Cheshire Business Leaders Limited
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What is the case for Warrington?

- **Unrivalled connections**. Warrington is arguably the best connected location in the UK – a central position with outstanding motorway, rail and air links. London is less than 2 hours by direct non-stop train; every UK city is within 4 hours drive; and Manchester Airport is just 20 minutes away.

- **Huge labour pool**. Warrington has the largest labour pool in the UK outside London. There are 3.5 million people within 30 minutes drive of Warrington and 6.2 million people within 45 minutes drive.

- **Higher level skills**. Warrington has a larger proportion of residents with qualifications of NVQ4 or above than not only the NW region but also the country as a whole. The Green Investment Bank would be able to draw on 738,658 working age residents within 30 minutes of Warrington with NVQ4 or above.

- **Financial services expertise**. Within a 30 minute catchment of Warrington there are 122,779 people working across a wide range of financial services. The proportion of people working in financial services is significantly higher than the national average.

- **Green finance expertise**. Warrington is home to one of the UK's leading clean tech fund managers, CT Investment Partners and the headquarters of the North West Fund. The catchment area provides an additional talent pool with fund management skills.

- **Energy engineering centre**. With 4.2% of local employees working in engineering, technical consultancy compared to the GB ratio of 1.7%, Warrington can provide the Green Investment Bank with Green Economy expertise particularly with technical and engineering skills.

- **Track record**. Warrington's track record in attracting HQs of international companies, government relocation projects from London and regional relocations such as the Bank of England demonstrates that it is a low risk location for the HQ of the Green Investment Bank.

- **Access to deal flow**. Warrington is at the centre of the UK economy with 91% of the population living within 4 hours of Warrington. In addition, locally, United Utilities and Electricity North West, both headquartered in Warrington are investing heavily in green technologies whilst the North West provides a local market base of 4,985 companies in the low carbon and environmental goods and services sector.

- **Cost competitiveness**. We estimate that a 70 person operation with a City of London salary bill of c£3.5m occupying 1000m^2 of Grade A office could save over £2 million per annum by selecting Warrington as a location.

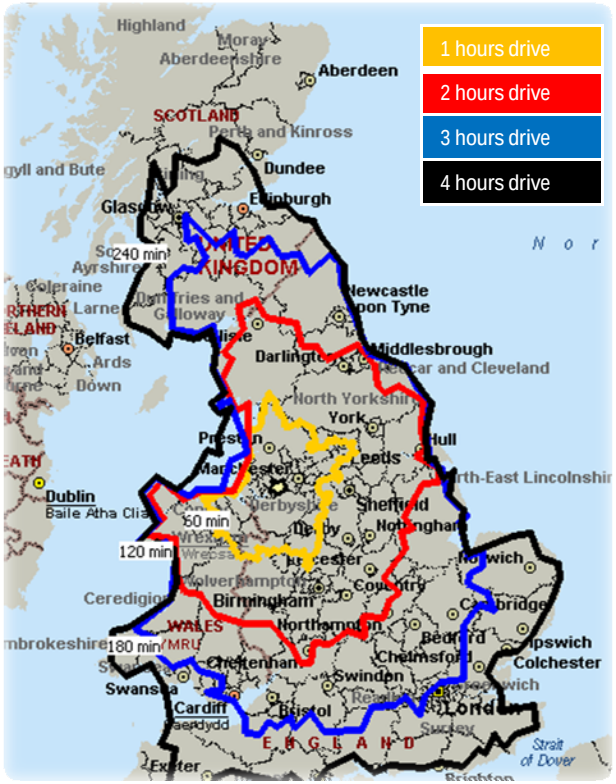
How well connected is Warrington?

Warrington is arguably the best connected location in the UK – a central position with outstanding motorway, rail and air links. London is less than 2 hours by train (19 direct trains a day); every UK city is within 4 hours drive; and Manchester airport is just 20 minutes away.

Principal Direct Rail Links

Destination	Duration (mins)
Birmingham	75
Edinburgh	160
Glasgow	160
Leeds	84
Liverpool	28
London	112
Manchester	20
Nottingham	131
Sheffield	76

Road Connectivity



Principal Direct Air Links (Manchester Airport)

Destination	Flights per wk
Key European Links	
Amsterdam	48
Brussels	33
Dublin	51
Frankfurt	31
Milan	9
Paris	28
Stockholm	11
Zurich	25
Rest of World	
New York	13
Other US	31
Middle East	49
Singapore	7

Can Warrington accommodate the Bank?

Warrington has a good selection of energy efficient (BREEAM very good or better) modern office accommodation, both in its town centre and edge of town location with easy access to retail, leisure and business facilities as well as public transport links.

Below are examples of properties with accommodation available in a range of size 465-930 sqm (5,000 – 10,000 sqft) which we assume will be the size of accommodation required to accommodate 50-70 employees. Grade A accommodation rentals are approximately £193psm (£18psf) and typical total running costs average under £300psm (£27.80psf). The Warrington&Co team would work with the Green Investment Bank to identify properties which meet the organisation's specific requirements.

Chadwick House
Location of the Bank of England

Bridgewater Place,
Birchwood Park.
Easily access to motorways & business park locations

Renaissance House
Former NWDA HQ

What is the size of the labour pool?

Warrington has the largest labour pool in the UK outside London. There are 3.5 million people within 30 minutes drive of Warrington and 6.2 million people within 45 minutes drive.

30 minute drive of Warrington

Top 20 UK catchment areas outside London

	30 Minutes Pop	45 Minutes Pop
Warrington	3,507,666	6,265,482
Manchester	3,030,075	5,783,441
Birmingham	3,238,571	4,967,629
Leeds	2,049,600	4,625,867
Reading	1,518,855	4,476,510
Liverpool	1,753,132	3,748,724
Sheffield	1,495,471	3,520,170
Nottingham	1,604,352	3,439,713
Milton Keynes	1,239,979	3,303,959
Stoke	801,017	2,756,730
Glasgow	1,871,965	2,701,910
Bristol	1,031,513	2,277,977
Newcastle	1,626,695	2,220,477
Cambridge	574,377	2,128,838
Oxford	555,174	1,950,278
Swindon	404,949	1,735,903
Cardiff	917,017	1,642,422
Edinburgh	850,073	1,590,689
Brighton	915,577	1,550,612
Peterborough	492,141	1,544,426

Source: GIS Mapping and ONS mid year population estimates.

How skilled is the workforce?

Warrington has a larger proportion of residents with qualifications of NVQ4 or above than not only the NW region but also the country as a whole. The Green Investment Bank would be able to draw on 738,658 working age residents within 30 minutes of Warrington with NVQ4 or above. The higher skills of the local workforce combined with the large population catchment area provides Warrington with a compelling skills proposition.

Highest qualification	NVQ 4+	NVQ 3	Trade Apprentice	NVQ2	NVQ1	Other	None
30 Minutes of Warrington	738,658	438,330	96,266	443,548	354,500	198,262	318,833
30 Minutes of Warrington (%)	28.5	16.9	3.7	17.1	13.7	7.7	12.3
Warrington LA (%)	32.4	17.3	4.1	16.7	13.5	7.7	8.4
North West (%)	28.7	16.7	4.2	17.2	13.9	7.3	12.1
UK (%)	31.2	15.7	4.0	16.2	12.9	8.4	11.6

Source: Annual Population Survey 2010. 30 minute drive area determined by GIS mapping and MSOA data.

What are the occupations of the workforce?

With occupations of the workforce broadly in line with the national average combined with the population catchment area, Warrington can offer the Green Investment Bank over 1 million people of working age employed in management or professional / associate professional occupations. A resident of Warrington is more likely to be employed in these categories than residents across the North West region as a whole.

Highest qualification	Managers, Directors and Senior Officials	Professional	Associate professional	Administrative and secretarial	Skilled trades	Other service	Sales and customer service	Process plant and machine	Elementary
30 Minutes of Warrington	227,412	468,107	331,480	300,722	246,439	251,080	245,682	187,195	318,357
30 Minutes of Warrington (%)	8.8	18.2	12.9	11.7	9.6	9.7	9.5	7.3	12.4
Warrington LA (%)	9.5	18.2	13.9	12.0	9.4	6.7	9.9	7.1	13.1
North West (%)	9.4	17.5	12.5	11.6	10.7	9.5	9.0	7.5	11.9
UK (%)	10.0	18.8	13.6	11.4	11.0	9.2	8.2	6.6	10.8

Source: Annual Population Survey 2010. 30 minute drive area determined by GIS mapping and MSOA data.

What is the scale of financial services employment?

Warrington is at the centre of an important financial services cluster. Within a 30 minute catchment of Warrington there are 122,779 people working across a wide range of financial services. The proportion of people working in financial services is significantly higher than the national average.

Financial Services Employment within 30 minutes of Warrington

SIC	Sector	Number of employees	Percentage of working population	GB percentage
64	Financial service activities, except insurance and pension funding	42,489	2.4	2.0
65	Insurance, reinsurance and pension funding, except compulsory social security	8,688	0.5	0.5
66	Activities auxiliary to financial services and insurance activities	25,666	1.4	1.5
69	Legal and accounting activities	45,936	2.6	1.9
	Total	122,779	6.8	5.8

Financial Services Employment Breakdown

SIC Code (4 digit)	No.
6419 : Other monetary intermediation	27,801
6910 : Legal activities	25,928
6920 : Accounting, bookkeeping and auditing activities; tax consultancy	16,538
6622 : Activities of insurance agents and brokers	8,112
6629 : Other activities auxiliary to insurance and pension funding	6,627
6512 : Non-life insurance	6,422
6619 : Other activities auxiliary to financial services, except insurance and pension funding	5,337
6511 : Life insurance	2,204
6492 : Other credit granting	1,977
6621 : Risk and damage evaluation	1,304

SIC Code (4 digit)	No.
6499 : Other financial service activities, except insurance and pension funding, n.e.c.	1,043
6612 : Security and commodity contracts brokerage	1,033
6630 : Fund management activities	927
6430 : Trusts, funds and similar financial entities	341
6420 : Activities of holding companies	112
6491 : Financial leasing	68
6611 : Administration of financial markets	31
6520 : Reinsurance	5
6411 : Central banking	4

Source: Business Register and Employment Survey (BRES) 2010

Can the specialist expertise be recruited in Warrington?

Warrington can provide a central hub, equidistant to Liverpool and Manchester and therefore is in a prime catchment area for recruiting the skilled and experienced people in project finance, structured finance and investment management, required by the Green Investment Bank.

Financial services experts

- With over 122,000 people employed in financial and professional services within a 30 minute drive time of Warrington, the Green Investment Bank will be provided with a large pool of labour to recruit from. The four main areas of interest to the Green Investment Bank are: project finance; structured finance; advisory and investment management.

Project finance

- The North West has over 81 PFI projects worth £4659m which provides experienced skills within financial and legal project finance. Of note are the Greater Manchester Waste Project (waste to energy), Europe's biggest waste PFI project worth £3.8bn over 25 years and the Lancashire Waste PFI, worth £2bn over 25 years.
- Financial advisors to the deals locally were Ernst & Young (for commissioning body) and PwC (for the consortium) with legal expertise provided by Eversheds (for commissioning body) and Pinsent Masons (for the consortium). Investec, also based in Manchester took a £20m sub-participation in the senior debt for the deal.
- The Co-operative Bank's specialist renewable finance team has now become a leader in financing small-scale renewable projects with expertise in financial modelling and understanding the processes involved in installation of projects, such as planning and grid connection.

Structured finance

- The Warrington area has a strong presence of banks with structured finance divisions. Significant deals include in 2010 a £280m fund from a syndicate of seven banks based in Manchester for the upgrade of a number of infrastructures projects at Manchester Airport and Airport City.
- A number of the banks listed below have specialist energy teams. These include Barclays Bank, the Co-operative Bank and HSBC. There were a number of energy sectors deals in 2011 including the structured finance deal by The Co-Operative Bank of New Earth Solutions waste treatment facility in Avonmouth. This was refinancing of £28.5 million with £20 million of senior debt, half of that was provided with The Co-Operative Bank.
- It is anticipated that staff experienced in running large specialist debt and bond funds will be recruited from London.

Banks with structured finance division		
The Co-operative Bank	Lloyds Bank Corporate	Barclays Corporate
HSBC Corporate	Yorkshire Bank (NAB)	Royal Bank of Scotland
Investment Banks		
Altium	Royal Bank of Scotland Global Markets	Rothschild
Investec		

Can the specialist expertise be recruited in Warrington?

Warrington is home to one of the UK's leading clean tech fund managers, CT Investment Partners and the headquarters of the North West Fund. The catchment area provides an additional talent pool with fund management skills.

Financial services experts (cont/…)

Investment management

- Warrington is home to Europe's most significant clean tech fund manager, CT Investment Partners, providing experienced fund managers in the green energy sector. Warrington is also the headquarters of the North West Fund.
- This expertise in investment management, particularly in clean tech is complemented by Warrington's close proximity to Liverpool's fund management industry which employs 496 people together with Manchester, where 288 fund managers are employed. (BRES 2010)
- There are three significant pension funds within 30 minutes of Warrington providing equidistant access to experienced fund managers, managing in total £47.6bn of assets. The most significant Fund the USS pension fund headquartered in Liverpool has £32.4bn of assets under management has 92 staff, of which 53 are portfolio managers and investment analysts.

North West Fund, headquartered in Warrington

Warrington is the headquarters of the North West Fund, a £185m evergreen investment fund established to provide debt and equity funding to SMEs in the North West. The Fund co-ordinates the work of the individual Fund Managers. The North West fund has six individual funds, including the Energy & Environmental Technologies fund managed by CT Investment Partners. The other North West funds are for: venture capital; development capital; business loans; digital & creative; and biomedical.

CT Investment Partners , Warrington

CT Investment Partners is a significant clean technology fund manager and advises the Carbon Trust on its venture capital activities. CT Investment Partners is headquartered in London with its only UK office outside of London in Warrington. Since 2002 CTIP has invested £27m into 25 companies leveraging over £143m of private sector investment.

CT Investment Partners manages the Energy and Environmental Fund (a total of £20m) which is part of the North West Fund, for Energy & Environmental, providing finance from £200,000 to £1.2million to businesses seeking finance from £400,000 to £5million. The investment is a combination of equity or quasi-equity.

Selected fund and wealth managers and pension funds

Investec Wealth & Investment	Cazenove Capital Management
Deutsche Bank Private Wealth Management	Rathbone Investment Management
YFM	AFM (Alliance Fund Managers)
MAM Funds (formerly MIDAS Capital)	Universities Superannuation Scheme
Panmure Gordon	Merseyside Pension Fund
Towry Holdings	Greater Manchester Pension Fund

Can the specialist expertise be recruited in Warrington?

The project finance, structured finance and fund management expertise are augmented by a strong base of private equity firms in the catchment together with an advisory community with green energy experience.

Financial services experts (cont/…)

Private equity

- Whilst Liverpool and Warrington has expertise in fund management, Warrington can also draw from the private equity talent pool in Manchester which has particular expertise in private equity can be drawn. In 2011 there were 26 transactions in the North West up from 18 in 2010. the number and overall value of private equity buyouts in the North West were higher than the national trend, demonstrating the base of private equity skills in the catchment area.

Selected private equity firms, Manchester		
3i	Endless LLP	Isis Equity Partners
Mosaic Private Equity	EV Group	Montagu
Aquarius	Gresham Private Equity	NVM
Barclays Private Equity	LDC	Palatine Private Equity
ECI Partners	Inflexion Private Equity	YFM

Advisory

- With 25,928 people in the Warrington catchment area employed in legal activities and 16,538 in accounting and auditing, there is a significant pool of advisory skills for the Green Investment Bank to draw from.
- A number of the accountancy practices have specialist energy teams, including renewables. This includes Ernst & Young's Environmental and Infrastructure Team and Deloitte's Energy & Resources Practice Team.
- There are also legal firms with green energy expertise. Cobbetts which has its major office in Manchester was the first major UK law firm to establish a team dedicated to servicing low carbon energy clients. Eversheds employs lawyers in a number of energy sub-sectors including electricity, nuclear and renewable and sustainable energy projects.

Is Green Economy expertise available in Warrington?

With 4.2% of local employees working in engineering, technical consultancy compared to the GB ratio of 1.7%, Warrington can provide the Green Investment Bank with Green Economy expertise particularly with technical and engineering skills.

Energy consultancies based in Warrington with green energy expertise	
Atkins NW Regional Office	Design and engineering consultancy specialising in a number of energy sub sectors including water & environment and nuclear. Their NW regional office employs over 350 staff.
Amec Nuclear	The Warrington site is AMEC Nuclear's only R&D site in the UK and employs over 300 staff.
URS/Scott Wilson	Global provider of engineering, construction and technical services in energy sector including nuclear and waste.
RPS	Offices of both RPS Risk Management and RPS Water providing services to energy sector including power and nuclear.
Jacobs Engineering	Jacobs Engineering provides professional technical services, as well as all aspects of engineering and construction. This office employs over 250 design engineers, mainly in nuclear.
MWH UK HQ	MWH provides sustainable waste and energy management with services including engineering design. 200 staff.
Halcrow North of England Office	Multi-disciplinary consultancy specialising in infrastructure, water and energy projects, employing over 150 staff in Warrington, particularly in power, including wind energy.
National Nuclear Laboratories	NNL provides research and development support to clients in the nuclear sector. The Warrington site provides modelling and simulation services and environmental management. 125 staff.
Arcadis UK	Provides consultancy, design, engineering and management services in infrastructure, water and the environment.
SERCO	Safety & risk management and engineering consultancy, employing over 350 staff in Warrington, predominantly with nuclear expertise.

- Warrington has a very strong energy sector, in particular nuclear. Sellafield Ltd has a significant design engineering centre, where over 1,500 people are employed. In addition, other significant companies such as Amec Nuclear, Nuvia and Rolls Royce Nuclear Civil Nuclear have operations in Warrington.
- The energy sector as whole, in particular green energy is well represented and includes electricity transmission (Electricity North West), water and waste water treatment (United Utilities); offshore wind (Vestas Celtic) and building energy management (Schneider Electric Building Systems).
- The broad base is also enhanced by very strong presence of engineering and infrastructure consultancies such as URS/Scott Wilson and Atkins, adding further to green energy expertise. This is reflected in the number of engineers locally outlined below, which indicate the high proportion of engineering expertise in Warrington compared to the North West and Great Britain.

Table: engineering and technical testing employee numbers and proportions, Warrington; proportions for North West and Great Britain.

SIC code 7112, 7120 & 7219	Warrington total no	Warrington	North West	GB
Engineering, technical consultancy, testing & analysis & other research	4,764	4.2%	1.6%	1.7%

Source: BRES 2010

Is Green Economy expertise available in Warrington?

The significant Green Economy expertise in Warrington is further enhanced by the number of diverse energy companies with HQ and significant operations and which are investing in low carbon technologies.

- Not only will the Green Investment Bank be able to recruit from the large green energy consultancy base in Warrington, the Bank will also be able to draw from companies across a wide range of green energy sectors.
- The headquartered operations of United Utilities and Electricity North West also add considerably to diversity of green energy expertise. Both companies are making considerable investment in green technologies. In the five year period to March 2015 Electricity North West will be investing over £1.4bn in their network, supporting the move to a low carbon economy.
- United Utilities has a considerable investment programme, with experts locally assessing new technologies. In 2011 the European Investment Bank agreed to support investment by United Utilities to improve water supply and waste management with a £400m loan. The funding is to support individual schemes which will be assessed by United Utilities to enable more energy efficient treatment of waste water.
- Envirolink, the business support membership organisation for the low carbon and environmental goods services sector is headquartered in Warrington. The organisation works with companies, end users, universities to facilitate the development and take-up of green energy products and services. Staff are employed locally with expertise in a number of green energy sub sectors including: waste management; low carbon technologies; renewable technologies; energy efficiency and resource efficiency.
- The North West regional office of the Environment Agency is based in Warrington.

Company	
United Utilities - HQ	United Utilities is the UK's largest listed water business. Over 600 employees based in Warrington, covering all corporate functions including strategic asset planning. R&D activity is also undertaken in Warrington.
Electricity North West HQ	Operates and maintains the electricity distribution network in the North West. 120 staff.
European Metal Recycling - HQ	Europe's largest metal recycling company, with 150 locations round the world.
Boulting Group HQ and manufacturing	Design engineering and electrical instrumentation. manufactures low voltage switchgear
Novelis (subsidiary of Indian owned Aditya Birla) UK HQ & plant	The Novelis Plant in Warrington is the only dedicated Used Beverage Can recycling plant in Europe.
Vestas Celtic Wind Technology UK	Major hub responsible for installation, commissioning, service and maintenance of Vestas wind turbines in United Kingdom and Republic of Ireland
Schneider Electric Buildings Business. Regional HQ for North of England & Scotland	100 staff including service engineers and project managers. Also home to the Schneider Energy Bureau which employs 25 engineers and remotely monitors buildings' energy efficiencies.

Can other professional experts be recruited in Warrington?

Warrington has over 1 million people of working age employed in professional and associate occupations. The significant number of HQs in Warrington means that the Green Investment Bank will be able to easily recruit this type staff at a very local level.

- Within the 30 minute drive catchment area, Warrington can provide the Green Investment Bank with over 1 million people of working age employed in management or professional/associate occupations (see page 8). Warrington residents are more likely to be employed in these categories than the North West as whole. The table below shows numbers of employees by relevant industrial group.
- One of the reasons for the high proportion of professional staff in Warrington is that the town has over 17 significant HQ operations (source: University of Liverpool Management School – the North West top 100). This provides a large number of professional staff with risk management and finance staff, including treasury and accounts) as well as other support functions required by the Green Investment Bank such as human resources, facilities management and IT and legal expertise.
- The strength of the regulated energy sector in Warrington ensures a significant pool of government and stakeholder relations staff. Sellafield Ltd, Nuvia, Innuserv, National Nuclear Laboratories, United Utilities and Electricity North West all employ staff in this category.

Industry by selected broad industrial group	No. of employees, Warrington
J: Information & communication	5,456
K: Financial & insurance activity	2,289
M:Professional, scientific & technical activities	9,929
N: Administrative and support services activities	13,356

Source: BRES 2010

Selected HQ operations , Warrington (with staff numbers based in Warrington)	
United Utilities - 1,000 staff	American Golf -85 staff
Electricity North West - 120 staff	Asics European HQ - 100 staff (Japanese owned)
Done Brothers - 600 staff	New Balance European HQ – 20 staff (US owned)
GB Oils - 80 staff (ROI owned)	Parasol Group – 100 staff
European Metal Recycling -70 staff	Novelis UK HQ & plant – 148 staff (Indian owned)
TalkTalk Communications – 120 staff	Greenalls Group – 90 staff
Boulting Group -120 staff	United Phosphorous UK HQ – 25 staff, Indian owned.
Phonak UK HQ – 130 staff (Swiss owned)	Sellafield Ltd – Although not an HQ operation but Warrington is where legal and finance divisions are headed. 1450 staff of which 20% are in non engineering functions.
De Vere Hotel Group – 40 staff	Hiden Analytical – 90 staff (also manufacturing of mass spectrometers)

Can specialised staff be attracted to relocate to the area?

Warrington's track record in attracting HQs of international companies, government relocation project from London and regional relocations such as the Bank of England demonstrates that it is a low risk location for the HQ of the Green Investment Bank.

- A small number of specialised staff (for example in bond fund management) might be required to relocate from London. The number of HQs of UK owned and foreign owned companies already based in Warrington (page16) has already attracted specialised staff to relocate to Warrington from other parts of the UK as well as from overseas.
- The existing business base, skills and access to markets has been key in attracting the head offices of international companies such as Phonak (part of Swiss owned Sonova); Japanese owned Asics; US owned New Balance and Indian owned United Phosphorous.
- Warrington has also attracted relocation projects from London. In 2010 the Home Office created a new regional hub in Warrington for the department that deals with immigration and passports, drugs policy, counter-terrorism and police. The centre employs over 400 staff, a large proportion of which relocated from London.
- As well as international and London based operations establishing a base in Warrington, the town has also had a number of significant regional relocations and consolidation projects. This includes the Bank of England, European Metal Recycling and GB Oils. All three operations had sites in Liverpool and Manchester and chose Warrington due to its proximity to both cities and to the wider UK market.
- Cheshire and Warrington represents some of the region's prime lifestyle areas providing excellent schools and colleges; high quality recreational facilities; and a range of residential areas.

The Bank of England relocates to Warrington

In 2007, the Bank of England which had its base in the heart of Manchester's financial district since 1826 relocated to Warrington. The move was part of a cost-cutting drive which has also seen the closure of the Liverpool office, with all staff relocated under one roof in Warrington.

The North West agency communicates the Bank's economic policies to local businesses, and provides analysis to London on the state of the region's economy.

"This move will result in a much more efficient use of resources, while enabling our company visits and our programme of events to continue as before". A spokesman for the Bank said there had been a recent review of regional property requirements amid rising city centre office costs. "The important thing is that we remain committed to the North West. Our contact and information gathering function will remain unaffected, while our people should be able to get around the region more effectively'

Source: Manchester Evening News, 8 November 2007

What is the quality of the transaction 'ecosystem' in the locality?

Its location at the heart of the North West provides physical proximity and access to a strong base of professional advisors with transactional, legal and technical capabilities.

The professional community and technical expertise

- Warrington's location at the heart of the North West provides a strong base of professional advisors providing legal, technical and transaction advice.
- A number of the accountancy practices have specialist energy teams, including renewables. This includes Ernst & Young's Environmental and Infrastructure Team and Deloitte's Energy & Resources Practice Team.
- As referred to in slide 11, the North West has a strong track record of major infrastructure and PFI projects, the UK's largest ever combined recycling, waste and renewable energy projects, the Greater Manchester Waste Treatment and Disposal project. Advisory services were provided locally by Ernst & Young, PwC, Eversheds and Pinsent Masons..
- The Greater Manchester Waste Treatment and Disposal contract encompassed a £631 million construction programme of large-scale developments. Technical expertise was also provided locally by ENTEC (Amec) and TEG.

Major accountancy practices	
Ernst & Young	PwC
Grant Thornton	Deloitte
Mazars	KPMG
BDO	Baker Tilly
Saffrey Champness	

- Technical expertise in terms of energy engineering and infrastructure consultancies have a particularly strong in base in Warrington (see page 14).
- There is a significant presence of the Top 50 UK law firms, predominantly in Liverpool and Manchester. Cobbetts which has its main office in Manchester was the first major UK law firm to establish a team dedicated to servicing low carbon energy clients.
- Eversheds also has specialist expertise in energy with local lawyers in a number of energy sub-sectors including electricity, nuclear and renewable and sustainable energy projects.
- Liverpool, in particular has a number of law firms with specialisms in State Aid expertise which will also be required by the Green Investment Bank.

Top 50 UK law firms in the locality	
DLA Piper	Eversheds
Pinsent Masons	Irwin Mitchell
Addleshaw Goddard	Squire Sanders Hammonds
Hill Dickinson	Shoosmiths
DWF	Mills & Reeve
McGrigors	

What is the quality of the transaction 'ecosystem' in the locality?

Warrington is at the centre of the catchment area of a strong investment base and deal flow. United Utilities and Electricity North West, both headquartered in Warrington are investing heavily in green technologies.

Market participants and investors

- The North West in the first six months of 2011, was the most active region after London and the South East for corporate finance transactions in terms of volume. See adjoining table.
- In 2011, the number and overall value of private equity buyouts in the North West were higher than the national trend, demonstrating the strength of the local business base and its ability to attract investment. In 2011 there were 26 transactions in the North West up from 18 in 2010. The value increased 10% to £1.75bn. Nationally, there was a fall from 183 to 176 in the number of deals and a 36% slide in value, from £18.8bn to £12.1bn. (source: The Centre for Management Buyout Research) .
- As well as the fund managers, wealth managers and North West Business Angels network, there are three significant pension funds within 30 minutes of Warrington providing equidistant access to a total of £47.6bn of assets funds. The most significant pension fund is USS, headquartered in Liverpool and has £32.4bn of assets under management.
- Both United Utilities and Electricity North West are making significant investments in green technologies. Between 2010 and 2015 the latter be spending £1.4bn on improving the electricity network infrastructure and the development of the Smart Grid with further investment after 2015. In 2011 the European Investment Bank provided United Utilities with a £400m loan to improve water supply and waste management. The funding is to support schemes to enable more energy efficient treatment of waste water. The total cost of the projects to be funded is £900m.

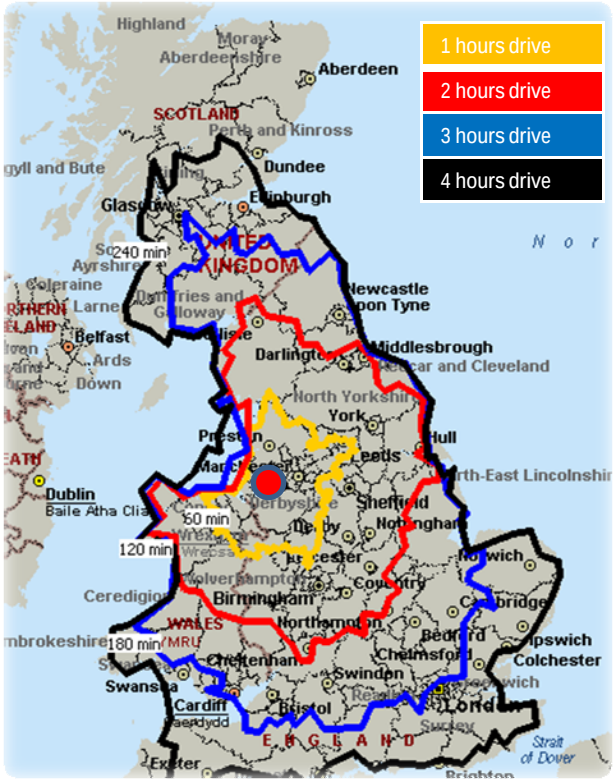
Table showing comparison of regional deal activity, half year 2011, value and volume of deals

Region	Value (£m)	Volume
Greater London	47,033	846
South East	18,004	344
South West	9,875	192
East Anglia	2,533	107
Midlands	7,245	231
Yorkshire	1,854	144
North West	5,798	299
North East	1,280	55
Wales	344	60
Scotland	5,493	130

Source: Experian Corpfin

Can Warrington provide access to a national deal flow?

At the centre of the UK and with outstanding transport links there is no more accessible location for projects seeking funding. In fact 91% of the population of Great Britain can reach Warrington within 4 hours and more than half the population of Great Britain can reach Warrington in under 3 hours.



Drive Time	Population	Percentage of GB Population
1 hours drive time	8,622,537	15%
2 hours drive time	20,919,286	36%
3 hours drive time	34,550,976	60%
4 hours drive	52,376,741	91%

Source: GIS Mapping and ONS mid year population estimates.

Can Warrington provide access to a local deal flow?

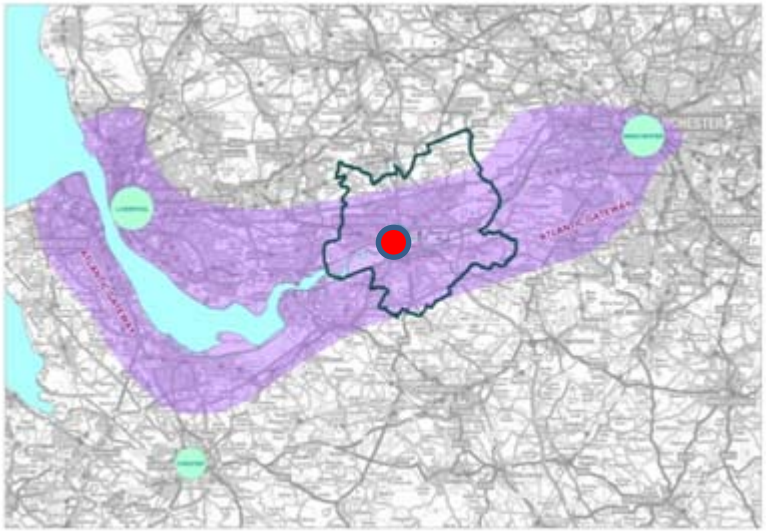
As well as easy access to potential market participants in Great Britain, Warrington's geographical position in the North West provides a local market base of 4,985 companies in the low carbon and environmental goods and services sector.

Sub -sector	No of companies	Employ-ment	Sub-sector	No of companies	Employ-ment
Air pollution	145	1,195	Geothermal	327	6,448
Environmental consultancy	68	762	Renewable consulting	23	424
Marine pollution control	1	92	Photovoltaic	200	2,601
Noise & Vibration control	3	141	Alternative fuel vehicle	672	13,259
Contaminated land	91	1,361	Alternative fuels	982	17,100
Waste management	135	2,786	Additional energy sources	79	1,663
Water & waste water	266	5,666	Energy management	128	2,386
Recovery & recycling	389	4,996	Carbon finance	7	107
Hydro	15	283	Carbon capture & storage	44	704
Wave & tidal	1	58	Building technologies	636	9,861
Biomass	166	4,314	Wind	607	10,128

Source: Innovas, NW England analysis, 2009

Is Warrington central to local development activity in renewable energy?

Warrington is located at the heart of Atlantic Gateway, a proposed £50 billion development programme led by the Atlantic Gateway Partnership Board – a public private partnership with board members including three LEPs, Peel Holdings and other private sector partners. This could provide a significant investment opportunities for green technology companies and the Green Investment Bank.



- This major development places Warrington at the heart of the Atlantic Gateway. A key emerging project within this, is Peel Development's scheme - Port Warrington, which will create a port near the town centre on the Manchester Ship Canal. This £20m scheme will link new services with Salford and Liverpool, enhancing opportunities for sustainable waterborne freight and utilising emerging green technologies.
- The Atlantic Gateway has the opportunity to harness one of the largest tidal ranges in the UK, the Mersey Estuary, placing it amongst the best locations for a tidal power generation scheme.
- Through one of the programme partners, Peel Energy, a number of key low carbon technology projects are being developed including more than 3 gigawatts in generation using biomass energy from waste; wind power; multi-fuel generation and tidal power.
- Other projects include further port facilities, infrastructure using low carbon technologies and schemes such as the National Technology and Innovation Centre.
- The overall Atlantic Gateway initiative is expected to generate 140,000 new jobs.

What access is there to Green Thought Leadership and R&D?

The key North West universities with expertise in the areas of green energy thought leadership and R&D are all located within easy proximity to Warrington. The Science & Technology Facilities Council has its Energy Research Unit located at Daresbury Science Park, only 4 miles from Warrington town centre.

- Warrington provides a central base for accessing Thought Leadership on the green economy through the universities, in particular, the University of Manchester, Salford University and the University of Liverpool are all within a 30 minute drive time. UCLAN is in a 40 minute drive time and the University of Lancaster is an hour's drive from Warrington.
- The Science & Technology Facilities Council has a major Energy Research Unit (employing over 300 staff) based at Daresbury Science Park, which is only 4 miles away from Warrington. Scientific expertise is related to cutting-edge research in the green energy sector.
- The Joule Centre for Energy Research & Development provides a focal point for the North West to make a contribution to the national and international challenges in sustainable energy R&D. It is a partnership of North West Universities, commercial organisations and other stakeholders associated with the energy industry. As well as encouraging interdisciplinary Research & Development in the North West, it provides technical advice and support services to the energy industry in the region.
- The N8 Research Partnership is a collaboration between the Universities of Durham, Lancaster, Leeds, Liverpool, Manchester, Newcastle, Sheffield and York, Combined they have expertise in all areas of CCS technologies and can provide a fully integrated, whole systems approach to support the industrial delivery of CCS.
- The University of Liverpool has recently launched The Stephenson Institute for Renewable Energy to undertake research into renewable energy sources. The Stephenson Institute will be developing clean and sustainable energy technologies including hydrogen generation and storage, solar harvesting, wind and marine energy and fusion technology.

Examples of Green energy research	Universities
Nuclear	Manchester (Dalton Institute), Lancaster, UCLAN (John Tyndall Institute for Nuclear Research)and Liverpool
Energy storage	Manchester and Salford
Wave & tidal	Manchester, Liverpool and Lancaster
Power systems	Manchester and Liverpool
PV cells and materials	Manchester, Salford and Bolton
Micro generation	Manchester and UCLAN
Catalysts and fuel cells	Liverpool, Salford and Manchester
Energy from waste, anaerobic digestion	Liverpool and Manchester
Energy storage	Salford and Manchester
Hydro-power technology	Lancaster (Renewable Energy Group)

What is the cost advantage of Warrington?

By locating in Warrington, a company employing 70 people with a salary bill of c£3.5m would save around £2million per annum compared with being located in Central London.

	Warrington	Birmingham	Manchester	City of London
Salaries				
Average Weekly Pay[1]	£479.10	£487.5	£513.10	£919.90
Percentage saving over City of London	48%	47%	44%	-
Financial Accountant[2]	£31-35,000	£34-36,000	£34-36,000	£40-45,000
IT Support Analyst[2]	£25-28,000	£28-30,000	£28-30,000	£35-40,000
Customer Service Officer[2]	£22-25,000	£24-28,000	£24-28,000	£30-35,000
Admin assistant[2]	£15-18,000	£15-20,000	£15-20,000	£22-25,000
Accommodation				
Grade A office £/m^2	£185	280	330	550
Typical service charge £/m^2	40	65	65	90
Typical rates payable £/m^2	40	55	55	140

[1] Annual Survey of hours and earnings 2009 (ONS)
[2] Totaljobs.com

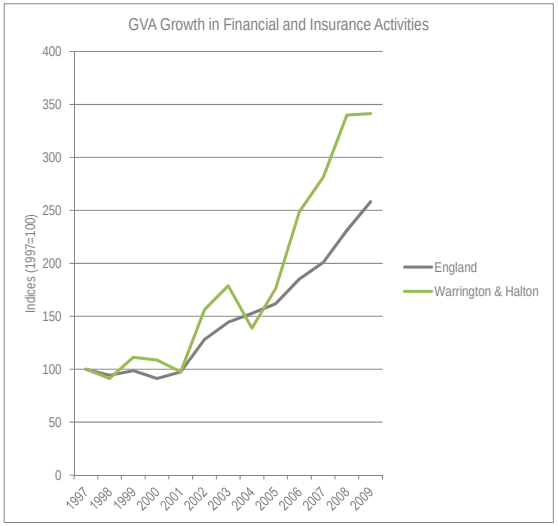
Cost estimate based on Annual Survey of Hours and Earnings reporting that average salaries in Warrington are only 52% of those in the City of London. Annual salary for GIB estimated at 10 senior staff with average salaries of £80,000 and a further 60 staff with an average salary of £40,000. The occupation costs of a City of London office are estimated at £500m^2 higher than Warrington. Total estimated savings £2.3m per annum.

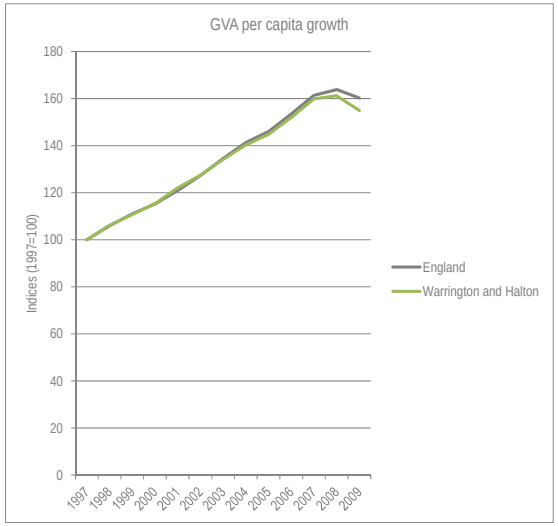
How would the area benefit?

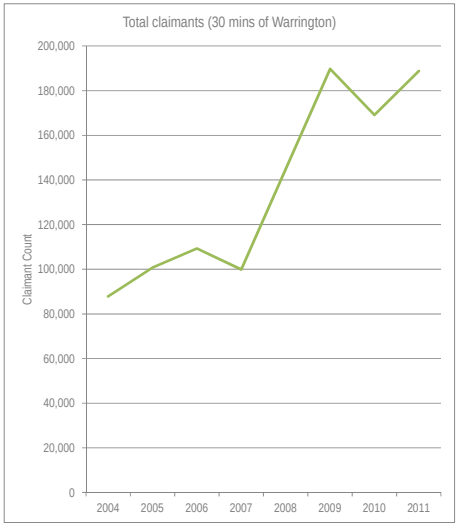
Financial services can continue to deliver growth for the area. Financial services GVA growth has outstripped the national average at a time when overall GVA growth for the area has been in line with the national average. At only 6% of employment there is capacity for further strong growth.

At the same time, there is concern that growth in the sector has stalled, unemployment has almost doubled in four years and the area still employs a greater proportion of public sector employees (6.41%) compared to the national average of 5.59%.

The Green Investment Bank would build on existing strengths and kick-start further growth.







Source: ONS Regional Accounts (Warrington and Halton is smallest published geography (NUTS3) and DWP Claimant Count data for MSOA constructed geography.

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