Company Number: 07388600

Lancashire Enterprise Partnership Limited

Wednesday, 18th December, 2019 in The Engineering Innovation Centre (EIC), UCLAN, Fylde Road, Preston, PR1 2HE, at 4.30 pm

Reminder: A tour of the facility has been arranged for LEP Directors to commence at 3:45pm with Iain Martin, EIC Manager with the Board meeting to follow in room EIC317 at 4.30pm. There will also be a welcome from Graham Baldwin, UCLAN, Vice Chancellor.

For meeting attendees car parking is available on the Victoria Street Car Park indicated at number 19 on the Campus map available here: https://www.uclan.ac.uk/visit/assets/preston_city_campus_map.pdf

Agenda

Part I (Items Publicly Available)

1.   **Welcome and Apologies for Absence**

2.   **Minutes of the meeting held on 30th September 2019** (Pages 1 - 10)

3.   **Matters Arising**

4.   **Declarations of Interest** (Pages 11 - 12)

5.   **Update on Lancashire's Local Industrial Strategy** (Pages 13 - 92)

6.   **National Festival of Making**
        Presentation

7.   **LEP Finance Monitoring Report for the period 1 April 2019 - 31 October 2019** (Pages 93 - 96)

8.   **Lancashire Enterprise Partnership Limited - Governance and Committees Report** (Pages 97 - 108)

9.   **Any Other Business**

10. **Date of Next Meeting**

The next LEP Board meeting is scheduled to be held on 10th February 2020, at 4:30pm, venue tbc.

11. **Exclusion of the Press and Public**

The Board is asked to consider whether, under Section 100A(4) of the Local Government Act 1972, it considers that the public should be excluded from the meeting during consideration of the following items of business on the grounds that there would be a likely disclosure of exempt information as defined in the appropriate paragraph of Part I of Schedule 12A to the Local Government Act 1972 as indicated against the heading to the item.

Part II (Items that are Private and Confidential)

12. **Growth Deal Programme Update Report** (Pages 109 - 144)

13. **Innovation Board - Update and Final Structure** (Pages 145 - 154)

14. **Proposals in relation to the Growing Places Fund** (Pages 155 - 162)

Lancashire Enterprise Partnership Limited

Minutes of the Meeting held on Monday, 30th September, 2019 at 4.30 pm at the Page 3, Academy for Skills & Knowledge, Sir Frederick Page Way, Samlesbury, Blackburn, BB1 7FT

Present

Steve Fogg (Chairman)

Councillor Stephen Atkinson   Ann Dean DL
Miranda Barker   Dave Holmes
Councillor Alyson Barnes   Amanda Melton
Councillor Simon Blackburn   Mick Gornall
Jim Carter DL   Mark Rawstron
                                    Councillor Phil Riley

Co-opted Member

Tony Attard OBE DL

In Attendance

Paul Evans, Assistant Director, Cities and Local Growth Unit, Department for Business, Energy and Industrial Strategy
Phil Green, Director of Growth, Environment and Planning, Lancashire County Council
Nicola Hopkins, Director of Economic Development and Planning, Ribble Valley Borough Council
Neil Jack, Chief Executive, Blackpool Council
Martin Kelly, Director of Growth and Development, Blackburn with Darwen Borough Council
Michelle Lawty-Jones, Director Lancashire Skills Hub
Andy Milroy, Senior Democratic Services Officer, Lancashire County Council
Katherine O'Connor, Senior Policy Manager, Cities and Local Growth Unit, Department for Business, Energy and Industrial Strategy
Anne-Marie Parkinson, Growth Deal Programme Manager, Lancashire Enterprise Partnership
Andrew Pettinger, Interim Chief Executive Officer, Lancashire Enterprise Partnership
Angie Ridgwell, Section 151 Officer, Chief Executive and Director of Resources, Lancashire County Council
Laura Sales, Company Secretary and Director of Corporate Services, Lancashire County Council
Andy Walker, Head of Business Growth, Lancashire County Council

1. Welcome and Apologies for Absence

The Chairman, Steve Fogg, welcomed all to the meeting. Roundtable introductions were made. Apologies for absence were noted from County Councillor Geoff Driver CBE, Graham Cowley, Professor Mark Smith, David Taylor CBE DL, Khalid Saifullah MBE DL and Claire Whelan.

It was noted that Professor Mark Smith formally retired as a LEP Director on 30th September 2019 and the Board recorded their thanks for his work on the Board.

2. Minutes of the meeting held on 25th June 2019

Resolved: That the minutes of the Lancashire Enterprise Partnership Board meeting held on 25th June 2019 be approved as an accurate record and signed by the Chairman.

3. Matters Arising

LEP Board Co-optee, Tony Attard, provided an update on the work Marketing Lancashire has done to date regarding Lancashire's City of Culture bid 2025 highlighting that the new Bid Director was in post and that the LEP Board would be involved as the bid develops.

4. Declaration of Interests

Councillor Phil Riley declared an interest in Item 13 – Growth Deal – as the authority which he represents as a Councillor (Blackburn with Darwen Borough Council) is a potential recipient of funding.

Councillor Alyson Barnes declared an interest in Item 13 – Growth Deal – as the authority which she represents as a Councillor (Rossendale Borough Council) is a potential recipient of funding.

Jim Carter declared an interest in in Item 13 – Growth Deal - as the Manchester Road Corridor scheme submitted by Burnley Borough Council has a link to the town centre cinema scheme in respect of which a partnership exists between the council and Maple Grove Developments Ltd, which is part of the Eric Wright Group (his employer).

It was agreed that both Directors could remain present for the item but would take no part in voting on the item.

5. **Update on progress and headline propositions for the Local Industrial Strategy**

Andrew Pettinger, Lancashire Enterprise Partnership Interim Chief Executive Officer, gave a presentation (circulated) regarding current progress and propositions for the Local Industrial Strategy.

It was noted that work is now well underway to develop specific proposition in relation to the key areas of strategic focus. Each identified strategic area has an assigned lead who is responsible for working up the propositions from the available evidence and raw material. The outputs will be reviewed and refined by Steer (independent advisors) under the oversight of the LEP Interim Chief Executive Officer and Richard Kenny, Strategic Consultant for the Lancashire Enterprise Partnership. It is likely that the process will be completed over the next few weeks.

Once the submission is ready it will be discussed with the Department for Business, Energy and Industrial Strategy to jointly identify a preferred way forward in respect of each proposition. The timetable for this is uncertain.

The text for the Local Industrial Strategy will be finalised following the conclusion of these conversations and drafting will commence concurrently alongside the conversations.

The LEP Board provided feedback on items they would like to ensure are developed and included in the Strategy.

Resolved: The Lancashire Enterprise Partnership Board noted the update on progress and headline propositions for the Local Industrial Strategy and noted the proposed next steps.

6. **Discussion on LEP's future role in setting economic growth strategy for Lancashire**

The LEP Chairman, Steve Fogg, invited Board members to discuss the LEP's future role in setting Economic Growth Strategy for Lancashire.

It was noted that the Economic Growth Strategy would form part of the Local Industrial Strategy. Board members provided feedback on areas to include in the Economic Growth Strategy such as tourism, skills, manufacturing, creative and digital and how these areas can drive and grow prosperity in Lancashire.

Resolved: That the Lancashire Enterprise Partnership Board will continue to receive and discuss regular updates on the development of an Economic Growth Strategy for Lancashire.

7. **Recruitment of the Lancashire Enterprise Partnership Chief Executive Officer**

Neil Jack, Chief Executive, Blackpool Council, presented a report (circulated) which provided an update on progress with the recruitment of a new permanent Chief Executive for the Lancashire Enterprise Partnership.

It was noted that Berwick Partners had been appointed to assist and support the search and recruitment process. In addition it was noted that whilst ultimately the appointment is a matter for the company members to determine that it is important to involve, as appropriate, representatives from the LEP Board as well as other relevant stakeholders in the appointment process. As such it was recommended that LEP Board engagement in the process be delegated to the Chairman for him to seek assistance in the recruitment process from members of the Board depending on skills needed, availability and representation, at his own discretion.

It was noted that a final nomination will be recommended to the Board with updates on the confidential shortlist throughout the process.

Resolved: The Lancashire Enterprise Partnership Board

(i) Agreed to delegated to the Chairman the details of the recruitment process for the permanent Chief Executive, with a confidential report back to the Board at its next meeting on the position at that point; and

(ii) Noted the appointment of Berwick Partners as the Recruitment Consultants.

8. **Lancashire Enterprise Partnership Limited - Governance and Committees Report**

Andy Milroy, Senior Democratic Services Officer, Lancashire County Council presented a report (circulated) which contained an update on governance matters and recent committee meetings on the Lancashire Enterprise Partnership.

It was noted that the Chairman and Interim Chief Executive Officer were considering the current vacancies on the LEP Committees and those Committees that require new Chairman to be identified following the retirement of those Directors that have exceeded their fixed term limit and that further updates on those appointments would be provided in due course.

Resolved: The Lancashire Enterprise Partnership Board noted the updated provided in the report in relation to Governance and the Committees of the Lancashire Enterprise Partnership.

17.   Governance - Joint Scrutiny Committee

Andrew Pettinger presented a report (circulated) regarding the requirement for all Local Enterprise Partnerships to have in place Joint Scrutiny arrangements in accordance with the new Government guidance.

It was noted that a report proposing that a new dedicated Joint Scrutiny Committee be created was considered and approved by the Lancashire Leaders Group that met earlier in September 2019. It was resolved at this meeting that all fifteen local authorities in Lancashire would be asked to submit one representative. The Terms of Reference for the Committee are yet to be established but one of the other suggestions in the Government guidance is that there should also be independent representation on the Committee.

LEP Board Members expressed a preference for the Chairman of the new Joint Scrutiny Committee to be an independent person.

In addition some of the proposed contents of the Terms of Reference of the new Committee were presented and noted by the LEP Board.

It was also noted and agreed that once the new Joint Scrutiny Committee is established the LEP's existing Performance Committee will no longer be required and as such it will be abolished upon formation of the Joint Scrutiny Committee.

Resolved: The Lancashire Enterprise Partnership Board

(i)   Approved the principle that the LEP's existing Performance Committee be abolished and that it be replaced with a Joint Scrutiny Committee.

(ii) That the Chief Executive and Chair be authorised to negotiate and agree the structure of the terms of reference of the Scrutiny Committee with the Lancashire Leaders Group; and

(iii) That upon agreement of the terms of reference for the Joint Scrutiny Committee by the Chair and Chief Executive, that the LEP Board's approval be sought to the detailed arrangement prior to implementation (including any consequential changes that are required to the LEP's Local Assurance Framework).

9.   Any Other Business

None

10.   Date of Next Meeting

Resolved: It was agreed that the Board meeting scheduled for 12th November 2019 be cancelled as a formal Board meeting and re-arranged for a date to be determined in December 2019.
In addition, the programme of Board meetings for 2020/21 was approved as

presented.

It was also agreed, following a suggestion by Tony Attard LEP Co-optee, that the 12th November 2019 date that would have been used for a formal Board meeting be used instead for LEP Directors to be invited to an informal workshop regarding the City of Culture 2025 bid.

11. Exclusion of the Press and Public

At this point the Lancashire Enterprise Partnership Board approved that the meeting move into Part II, Private and Confidential, to consider the remaining agenda items as they contained information defined as confidential or exempt in accordance with the relevant paragraph of Part I to schedule 12A to the Local Government Act 1972 as set out in each report or presentation. It was considered that in all the circumstances of the case the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

12. Lancashire Digital Skills Partnership – Highlights and Extension

Dr Michele Lawty-Jones, Director of the Lancashire Skills Hub, presented a report (circulated) which provided an update on the Lancashire Digital Skills Partnership.

An overview of highlights of the Digital Skills Partnership was presented to the Board. It was noted that a significant amount has been achieved in the first year of the partnership which has accelerated since the appointment of the Digital Skills Coordinate in November 2018. The Digital Skills Innovation Fund projects, which were approved in principle subject to submission of final business cases at the May 2019 Board meeting have now been contracted and are in delivery.

In addition it was noted that an additional £75k of funding has been secured from the Treasury via the Department for Digital, Culture, Media and Sport to enable the Digital Skills Partnership Coordinator role to be extended for a further 12 months (until November 2020). It was noted that as the post employed via the accountable body Lancashire County Council, that extending the post by a further 12 months (thereby extending the fixed term contract to a total of 24 months) could incur potential redundancy liabilities as an employee dismissed by reason of redundancy with two or more years Local Government continuous service may be entitled to a redundancy payment. It was noted that any redundancy liabilities would be met from the LEP budget / funds secured.

Resolved: The Lancashire Enterprise Partnership Board

(i) Noted the achievements to date of the Lancashire Digital Skills Partnership; and

(ii) Noted the receipt of £75k of additional funding from the Department for Digital, Culture, Media and Sport and approved that the funding be used to extend the fixed term contact of the Digital Skills Partnership Coordinator

for a further 12 months until November 2020.

13. **Growth Deal - Unallocated Funding Recommendations**

Anne-Marie Parkinson, Growth Deal Programme Manager, Lancashire Enterprise Partnership, presented a private and confidential report (circulated) regarding the award of Growth Deal funding for 6 projects.

It was noted that the recommendations set out were based on the 'Growth Deal Re-allocation Report 2019' and Individual Appraisal Summaries undertaken by Genecon Consulting Limited. Copies of these documents were circulated to Board members.

Resolved: The Lancashire Enterprise Partnership Board

1. Considered and noted the contents of the report.

2. Approved Growth Deal funding to the projects listed below, subject to the conditions as detailed in each of the appraisal summary reports, and the finalisation and execution by Lancashire County Council (as accountable body for the LEP) under the guidance of the Directors of Corporate Services and Economic Development and Planning of a Grant Funding Agreement and other relevant legal documentation as may be necessary to protect the interests of the LEP:

      i. Samlesbury Aerospace Enterprise Zone - £6.725m
     ii. Futures Park - £1.530m
    iii. Food and Farming Innovation and Technology - £0.365m
     iv. Skelmersdale Town Centre Redevelopment - £2.000m
      v. New STEM Technology Centre - £1.200m
     vi. Darwen East Development Corridor Phase 2 - £1.400m

3. Approved the allocation of £2.790m Growth Deal funding to the South East Blackburn: Residential and Health Campus scheme, pending the production of transport business case in October 2019.

4. Agreed that the Growth Deal Programme Manager will review the list of projects not recommended for approval at this stage, as identified in table 1 of the report, and reassess them with increased weighting on deliverability within the timescales.

5. Approved that the remaining unallocated £790,000 plus the £750,000 expected underspend from an existing project will be held until November 2019 when the reassessed list of projects will be presented to the Growth Deal Management Board for consideration and assessment.

6. Approved that the Growth Deal Programme Manager can progress the Blackpool Quality Corridors project application for additional funding with Blackpool Council, and that the project be considered in the next tranche of funding decisions.

7. Approved that a communication be sent to existing projects to advise them that there may be further unallocated funding available to projects that wish to extend, providing they are deliverable before March 2021, and that organisations could consider developing oven-ready projects to create a pipeline, should further funding become available.

8. Approved the Growth Deal Management Board have resolution to continue to support the M55 St Anne's Link Road scheme until December 2019, when there must be certainty around the agreement between Homes England and the Developer. If there is no agreement by this time, the £1.980m should be considered unallocated and would then become subject to the reallocation process.

14. Lancashire Growing Places Partnership

Andrew Pettinger presented a private and confidential report (circulated) which provided an update on the Lancashire Growing Places Investment Fund.

Resolved: The Lancashire Enterprise Partnership Board

(i) Approved that the historic success of the Growing Places Fund and its ongoing availability be specifically publicised to businesses who might be interested in making an application and others, with the help and assistance of Marketing Lancashire.

(ii) Agreed to request that LEP officers should:

(a) generally review, consider and if thought appropriate implement any changes that might optimally be made in relation to the future operation of the Fund, and in so doing liaise with other LEPs to help identify best practice;

(b) specifically develop written criteria and rules (**Criteria**) which will be applied against each future application for monies from the fund, and which can be shared with applicants and publicised; and

(c) report back to the board and seek Board approval on the specific proposals arising upon completion of the above steps.

(iii) Approved, subject to the outcome of the above review, that all decisions to lend Fund monies will remain the discretionary decision of the LEP Board (subject to the approval of Lancashire County Council as Accountable Body), but that in future all such decisions will be made by reference to the Criteria once developed and reported to the Board accordingly.

(iv) Approved that, if the Chief Executive and Chair consider appropriate and necessary, that professional services may be procured to assist in the review and refresh of the Fund arrangements including in relation to any of the above steps; and

(v) Agreed that until the Criteria is finalised, the LEP may continue to approve new loans as is currently the case with the oversight of Lancashire County Council as Accountable Body and subject to LEP Board Approval.

15.   Update on the Preston, South Ribble and Lancashire City Deal

Jim Carter, LEP Director and City Deal Executive Chairman, presented a private and confidential report (circulated) which updated the Board on the Preston, South Ribble and Lancashire City Deal.

The report and updated provided the Board with a full and comprehensive review of the City Deal to date (as it enters its sixth year), milestones achieved, future projections and challenges ahead.

Resolved: The Lancashire Enterprise Partnership Board noted the report and further update provided in relation to the Preston, South Ribble and Lancashire City Deal.

16.   Update on other matters including LEP Review / Improvement Plan / LEP Board

Andrew Pettinger provided a private and confidential update on matters including progress with the LEP Review and Improvement Plan.

It was noted that the Improvement Plan was currently being drafted and that an Accountable Body Agreement was also being drafted for agreement between the LEP and the Accountable Body with it anticipated that a further report will be presented to the next Board meeting for approval.

Resolved: The Lancashire Enterprise Partnership Board noted the update provided on the LEP Review, Improvement Plan and other matters.

Director's Declaration of Interest in Proposed Transaction or Arrangement

LANCASHIRE ENTERPRISE PARTNERSHIP LIMITED

Name	
Date of Notification	
Date of Consideration of Item (i.e. date of Board meeting)	18.12.2019
Item Number (if relevant)	
Description of Transaction	
Nature of Interest	

Lancashire Enterprise Partnership Limited

Private and Confidential: NO

Date: 18th December 2019

Update on Lancashire's Local Industrial Strategy
(Appendices 'A' and 'B' refer)

Report Author: Andrew Pettinger, LEP Interim Chief Executive Officer,
Andrew.Pettinger@addleshawgoddard.com

Executive Summary

The purpose of this report is to update the Board on Lancashire's Local Industrial Strategy.

Recommendation

The Lancashire Enterprise Partnership Board is asked to:

(i) Note the development of Lancashire's Local Industrial Strategy (a presentation slide deck is attached at Appendix 'A' and an updated version of this presentation will be made at the meeting).

(ii) Agree to the propositions as set out in Table 1 as the basis for the start of the conversation and iterative 'co-production' development process with HMG.

(iii) Delegate authority to the Chair and Chief Executive to run that process with HMG, drawing on Lancashire partners and expertise, as appropriate, and;

(iv) To reflect on the outcome of the General Election and delegate authority to the Chair and the Chief Executive to start the conversation with the new national government and report back, as appropriate, on new expectations and developments, including any implications for the Local Industrial Strategy.

Background and Advice

1. The National Industrial Strategy was published in November 2017. It sets out Britain's response to its 'productivity puzzle'. It focusses on competitiveness at the national and sub-national levels, with a view to boosting productivity and earning power by investing in skills, industries and infrastructure.

2.   It is now accompanied by ten national sector deals, and three waves of local industrial strategies across 38 LEP areas, some of which join up around Combined Authorities or strategic corridors. So far, the whole of Wave 1 and one area from Wave 2, have published. It includes some powerful contributions: Greater Manchester; West Midlands; Cambridge-Milton Keynes-Oxford Corridor; and, West of England. There are some distinct offers: Oxfordshire as a global innovation centre; West Midlands as future mobility; Greater Manchester as clean growth, and so on. Lancashire is in Wave 3.

New Government

3.   At the time of writing there is continuing uncertainty about the future. The National Industrial Strategy was published by the Theresa May-led Government. However, a look across the published Manifestos of almost all of the political parties in the General Election, shows, in one form or another, a focus on industries, on productivity, skills and infrastructure is going to continue. It also demonstrates that a sub-national focus will continue, although it could take a different shape and scale. There is also a strong consensus that 'levelling up', a phrase used by both main political parties, will shift the focus to a more rounded economic approach so that inclusive growth and prosperity emerge more strongly, as will rebalancing the economy, both spatially and sectorally, although big differences are apparent in the proposed scale and scope of the state and intervention. There is also likely to be funding made available shortly after the Election, and potentially, more than seen in recent times, and there will of course be a Comprehensive Spending Review and Budget. There is also a growing importance placed on the environment and climate change and therefore the likelihood of a future focus on green developments, including speculation around green deals and added impetus towards the achievement of carbon reduction targets. Equally, the prospects for future devolution appear to be good, albeit potential differences around 'powerhouse', regional and sub-regional forms.

4.   On that basis, the decision by Lancashire LEP to continue working up its Local Industrial Strategy will provide an important part of forming a new conversation with the next government.

The Lancashire Local Industrial Strategy

5.   So, a number of steps have been taken:

(i)   Extensive call for evidence, including on-line opportunities;
(ii)   Extensive consultation, including two major stakeholder Workshops, and on-line opportunities;
(iii)   Targeted stakeholder meetings with Local Authorities, Health, Business, Higher Education, Further Education, MEPs and MPs (although Brexit has led to these being regularly cancelled);
(iv)   Development of a LIS-based Evidence Base and sign off from BEIS;
(v)   This includes a clear set of Headlines;
(vi)   A set of thematic priorities about what the LEP is going to do that align closely with the Five Foundations.

6.	And a number of steps are underway and remain to be completed by the end of March:

(i)	Production of a set of actions about what the LEP is going to do;
(ii)	Finalisation of a set of asks to Government about those ambitions by the end of December and negotiating the contribution from Government between December and March, 2020;
(iii)	A further stakeholder Workshop in January 2020;
(iv)	Writing the LIS document, with a compelling Lancashire Narrative – already underway and attached in Appendix B;
(v)	Co-publishing the LIS with HMG by March, 2020.

Themes and Propositions

7.	The Local Industrial Strategy, first and foremost will be a strategy for Lancashire. It will incorporate the analysis that underpins the headline findings, the input from the consultation exercises, the ideas and proposals linked to ideas and proposition development, as well as the propositions that include 'asks' of Government. There is no hierarchy of importance within any of this. The Government has made it clear that Local Industrial Strategies are not bidding documents and proposals should be based on pre-existing budgets. The local strategies are clearly part of the National Industrial Strategy and are co-produced with Government. The 'asks' are about Government's other contributions as well as freedoms and flexibilities. So, this process is not like the Strategic Economic Plan that was primarily a bidding document for Growth Deal Funding.

8.	On that basis, it is important that stakeholders ensure that the Strategy narrative captures the key priorities, as foundations for future discussions and opportunities arising from the next Government. There is likely to be an early Comprehensive Spending Review and Budget in the Spring.

9.	The priority themes and ideas and propositions are set out in the attached Slide Deck – Slide 6 LIS Priorities and Pipeline Ideas, Appendix A.

Propositions with 'asks' of Government for submission

10.	Whilst at this stage we do not know what the future holds for the existing process in light of the prospects of a new Government, there is an existing 'live' expectation with senior civil servants that Lancashire LEP will finalise a set of propositions with asks of Government to Government by the end of December.

11.	A short summary of the proposed propositions are set out below in Table One.

Table One: Asks of Government

Proposition	What	Why	How	Ask
Careers Hub	Extend to whole of Lancashire	Evidence is that Careers Hubs work and scaling across labour markets adds value.	Co-investment from partners	Can we extend coverage?
T Level Test Bed	Test T levels for Level 4 & 5	Upskilling the pipeline in high level technical skills in Lancashire's key strength-based sectors	Extend T Panels to levels 4 and 5, industry led.	Can we be recognised as a pilot?
Digital Pathways and Levelling Up	Development of real-time digital career pathways working with industry leaders	Evidence-base outlines the digital divide and lack of relevant provision and digital career pathways	Industry collaboration.	Can we evaluate together these collaborations with Facebook, Google and others, too?
Skills Escalator ESF transition	To replace the siloed approach with a pathway approach, based on key workers	To prevent churn and revolving doors.	By learning from the 'additional' horizontal process management across the priority projects	Can we do joint evaluation?
Drone Zone	Drone full scale technology Demonstrator and Economic Cluster	Builds on existing sector strengths and existing site developments at UCLAN and BAE	Build on existing developments arising from Flight and Brunel Challenges	Assurance around Safety Cases and lifting of regulations and existing restrictions
Clean Energy Technology Park	Fuel technology development	Links to energy sector strengths and Nuclear Sector Deal	Master Plan and Business Case	EZ status/tax concessions Links to DIT High Potential Opportunities

	opportunities linked to nuclear sector			
Preston Central Business District	Using agglomeration to secure a Central Business District realising Grade A Office space.	Strength -based approach, building on knowledge spillovers, increasing return effects, specialisation, generate factor flows.	Strategic Regeneration Framework Public Sector Hub HS2/Station Expansion Commercial development opportunities.	Utilise City Deal to secure business rate/development corporation powers Hub development Recognise the 'unique' growth opportunity.
Asian Heritage Business Community Cluster	Understanding the dynamics and scale of economic activities	Evidence of a significant impact in Blackburn/East Lancashire	A deep dive	Linking enterprise to existing MHCLG Social Integration Pilot Scope to build trade links
Agri-Tech	Pan-Lancashire Agri-Tech Group and the development of demonstrators as part of the Living Lab Environment.	Agriculture and rural economy is a major strength and adds to the diversity dimension of the Lancashire offer Efficiency and effectiveness measures can be realised through the testing and application of new technologies to land management, farming and the rural economy	The development of a whole system network and the pulling together of key capabilities, building on the foundations arising from Myerscough College, its FFIT and Lancaster University.	Alignment with National Agri-Tech Strategy Access to good practice and regional & national networks Cross-HMG approach, BEIS, DEFRA, DIT, DfE. Advice on set up Agri-Tech Group Identification of agriculture as STEM. Discussions on demonstrator units to promote knowledge transfer and exchange.

Clean Growth	A Clean Growth Task Force working across sectors and EZ sites, providing leadership, management development and R&D support.	Address low-carbon and digital revolutions through existing strengths in energy and advanced manufacturing sectors.	Led by Centre for Global Eco-Innovation partnered with business, HEIs and LEP. Sharing of new technologies & practises including hydrogen and IDT demonstrators at EZ.	Test bed for decarbonisation ambitions in HMG "Leading on Clean Growth" low carbon industrial cluster proposal.
Mental Health	A business-led, LEP sponsored review into the needs of business focussed on Mental Health Awareness and Mental Health Support for Employees.	Mental Health within the existing and future workforce and its drag on Productivity is a major issue in Lancashire as identified in the LIS Evidence Base.	A cross-sector Panel of business leaders, academia and other independent experts, sector specialists, will provide a new lens to view Mental Health issues impacting on the existing and future workforce, the scale and scope of the issues and clarity about the interventions and what works.	Government to be asked on to the Panel as an observer/adviser, advise on the terms of the Review and to receive, respond to and help roll out the findings.
Blackpool Town	To consolidate geographically	In line with Civil Service Vision for 2020, hubs will	Collaboration with public sector and	Recognise the role that Blackpool can make in meeting the challenges

Centre Civil Service Hub	diverse and poorly accommodated civil service departments into a combined hub strengthening the anchor institution impact, place attractiveness and commercial opportunities	need to be accessible and well-located in major towns and cities supported by good public transport links.	private partners to develop a key site location.	and opportunities set out for public sector employment consolidation. Can we be recognised as a pilot for public sector hub design excellence, collaborating with HMG.

12. The drafting of the detail behind the propositions is near completion and will be shared with the Board before Christmas.

13. The propositions will be appropriately referred to in the Local Industrial Strategy and the Board will have the opportunity to input on them prior to the finalisation of it.

14. All of these propositions have been developed in a format that meets the challenge of the BEIS logic chain and template and will be finalised to start the co-production process for the contribution of Government to Lancashire's Local Industrial Strategy.

15. This process will be iterative and it may result in some initiatives being taken further forward, some not, other related issues emerging too. It is suggested the Chair and Chief Executive are given delegated authority to negotiate the outcomes.

Final Draft Local Industrial Strategy

16. The draft Strategy is now being written against Chapters that follow the five foundations and cover the relevant industrial challenges. This will be developed in parallel with the dialogue with Government. A first draft will be shared with Board Members.

List of Background Papers

Paper   Date   Contact/Tel

None

Reason for inclusion in Part II, if appropriate

N/A

Lancashire Enterprise Partnership

Local industrial Strategy Update

December 2019

Process Progress

1. Evidence Base

2. Local Priorities

3. Proposition Development

   a) Longlist
   b) Sorting

4. Final Narrative

Lancashire
Enterprise Partnership

Government and LEP – Changing Aspirations

1. **HMG**
    a) Parent and child – National Industrial Strategy
    b) Tightly prescribed – Driven by Productivity Gap + Economic Inclusion
    c) Standard Format
    d) No new money
    e) Latest messaging "Keep Going" but no clear endorsement for LIS
    f) General Election

2. **LEP**
    a) Requirement to produce LIS
    b) Useful restatement of productivity priorities
    c) Complement a wider Greater Lancashire Plan – IER
    d) Not just Propositions …. Pipeline and Ambition equally as important

Lancashire
Enterprise Partne

Data Summary

Without action Lancashire's productivity gap with the UK will widen & its employment will decline, posing a challenge to delivery of inclusive & sustainable growth

Major technology & market drivers are disrupting markets, sectors, & supply chains & economic forecasts indicate continued decline in manufacturing & routine roles

Lancashire has key strengths in aerospace, automotive, energy & marine sectors – it needs to stay ahead where it is strong & forge new routes to excellence to develop new markets

Lancashire currently lags Engl & in terms of business density & start-up survival rates – but the economy requires new businesses in new sectors if it is to develop new routes to excellence

Opportunities for & challenges to growth in Lancashire vary significantly by place, based on location, connectivity, quality of life & historic economic roles

Business As Usual is not enough, if Lancashire is to: (a) attract & retain workers, e.g. via cross-cutting programmes to extend working lives through health & wellbeing & re-training; & (b) cross-sector initiatives to utilise current assets & knowledge, e.g. orphan IP in HEIs & businesses to tackle new challenges or respond to new opportunities.

Partners in Lancashire need to support businesses & workers to adapt to but also to make the future.

To do this, Lancashire needs to build on digitalisation programmes for businesses, e.g. Made Smarter in manufacturing, & training for workers, e.g. the Digital Skills Partnership, to build agility, adaptability, & resilience in the economy.

Lancashire partners need to ensure that these high-value manufacturing sectors & their supply chains continue to innovate & operate at a global scale to stay ahead – particularly responding to technological convergence based on digitalisation & new materials (light weighting) & supply-chain rationalisation.

Lancashire partners need to support the businesses of the future, if it is to grow employment & raise productivity.

Partners need to build on current Scale-up success, the strong Start-up performances of Blackburn with Darwen & Burnley, & Ribble Valley & Pendle on start-up survival rates, plus UCLAN's graduate enterprise work to build the employers of tomorrow.

The LIS needs to reflect the diversity & distinctiveness of Lancashire's places in terms of different:

Offers for the visitor economy

•Quality of life offers to attract & retain workers

•Natural assets e.g. for energy & agriculture

•Business clusters e.g. Health Innovation, emergent Digital & Creative clusters

•

4

LIS Priorities and Pipeline Ideas -December 19

Propositions

An agile workforce, fit for the future	Start-ups, Scale-ups and internationalis-ation to make the future	Harness supply-chain strengths to stay ahead	Energy Opportunities to build new excellence	Place Distinctiveness
1. Future Workforce 2. Skilled and Productive Workforce 3. Inclusive Workforce 4. Educational Attainment pre-16 Pennine Lancashire 5. Mental Health interventions	6. Growth Hub 2.0 7. Better targeting through enhanced data sharing with HMG 8. Grown Smarter – agri-tech productivity 9. Scale Up Pilots 10. Start and Scale Support (UCLAN) 11. BAME Business Potential (Pennine) 12. Innovative Leadership and Management for Productivity and Scale Up (LU) 13. Digital Productivity and Growth Hub (Edge Hill)	14. Technology Access – Joining / Digital 15. Supply chain excellence (NMCL) 16. Secure Industrial Digitalisation Programme (LU) 17. Drone Zone (UCLAN) 18. Advanced Manufacturing corridor East Lancashire (Pennine) 19. Composite Centre of Excellence (AMRC) 20. Low Carbon Dem. (AMRC)	21. Clean Fuel Technology Park 22. Clean Growth (LU) 23. Hydrogen (LU) 24. Northern Tidal Power Gateway	25. Culture and tourism sector (Eden / C of C) 26. Civil Service Hubs – Preston and Blackpool 27. Burnley Campus / Pennine UEZ 28. Preston City Gateway 29. Preston Model 30. Digital infrastructure – Acqua Comms, incubators, BDUK. 31. Health Innovation ,Medicomm. Medi Park. 32. Housing policy reform / HAZ – Central B'pool 33. Blackpool Central – Court relocation 34. Fylde Coast tram/train loop

Framework Reprise – Delivery Dependencies

Leadership & governance

Reinforce leadership to build investor confidence & represent local diversity

Local capability & flexibility in delivery

Invest in local delivery capability to enable local variation in delivery to meet local priorities

Global outlook

Develop a global/ international outlook for businesses & citizens: *'Think Global First'*

Foresighting

Capacity for to undertake & anticipate Market & Technology Foresight

21st C Infrastructure

Future-proofed infrastructure for net-zero carbon & digital connectivity

6

S Foundations and Pipeline Ideas -December 19

ropositions

People	Business Environment	Ideas	Infrastructure	Places

People

1. Future Workforce
2. Skilled and Productive Workforce
3. Inclusive Workforce
4. Educational Attainment pre-16 Pennine Lancashire
5. Mental Health interventions

Business Environment

6. Growth Hub 2.0
7. Better targeting through enhanced data sharing with HMG
8. Grown Smarter – agri-tech productivity
9. Scale Up Pilots
10. Start and Scale Support (UCLAN)
11. BAME Business Potential (Pennine)
12. Innovative Leadership and Management for Productivity and Scale Up (LU)
13. Digital Productivity and Growth Hub (Edge Hill)

Ideas

14. Tech. Access – Joining / Digital
15. Supply chain excellence
16. Secure Industrial Digitalisation Programme
17. Drone Zone
18. Advanced Manufacturing corridor East Lancashire
19. Composite Centre of Excellence
20. Low Carbon Dem.
21. Clean Fuel Technology Park
22. Northern Tidal Power
23. Health Innovation MediPark / Comm

Infrastructure

24. Digital infrastructure – Acqua Comms, incubators, BDUK.
25. Fylde Coast tram/train loop

Places

26. Culture and tourism sector (Eden / C of C)
27. Civil Service Hubs – Preston and Blackpool
28. Burnley Campus / Pennine UEZ
29. Preston City Gateway
30. Preston Model
31. Digital infrastructure – Acqua Comms, incubators, BDUK.
32. Housing policy reform / HAZ – Central B'pool
33. Blackpool Central – Court relocation

Sorting

- Propositions
  - Is there an ask?
  - Is it about local action / funding / commissioning

- Pipeline
  - HMG Post Election CSR
  - Business as usual
    e.g. Cultural Development Fund
  - Still time as we co-design

- Prospecting
  - What are the sectors of Lancashire's future
  - What technologies will drive these industries

...ion	What	Why	How	Ask
...Hub	Extend to whole of Lancashire	Evidence is that Careers Hubs work and scaling across labour markets adds value.	Co-investment from partners	Can we extend coverage?
...est Bed	Test T levels for Level 4 & 5	Upskilling the pipeline in high level technical skills in Lancashire's key strength-based sectors	Extend T Panels to levels 4 and 5, industry led.	Can we be recognised as a p...
...athways ...elling Up	Development of real-time digital career pathways working with industry leaders	Evidence-base outlines the digital divide and lack of relevant provision and digital career pathways	Industry collaboration.	Can we evaluate together th... collaborations with Faceboo... Google and others, too?
...alator ...sion	To replace the siloed approach with a pathway approach, based on key workers	To prevent churn and revolving doors.	By learning from the 'additional' horizontal process management across the priority projects	Can we do joint evaluation?
...one	Drone full scale technology Demonstrator and Economic Cluster	Builds on existing sector strengths and existing site developments at UCLAN and BAE	Build on existing developments arising from Flight and Brunel Challenges	Assurance around Safety Cas... lifting of regulations and exis... restrictions
...ergy ...gy Park	Fuel technology development opportunities linked to nuclear sector	Links to energy sector strengths and Nuclear Sector Deal	Master Plan and Business Case	EZ status/tax concessions Links to DIT High Potential Opportunities
...Central District	Using agglomeration to secure a Central Business District realising Grade A Office space.	Strength -based approach, building on knowledge spillovers, increasing return effects, specialisation, generate factor flows.	Strategic Regeneration Framework Public Sector Hub HS2/Station Expansion Commercial development	Utilise City Deal to secure bu... rate/development corporatio... powers Hub development Recognise the 'unique' grow...

...ion	What	Why	How	Ask
...ritage ...nity	Understanding the dynamics and scale of economic activities	Evidence of a significant impact in Blackburn/East Lancashire	A deep dive	Linking enterprise to existing Social Integration Pilot Scope to build trade links
...n	Pan-Lancashire Agri-Tech Group and the development of demonstrators as part of the Living Lab Environment.	Agriculture and rural economy is a major strength and adds to the diversity dimension of the Lancashire offer. Efficiency and effectiveness measures can be realised through the testing and application of new tech. to land management, farming and the rural economy	The development of a whole system network and the pulling together of key capabilities, building on the foundations arising from Myerscough College, its FFIT and Lancaster University.	Alignment with National Agri... Strategy Access to good pr... and regional & national netw... Cross-HMG approach, BEIS, ... DIT, DfE. Advice on set up A... Group Identification of agric... STEM. Discussions on demo... units to promote knowledge... and exchange.
...owth	A Clean Growth Task Force working across sectors and EZ sites, providing leadership, management development and R&D support.	Address low-carbon and digital revolutions through existing strengths in energy and advanced manufacturing sectors.	Led by Centre for Global Eco-Innovation partnered with business, HEIs and LEP. Sharing of new technologies & practises including hydrogen and IDT demonstrators at EZ.	Test bed for decarbonisation... ambitions in HMG "Leading ... Growth" low carbon industri... cluster proposal.
...Health	A business-led, LEP sponsored review into the needs of business focussed on Mental Health Awareness and Mental Health Support for Employees.	Mental Health within the existing and future workforce and its drag on Productivity is a major issue in Lancashire as identified in the LIS Evidence Base.	A cross-sector Panel of business leaders, academia and other independent experts, sector specialists, will provide a new lens to view Mental Health issues	Government to be asked on ... Panel as an observer/adviser... on the terms of the Review ... receive, respond to and help... the findings.

Next Steps

- LIS Narrative Drafting

- IS Pillars chapters

- Ongoing refinement of propositions

- Co-designing HMG (Jan- Mar 20)

- LIS submitted 31.03.20

- LEDOG   07.11.19
- Fuel Tech Park   12.11.19
- Supply Chain Fusion   18.11.19
- LEP BSMB   20.11.19
- EDTG   21.11.19
- LEDOG   05.12.19
- Workshop 3   w/c 02.12.19
- ~~Lancs Leaders~~   ~~10.12.19~~
- LEP BSMB   17.12.19
- LEP Board   18.12.19

Mandate to Progress

1. **Propositions** - To use these as a basis for opening discussions with Communitie and Local Growth LIS Team.

2. **Pipeline Ideas**
   a. To share initial pipeline (with CLG)
   b. To continue to compile investible projects from local partners
   c. To position these ideas as appropriate within local, region, NPH of national reserve fund bids.

3. **Prospects** – to continue to work with Supply Chain Fusion, Energy and Local Authority partners to develop longer term development prospects, which progres and diversify Lancashire's industrial and service industry base.

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steer economic development

Lancashire Local Industrial Strategy

Strategy
November 2019

Lancashire Local Industrial Strategy

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Figures

Tables

Appendices

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Executive Summary

Overview

NB Text to be added once content finalised

1   Introduction

Introduction to Lancashire

1.1   Lancashire is a diverse county with a mix of urban, coastal, and rural communities, a population of 1.5 million people, and a working population of 1 million. It is home to 52,000 businesses, which generate around £31 billion Gross Value Added (GVA) each year. It has a relatively self-contained labour market: just 12% of its workforce commutes in and 14% of its residents commute out of the area. Economic activity is concentrated in six centres: Preston, Blackburn with Darwen, Blackpool, Lancaster, South Ribble, and Fylde.

1.2   Lancashire is home to the largest concentration of Aerospace activity in Europe, which generates turnover of around £7 billion annually; activity in the sector is focused on Blackburn with Darwen, Burnley, Fylde, Pendle, South Ribble and the Ribble Valley. It also has significant Advanced Manufacturing and Engineering (including the automotive sector) activity focused on Samlesbury and Warton (in South Ribble), Fleetwood (in Wyre), Burnley, Lancaster, and Preston. Lancashire is also a vital part of the nationally recognised North West Nuclear Arc and North West Clean Growth Arc assets with world-class capabilities in nuclear, hydrogen, wind and marine energy, and land management.

1.3   Together these sectoral capabilities provide a unique combination of skills, know-how, research and business assets with which to develop new processes, products and services to make the most of digitalisation (captured in the term 'Industry 4.0') and new materials for a range of markets and sectors, including energy generation, storage and distribution, mobility (innovation in aerospace and automotive), and medical technology (including adoption and diffusion).

1.4   The county is also famous for its tourism offer, which includes, Blackpool and Morecambe, as well as cultural and rural visitor offers, which are part of a significant and diverse rural economy, based on a strong and highly productive agricultural sector.

Our ambitions

Our ambition is for Lancashire's diverse economy and distinctive places to be prosperous, innovative, resilient, inclusive, environmentally sustainable, and connected.

1.5   Table 1-1 sets out our ambitions and the targets by which we will measure our progress to 2030. These ambitions and targets reflect our strengths, in terms of our manufacturing base, our weaknesses, in terms of our under-utilised resources and income inequality, and the economic, technological, social, and environmental opportunities and threats which we anticipate will arise in the next 10 years. Our key challenges are to upskill and reskill our workforce, and to support the generation of ideas and businesses to drive future growth. This

will require a new and ambitious Lancashire-wide deal with government for sustainable, inclusive growth.

Table 1-1: Lancashire's ambitions and targets for 2040

Ambition	Target
• **Prosperous** by making the most of our untapped potential to generate new high-value jobs in new sectors that serve new markets through enhanced support for start-ups, scale-ups, and the internationalisation of business.	• Narrow the 18% gap between Lancashire's GVA per worker and the UK's at an average rate of 0.9% pa to close it by 2040 • Increase business births by two percentage points to meet the UK average of 0.1% pa to reach 14% by 2040.
• **Innovative** by exploiting the synergies between our key sectoral capabilities and supporting the generation and adoption of new processes, materials, and digitalisation across our supply chains.	• Halve the 50% gap between Lancashire and the UK in R&D investment per head by 2040 to achieve £800 pc in real terms at 2011 prices. • Increase Lancashire's share of UK patent applications from 1.7% to match its 2.2% share of the UK population by 2040 – achieving an average growth of 0.025% pa.
• **Resilient** by building an agile, healthy workforce that can anticipate and respond to market and technological change.	• Increase the percentage of the working age population qualified to NVQ level 4+ by an average of 0.27% pa to move from 32.6% to the UK average of 38% by 2040. • Increase the share of professional, scientific and technical jobs in Lancashire's workforce by an average of 0.25% pa to move from 3% to match the UK average of 8% by 2040. • Assist workers to make the transition to high-value sectors that are forecast to generate increases in employment, including Information and Communication, Professional Services, and Construction.
• **Inclusive** by promoting good jobs, higher productivity, and greater earning power in all our diverse communities, recognising their unique contribution to Lancashire's competitiveness.	• Narrow the gap of 33% GVA per head between Lancashire and the UK average by equivalent of 0.825% pa to halve the gap by 2040 • Close the 18% earnings gap between Lancashire and the UK by the equivalent of 0.45% pa to halve the gap by 2040
• **Environmentally sustainable** by ensuring our investments help the UK to achieve net-zero carbon before 2050.	• A 57% reduction in carbon emissions relative to 1990 levels by 2032, as set out in the Lancashire Energy Strategy (2018) • Draw on lessons from the 'Preston Model' to ensure infrastructure investments in Lancashire have a net-positive environmental impact • Support local authorities to achieve their net zero carbon targets, e.g. South Ribble's ambition to hit net-zero by 2030
• **Connected** by enhancing: – Digital connectivity to enable digitalisation of industry and public services; and	• Concentrate infrastructure investment: – To maximise productivity in key employment sites, including Samlesbury Aerospace Enterprise Zone, Hillhouse

Ambition	Target
– Transport infrastructure to improve movement within and between Lancashire and the rest of the world, in particular its immediate neighbours.	Technology Enterprise Zone (focused on Energy, Chemicals and Polymers), Blackpool Airport Energy Enterprise Zone and Warton Aviation Enterprise Zone, plus the East Lancashire Advanced Manufacturing Corridor, Cuerden site (South Ribble) and the Lancaster Health Innovation Park; and urban centres: Blackburn, Blackpool, Burnley, Lancaster, and Preston; and – To reduce congestion/pollution and improve functioning of the labour market by improving mobility to enhance commuting.

The role of this strategy

1.6   This Strategy forms part of a suite of strategies and plans which were in development at the time of writing or had already been developed by partners in Lancashire (Figure 1-1). In addition to local planning, housing, transport, and public health strategies, the strategies and plans which address local economic development issues include the:

- **Greater Lancashire Plan** – will provide a vision and plan for all of Lancashire across a range of policy area, including spatial planning, it was in development at the time that this LIS was produced. The GLP will include an Independent Economic Review, which will complement the evidence based produced for this LIS by providing a more fine-grained analysis of functional economic markets/geographies and their implications for planning and infrastructure investment. [NB: This is holding text; Richard what do you want to say here?]

- **Lancashire Strategic Economic Plan** – highlights the need to realise the value of the 'arc of prosperity' that sweeps East-West across Lancashire, by delivering 50,000 new jobs, 40,000 new houses, and £3 billion of additional economic activity, above the local trend rate. Its priorities are: Sector Development & Growth, Innovation Excellence, Skills for Growth, Business Growth & Enterprise, Releasing Local Growth Potential, and Renewal of Blackpool.

- **ESIF Growth Programme** – prioritises investment in: (1) innovation and research and development; (2) support for small and medium-sized businesses; (3) low carbon; (4) skills; and (5) employment and social inclusion.

- **Lancashire Innovation Plan** – aims to: (1) stay ahead where we are strong; (2) develop new routeways to excellence via synergies and cross-overs in key sectors; (3) broaden the innovation base through capital investment and effective networking and collaboration; (4) develop enabling infrastructure, including better management of Intellectual Property and an innovation fund to incentivise innovation; and letting the world know about our innovation offer to generate inward investment and international collaboration.

- **Lancashire Energy Strategy** – has six key priorities: (1) build the low carbon supply chain in areas of existing strength; (2) support businesses to improve energy productivity; (3) accelerate the shift to low carbon transport; (4) develop heat networks; (5) Improve domestic energy efficiency; and (6) decarbonisation.

- **Lancashire Skills & Employment Strategic Lancashire Framework** – has four themes: (1) future workforce developing the talent pipeline via joint working between schools and

colleges and employers; (2) skilled and productive workforce increasing skill levels by supporting vocational education, and upskilling and reskilling the existing workforce, via apprenticeships, graduate retention, upskilling, and improving leadership and management development; (3) inclusive workforce by reducing the number of those not in employment, education or training, raising digital skills, and providing clear progressions routes; and (4) an informed approach to skills and employment by using data analysis and effective engagement with employers and training providers.

- **Lancashire Technical Education Vision** – by: (1) growing the productivity of our workers and businesses; (2) anticipating and responding to technological and market change; (3) supporting individuals through their working lives, starting at the primary school level; (4) collaboration between employers and providers to design and deliver technical training; and (5) effective coordination of training provision.
- **Lancashire Visitor Economy Strategy** – to: (1) be recognised as one of the top five English counties for short breaks and an active family holidays; (2) be a culinary 'must visit destination' because of the authenticity and quality of our locally sourced produce; (3) have cultural, countryside, coastal, and heritage offers that attracts repeat visits; (4) gain wider recognition of Lancashire's stunning 137-mile coastline; (5) be a preferred location for corporate events and conferences; and (6) be a destination that offers outstanding customer service and a best-practice in offer for accessible holidays.
- **Lancashire Cultural Strategy** has five themes: (1) communities and cultures; (2) pride in cultures; (3) celebration of cultures; (4) investing in cultures; (5) Organising for Cultures.
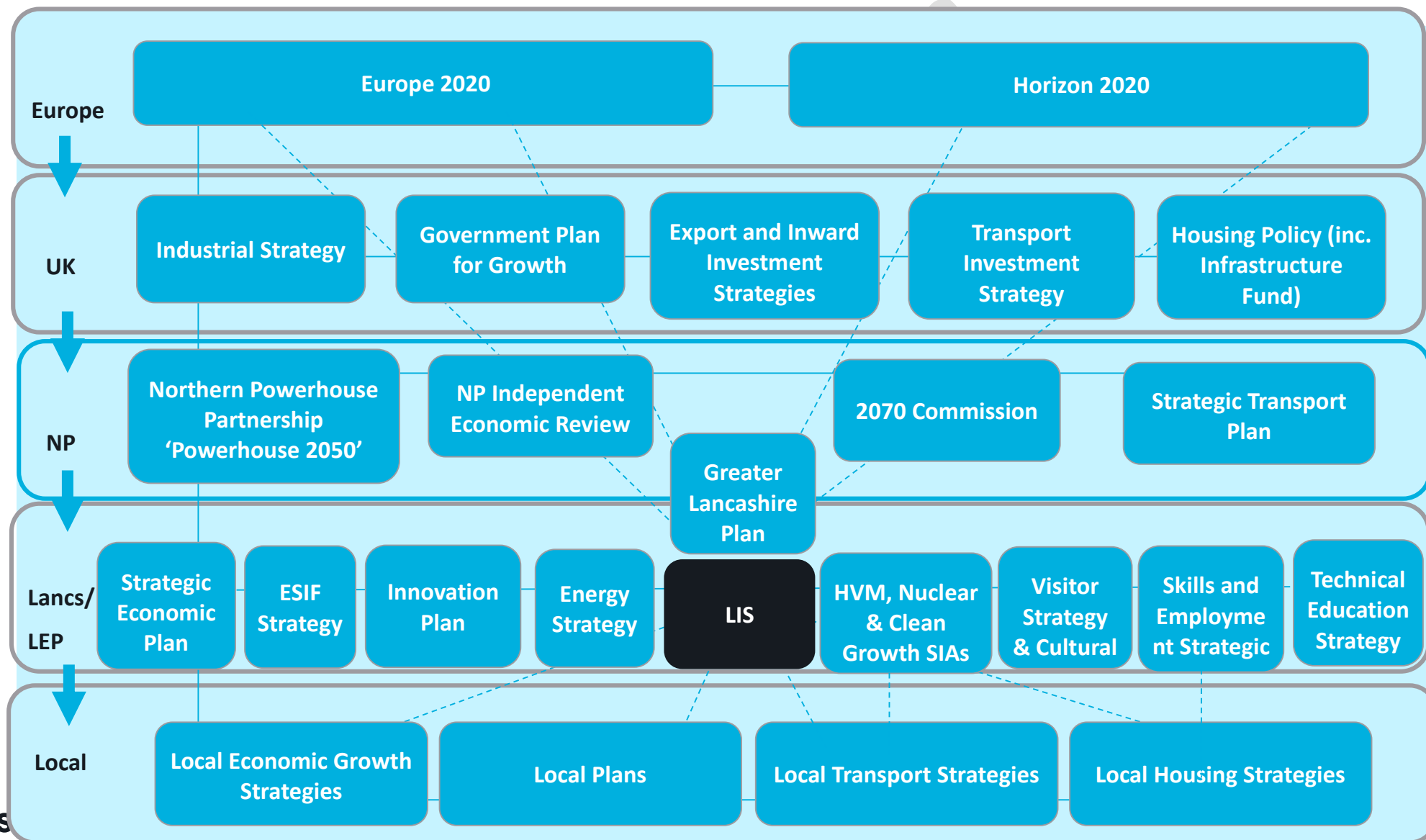
Plus:

- Science and Innovation Audits:
    - **High Value Manufacturing Science and Innovation** – with the vision to: (1) build on existing outstanding translational research assets ; (2) join up the skills landscape across the region from apprenticeships to Higher Education; (3) develop excellent leadership and management, and support new enterprise and entrepreneurship; support the internationalisation of the business base (as our innovation assets have strong global links and are already being replicated in Korea, the US and China); and (4) expand the research base in areas that will be important for Industry 4.0 and the future of manufacturing (e.g. robotics, data analytics, new materials and processes for light-weighting, resource efficiency, leadership and management).
    - **North West Coastal Arc Clean Growth** – with five key opportunities: (1) Communicating the economic importance of Clean and Sustainable Growth; (2) Improving connectivity between the region's assets for Clean and Sustainable Growth; (3) Enhanced support for connecting business to global markets; (4) Training regional talent to support and lead Clean and Sustainable Growth; and (5) Freedom and flexibility in supporting industrial R&D for Clean and Sustainable Growth, particularly in SMEs.
    - **North West Nuclear Arc** – with recommendations for strengthening: (1) Physical assets (Infrastructure) to facilitate greater collaboration; (2) People and skills to develop a coherent skills pathway for the nuclear sector and increase the diversity of the nuclear sector's workforce; (3) Knowledge base via increased R&D investment to achieve a target of investing 2.4% of GDP in R&D, and promote innovation in the supply chain, especially among SMEs (both those currently in the nuclear supply chain and those outside it); and (4) Business environment with support for long-term

investment, development of the global market for Small Modular Reactors (SMRs) and Advanced Modular reactors (AMRs), and internationalisation of the offer.

Figure 1-1: Hierarchy of Lancashire Strategies

Europe	**Europe 2020** / **Horizon 2020**
UK	**Industrial Strategy** / **Government Plan for Growth** / **Export and Inward Investment Strategies** / **Transport Investment Strategy** / **Housing Policy (inc. Infrastructure Fund)**
NP	**Northern Powerhouse Partnership 'Powerhouse 2050'** / **NP Independent Economic Review** / **2070 Commission** / **Strategic Transport Plan** / **Greater Lancashire Plan**
Lancs/ LEP	**Strategic Economic Plan** / **ESIF Strategy** / **Innovation Plan** / **Energy Strategy** / **LIS** / **HVM, Nuclear & Clean Growth SIAs** / **Visitor Strategy & Cultural** / **Skills and Employment Strategic** / **Technical Education Strategy**
Local	**Local Economic Growth Strategies** / **Local Plans** / **Local Transport Strategies** / **Local Housing Strategies**

This Strategy adds value to our existing suite of strategies and plans by focusing on our local industrial priorities and the areas where we can make the most significant contribution to the UK's industrial priorities, as set out in the UK Industrial Strategy (Table 1-2 and Table 1-3) and in the Sector Deals struck between industry and government (

1.7   Table 1-4) and supported by the Industrial Strategy Challenge Fund.[1]

Table 1-2: Lancashire's support to drive productivity via the Foundations of Growth

Foundations of growth	Lancashire's support for delivery of the UKIS
Ideas: the world's most innovative economy	• **Supply chain excellence programme:** to identify and exploit synergies between our key sectors and their supply chains. • **Agri-Tech:** an Agri-Tech Demonstrator focused on development and adoption of new technologies and automation, building on Made Smarter programme in the manufacturing sector. • **Clean 4.0: c**reate a test bed for Clean Growth to demonstrate optimisation of innovation at scale. • **Clean Energy Technology Park:** develop and test new fuel solutions for the small and advanced modular nuclear reactor market. • **Drone Zone:** a Full-scale Technology Demonstrator and Economic Cluster. • **Composites Tooling and Training Centre**: for ultra-lightweight materials. • NB: What else should be added here?
People: good jobs and greater earning power for all	• **Mental Health: a** LEP-led Independent Review into Mental Health in Lancashire to address its impact on productivity as well as individual and community wellbeing. • **Careers Hub: e**xtension of the successful careers hub support to the whole of Lancashire. • **T Level Test Bed:** build future workforce by testing T-levels 4 & 5. • **Digital Pathways and Levelling Up:** develop real-time digital career pathways working with industry leaders. • **Skills Escalator ESF transition:** replace the current 'silo' approach to employment and skills by developing a pathway approach. • NB: What else should be added here?
Infrastructure: a major upgrade to the UK's infrastructure	• **Develop the 5G mobile network and extend full-fibre broadband:** to support investment on key employment sites. • **Preparing for HS2 and Northern Powerhouse Rail:** including the re-development of Preston station to support place-based initiatives. • **M65 capacity:** to accommodate economic growth and continuation across the Pennines into North Yorkshire and the Leeds City Region • Reinstatement of the rail line between Colne and Skipton to improve trans-Pennine links • **M66/A56 link between the M62/M60 and the M65** • **Rail service enhancement** to two trains per hour between Clitheroe and Blackburn/Manchester, plus enhancements to rail services to Blackburn, Accrington, Burnley and Manchester via Todmorden • **New Rossendale to Manchester links** • **Intersection of the M61 and M60** to improve links between Preston and Manchester • NB: What else should be added here?
Business Environment: the best place to start and grow a business	• **Asian Heritage Business Community Cluster:** understand and respond to the dynamics, scale and export potential of economic activities in our Asian Heritage Business Cluster via an extension of our Social Integration Pilot (with MHCLG). • **Development of Growth Hub 2.0:** with partner LEPs.

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[1] https://www.ukri.org/innovation/industrial-strategy-challenge-fund/

	• **Internationalisation of business support:** in partnership with NP11.
	• **Leverage Made Smarter programme:** to ensure SMEs in Lancashire's manufacturing sector adopt digitalisation, in order to stay competitive and operate in key supply chains.
	• NB: What else should be added here?
Places: prosperous communities across the UK	• **Preston Central Business District:** Using agglomeration to secure a Central Business District realising Grade A Office space.
	• **Renewal of Blackpool:** addressing Blackpool's unique characteristics to create economic opportunities for its local communities.
	• NB: What else should be added here?

Source: **UK Industrial Strategy** and local partners' inputs

Table 1-3: Lancashire's support to tackle the Four Grand Challenges

Grand Challenge	Lancashire's support for Grand Challenges
Artificial Intelligence and Data	• **A Secure Industrial Digitalisation programme**: building on the Made Smarter programme.
	• NB: What else should be added here?
Ageing Society	• **Leveraging ageing-related capabilities:** at the Lancaster University's Health Innovation Campus and UCLAN's Medical Device Innovation & Commercialisation Accelerator programme (MedIComm)
	• NB: What else should be added here?
Clean Growth	• **Clean 4.0:** create a test bed for Clean Growth to demonstrate optimisation of innovation at scale.
	• **Clean Energy Technology Park:** Fuel technology development opportunities linked to small and advanced modular nuclear reactors.
	• NB: What else should be added here?
Future of Mobility	• **Drone Zone:** A Full-scale Technology Demonstrator and Economic Cluster.
	• NB: What else should be added here?

Source: **UK Industrial Strategy** and local partners' inputs

1.8   Table 1-4 identifies the Sector Deals that had been struck at the time of writing in the left-hand column and, in the right-hand column, it indicates where and how Lancashire can support the delivery of these Deals. The table will inevitably be subject to change over time, but it reflects the longstanding diversity of our economy, the scale of our ambition, and the vital role that we will play in driving the competitiveness of UK industry and its in international markets.

Table 1-4: Lancashire's support for Sector Deals

Sector Deal	Lancashire's support for Sector Deals
Aerospace	- Working with the North West Aerospace Alliance, which represents around 25% of UK aerospace industry, to promote, develop, and shape the aerospace supply chain in Lancashire. - Building on the Sector Deal's Supply-chain competitiveness and growth programme through training schemes and by streamlining business processes. - Maximising the benefits of the Advanced Manufacturing Centre and then building on these with a Composites Tooling and Training Centre for ultra-lightweight materials and a 'Drone Zone' to provide a test-bed for drone technology. - Maximising the opportunities for investment and growth at the Samlesbury Aerospace and Warton Aviation Enterprise Zone Enterprise Zones. - NB: What else should be added here?
Artificial Intelligence	- Maximising the contribution of Lancaster University's Cybersecurity Research Centre, working in partnership with NHS Trusts and Police Forces, Local Authorities, HM Government and governments around the world. - Developing a Secure Industrial Digitalisation programme building on the Made Smarter programme. - Work with Government to identify how Lancashire can deploy resources to develop the 5G mobile network and extend full-fibre broadband to key employment sites and residential areas, as a priority. - Work with Government and the LEPs which are piloting the National Retraining Scheme to develop interventions and investments in digital skills. - Work with the National Centre for Computing Education to promote teacher training to raise standards in STEM subjects and computing. - NB: What else should be added here?
Automotive	- Working with the Northern Automotive Alliance to gather and disseminate market intelligence, improve project management, delivering effective marketing and communication in new markets. - Building on the Sector Deal's supply-chain competitiveness and productivity improvement programme. - Accessing and utilising the Transforming Cities Fund to promote future mobility in Lancashire – particularly in relation to zero-carbon emissions. - Accessing and utilising the Charging Infrastructure Investment Fund - £400m for electric charging points infrastructure, and R&D. - NB: What else should be added here?
Construction	- Building on the 'Preston Model' to maximise the local economic, social and environmental impact of public sector procurement in construction. - Lancashire colleges and working with industry to develop innovative training models to support delivery of new homes and critical infrastructure, using new construction techniques and skills. - NB: What else should be added here?
Creative Industries	- Developing our 'County of Culture' offer. - Working with Government to maximise the role of cultural and creative industries as drivers of local growth and attractors of skills and talent, e.g. developing place-based strategies, such as Making Blackburn to enhance the local creative ecosystem based on Blackburn's manufacturing

Sector Deal	Lancashire's support for Sector Deals
	heritage, to build on the foundations in the proposed Cultural Investment Fund. • NB: What else should be added here?
Life Sciences	• Building on Life Sciences capabilities at the Lancaster University's Health Innovation Campus and UCLan's proposed Medical Device Innovation & Commercialisation Accelerator programme (MedIComm), which builds on UCLan's nineteenth century heritage as the Institution for the Diffusions of Useful Knowledge. • Working with the Digital Innovation Hubs particularly on Real-world evidence and Clinical Trials. • NB: What else should be added here?
Nuclear	• Development of the North West Nuclear Arc with partners in Cumbria, Liverpool City Region, Manchester City Region, and North Wales. • Development of a Clean Energy Technology Park to support the development of advanced modular nuclear reactors at the Springfield site, near Preston (worth £10m-£30m) as part of R&D for advanced modular reactors. • Participation in the Sector Deal's National supply chain and productivity improvement programme. • NB: What else should be added here?
Offshore Wind	• Development of the North West Clean Growth Arc partnership to build a Clean Growth cluster. • Drawing on the lessons to be learned from the scale-up and delivery of offshore wind to inform development of the potential markets in hydrogen and tidal energy, to ensure local supply chain development embeds the value of the market in the local, regional and northern economy. • NB: What else should be added here?
Rail	• Preparing for HS2 and Northern Powerhouse Rail, including re-development of Preston station. • Tailored Rail Apprenticeships delivered by Myerscough College. • NB: What else should be added here?
Tourism	• Building a high-value tourism offer through eco-tourism; with the Eden North Project in Morecambe providing a world-class facility. • Developing a Tourism Zone in partnership with government. • Promoting in-work training and vocational training to drive value-added in our tourism offer, via a partnership between employers and training providers in Lancashire. • NB: What else should be added here?

Source: **https://www.gov.uk/government/publications/industrial-strategy-sector-deals/introduction-to-sector-deals** and partners' input as part of consultations

Structure of this document

1.9   The document contains the following sections:

- **Economic context** – sets out the evidence and analysis on which this Local Industrial Strategy is based. It highlights key trends, opportunities and challenges and identifies five key themes which local partners need to address, if Lancashire is to stay ahead where it is currently strong, and develop new routes to excellence based on its potential: (1) Start-up, Scale-up and Internationalisation of Business; (2) Supply-chain Fusion; (3) Energy and Clean Growth opportunities; (4) An Agile, Healthy Workforce; and (5) Distinctive Places.
- **Business Environment** – outlines Lancashire sectoral and business mix, its strengths, weaknesses, opportunities and threats. It also outlines our ambitions for business and provides examples of current activity and our proposals for the future.
- **Ideas** – sets out our key assets and capabilities as well as opportunities and challenges in relation to R&D and innovation. It draws on the work of our Higher Education Institutions (HEIs) and recent Science and Innovation Audits in High-Value Manufacturing, Nuclear Energy and Clean Growth and provides examples of current work and outlines our proposals for the future.
- **People** – describes our workforce's strengths and weakness, with a particular focus on occupational and sectoral change, workforce ageing, and mental wellbeing. It showcases the nationally significant work that we have done in relation to careers support and vocational training; it then sets out the proposals which we have developed to ensure that we rise to the challenges that we face and take the opportunities that the future will offer.
- **Place** – introduces the diversity of Lancashire places, along with the strengths and challenges that are associated with such diversity. We provide examples of significant projects to make our places more attractive to residents, visitors and potential investors and future workers. These projects are different stages of development and involve multiple partners and a range of potential investors – there is no single delivery of funding vehicle that will deliver these projects, they each require their own arrangements.
- **Infrastructure** – highlights key infrastructure requirements to help deliver the sustainable, resilient, connected, innovative and inclusive economy that we seek. It highlights digital infrastructure, transport priorities, and climate change adaptation, which are all vital if we are to attract and retain investment and employment. It focuses particularly on the importance of connectivity to key employment sites and centres, and environmental priorities.
- **Implementation and evaluation** – outlines proposals as to how we propose to take forward this Strategy, particularly in relation to the provision of leadership and governance and enhanced local capability to deliver key policies, programmes and projects; plus, effective 'foresighting' activity to enable partners to anticipate and shape Lancashire's future, and not simply react to changes generated elsewhere.

2   Economic Context

Our ambition is for Lancashire's diverse economy and places to be prosperous, innovative, resilient, inclusive, environmentally sustainable, and connected.
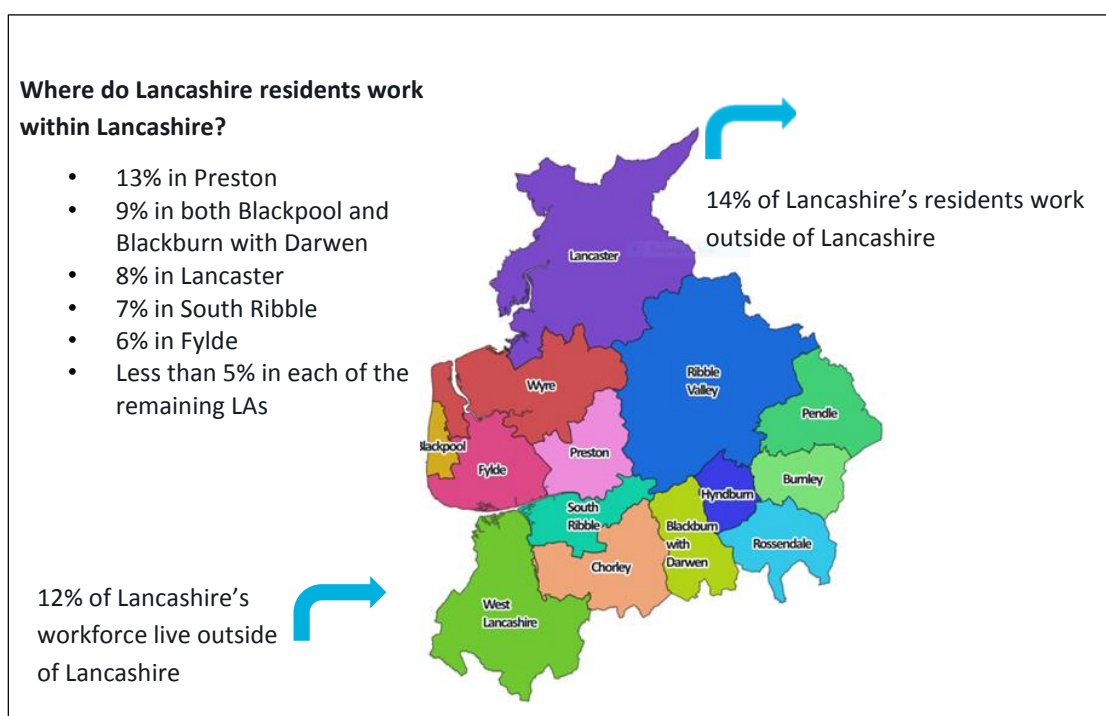
Key messages

* Tbc
* Tbc
* Tbc

Introduction to Lancashire

A manufacturing powerhouse driving economic change

2.1   Lancashire's economy is one of the strongest manufacturing economies in the UK. The manufacturing sector produces 20% of Lancashire's GVA, almost twice the UK average, and employs 13% of Lancashire's workers, relative to 9% nationally. It is home to the largest concentration of Aerospace activity in Europe, which generates turnover of around £7 billion annually; activity in the sector is focused on Blackburn with Darwen, Burnley, Fylde, Pendle, South Ribble and the Ribble Valley. It also has significant Advanced Manufacturing and Engineering (including the automotive sector) activity focused on Samlesbury and Warton (in South Ribble), Fleetwood (in Wyre), Burnley, Lancaster, and Preston. Lancashire is also a vital part of the nationally recognised North West Nuclear Arc and North West Clean Growth Arc assets with world-class capabilities in nuclear, hydrogen, wind and marine energy, and land management.

2.2   Lancashire also has a famous and economically significant tourism offer, including Blackpool and Morecambe, along with a wider cultural and rural offer that is part of a diverse rural economy, which is founded on a strong and productive agricultural sector.

A diverse county with multiple centres and a relatively self-contained labour market

2.3   Lancashire is a diverse county with multiple centres. It has a population of c.1.5 million, a working population of just under 1 million and a total Gross Value Added (GVA) of £30.8 billion a year. It is a relatively self-contained labour market: 12% of its workforce commutes in to Lancashire and 14% of residence work outside the area (Figure 2-1). Employment is concentrated in Preston, Blackburn with Darwen, Blackpool, Lancaster, South Ribble, and Fylde. Its economic activity rate is 78%, which is equal to the UK and just above the North West average, and its employment rate is 74%, equal to the UK and just ahead of the North West average.

Figure 2-1: Commuting in Lancashire

Where do Lancashire residents work within Lancashire?

- 13% in Preston
- 9% in both Blackpool and Blackburn with Darwen
- 8% in Lancaster
- 7% in South Ribble
- 6% in Fylde
- Less than 5% in each of the remaining LAs

14% of Lancashire's residents work outside of Lancashire

12% of Lancashire's workforce live outside of Lancashire

Source: Lancashire Local Industrial Strategy Evidence Base, 2019

A county that needs to level-up to UK levels of productivity and earnings

2.4   Figure 2-2 provides a snapshot of Lancashire's economic performance relative to the North West and the UK. It shows that Lancashire has a key specialism in manufacturing, based on the sector's share of local employment. Figure 2-2 also shows that Lancashire's GVA per head (at £19,600 a year) is below the North West average (which is £2,200 higher) and the UK average (which is £9,400 higher). This productivity gap is mirrored in average weekly earnings, which are £480 in Lancashire, relative to £502 in the North West and £541 in the UK. Overall, Lancashire has a lower share of high-skilled workers (those qualified to NVQ4 and above) in its workforce than North West and UK averages. This is one of the drivers of our below average productivity and earnings rates**.** Thus, we need to close the overall productivity and earnings gap that exists between Lancashire and the UK. It should be noted, however, the mean-averages of Lancashire-wide productivity and earnings mask significant variations in GVA per worker and weekly earnings between sectors, occupations and places (discussed further in Sections 5 and 6).

A county whose new generations are building on its entrepreneurial past

2.5   Lancashire has a long tradition of entrepreneurship that stretches back to the nineteenth century. Currently, however, it has a lower business density (the number of businesses per 10,000 population) than regional and national averages. Furthermore, its business birth-rate runs at 2 percentage points below the North West and UK average of 14%. Its business death rate of 9% is in line with the UK average and 1 percentage point below the North West average. Thus, we need to support a new generation of entrepreneurs to develop a pipeline of new businesses that will build a dynamic economy that will secure our economic future.

Figure 2-2: Snapshot of Lancashire's vital statistics relative to the North West and the UK
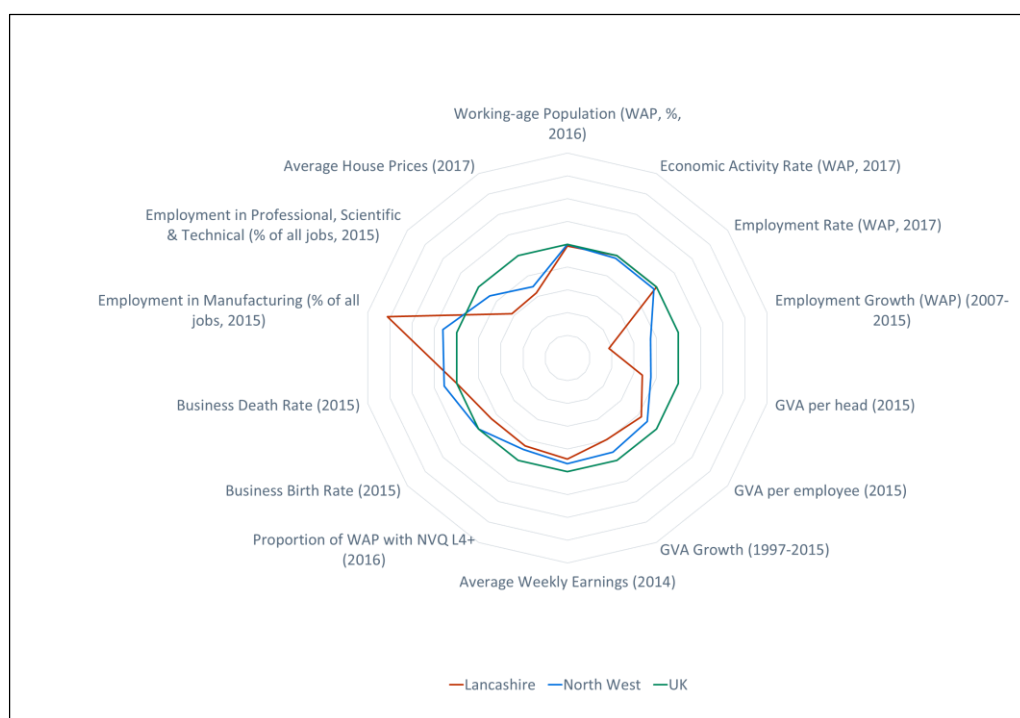
Source: Lancashire Local Economic Strategy Evidence Base, 2019

Headline economic data

2.6   Table 2-1 summarises headline data for Lancashire, relative to the North West and the UK. It shows that Lancashire accounts for around 18% of the North West's GVA, 1.8% of UK GVA, 20% of the North West's population; and 2.2% of the UK's population. It also shows Lancashire's economic activity and employment rates are in line with the UK and exceed that of the North West – given historically high rates of employment in the UK this indicates strong performance. Table 2-1, however, also shows Lancashire faces significant, long-term structural challenges, including its:

- Share of workers with higher level skills is 5.4% below the UK average;
- Share of employees in professional, scientific, and technical occupations is 3% below the UK average;
- GVA per employee is 83% of the UK average;
- Weekly earnings are 88% of the UK average; and
- Share of total R&D expenditure per person employed is less than 50% of the UK average.

2.7   Thus, while our headline employment figures are strong, this snapshot of our economic position shows that Lancashire has a productivity gap with the UK and the North West. We need, therefore, to raise GVA per worker by increasing the share of our workers with higher level skills, and the share of professional, scientific and technical occupations in our workforce to drive prosperity and increase earnings.

Table 2-1: Headline economic data for Lancashire

Indicator	Lancashire	North West	UK	Source/Date
Total GVA	£30.8bn	£167.2bn	£1,756.1bn	ONS/2016
Total Population	1.484m	7.224m	65.648m	PE/2016
Working-age Population (WAP)	914.5k	4.5m	41.4m	APS/2016
Working-age Population (WAP) (%)	62%	63%	63%	APS/2016
Economic Activity Rate (WAP)	78%	76%	78%	APS/2017
Employment Rate (WAP)	74%	72%	74%	APS/2017
Employment Growth (WAP) (+/- since 2007)	+3%	+6%	+8%	BRES/2015
GVA per head	£19.6k	£21.8k	£29.0k	ONS/2015
GVA per employee	£42.1k	£45.5k	£50.8k	ONS/2015
GVA Growth (+/- since 1997)	+39%	+45%	+49%	ONS/2015
Average Weekly Earnings	£480pw	£502pw	£541pw	ASHE/2014
Proportion of WAP with NVQ L4+	32.6%	33.9%	38.0%	APS/2016
Total Active Enterprises	43.3k	259.7k	2.6m	BD/2015
Business Birth Rate	12%	14%	14%	BD/2015
Business Death Rate	9%	10%	9%	BD/2015
Employment in Manufacturing (% of all jobs)	13%	9%	8%	BRES/2015
University spin-outs/start ups since 2000	27 (1% UK)	156 (7%)	2,293	Spinouts UK/2017
Patent Applications (2005-2017)	1,130 (1.7% of UK, 22.8% of NW)	4,970	64,800	IPO/2017
Employment in Professional, Scientific & Technical (% of all jobs)	5%	7%	8% (GB)	BRES 2015
Total R&D Expenditure (£ per person employed)	£525	£1,093	£1,070	Eurostat + BRES/2011
Average House Prices	£143k	£157k	£225.3k	UKHPSSA + UKHPI/2017

Source: Steer-ED, 2019

Growth trends and projections

We have delivered significant growth in GVA but more is required if we are to close the productivity gap with the rest of the UK

2.8   Lancashire has achieved significant growth in GVA since 1991, but this growth did not keep pace with that of the North West or the UK. Thus, the 'productivity gap' between Lancashire and the UK widened over the past 25 years. Projections of GVA growth for Lancashire to 2038 (generated using the Greater Manchester Forecasting Model and based on Oxford Economics' model) that without action to snap out of Business As Usual (BAU) trends the productivity gap between Lancashire and the rest of the UK will widen further (Figure 2-4). The action required needs o be significant, systematic across sectors, sustained, and at significant scale if we are to raise the trajectory of future GVA growth.

Figure 2-3: GVA growth trends 1991-2016
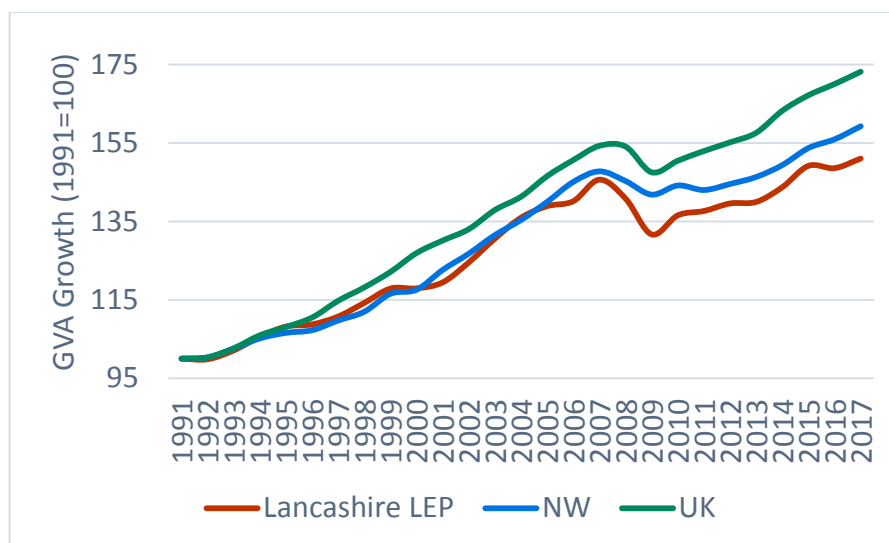
Source: Greater Manchester Forecasting Model (GMFM), 2019

Figure 2-4: GVA growth trends 2017-2038
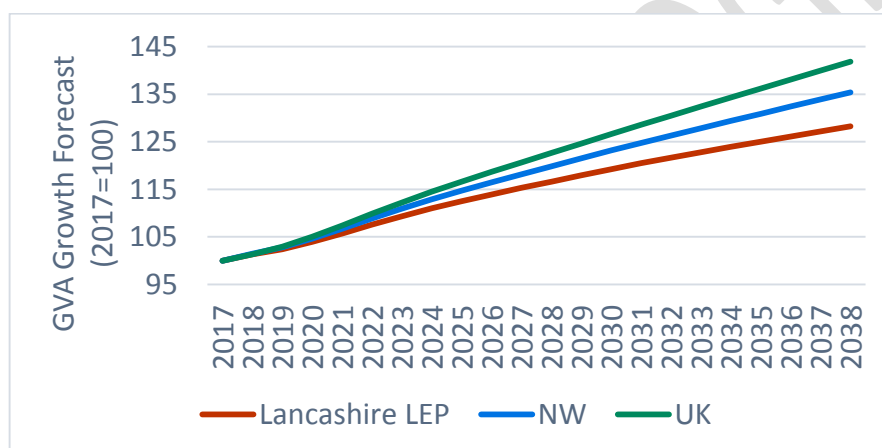
Source; GMFM, 2019

Our experience of fluctuating employment around an upward employment trend means that we need to build labour market resilience

2.9 Lancashire's economy generated employment growth in the period 1991-2016. This growth tended to be below the UK trend but above that of the North West. Figure 2-5 shows our economy experienced greater fluctuations than national and regional employment trends between 1991 and 2016. It also shows that our labour market sometimes moves counter to employment trends in the UK and North West – indicating our importance to the UK economy in tackling cyclical downturns. Thus, history shows that we need to build resilience and adaptability in to Lancashire's labour market and that Lancashire can grow when other parts of the economy shrink. Figure 2-6, however, provides a warning for our local economy, employment growth is not only projected to decline in the period to 2038 but overall employment is set to fall below 2017 levels. This need not mean lower levels of output – given projected increases in productivity – but, without action, it will mean fewer employment opportunities for local people.

Figure 2-5: Employment trends 1991-2016
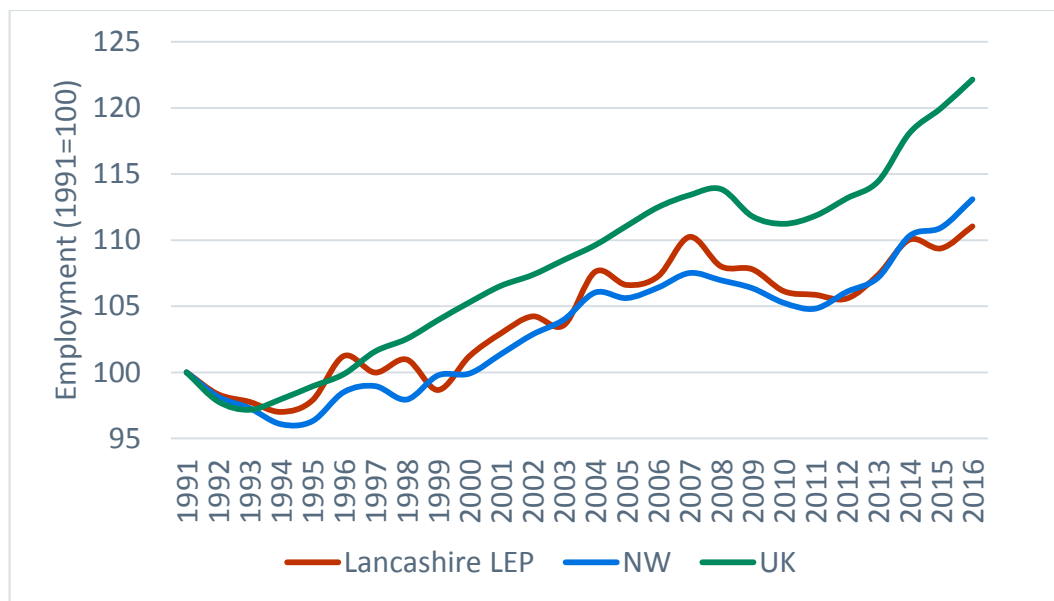
Source; GMFM, 2019

Figure 2-6: Employment trends 2016-2038
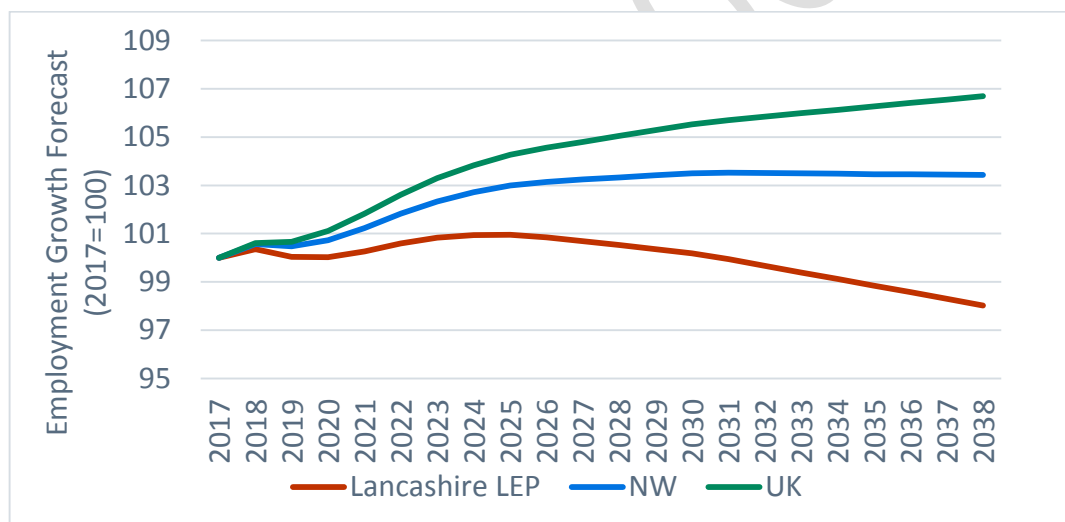
Source: GMFM, 2019

Business-as-Usual will not close the productivity gap with the rest of the UK

2.10   Figure 2-7 shows that overall worker productivity in Lancashire rose in the period 1991 to 2016 from around £31,000 p.a. to £42,000 p.a. but the gap between Lancashire's GVA per worker and the rest of the UK widened from £4,100 in 1991 to £6,900 in 2007 to £7,400 in 2016. Figure 2-8 shows the implications of BAU, with the productivity gap widening to £10,500 by 2038. Thus, while worker productivity in Lancashire is projected to rise over the next 20 years, without concerted action the productivity gap with the rest of the UK is set to widen.

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Figure 2-7: Worker productivity 1991-2016
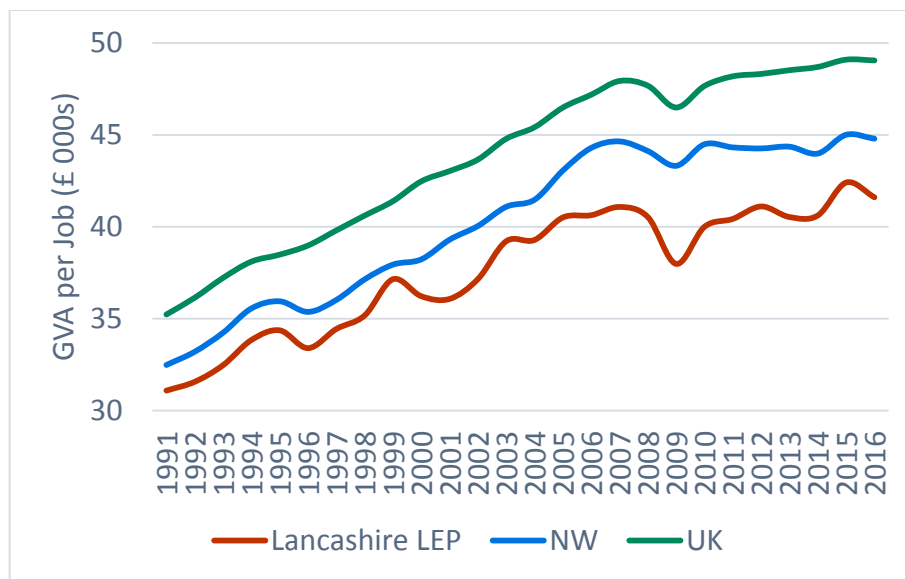
Source: GMFM, 2019

Figure 2-8: Worker productivity 2017-2038
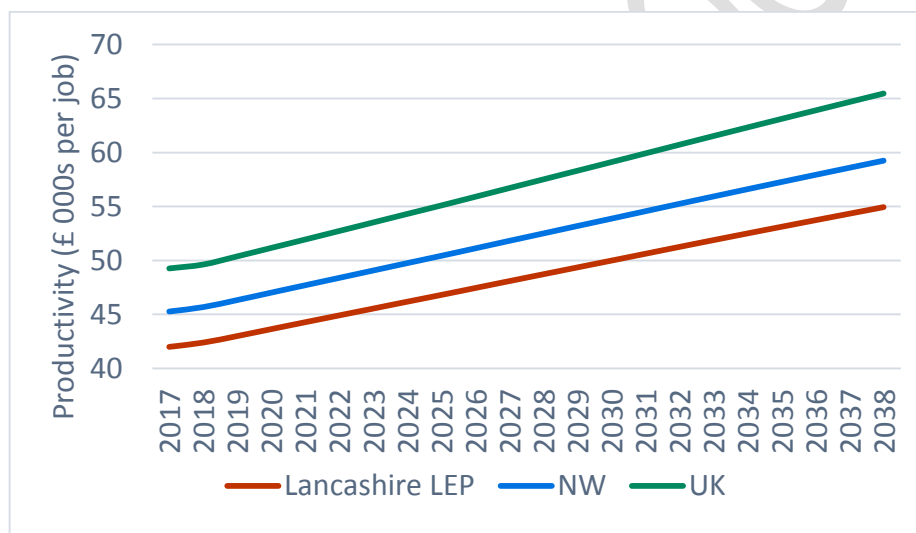
Source: GMFM, 2019

Sectoral mix and projected changes

Projections of significant sectoral change point to risks and opportunities to productivity growth

2.11   What Works Centre for Local Economic Growth advises the sectoral analysis should be used to target 'horizontal' policies (e.g. skills and employment training programmes) and local strengths to facilitate coordination with national interventions (e.g. Sector Deals). But warns

against LEPs seeking to achieve a particular sectoral composition for their local economy – as so many other factors are at play in determining sectoral composition.[2]

2.12   Table 2-2 provides a breakdown of the share of GVA and employment in Lancashire by sector with Location Quotients which identify the relative degree of specialisation in Lancashire. Those sectors with significant contributions to or specialism by GVA or employment are highlighted in **bold**. Table 2-2 shows the importance of Manufacturing as a generator of GVA and source of employment and Lancashire's specialisation relative to the UK average, along with Human health and social work. It also shows the importance of the wholesale and retail sector as an employer, even though Lancashire does not have a particular specialisation, and a relative specialisation in Accommodation and food, which is a relatively low productivity sector.

Table 2-2: Lancashire's sectoral mix

Sector	Share of total GVA (%)	Share of total employment (%)	GVA per job	GVA LQ	Employment LQ
Real estate	**13**	1	379,199	0.9	0.9
Electricity	1	0	135,220	0.7	0.9
Water supply; sewerage	1	1	84,045	**1.3**	**1.2**
Financial services	3	1	73,241	0.4	0.4
Manufacturing	**20**	**12**	65,807	**1.9**	**1.6**
Public administration and defence	6	5	52,159	**1.3**	1.1
Information and communication	3	3	47,922	0.5	0.6
Construction	6	7	38,369	1.0	1.1
Wholesale and retail trade	**13**	**15**	37,760	**1.2**	1.0
Agriculture	1	1	34,923	**1.7**	1.0
Transportation and storage	3	4	32,411	0.7	0.8
Professional services	5	6	31,532	0.6	0.7
Education	6	9	29,235	1.0	1.1
Other services	2	3	28,586	0.8	0.9
Human health and social work	**10**	**15**	27,760	**1.3**	**1.2**
Mining and quarrying	0	0	21,415	0.2	0.7
Accommodation and food	4	7	20,528	**1.2**	**1.1**
Arts	1	3	20,005	0.8	0.9
Administrative and support	3	7	17,531	0.6	0.8

Source: Source: GMFM, 2018

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[2] https://whatworksgrowth.org/policy-challenges/industrial-strategy/

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2.13   Figure 2-9 shows projected change in GVA and employment by high-level sectors for the period 2017 to 2038. The size of each 'bubble' represents the scale of a given sector's GVA in 2017 – the larger the bubble the greater the level of GVA produced. Projected change in GVA is on the vertical axis, and projected change in employment is on the horizontal axis. The projections show that the key sectors in Lancashire fall into one of three categories:

- 'Expanders' which are projected to generate increases in GVA and employment to 2038;
- 'Adjusters' which are set to experience increases in GVA along with decreases in employment to 2038; and
- 'Shrinkers' which will experience decreases in both GVA and employment to 2038.

2.14   The projections suggest that Lancashire is likely to see:

- An increase in employment and GVA in the following high-productivity sectors:
    – Information and Communication, Professional Services, Real Estate, and Construction;
    – With the exception of Construction, these are not economic sectors in which Lancashire currently specialises, so this shift will require workers to transition between sectors and/or new high-skilled workers will need to join Lancashire's workforce.
- Expansion of output and employment in the relatively low productivity sectors of:
    – Administrative support and the Arts;
    – Sectors in which Lancashire does not currently show specialisation and which are unlikely to contribute to narrowing the productivity gap with the UK.
- An increase in GVA but decrease in employment in the following high-value sectors:
    – Manufacturing, Financial Services, Water, Electricity, and Transportation and Storage;
    – It will be important to manage the transition of workers leaving these high-value sectors to ensure they find high-value jobs in expanding sectors.
- Declines in output and employment in the following sectors:
    – Mining and Quarrying, Agriculture (currently a significant GVA specialism), Public Administration and Defence (currently a GVA and employment specialism).

Figure 2-9: Projected sectoral mix 2017-2038

Size of bubble = GVA 2017
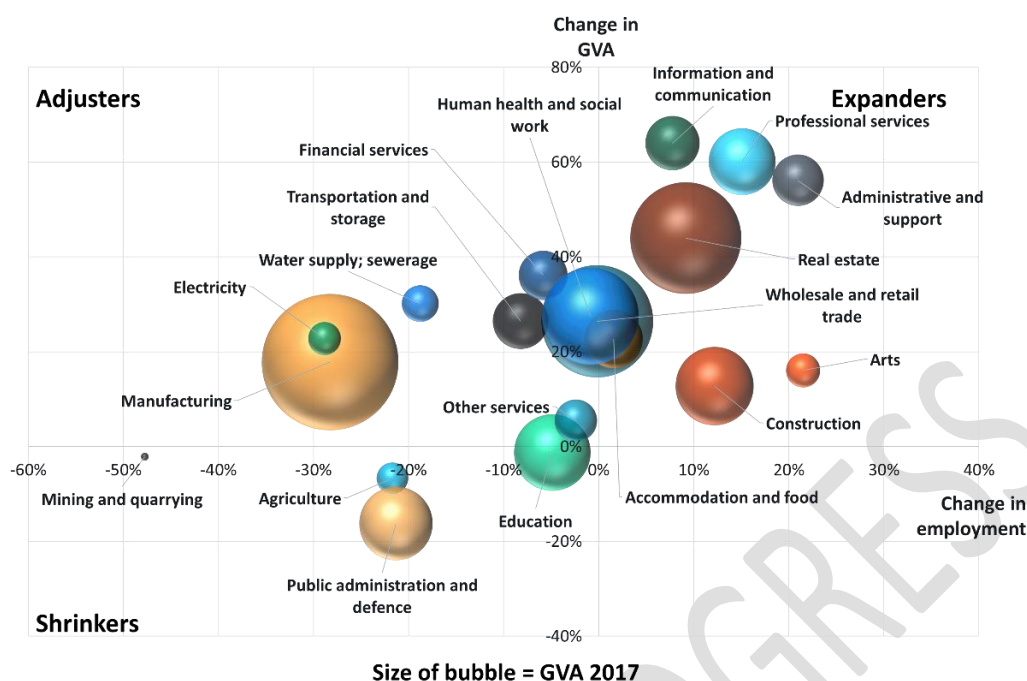
Source: Greater Manchester Forecasting Model, 2018

Occupational change

Scale of change

2.15   As well as significant sectoral change, which will require workers to move between sectors and additional workers to be attracted to and retained in Lancashire, there will be significant change to our economy's occupational structure – linked to sectoral and technological change. Table 2-3 sets out projections of occupational change over the next 20 years. It shows the percentage of the workforce currently working in a given occupational group, the projected percentage of workers in a given occupation in 2038 and the respective percentage change. The projections show increases in the share of workers employed in the following occupations:

- Culture, Media & Sports Occupations;
- Business & Public Service Professionals;
- Business & Public Service Associate Professionals;
- Skilled Construction & Building Trades;
- Science & Technology Professionals;
- Customer Service Occupations;
- Leisure & Other Service Occupations;
- Corporate Managers;
- Caring Personal Service Occupations;
- Managers / Proprietors in agriculture & services; and
- Health Professionals.

2.16   Decreases in the relative share of the workforce are projected for the following occupations:

- Transport & Mobile Machine Drivers & Operatives;
- Textiles, Printing & Other Skilled Trades;
- Science & Technology Associate Professionals;

- Administrative Occupations;
- Teaching & Research Professionals;
- Secretarial & Related Occupations;
- Elementary Occupations: Trades, Plant & Storage related;
- Process, Plant & Machine Operatives;
- Protective Service Occupations; and
- Skilled Metal & Electrical Trades.

2.17   Our local labour markets will need to upskill workers to move up the skills escalator within their sector and reskill workers to assist transitions between sectors at the same or higher skill level, if we are to maintain employment rates, drive productivity, and raise earnings.

Table 2-3: Occupational change 2017-2038

Occupation	2017	2038	Percentage Change
Culture, Media and Sports Occupations	1.60%	1.90%	18%
Business and Public Service Professionals	3.70%	4.20%	14%
Business and Public Service Associate Professionals	5.20%	5.80%	10%
Skilled Construction and Building Trades	3.60%	4.00%	9%
Science and Technology Professionals	3.80%	4.10%	7%
Customer Service Occupations	1.50%	1.60%	7%
Leisure and Other Personal Service Occupations	2.40%	2.50%	6%
Corporate Managers	6.30%	6.60%	5%
Caring Personal Service Occupations	8.70%	9.10%	5%
Managers / Proprietors in agriculture and services	4.10%	4.40%	5%
Health Professionals	4.20%	4.40%	4%
Elementary Occupations: Clerical and Services related	9.90%	10.20%	3%
Skilled Agricultural Trades	1.20%	1.20%	3%
Health and Social Welfare Associate Professionals	1.30%	1.40%	1%
Sales Occupations	6.10%	6.10%	-1%
Transport and Mobile Machine Drivers and Operatives	4.60%	4.40%	-5%
Textiles, Printing and Other Skilled Trades	2.90%	2.70%	-6%
Science and Technology Associate Professionals	1.50%	1.40%	-6%
Administrative Occupations	8.70%	8.00%	-7%
Teaching and Research Professionals	4.60%	4.20%	-7%
Secretarial and Related Occupations	2.20%	2.00%	-9%
Elementary Occupations: Trades, Plant and Storage related	2.00%	1.70%	-13%
Process, Plant and Machine Operatives	4.40%	3.70%	-15%
Protective Service Occupations	1.20%	1.00%	-16%
Skilled Metal and Electrical Trades	4.30%	3.50%	-18%

Source: GMFM, 2019

Drivers of change

2.18   These projections of sectoral and occupational change in Lancashire need to be viewed in the context of wider national and global trends, summarised in Figure 2-10, which looks at:

- **Global trends**, such as the uncertain international trade and investment environment, climate change, and an ageing society and workforce;
- **Changes in lifestyles, attitudes to learning and work**, including generational difference in attitudes to work and life-goals, increased personal responsibility for learning and development, declining mental health and unhealthy lifestyles; and
- **Technology drivers**, including AI, automation, 3D printing, new materials, Internet of Things, near/autonomous electric vehicles, and renewable energy and energy storage.

Drivers of change

Figure 2-10: Drivers of change and implications for Lancashire [Proposals included for illustrative purposes; all subject to discussion]

	Driver	Implication
	Macro-drivers	
	• The uncertain international political and trading environment – especially in relation to UK-EU relations and international trade arrangements – affects market growth, supply chain operations, inward investment, and collaborative R&D.	• Risks to international trade and investment flows may adversely affect the operation of our global supply chains and international collaboration on R&D – meaning we need to work hard to maintain our role in established markets, while seeking to develop new ones, e.g. via internationalisation of our business support offer. • The uncertainty may increase demand for R&D and manufacturing in Lancashire, and the UK more widely – requiring supply chain excellence and test-bed facilities in key technologies. • Alternatively, if we cannot effectively respond to meet supply-chain needs, investment and activity may move overseas – requiring a strengthened inward investment offer, particularly focused on our research assets and our skills base.
	• Manmade climate change requires Lancashire to develop new production processes, new approaches to resource use, and new methods of land management.	• Lancashire's partners need to: – Innovate to reduce Lancashire's carbon footprint. – Develop new products and services to serve new markets seeking to achieve net-zero carbon emissions. – Invest in 'future proof' infrastructure that adapts to the impact of climate change.
	• Ageing population – globally, nationally and in Lancashire.	• Lancashire needs to ensure that it has the skills, products and services required to meet the needs of an ageing population – including test-bed facilities and training for the health and social care workforce.
	• Ageing workforce – nationally and in Lancashire.	• Lancashire needs to take steps to retain knowledge and skills in key sectors and to ensure economic wellbeing in age by extending working lives through upskilling and flexible working arrangements.
	Changing lifestyles, attitudes to learning, and work	
	• Individuals are increasingly taking responsibility for their own learning and development – linked to an expectation of multiple careers over a working life.	• Lancashire needs to provide clear, useful, and practical information about growth sectors to help individuals make informed educational and career choices, e.g. via extension of our careers hub provision.
	• Workers now have expectations of digital and virtual learning	• Lancashire's training providers and employers need to provide engaging and accessible learning materials and

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	Driver		Implication
	experiences as part of their education and training.		experiences to attract, retain and upskill workers – through greater collaboration of demand for and supply of training provision among employers and providers.
	• Confidence in universities and value-for-money offered by degrees is in decline.	•	Lancashire needs to provide clear information and guidance on academic and vocational routes into work, and the earning potential associated with different qualifications, to enable students to make informed choices about their education and future careers.
	• Greater appreciation among learners of 'soft skills' given the advance of AI and automation.	•	Lancashire's employers and training providers need to build on learners' desire to develop skills that AI cannot easily replicate by offering 'AI-proof' training as part of ongoing development.
	Changing attitudes to work and lifegoals: • Members of Generation X (born 1961-1980) seek work-life balance, manage 'portfolio careers', and are loyal to a profession but not necessarily to an employer. • Members of Generation Y (born 1981-1995) seek freedom and flexibility, are digital entrepreneurs who work with not for organisations. • Members of Generation Z (born post 1995) seek security and stability, are 'technoholics', and are IT-dependent.	•	Employers in Lancashire need to: – Respond to the different work and lifegoals of different generations, if they are to attract and retain workers across the generations. – Ensure transfer of knowledge and behaviours between generations to facilitate effective team working and drive productivity. – Develop strategies to embed the knowledge and experience of workers who are likely to retire in successor generations, in order to build on existing knowledge and know-how to drive productivity.
	• Poor mental wellbeing and unhealthy lifestyles.	•	Lancashire partners need to develop their capacity and capability in health management, in particular in data analysis and interpretation, and effective leadership, management and communication to deliver improvements in personal and public health and wellbeing, which in turn will help to drive productivity and promote inclusive growth.

Technology drivers		
	• Artificial Intelligence, Big Data, Cyber Security, and Blockchain technology.	• Lancashire needs to raise its data analytic capabilities and skills, as AI and data analytics become pervasive across all sectors and work activities, e.g. through digitalisation programmes enhanced by workforce development plans – drawing on the lessons of the Made Smarter programme in the manufacturing sector.
	• Automation and robotics will drive productivity but will also displace workers across many sectors and occupations.	• ONS estimates that over 50% of elementary occupations and process plant and machine operative jobs and 30% of professional occupations are at risk of automation, this means that, to maintain employment and raise productivity, Lancashire needs to reskill and upskill workers, particularly those in the manufacturing sector.
	• Additive manufacturing and new materials will transform design, innovation, production and delivery of a range of goods, offering new market opportunities to businesses.	• Additive manufacturing and new materials enable customised, on-site manufacturing – this will change processes and the associated skill requirements for manufacturing, quality assurance, and logistics. Lancashire's manufacturing and logistics sectors, therefore, need to be prepared for this change.
	• New materials, e.g. graphene.	• Lancashire's manufacturers need to develop, adopt and adapt to new materials that enable light-weighting, smart textiles, and improve energy efficiency, e.g. via a Composites Tooling and Training Centre for ultra-lightweight materials.
	• Growth of sensors and wearable technology will generate large volumes of data from the built environment, vehicles, production processes, and individuals.	• Businesses and public services in Lancashire need to increase their capacity and capability to make service and product improvements which will be enabled by increasing flows of personal and spatial real-time data, e.g. by leveraging Lancaster University's research capabilities in cyber security and health innovation.
	• Autonomous/near autonomous electric vehicles and drones.	• Lancashire needs to ensure its automotive and aerospace sectors both drive and respond to disruption in future mobility, by acting as a testbed for development and investing in infrastructure to enable the adoption of innovation in sustainable mobility.

☀	• Renewable and zero-carbon energy and developments in energy storage and distribution.	• Lancashire needs to work as part of the North West Clean Growth Arc to develop its renewable energy offer, particularly in relation to hydrogen and marine/tidal energy, and smart energy systems by drawing on lessons from the development and operation of offshore-wind and nuclear sectors to drive Clean Growth 4.0.
📡	• Disruptive technologies as yet unknown are likely to be developed and will serve new markets – potentially displacing older markets.	• Strong leadership and entrepreneurship are required to develop and exploit the potential benefits of disruptive technology. If Lancashire is to make the most of opportunities arising from disruptive technology it needs, therefore, to build a supportive environment for start-ups and provide world-class leadership development and entrepreneurship programmes, e.g. through Growth Hub 2.0.

Sources: See Appendix A.

Opportunities, challenges, and priorities for action

Our economy has significant opportunities and challenges to address. The Business- as-Usual projections show overall employment in Lancashire declining and the productivity gap widening over the next 10-20 years in the absence of intervention. Partners in Lancashire have discussed and debated these issues in a range of workshops, working groups, and one-to-one and one-to-many consultations between March 2019 and December 2019. The main conclusions of these debates are summarised in Table 2-4 and the priorities for action which flow from this analysis are summarised in

2.21   Table 2-5.

Table 2-4: Opportunities, challenges and implications for Lancashire [Proposals included for illustrative purposes; all subject to discussion]

	Opportunities and challenges	Implication

	• Without action:
	   – Employment in Lancashire will decline.
	   – The productivity gap between Lancashire and the UK will widen.
	• Business-as-Usual poses a significant challenge to ambitions to achieve sustainable, inclusive growth.
		• Business-as-Usual is not enough, if Lancashire is to:
		   – Attract and retain workers.
		   – Make the most of its unique combination of industrial and research assets and knowledge, in aerospace, advanced manufacturing, energy and clean growth.
		• Lancashire's partners need to develop programmes
		   – To promote health and wellbeing and retrain and upskill workers to maintain its employment base.
		   – Exploiting its unique combination of assets and know-how to take opportunities and tackle challenges, e.g. through 'sandpits' and identification of 'orphan IP'.

	• Major technology and market drivers are disrupting established national and global markets, sectors, and supply chains.
	• Economic forecasts indicate a continued decline in the number of manufacturing and routine roles as technology enables automation.
		• Partners in Lancashire need to support businesses and workers to:
		   – Shape the future, where they are drivers of innovation.
		   – Adapt to change, where they are part of wider networks and supply chains driven by others.
		• To do this, Lancashire needs to build on digitalisation programmes for businesses (e.g. Made Smarter in manufacturing), and reskill and upskill workers, e.g. via the Digital Skills Partnership, to build further agility, adaptability, and resilience in to its labour markets and its overall economy.

	• Lancashire has key strengths in aerospace, automotive, energy and marine sectors – it needs to stay ahead where it is strong and forge new routes to excellence to develop new markets by building on its innovation strengths.	• Lancashire partners need to:
		   – Take the opportunities offered and manage the risks posed by technological convergence in supply chains, driven by digitalisation and new materials (light-weighting), and supply-chain rationalisation (e.g. by supporting firms to operate in multiple supply chains) to stay ahead where they are currently strong.
		   – Ensure Lancashire's high-value manufacturing sectors and supply chains continue to innovate and operate at a global scale to forge new routes to excellence.

	• Lancashire currently lags behind England in terms of its business density and start-up survival rates. • Lancashire's economy must generate new businesses in	• Partners in Lancashire need to develop and support the employers of tomorrow by building on: – The strong start-up and survival rates of Blackburn with Darwen, Burnley, Ribble Valley and Pendle.

	new sectors if it is successfully to grow employment and develop new technologies and markets.	– UCLAN's successful graduate enterprise work. – Lancashire's relative successful track record in generating scale-up businesses.
✦	• Opportunities for and challenges to growth in Lancashire vary significantly by place; determined by geography, levels of connectivity, quality of life offers, and historic economic roles.	• Lancashire's LIS needs to reflect the diversity and distinctiveness of Lancashire's places and the opportunities and challenges that these places face – from rural and coastal communities to urban centre and post-industrial towns.

Source: Steer-ED based on data analysis and stakeholder consultations and workshops, 2019.

Table 2-5: Lancashire's priorities for action [Proposals included for illustrative purposes; all subject to discussion]

	Priority for action	Proposed action/s

	• **Enterprise: start-ups, scale-ups and internationalisation**	• Support start-ups and firms to:
		  – 'Add value' to the goods and services that they offer in order for them to stay ahead where they are strong.
		  – Develop new goods and services to forge new markets – particularly in clean growth.
		  – Identify and exploit export opportunities to internationalise the economy – as part of a drive to promote further internationalisation of the North's economy.
		• Ensure business support provision addresses specific growth opportunities in BAME communities and businesses and aligns with wider community development programmes.

	• **Supply chain fusion and development**	• Delivery of a supply-chain excellence programme for firms operating in Aerospace, Automotive, Marine and Energy supply chains to:
		  – Exploit opportunities and manage risks associated with technological development (digitalisation) and the introduction of composites and new materials (light-weighting).
		  – Maintain current customers and diversify into new markets, based on core digital and light-weighting competencies.
		• Develop a 'Drone Zone' test-bed capability to support future mobility, based on Lancashire's established strengths in aerospace.
		• Develop and deliver programmes to promote technology access, connectivity and inter-operability, and cyber security for Lancashire's key supply chains.

	• **Clean growth and energy opportunities**	• Capitalise on Lancashire's concentration of Low Carbon Energy assets and know-how, which include nuclear, wind, marine, hydrogen, and battery technology, as well as its land management expertise to:
		  – Attract inward investment in clean growth technologies and markets.
		  – Build international research collaborations in clean growth – as part of the North's wider innovation activity.
		  – Contribute to the North's wider offer to design, develop, test, deliver, and regulate clean growth technologies and markets.
		• Deliver a Connected Clean Growth Network and Connected Clean Growth Leadership Development Programme for leaders in private, public and third sectors.
		• Develop a Fuel Technology Park to support the development of advanced modular nuclear reactors at the Springfield site, near Preston.
		• Work with the North West Energy Hub to develop Lancashire's contribution to the North's Hydrogen Energy offer, e.g. Hydrogen to Heysham (H2H) project to generate hydrogen for industrial processes, mobility, and gas grid injection at the Heysham Nuclear Power Station site.

	Priority for action	Proposed action/s
		• Develop a 'Grown Smarter' Agri-tech initiative in collaboration with neighbouring LEPs, drawing on the Made Smarter programme which promotes adoption of digitalisation in the manufacturing sector.

🏃	• **Agile and healthy workforce**	• Maintain the talent pipeline through an extension of careers hubs to improve performance against Gatsby Benchmarks, promotion of apprenticeships -including degree-level apprenticeships – and T-Levels.
		• Upskill and reskill the workforce across all age groups and sectors to respond to technological, sectoral, and occupational change – with a focus on supporting transitions from sectors with declining levels of employment to sectors with where employment is rising and to higher-level skills with:
		  – Further development of the Digital Skills Partnership to drive all-pervasive digital skills.
		  – Development of a skills escalator to support people's progression through the labour market over time.
		• Develop and support delivery of employer-led mental wellbeing initiatives to raise engagement in the workforce and reduce absenteeism and under-performance among employees to increase productivity.

🚩	• **Place distinctiveness**	• Develop bespoke place-based responses to place-specific assets, opportunities and challenges, including developing:
		  – Visitor offers for coastal, rural and urban markets, e.g. Eden of the North in Morecambe.
		  – Cultural and leisure offers to attract visitors and attract and retain residents and students, e.g. Creative People and Places in Blackpool and Wyre, 'Superslowway' in Pennine Lancashire, and Making Blackburn to build on the foundations provided by the Cultural Investment Fund.
		  – The Higher Education offer to attract and retain students, e.g. a Burnley Campus and Pennine Lancashire University Enterprise Zone.
		  – Interventions in local property markets to attract/retain businesses and workers, e.g. proposals for Central Lancashire to drive growth building on City Deal.
		  – Future-proofed infrastructure that addresses the impact climate change.

☁	• **21st Century Connectivity**	• Improved East-West connectivity to meet current commuting priorities, including:
		  – Reinstatement of the rail line between Colne and Skipton, with associated upgrades to improve links with North Yorkshire and Leeds City Region.
		  – Continuation of M65 across the Pennines to improve links with North Yorkshire and Leeds City Region.
		  – Additional capacity on the M65 to ease congestion.
		• Improved links to Manchester: City Region
		  – M66/A56 link between the M62/M60 and the M65
		  – Rail service enhancement to two trains per hour between Clitheroe and Blackburn/Manchester, plus

	Priority for action	Proposed action/s
		enhancements to rail services to Blackburn, Accrington, Burnley and Manchester via Todmorden – New Rossendale to Manchester links – Intersection of the M61 and M60 to improve links between Preston and Manchester • 21st century digital connectivity for rural and coastal communities, as well as key employment sites and centres, through local leadership and coordination of investment by strategic partners, e.g. local authorities, NHS, schools and universities. • Preparing for HS2 and Northern Powerhouse Rail, including re-development of Preston station. • Tailored Rail Apprenticeships delivered by Myerscough College to drive the future talent pipeline. • Accessing and utilising the Transforming Cities Fund to promote future mobility in Lancashire – particularly in relation to zero-carbon emissions. • Accessing and utilising the Charging Infrastructure Investment Fund - £400m for electric charging points infrastructure, and R&D.
	• **Implementation: leadership, delivery capacity and capability, and market and technology foresight**	• Reinforce Lancashire-wide leadership to: – Build investor confidence. – Represent local diversity. • Invest in capacity and capability to deliver Lancashire-wide and locally-focused projects. • Invest in capacity and capability to undertake and act on market and technology foresight activity – working with partners across the North.

Source: Steer-ED based on data analysis and stakeholder consultations and workshops, 2019.

3   Business Environment

Our economy will be prosperous by generating new jobs in new sectors that serve new markets through support for start-ups, scale-ups, and the internationalisation of business.

Key messages

- …

Strengths and weaknesses

Strengths on which to build

International-class businesses and sectors

3.1   … INSERT KEY DATA

Map of business clusters

INSERT ARC OF PROSPERITY MAP

Case Study: Aerospace

3.2   …

Case Study: Automotive

3.3   …

Weaknesses to address

3.4   … INSERT KEY DATA

Enterprise: Start-ups and Scale-ups

3.5   …

Internationalisation

3.6   …

Opportunities and challenges

3.7   … INSERT KEY EVIDENCE

Market and technology drivers

3.8   …

Page 74

Case Study: Supply Chain Fusion

3.9 …

Case Study: Energy and Clean Growth Opportunities

3.10 …

Links to the Grand Challenges

3.11 …

Our commitments and propositions

3.12 …

Table 3-1: Business Environment Proposition 1:

Context	Strategic Case	Intervention	Role of local partners and role of Government

Table 3-2: Business Environment Proposition 2:

Context	Strategic Case	Intervention	Role of local partners and role of Government

Etc.

Cross-boundary working

3.13 …

4 Ideas

Our economy will be innovative by exploiting the synergies between our key sectors and supporting the generation and adoption of new processes, materials, and digitalisation across our supply chains.

Key messages

- ...

Strengths and weaknesses

Strengths on which to build

Lancashire's innovation assets and eco-system

4.1 ...INSERT KEY DATA

Innovation Assets Map

INSERT INNOVATION ASSETS MAP

Case Study: Higher Education and Nuclear Sector collaboration

4.2 ...

Case Study: Clean Growth

4.3 ...

Case Study: Computing and Cyber Security

4.4 ...

Weaknesses to address

4.5 ...

Commercialisation of intellectual property

4.6 ...

Opportunities and challenges

4.7 ... INSERT KEY EVIDENCE

Links to the Grand Challenges

4.8 ...

Commitments and propositions

4.9   …

Table 4-1: Ideas Proposition 1:

Context	Strategic Case	Intervention	Role of local partners and role of Government

Table 4-2: Ideas Proposition 2:

Context	Strategic Case	Intervention	Role of local partners and role of Government

Etc.

Cross-boundary working

4.11   …

5 People

Our economy will be resilient by building an agile, healthy workforce that can anticipate and respond to market and technological change.

Key messages

- …

Strengths and weaknesses

Strengths on which to build

5.1 …INSERT KEY DATA

Case Study: Skills and Employment Advisory Board

5.2 …

Case Study: Careers Hub

5.3 …

Case study: Digital Skills Partnership

5.4 …

Weaknesses to address

5.5 …

Inequalities

5.6 …

Case Study: Support for those not in employment, education or training

5.7 …

Ageing Workforce

5.8 …

Mental wellbeing

5.9 …

Case Study: BAE Systems programmes to support mental wellbeing in the workplace

5.10

Opportunities and challenges

5.11   …

Links to the Grand Challenges

5.12   …

Commitments and propositions

5.13   …

Table 5-1: People Proposition 1:

Context	Strategic Case	Intervention	Role of local partners and role of Government

Table 5-2: People Proposition 2:

Context	Strategic Case	Intervention	Role of local partners and role of Government

Etc.

Cross-boundary working

5.14   …

6 Place

Our ambitions

Our economy will be inclusive by promoting good jobs, higher productivity, and greater earning power in all our diverse communities, recognising their unique contribution to Lancashire's competitiveness. **And it will be environmentally sustainable** by ensuring our investments help the UK to achieve net-zero carbon before 2050.

Key messages

- …

Travel to Work patterns

6.1   …INSERT DATA ON TTWA to illustrate relatively limited travel between places in Lancashire (linked to poor connectivity)

Strengths and weaknesses

Strengths on which to build

6.2   … INSERT KEY DATA inc quality of life, plus data on variation between local authority districts

Case Study: Cultural Strategy?

6.3   …

Weaknesses to address

6.4   …Insert KEY DATA inc spatial deprivation and transport links, plus retail and high streets data?

Map showing major transport links and areas of deprivation

6.5   INSERT MAP SHOWING TRANSPORT LINKS AND DEPRIVATION

6.6   …

Case Study: Rural Productivity

6.7   …

Opportunities and challenges

6.8   … INSERT KEY DATA

Case Study: Visitor Economy

6.9   …

Case Study: Future High Streets and/or Town Deals?

6.10   …

Commitments and propositions

6.11   …

Table 6-1: Place Proposition 1:

Context	Strategic Case	Intervention	Role of local partners and role of Government

Table 6-2: Place Proposition 2:

Context	Strategic Case	Intervention	Role of local partners and role of Government

Etc.

Cross-boundary working

6.12   …

7 Infrastructure

Our ambitions

Our economy will be connected by enhancing our digital connectivity to enable digitalisation of industry and public services, and our transport infrastructure to improve movement within and between Lancashire and the rest of the world, in particular its immediate neighbours.

Key messages

- …

Strengths and weaknesses

Strengths on which to build

7.1 … INSERT KEY DATA inc. housing delivery data, current digital connectivity data, and good N-S transport links

7.2 QUESTION IN RELATION TO AIRPORT REQUIREMENTS: ACCESS OUTSIDE AND/OR CAPACITY INSIDE LANCASHIRE?

Weaknesses to address

7.3 …INSERT KEY DATA inc. spatial deprivation and transport links, plus retail and high streets data

Map showing major transport links and areas of deprivation

7.4 INSERT MAP SHOWING TRANSPORT AND DEPRIVATION

Opportunities and challenges

7.5 … INSERT KEY DATA inc. sites and premises information

7.6 QUESTIONS:

- ARE THERE INFRASTRCUTURE ASKS RELATED TO ENERGY – EG HYDROGEN – THAT NEED TO BE CITED IN THIS SECTON RATHER THAN IN BUSINESS ENVIRONMENT?

Commitments and propositions

7.7 …

Table 7-1: Infrastructure Proposition 1

Context	Strategic Case	Intervention	Role of local partners and role of Government

Table 7-2: Infrastructure Proposition 2

Context	Strategic Case	Intervention	Role of local partners and role of Government

Etc.

Cross-boundary working

7.8   …

8   Implementation and Evaluation

Our ambitions

8.1

Key messages

•   …

Leadership and Governance

8.2   …

Local delivery capacity and capability

8.3   …

Market and Technology Foresight

8.4   …

Evaluation

Strategic Added Value

8.5   …

KPIs

8.6   …

steer economic development

WORK IN PROGRESS

A Sources: Figure 2-10: Drivers of change and implications for Lancashire [Proposals included for illustrative purposes; all subject to discussion]

https://www.mckinsey.com/~/media/McKinsey/Business%20Functions/McKinsey%20Digital/Our%20Insights/Disruptive%20technologies/MGI_Disruptive_technologies_Executive_summary_May2013.ashx

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https://www2.deloitte.com/global/en/pages/human-capital/articles/gx-transitioning-to-the-future-of-work-and-the-workplace.html

https://www.forbes.com/sites/davidsturt/2016/08/16/generational-differences-when-they-matter-and-when-they-dont/#6ee66212692d

https://www.forbes.com/sites/ashleystahl/2019/09/10/how-generation-z-will-revolutionize-the-workplace/#4b648ee24f53

https://www.mckinsey.com/industries/consumer-packaged-goods/our-insights/true-gen-generation-z-and-its-implications-for-companies

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Lancashire Enterprise Partnership Limited

Private and Confidential: NO

Date: 18th December 2019

LEP Finance Monitoring Report for the period 1 April 2019 – 31 October 2019
(Appendix 'A' refers)

Report Authors: Andrew Pettinger, Interim LEP Chief Executive Officer
email: andrew.Pettinger@addleshawgoddard.com and
Jo Ainsworth, Principal Accountant - Capital and LEP, Lancashire County Council,
email: joanne.ainsworth@lancashire.gov.uk

Executive Summary

This report presents a financial monitoring position for the Lancashire Enterprise Partnership for the period 1 April 2019 – 31 October 2019.

Recommendation

The Lancashire Enterprise Partnership Board are asked to note the financial position of the LEP as shown by the attached Monitoring Report for the period 1 April 2019 to 31 October 2019.

Background and Advice

The key points to note arising from the attached Monitoring Report are:

1. There is a forecasted underspend against budget of £81,206 in relation to LEP Operational Costs.

2. The level of general and allocated reserves remains high.

3. The LEP remains in a strong financial position, giving it room to manoeuvre to improve capacity, capability and impact under the leadership of the new permanent Chief Executive.

List of Background Papers

Paper	Date	Contact/Tel
None		

Reason for inclusion in Part II, if appropriate

N/A

Lancashire Enterprise Partnership
Forecast Profit and Loss Account - 2019-20

	2019-20 Budget		2019-20 Actuals to 31-10-19		2019-20 Forecast to 31-3-20		2019-20 Variance Budget to Forecast	
Income								
DCLG income - strategic	250,000		250,000		250,000		-	
DCLG income - core	250,000		250,000		250,000		-	
LCC	250,000				250,000		-	
Transition Funding	200,000		200,000		200,000		-	
Total Income		950,000		700,000		950,000		-
Expenditure								
Staffing								
CEO and interim CEO Costs	157,000		96,130		164,795		- 7,795	
LEP core staff	295,000		72,078		207,344		87,656	
LEP contribution to Skills Hub staff	81,500				81,500		-	
		533,500		168,209		453,639		79,861
Core Running Costs								
Accomodation	17,000		12,248		20,997		- 3,997	
Running costs estimate	25,000		10,291		25,000		-	
		42,000		22,540		45,997		- 3,997
Studies and appraisals							-	
Business case appraisals Growth Deal	120,000		54,868		120,000		-	
Growing Places Legal fees & Investment Fund Evaluation	20,000		-		20,000		-	
Eden of The North	250,000		250,000		250,000		-	
Preston Station Study			4,000		4,000		- 4,000	
External Support - EZ Masterplan and delivery and legal support	50,000		41,488		41,488		8,512	
County of Culture support	92,000				92,000		-	
Cultural Study	20,000		19,350		19,350		650	
		552,000		369,706		546,838		5,162
Marketing & communications activity								
Special Activity Marketing Budget	200,000		25,722		200,000		-	
Corporate communications	30,000	230,000		25,722	30,000	230,000	-	-
Marketing & communications commissions								
AGM	10,000				10,000		-	
		10,000		-		10,000		-
Special Project Funding								
Additional Eden Commitment	500,000				500,000		-	
General Project Funding	438,000				438,000		-	
		938,000		-		938,000		-
Professional Fees								
Legal Support	75,000		29,568		75,000		-	
Company Secretary	43,000		43,000		43,000		-	
							-	
		118,000		72,568		118,000		-
Transition Budget								
Buy In Capacity to implement all aspects of the LEP review	47,500		26,100		47,500		-	
Buying Capacity to deliver the LIS including stakeholder consultation	164,371		33,084		164,371		-	
Legal advice in relation to the setting of the LEP's constitution and Accountable Body Agreement	50,000		21,053		50,000		-	
IT infrastructure	10,000		5,575		10,000		-	
							-	
		271,871		85,811		271,871		-
Total Expenditure		2,695,371		744,555		2,614,345		81,026
Net P&L		- 1,745,371		- 44,555		- 1,664,345		- 81,026
Reserves								
LEP account balance brought forward, including Growing Places interest		2,145,577		2,145,577		2,145,577		
Balance of P&L above		- 1,745,371		- 44,555		- 1,664,345		
Total LEP funding available		400,206		2,101,022		481,232		

Lancashire Enterprise Partnership Limited

Private and Confidential: NO

Date: Wednesday, 18 December 2019

Lancashire Enterprise Partnership Limited - Governance and Committees Report
(Appendices 'A' and 'B' refer)

Report Author: Andy Milroy, Senior Democratic Services Officer Tel: 01772 530354, andy.milroy@lancashire.gov.uk

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Executive Summary

This report extracts the key items considered by each of the Lancashire Enterprise Partnership Board (LEP) Committees at their recent meetings, and where applicable, and if not considered elsewhere on the Board's main agenda, contains decisions referred to the Board by its Committees for approval.

Recommendation

The Lancashire Enterprise Partnership Board is asked to:

(i)   Note the updates provided in this report in relation to Governance and the Committees of the Lancashire Enterprise Partnership; and

(ii)   Approve the dormant company accounts and financial statements for the period ending September 2019 as set out at Appendices 'A' and 'B' for signing and filing at Companies House.

Background and Advice

This is a standing report provides which provides an update on governance issues and meetings of committees of the LEP since the last ordinary meeting on 25 June 2019 in accordance with the LEP Assurance Framework dated December 2019, publicly available on the Lancashire Enterprise Partnership website:
https://lancashirelep.co.uk/about/policies/

Lancashire Enterprise Partnership

Governance Updates

Current LEP Committee Vacancies

A number of LEP Committee vacancies exist as follows which the LEP Chairman and Interim Chief Executive Officer are considering as part of a wider review of the LEP Committee structures:

- 2 x Enterprise Zone Governance Committee Member
- 2 x Performance Committee vacancies for a Chairman and an additional Committee Member
- 1 x Business Support Management Board Chairman
- 1 x Transport for Lancashire Committee Member

Director / Committee Member Changes

The LEP Board is asked to note the following changes:

Mike Blackburn formally ceases to be a LEP Director on 18 December 2019 following the Board meeting.

Gillian Bardin has been replaced on the Business Support Management Board by Neil McMillan, the current Lancashire and South Lakeland president for the Institute of Chartered Accountants in England and Wales.

Beckie Joyce, Interim Head of Strategic Development, has been nominated as the Lancashire County Council representative on the Growth Deal Management Board.

Denise Park has been replaced on the Growth Deal Management Board by Martin Kelly, Director of Growth and Development, Blackburn with Darwen Borough Council.

Councillor Charlie Briggs has been nominated to the Lancashire Skills and Employment Advisory Panel by Lancashire Leaders Group

Updates from recent LEP Committee Meetings / Decisions taken by the Urgent Business Procedure of the LEP

1. Urgency Business Procedure Decisions

No urgent decisions have been taken since the last meeting of the Lancashire Enterprise Partnership Board on 30 September 2019.

2. Transport for Lancashire Committee

The Transport for Lancashire Committee has not met since the last ordinary meeting of the Lancashire Enterprise Partnership Board held on 30 September 2019.

Full agendas and minutes for Transport for Lancashire meetings can be accessed here: http://council.lancashire.gov.uk/ieListMeetings.aspx?CommitteeId=956

3. City Deal Executive and Stewardship Board

The Combined City Deal Executive and Stewardship Board met on 14 October 2019 and considered / approved the following:

City Deal Achievements to Date – a presentation was received outlining significant achievements such as 5000 new homes and 14,000 jobs created as part of the Deal. The City Deal Executive and Stewardship Board noted the report and requested that social value outputs data be presented at the next meeting.

Homes England Quarterly Monitoring Progress Update – Q1 and Q2 2019/20 – The City Deal Executive and Stewardship Board noted the content of the report, including the current status of each of the Homes England development sites, and the progress made during Quarter 1 and Quarter 2 2019/2019.

City Deal Review Update – A private and confidential presentation was provided following which the City Deal Executive and Stewardship Board agreed to authorise officers to prioritise further meetings to progress with the review and explore future funding opportunities.

City Transport Plan and Transforming Cities Fund – A private and confidential report was provided following which the City Deal Executive and Stewardship Board agreed to publish the Preston City Transport Plan following consultants' advice, noted progress on the preparation of a strategic outline business case to support the funding bid to the Department for Transport's Transforming Cities Fund, and agreed to continue its role and the governance arrangements for the delivery of the City Deal projects included in the proposition in the Transforming Cities Fund bid.

A582 South Ribble Western Distributor – A private and confidential report was presented following which the City Deal Executive noted the preparatory work including progress with the Major Roads Network funding application and changes to the scheme to address concerns raised through recent public consultation as detailed in the report

Penwortham to City Centre Public Transport Priority Corridor Improvement Works – A private and confidential report was presented. The City Deal Executive and Stewardship Board agreed a further report should be brought following the conclusion of the review into City Deal.

Infrastructure Delivery Monitoring Report - Quarter 2 2019-20 – A private and confidential report was presented which provided an update on progress on Preston Western Distributor, Penwortham Bypass and Broughton Corridor Improvements. The City Deal Executive and Stewardship Board noted the report.

City Deal Finance Report – Quarter 2 2019/20 – A private and confidential report was presented which contained the current financial position of the City Deal including key risks to the model. The City Deal Executive and Stewardship Board

noted the Quarter 2 Update and the work required to be resolved to address the deficit forecast in the infrastructure delivery model, agreed to support the funding bids to attract funds to the model and noted the key risks and potential benefits going forward, accepting mitigation is needed to ensure the model remains balanced over the lifetime of the deal, utilising the three strategies advised by the Steer Review report of expenditure mitigation, income generation and scheme prioritisation.

The Combined City Deal Executive and Stewardship Board met on 03 December 2019 and considered / approved the following:

Project Updates - A presentation was delivered on four specific projects - Guild Wheel Watery Lane, Broughton Village, Penwortham Bypass, Preston Western Distributor providing key achievements of each project, key milestones and lessons learned from those projects that had been completed or were nearing completion.

City Deal Six monthly performance monitoring report - Year 6 April - Sept 2019 - The City Deal Executive and Stewardship Board noted the overall performance of the Programme in the last six months from April – September 2019 and endorsed the monitoring return to Government as set out in the report.

City Deal Social Value Update - The City Deal Executive noted and considered the logistical challenges of mapping, monitoring and the report of Social Value across the programme portfolio.

City Deal Review – Proposal for a Revised City Deal - A private and confidential report was provided following which the City Deal Executive and Stewardship Board agreed a number of recommendations relating to draft proposals and Heads of Terms for any such proposals.

Homes England – Small Sites Fund - A private and confidential report was provided following which the City Deal Executive and Stewardship Board agreed to support the preparation of the Small Sites Fund business case subject to final content being agreed and requested that the LEP Board receive an update on the Small Site Funds proposal at its meeting in February 2020.

City Deal Finance Report – October 2019 - A private and confidential report was presented which contained the current financial position of the City Deal including key risks to the model. The City Deal Executive and Stewardship Board noted the Finance Update as at the end of October 2019 and the work required to be resolved to address the deficit forecast in the infrastructure delivery model, agreed to support the funding bids to attract funds to the model and noted the key risks and potential benefits going forward, accepting mitigation is needed to ensure the model remains balanced over the lifetime of the deal, utilising the three strategies advised by the Steer Review report of expenditure mitigation, income generation and scheme prioritisation.

Full agendas and minutes for the Combined City Deal meetings can be accessed here: http://council.lancashire.gov.uk/ieListMeetings.aspx?CommitteeID=1072

4. Growth Deal Management Board

A meeting of the Growth Deal Management Board was held on 13 November 2019 and the following items were considered / approved:

Social Value Update – an update on Social Value was received. The Growth Deal Management Board noted that the metrics were now aligned with the National Themes Outcomes and Measures, the programme was delivering in line with profile, and agreed that the Programme Manager meet with SKV Communications to discuss proactively marketing social value stories

Programme Evaluation Report – a private and confidential presentation was received giving an overview of the programme so far, outlining the metrics and contribution of five exemplar projects, providing information on findings under each of the five key themes, and highlighting some issues for consideration. The presentation was noted.

Finance Report – a private and confidential report was received outlining the fund's position as at the end of September 2019. The Growth Deal Management Board noted the spend and forecast profiles, and agreed that consideration should be given to developing a process to deal with project clawback.

Unallocated Funding Recommendations – The Growth Deal Management Board received a private and confidential report, following which it agreed to:

1. Recommend to the next meeting of the Lancashire Enterprise Partnership Board Growth Dal funding approval for the projects listed below, subject to the finalisation and execution by Lancashire County Council (as accountable body for the LEP) under the guidance of the Directors of Corporate Services and Economic Development and Planning, of a Grant Funding Agreement and other relevant legal documentation as may be necessary to protect the interests of the LEP:
i. ACADEME Plus - £0.471m
ii. Blackpool Town Centre Quality Corridors - £0.450m
iii. Burnley NW – Padiham Town Hall - £0.300m

2. Instruct the Growth Deal Programme Manager to complete the review of the following projects:
i. EIC Drone Command and Control Centre - £1.341m
ii. Blackburn Town Centre Phase 2 - £0.630m
iii. Burnley-Pendle Growth Corridor Manchester Road Junction - £0.660m

The reports and minutes for Growth Deal Management Board meetings can be accessed here:
http://council.lancashire.gov.uk/ieListMeetings.aspx?CommitteeID=1218

5. Enterprise Zone Governance Committee

The Enterprise Zone Governance Committee will meet on the morning of 18 December 2019. An update will be provided at the next LEP Board meeting.

Full agendas and minutes for the Enterprise Zone Governance Committee meetings can be accessed here:
http://council.lancashire.gov.uk/ieListMeetings.aspx?CommitteeID=1171

6. Lancashire Skills and Employment Advisory Panel

A meeting of the Lancashire Skills and Employment Advisory Panel was held on 16 October 2019 and the following items were considered / approved:

Update from the Lancashire Skills and Employment Hub – The Panel received an update report on activities and approved the Apprenticeship Action Plan as presented.

Careers Hub update and plans – the Panel received an update report on the establishment of the Careers Hub, some significant milestones and achievements, and outlined future plans.

Labour Market Intelligence – a presentation from Ekosgen was received on Lancashire Local Skills Analysis, covering Lancashire's economic and labour market, qualifications, skills gaps, employer issues and future skills needs. It was agreed that a Task and Finish group be established to consider the SAP report and the implications for the Skills and Employment Strategic Framework.

Lancashire Digital Skills Partnership – the Panel received an update report on the work of the Lancashire Local Digital Skills Partnership, as presented.

Full agendas and minutes for the Lancashire Skills and Employment Advisory Board meetings can be accessed here:
http://council.lancashire.gov.uk/ieListMeetings.aspx?CommitteeID=1011

7. Performance Committee

The Performance Committee has not met since the last ordinary meeting of the Lancashire Enterprise Partnership Board held on 25 June 2019.

Full agendas and minutes for the Performance Committee meetings can be accessed here:
http://council.lancashire.gov.uk/ieListMeetings.aspx?CommitteeID=1216

8. Business Support Management Board

A meeting of the Business Support Management Board was held on 03 October 2019 and the following items were considered / approved:

Local Industrial Strategy – the Business Support Management Board received a presentation outlining the work on the development of the Local Industrial Strategy to date, and highlighted some key messages from the evidence base. The Board agreed to refer questions and comments to the Lancashire Enterprise Partnership Board.

A meeting of the Business Support Management Board was held on 20 November 2019 and the following items were considered / approved:

Business Support Related Propositions within Lancashire's Local Industrial Strategy - The Business Support Management Board provided comments and feedback on the development of the Strategy to date and endorsed the final Business Start-Up and Growth Proposition for submission to the LEP Board.

Full agendas and minutes for the Business Support Management Board meetings can be accessed here:
http://council.lancashire.gov.uk/ieListMeetings.aspx?CommitteeID=1220

List of Background Papers

Paper	Date	Contact/Tel
None		

Reason for inclusion in Part II, if appropriate

N/A

Registered Number 07388600

LANCASHIRE ENTERPRISE PARTNERSHIP LIMITED

Dormant Accounts

30 September 2019

Balance Sheet as at 30 September 2019

	2019	2018
	£	£
Net assets	0	0
Reserves	0	0

STATEMENTS

a. For the year ending 30 September 2019 the company was entitled to exemption under section 480 of the Companies Act 2006 relating to dormant companies.
b. The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.
c. The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.
d. These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Approved by the Board on 18th December 2019

And signed on their behalf by:

Steve Fogg, Chairman

NOTES

Company is limited by guarantee

COMPANY NUMBER: 07388600

LANCASHIRE ENTERPRISE PARTNERSHIP LIMITED

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30th September 2019

Balance sheet as at: 30th September 2019

The company is a Company Limited by Guarantee and therefore has no share capital.

NET ASSETS/LIABILITIES   **£NIL**

Notes:

1.   The list of Registered £1.00 Guarantor Class of Members of the Company is as follows:

Lancashire County Council.

2.   The period end bank and cash balances were nil.

Statements:

a)   For the period from 30th September 2018 to 30th September 2019 the company was entitled to exemption from audit under Section 477 of the Companies Act 2006.

b)   The members have not required the company to obtain an audit in accordance with Section 476 of the Companies Act 2006.

c)   The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to Companies subject to the small companies regime.

These accounts were approved by the directors of the Company on 18th December 2019.

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Laura Sales, Company Secretary

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