

Project Initiation Document: Consultancy Support to deliver Lancashire Local Industrial Strategy



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Draft for Approval

1 Introduction

Purpose of this Document

- 1.1 This document draws together material from several sources to capture the main aims, tasks, resources, roles and responsibilities, and risks associated delivering Lancashire's Local Industrial Strategy (LIS). As such, it seeks to ensure clarity of purpose from the outset. The document is not to be updated on a real-time basis, but may well be updated at the end of key stages in the commission.

Background to the commission

- 1.2 Lancashire LEP requires support to develop its LIS. The LIS will form part of a suite of strategies and plans, including:
- The Lancashire Strategic Plan – which, when complete, will provide an overarching framework within which other strategies, including the LIS, will fit logically. Work to develop the Strategic Plan has initiated recently, delivered by Hatch Regeneris. This work is due to complete in the Autumn;
 - The Innovation Strategy developed by Steer-ED in Spring 2018;
 - The Technical Education Strategy again developed by Steer ED in Spring/Summer 2018;
 - The Cultural Strategy; and
 - Local Plans being developed by the local authorities falling within the LEP's geography.
- 1.3 As well as ensuring the LIS sits within this wider suite of strategic intents for the County and its geographies and meets central government requirements, the LEP requires support to develop four to six compelling propositions based on local strengths, such as the County hosting the world's fourth-largest Aerospace cluster, Lancaster University's Research and Innovation strengths (e.g. in Clean Growth, Health Innovation, and Digital/Cyber Security), and the Second Eden Project at Morecombe. In addition, the LEP is keen to develop a larder of oven-ready projects, which are in a position to respond to short-term calls for proposals.
- 1.4 Critically, Lancashire's LIS needs to be compliant with central government requirements, and the evidence quarry which it is making available to all LEPs. But the LIS needs to go beyond these 'compliance' requirements to provide a level of specificity, aspiration, and action-focus, which can deliver substantive change in Lancashire's economy over the next decade and a half.

Structure of this Document

- 1.5 This document has five further sections:
- **2: Requirements and Deliverables** – sets out the purposes of the commission and the key deliverables;
 - **3: Tasks and Timeline** – outlines the key phases and tasks to be carried out;

- **4: Who's Who** – introduces the Consultant and Client Team, the Steering Group, and the roles and responsibilities falling to each;
- **5: Budget and Resourcing Plan** – identifies the financial and staff resources allocated to each of the project's tasks; and
- **6: Risks** – provides a risk log with risk owners, likelihood of occurrence, impact, mitigation, review dates and outcomes of reviews.

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2 Requirements and key deliverables

Requirements of the project

Our understanding of Local Industrial Strategies

- 2.1 Informed by government guidance, and the early experience of the 'Trailblazers', LISs are intended to ensure two things:
- That all places are 'able to **increase productivity and realise their potential**'; and
 - A baseline for understanding the spatial impacts of national and local policy across the LEP geography in question, taking in cities, towns, and rural areas, to inform prioritisation and decision-making, and show 'how they will **allow all communities to contribute to, and benefit from, economic prosperity**'.
- 2.2 LISs flow from the UK Industrial Strategy (UKIS), which identifies five **Foundations of Growth**:
- **Ideas** – including innovation;
 - **People** – including employability and skills;
 - **Infrastructure** – including connectivity;
 - **Business Environment** – including access to finance and entrepreneurial culture; and
 - **Places** – including place-based contribution to productivity, and interaction between places within and outside the LEP area.
- 2.3 The UKIS also identifies four **Grand Challenges**:
- Artificial Intelligence and data;
 - Ageing society;
 - Clean growth; and
 - Future of mobility.
- 2.4 Government guidance on the development of LISs¹ identifies six characteristics which should be at the heart of a successful and acceptable LIS:
- **Evidence** – producing a **robust and open evidence base** that identifies strengths, weaknesses, opportunities and threats (SWOT);
 - **Focus** – **on opportunities and challenges**, which are informed by the five Foundations of Growth and the four Grand Challenges;
 - **Alignment** – with the national focus on productivity, and Grand Challenges;

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https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/744544/local-industrial-strategies-policy-prospectus.pdf

- **Collaboration** – explaining how the LEP will work in partnership with others (locally, subregionally, regionally, and nationally) to deliver ambitions;
- **Prioritisation – of specific, achievable and long-term ambitions**, and using this evidence, these priorities should relate to specific challenges and future opportunities to enhance productivity; and
- **Monitoring and Evaluation** – specifying what success will look like, and building in transparent mechanisms for monitoring how this is being achieved.

2.5 Government guidance also indicates that LISs should, '**remain strategic documents, and not contain any proposals that require new funding or have spending implications outside of existing budgets available to local areas.**'

Key deliverables

2.6 Against this context, the key deliverables for this assignment are as follows are:

- A Baseline Review, which will include:
 - A sector analysis;
 - A summarising SWOT analysis;
- A Strategic Vision and Framework of Intent;
- An Action Plan (drafted in headline terms, rather than at the level of every single proposed action; this detail will need to be worked out in formal implementation); and
- A Local Industrial Strategy, with four to six propositions contained therein. At this stage, two variants of the LIS are envisaged - one for central Government Stakeholders stakeholders, and a more fine-grained one for local stakeholders.

2.7 To the greatest extent, these deliverables will build on and leverage existing knowledge of how the County 'works', bringing to this existing material fresh and challenging thinking wherever possible.

3 Tasks and Timeline

Introduction

- 3.1 This Section summarises the final proposed approach that the study will adopt, outlines the key work tasks, and sets out the (revised) timeline agreed at the Project Inception meeting (Preston, 11 February 2019).

Our Proposed Approach

- 3.2 We propose a process with three phases – along the lines which we adopted successfully to deliver the Lancashire Innovation Strategy:
- **Developing the Evidence Base:** analyses of trends/drivers of change, to build a forward-facing, resilient strategy that is ‘reality-checked’/signed-off by stakeholders prior to strategy development, prioritisation and development of propositions. This element of the work will ideally be completed by the end of March 2019, with a key challenge in its achievement being to gather and review an already extensive business base within, and across, the County, together with pipeline projects which are ready to go should funding become available;
 - **Developing Strategic Priorities:** informed by the calibrated Evidence Base, drawing in private, public, and voluntary sectors to identify priorities and options, and build consensus on way forwards; and
 - **Action Plan:** developing investable propositions (including but not limited to pipeline projects which are ready to go should funding become available) to deliver the agreed strategic intent. This phase, together with the preceding strategic priorities phase will ideally be completed by the end of Summer 2019.
- 3.3 The process will require effective stakeholder engagement underpinned by a ‘**co-production**’ approach. Subject to discussion, we propose local Theme/Project Leads be identified. We will work with these Leads to utilise local networks and partnerships, to develop propositions socialise findings and recommendations among key stakeholders. We also suggest that the work be shaped by a series of questions based on What Works Centre guidance on LIS development:
- What is the state of the local economy?
 - How is the economy evolving?
 - What are the supply/demand-side drivers and constraints?
 - Is there evidence of market/state failure at the local level?
 - What do evaluations tell us about ‘what works’ in areas of market/state failure?
 - How do we target policy responses to greatest effect?
 - How do we determine which interventions to make?

- How do we determine the level of experimentation in our policies, programmes, and projects?
- How do we ensure benefits are realised?

Study tasks

Table 3-1: Workplan

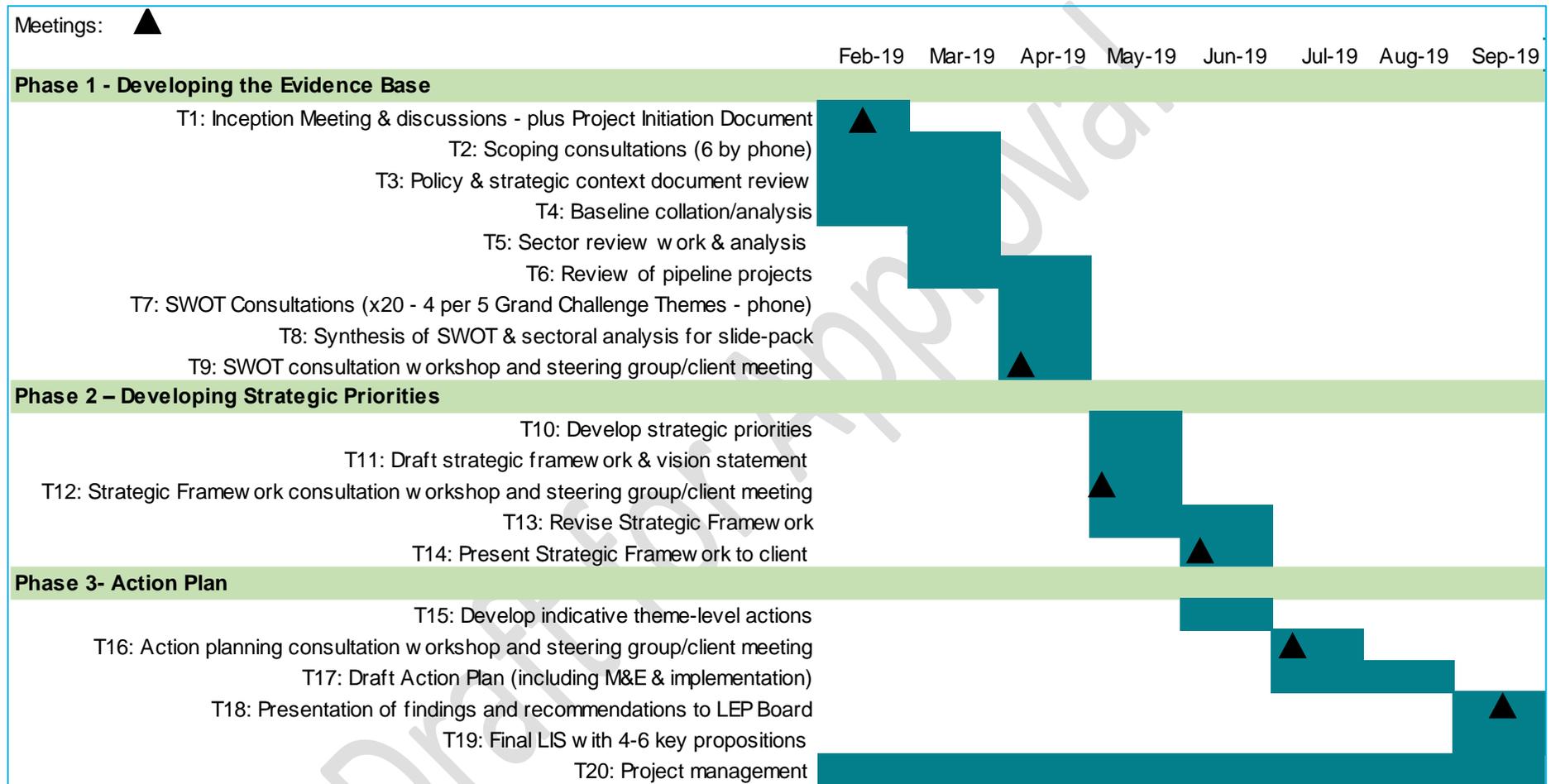
Task	Description
Phase 1 - Developing the Evidence Base	
T1: Inception meeting, (February) plus Project Initiation Document (February)	Meeting to be attended by Project Director and Project Manager to clarify points in this scoping note, agree milestones, outputs, and day-to-day working relationship. A Project Initiation Document will set out the key objectives, activities, outputs and outcomes of the project.
T2: Scoping consultations	Six telephone consultations with key stakeholders, e.g. LEP Board members, key local authority leaders/officers.
T3: Policy & strategic context document review	Identify and review key national and local policy documents to identify challenges and opportunities to inform SWOT analysis.
T4: Baseline collation/analysis	Review existing local evidence base and evidence provided by partners (including central government), identify and plug gaps in the data (where possible), draw on most recent national data to develop a robust and transparent evidence base to inform development of SWOT analysis.
T5: Sector review work & analysis	Identify and agree key sectors in the LEP area. Undertake in-depth analysis of drivers of change, challenges and opportunities in these sectors – in terms of spatial impacts of policy and ability of communities to contribute to, and benefit from, economic prosperity.
T6: Review of pipeline projects	Call for significant pipeline projects to support projects which are in a position to respond to calls for projects at relatively short notice.
T7: SWOT Consultations	x20 telephone consultations with key stakeholders (four consultations per Foundation of Growth) – to explore views on challenges and opportunities.
T8: Synthesis of SWOT & sectoral analysis	Pull together findings to date in a slide pack for workshop/client meeting.
T9: SWOT consultation workshop & client meeting	Stakeholder workshop to provide reality check to findings followed by steering group/client meeting to agree any further work on the evidence base and identify work to develop strategic priorities.
Phase 2 – Developing Strategic Priorities	
T10: Develop strategic priorities	Work with local theme leads to develop strategic priorities
T11: Draft strategic framework & vision statement	Based on SWOT and work with local theme leads, draft a strategic framework and vision statement for the LIS for consultation.
T12: Strategic Framework consultation workshop	Stakeholder workshop to (a) check and challenge proposed framework and vision; and (b) identify potential responses to opportunities and challenges.
T13: Revise Strategic Framework	Based on feedback from the workshop revise the framework for client approval.

Task	Description
T14: Present Strategic Framework to client	Steering group/client meeting to sign-off strategic framework as lead-in to the development of actions/propositions.
Phase 3- Action Plan	
T15: Develop indicative theme-level actions	Work with leads to develop 1-2 propositions – these may be based on local sector-based strengths and opportunities, local responses to one or more of the Grand Challenges, or local responses to particular local challenges, e.g. place-based issues.
T16: Action planning consultation workshop & client meeting	Test propositions at a stakeholder workshop to: (a) ensure stakeholder support; (b) develop propositions; and (c) test interdependencies.
T17: Draft Action Plan	Draft the Action Plan in consultation with local Leads, linking actions and propositions to challenges, strengths and opportunities.
T18: Presentation to LEP Board	Present the findings and recommendations of the work to date to the LEP Board – prior to producing the final LIS.
T19: Final LIS with 4-6 key action propositions	Produce the LIS with 4-6 key propositions linked to challenges, strengths and opportunities.
T20: Project Management	We propose weekly updates to the client – by e-mail or telephone

Programme Timeline

- 3.4 **Error! Reference source not found.**, overleaf, sets out the timetable for the work. It shows the 20 discrete tasks, as above, grouped in three Phases, running over eight months.

Figure 3-1: Revised Timetable



Source: Steer-ED, 2019

4 Who's Who?

4.1 This Section introduces the Consultant Team, Client Team and Steering Group, and indicates relative roles in research design, qualitative research, quantitative research, strategy framing, action planning, and reporting, based on the following distinctions:

- **Accountable** – for the decisions taken;
- **Responsible** – for carrying out the work;
- **Consulted** – before proceeding with decision/work; and
- **Informed** – kept in the loop, so aware of decisions/work.

4.2 Table 4-1 outlines the Consultant team. Table 4-2 outlines the Client team (roles subject to confirmation).

4.3 The LEP Board is the ultimate client for the project. It has a number of Committees and Boards which need to be engaged by this project, including:

- The Business Support Management Board;
- The Lancashire Skills and Employment Board; and
- The Growth Deal Management Board.

4.4 As part response to this PID document, **formal clarification is required from the Client Team as to the process for engaging and securing sign-off from the LEP Board and/or its Committees/Boards.** Resources have been set aside in the study budget for these tasks, but such resources are not limitless, and choices will need to be made as to necessities and prioritisation.

Table 4-1: Consultant Team - Roles and Responsibilities

Name and Role	Project Design	Qualitative Research	Quantitative Research	Strategy Framing & Action Plan	Reporting
Simon Pringle , Project Director	Accountable	Accountable	Accountable	Accountable	Accountable
Scott Dickinson , Projects Manager	Responsible	Responsible	Responsible	Responsible	Responsible
Josh Stott , Lead on Place and Inclusive Growth	Consulted	Responsible	Responsible	Responsible	Responsible
Fiona Tuck, Lead on Employment and Skills	Consulted	Responsible	Responsible	Responsible	Responsible
Dr Mark Matthews , Special Advisor, Lead on ideas/innovation, plus in-depth	Consulted	Responsible	Responsible	Responsible	Responsible

Name and Role	Project Design	Qualitative Research	Quantitative Research	Strategy Framing & Action Plan	Reporting
knowledge of the Aerospace sector					
Dr Robert Macnee , Lead on data and policy analysis.	Informed	Responsible	Responsible	Informed	Responsible
Eleanor Wright , Assistant Consultant, Research support.	Informed	Responsible	Responsible	Informed	Responsible

Source: Steer-ED, 2019

- 4.5 Based on our discussions at the project's Inception Meeting, **our presumption is that the study's Client Team are one and the same as the Steering Group for the work. It would be helpful, in responding to this PID, that this specific issue is confirmed by the Client Team.**

Table 4-2: Client Team - Roles and Responsibilities

Name and role	Project Design	Qualitative Research	Quantitative Research	Strategy Framing & Action Plan	Reporting
Kathryn Malloy , Head of LEP Coordination and Development	Accountable	Accountable	Accountable	Accountable	Accountable
Martine Winder , Project Lead, Lancashire LEP	Responsible	Responsible	Responsible	Responsible	Responsible
Michele Lawty-Jones , Director Lancashire Enterprise Hub	Consulted	Consulted	Consulted	Consulted	Consulted
Lisa Moizer Strategic Coordinator Lancashire Skills Hub	Consulted	Consulted	Consulted	Consulted	Consulted
Andy Walker Head of Business Growth ED Development Service Lancashire CC	Consulted	Consulted	Consulted	Consulted	Consulted
Graham Cowley , Chair of LEP's Growth Deal Management Board	Consulted	Consulted	Consulted	Consulted	Consulted

Source: Steer-ED, 2019

5 Budget & Resourcing Plan

- 5.1 Table 5-1 sets out the resourcing plan. It shows just over 78 days of consultants' time the covering 20 discrete tasks which we will undertake to deliver the project and achieve its defined outcomes.
- 5.2 For this assignment, our proposed invoicing terms are one third on commissioning, one third mid-way (we suggest on completion of Task 14) and one third on satisfactory completion of the study.
- 5.3 **Tasks undertaken in addition to those specified in the brief, and referred to above, will be costed separately in discussion with you.**

Table 5-1: Resourcing Plan

	Total days	Pringle	Dickinson	Stott	Tuck	Macnee	Wright	Matthews
Days	78.27	12.35	22.50	6.93	6.93	16.50	5.13	7.93
Days and fees per task:								
Phase 1 - Developing the Evidence Base								
T1: Inception Meeting & discussions - plus Project Initiation Document	2.5	0.5	1			1		
T2: Scoping consultations (6 by phone)	1.125	0.5	0.5				0.125	
T3: Policy & strategic context document review	5		0.25	0.25	0.25	3	1	0.25
T4: Baseline collation/analysis	4.5		1			2.5	1	
T5: Sector review work & analysis	6	0.5	0.5			3	1	1
T6: Review of pipeline projects	5	0.5	1	0.5	0.5	1	1	0.5
T7: SWOT Consultations (x20 - 4 per 5 Grand Challenge Themes - phone)	3.4	0.6	0.75	0.6	0.6		0.25	0.6
T8: Synthesis of SWOT & sectoral analysis for slide-pack	4	0.5	1	0.5	0.5	0.5	0.5	0.5
T9: SWOT consultation workshop and steering group/client meeting	3.25	0.75	1	0.5	0.5			0.5
Phase 2 – Developing Strategic Priorities								
T10: Develop strategic priorities	5	0.5	2	0.5	0.5	1		0.5
T11: Draft strategic framework & vision statement	1.75	0.5	1				0.25	
T12: Strategic Framework consultation workshop and steering group/client meeting	1.75	0.75	1					
T13: Revise Strategic Framework	2	0.25	0.5	0.25	0.25	0.5		0.25
T14: Present Strategic Framework to client	1.5	0.5	1					
Phase 3- Action Plan								
T15: Develop indicative theme-level actions	12	2	2	2	2	2		2
T16: Action planning consultation workshop and steering group/client meeting	3.5	1	1	0.5	0.5			0.5
T17: Draft Action Plan (including M&E & implementation)	6	1	1	1	1	1		1
T18: Presentation of findings and recommendations to LEP Board	2	1	1					
T19: Final LIS with 4-6 key propositions	4.99	1	2	0.33	0.33	1		0.33
T20: Project management	3		3					

Source: Steer-ED, 2019

6 Risks

- 6.1 Table 6-1 sets out key risks identified, along with the likelihood of occurrence, potential impact, risks owner and mitigation strategy, as well as review dates. The Risk Register will be kept under review by the Consultancy Team as well as the Client-Side Team.

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Table 6-1: Risk Matrix

Description of Risk ¹	Impact of risk	Owner	Likelihood of occurrence (High/Med/Low)	Impact (High/Med/Low)	Risk rating	Risk mitigation	Date for review	Outcome
Project risk								
Incomplete and/or inconsistent data leads to partial picture of local economy	Results in lack of robust evidence for prioritization and the development of business cases	Client/Steer-ED	2 Medium	3 High	6	We anticipate comprehensive data are held centrally by the LEP. We have significant experience of working with LEPs and similar agencies to characterise their economies, and will bring this knowledge and experience to bear to this assignment	23/03/2019	
Internal LEP differences on LIS priorities disrupt the process	Consensus does not build around LIS priorities for the County	Client	2 Medium	3 High	6	We will keep our work based on clear evidence, which draws out the choices to be made. Building on this evidence, we will look to the LEP Board to advise us on the balance of these choices.	21/06/2019	
Difficulties in engaging with partners and stakeholders in identifying issues to address	Undermines credibility of the LIS as engagement cannot be demonstrated	Client/Steer-ED	2 Medium	3 High	6	We will ask the Steering Group to alert partners – internal and External - to the study and request their participation. In setting up all consultations, we will be flexible on arrangements as far as possible to fit in with the availability of partners.	10/05/2019	
Difficulties in engaging local leads in developing action propositions/proposals	Limits the quantity and quality of the propositions to be developed	Client/Steer-ED	2 Medium	3 High	6	Early identification by Steering Group of who might be well-positioned to take leadership of action proposal development. Early conversations to sell the benefits of participation, and close liaison between identified action leads and Steer-ED consultancy team	28/06/2019	
Project team-related risks								
Capacity of team members to complete the work	Delays in delivery of the evaluation	Steer-ED	2 Medium	3 High	6	In the course of developing this proposal, the availability of team members to deliver the scale and timing of work has been tested and verified. Once assignments are won, all proposal time commitments are entered into SDG-Economic Development's commitment schedule so that it cannot be displaced by other activities. In the event of illness, we will replace team members with staff of equivalent standing/expertise. Any personnel changes agreed beforehand with you as client.	ongoing	
Staff turnover	Resources required to brief new team member	Steer-ED	3 High	2 Medium	6	In the event of staff turnover, we will replace team members with staff of equivalent standing/expertise - to be agreed with you. We will also ensure new members are briefed so that they are up to speed prior to taking up their role.	ongoing	
Sub-contractors/supply chain fails to deliver	Incomplete/delayed provision of evidence/analysis	Steer-ED	1 Low	3 High	3	Formal sub-contracting agreements, with defined programmes of work required of sub-contractor (Dr Mark Matthews), put in place Close contact with all subcontractor – with frequent contact at key points in the study e.g. completion of baseline, identification of strategic imperatives, detailed action planning, and lockdown workshops	ongoing	
Failure of technology platform leads to loss of data	Incomplete/delayed provision of evidence/analysis	Steer-ED	1 Low	3 High	3	All electronic data are stored on centralised servers in our London office and the data on these servers is backed up onto tape. The Assistant IS Manager is responsible for ensuring network data is appropriately backed up. Incremental backups are performed daily and the backup tape(s) removed from the office. Full backups are performed weekly, and tapes are removed from the office. Monthly backups are performed at the end of each calendar month and tapes are removed from the office for a period of at least 12 months. The yearly tape is stored indefinitely.	ongoing	
Cyber attack	Loss of data &/or functionality	Steer-ED	2 Medium	3 High	6	Steer has Cyber Essentials: Certification (Certificate no.: 9550849321722345). Re-assessment due November 2019.	ongoing	
External risks								
Change of government	Leads to policy changes, which affect LIS requirements	Client/Steer-ED	2 Medium	2 Medium	4	Develop an evidence-based strategy and prioritised propositions that are future-proofed relative to changes of Government.	ongoing	

Source: Steer-ED, 2019

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