



Company Number: 07388600

Lancashire Enterprise Partnership Limited – Board Meeting

To be held on Monday, 11th July, 2022 as a Microsoft Teams virtual meeting at 5.00 pm (calendar invite sent separately)

Agenda

Part I (Items Publicly Available)

- 1. Welcome and Apologies for Absence**
- 2. Minutes of the meeting held on 23 November 2021 and note of the inquorate meeting held on 22 March 2022 (Pages 1 - 14)**
- 3. Matters Arising**
- 4. Declarations of Interest**
- 5. Updated Annual Plan and Budget (2022-23) (Pages 15 - 50)**
- 6. LEP Governance and Committees Report (Pages 51 - 60)**
- 7. Availability of Finance in Lancashire (Pages 61 - 94)**
- 8. Lancashire Digital Strategy (Pages 95 - 152)**
- 9. Lancashire's Internationalisation Strategy and Action Plans (Pages 153 - 376)**
- 10. Any Other Business**
- 11. Date of Next Meeting**

The next Lancashire Enterprise Partnership Board meeting is scheduled to be held on 13th September 2022 at 4:30pm, venue to be confirmed.

12. 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)

**13. Proposal for the Leadership of the LEP for the forthcoming 12 months
(Pages 377 - 380)**

Lancashire Enterprise Partnership Limited

Minutes of the Meeting held on Tuesday, 23rd November, 2021 at 4.30 pm as a Virtual Zoom Meeting

Present

Debbie Francis OBE (Chair)

Councillor Stephen Atkinson
Miranda Barker
Councillor Alyson Barnes
Ann Dean MBE DL
Dave Holmes OBE
Kam Kothia

Amanda Melton CBE
Andrew Pettinger
Mark Rawstron
County Councillor Aidy Riggott
Councillor Ivan Taylor
Annette Weekes

In Attendance

Sarah Kemp, 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
Nicola Hopkins, Director of Economic Development and Planning, Ribble Valley Borough Council
Nick Gerrard, Growth and Prosperity Programme Director, Blackpool Council
Paul Evans, Department for Business, Energy and Industrial Strategy
Phil Green, Director of Growth, Environment and Planning Economic Development, Lancashire County Council
Michele Lawty-Jones, Director of the Lancashire Skills Hub
Sue Roberts, Commercial and Business Support Manager, Lancashire Enterprise Partnership
Andy Milroy, Senior Democratic Services Officer, Lancashire County Council
Matthew Pixton, NDA (Item 5 Only)
Rachel Roffe, NDA (Item 5 Only)

1. Welcome and Apologies for Absence

The Chair, Debbie Francis OBE, welcomed all to the meeting. Apologies for absence were presented from LEP Director Mick Gornall.

2. Minutes of the meeting held on 7th September 2021

Resolved: That the minutes of the Lancashire Enterprise Partnership (LEP) Board meeting held on 7th September 2021 be approved as an accurate record.

3. Matters Arising

None

4. Declarations of Interest

A number of Directors and Officers declared a conflict of interest in Item 14 – Samlesbury Enterprise Zone – Memorandum of Understanding as follows:

- LEP Director, County Councillor Aidy Riggott
- LEP Director, Councillor Stephen Atkinson
- Section 151 Officer, Angie Ridgwell
- Company Secretary, Laura Sales
- Lancashire County Council Officer, Phil Green
- Ribble Valley Borough Council Officer, Nicola Hopkins

All advised they would leave the meeting for this item along with any other officers present from Lancashire County Council or Ribble Valley Borough Council.

5. Radiowaste Management

Matthew Pixton and Rachel Roffe from the Nuclear Decommissioning Authority (NDA) gave a presentation to the LEP Board on Radioactive Waste Management.

It was highlighted to the Board that a Geological Disposal Facility (GDF) is a permanent facility deep underground to dispose of the UK's higher activity radioactive waste. It is a major infrastructure project that is a catalyst for transforming the socio-economic vitality of a community. It provides an opportunity to invest over the long term in infrastructure, and support the creation of hundreds of jobs and skills over a 100 year period.

In addition, the technical processes involved in constructing and operating a GDF were explained to the Board.

Board Members clarified a range of points including supply chains, supplier contracting, skills and employment opportunities and environmental implications.

Resolved: The Lancashire Enterprise Partnership Board received and noted the presentation providing feedback and points of clarification on technical aspects of Radiowaste Management.

6. LEP Governance and Committees Report

Andy Milroy, Senior Democratic Services Officer, Lancashire County Council, presented a report (circulated) which provided the Board with an update on LEP

Governance matters and updates from recent LEP Committee meetings.

It was highlighted that the report was a standing item on each LEP Board agenda. In addition it was acknowledged that the Board may wish to consider the future dormant status of the company accounts moving forward in light of other reports and advice to be considered, however, the dormant accounts attached to the report were for the period that had just ended at the end of September 2021 and it was recommended that dormant accounts be approved for this period as they are historical.

Resolved: The Lancashire Enterprise Partnership Board

- (i) Noted the resignations of Lorna Green and Pete Lee from the LEP Innovation Board and approved the appointment of Mike Kenny and Matthew Spinks as their replacements on the LEP Innovation Board.
- (ii) Noted the resignation of Lynne Livesey from the LEP Skills and Employment Advisory Panel and approved the appointment of Professor Wendy Robinson (Lancaster University) as her replacement.
- (iii) Approved the dormant company accounts for the year ending 30 September 2021 and authorised the Chair to sign the accounts on behalf of the Board.
- (iv) Approved the recommendation from the Skills and Employment Advisory Panel that that the Lancashire Skills and Employment Framework remains as is, and that the refresh is put on hold and that the position is reviewed at the end of March 2022 with this referred to the LEP Board for further approval; and
- (v) Noted the updates contained within the report, including the Committee vacancies.

7. Any Other Business

Sarah Kemp, LEP Chief Executive, provided an update on the LEP Review is pending the Government 'levelling up paper' but notification had been received confirming a further 6 months of funding for the LEP subject to completion of an application for funding.

County Councillor Aidy Riggott provided an update on Community Renewal Funds and that Government announced Lancashire County Council had been successful in receiving £3.5m and wider Lancashire approximately £5m. It was confirmed that if LEP Board Members wished to receive further details a note could be circulated from the county council's Director of Growth, Environment and Planning.

Councillor Stephen Atkinson requested clarification on Northern Powerhouse Rail. Miranda Barker and Mark Rawstron provided updates with it noted that

Transport for the North (TfN) was scheduled to meet the day after the LEP Board and the matter will be raised there. It was agreed to add formal comments from the LEP to a letter to Government which will be circulated to LEP Board members in advance for comment.

Amanda Melton raised the topic of County Deal activity and if the LEP need to consider what an "ask" might look like from an economic perspective.

8. Date of Next Meeting and Programme of Meetings for 2022/23

It was proposed from the Chair that the LEP Board change frequency of Board meetings from 6 per year to 4 (quarterly) whilst retaining the regular informal Board meetings that also take place. Of the 4 meetings, it was proposed that 2 of those meetings take place physically and 2 virtually. The Chair stressed the importance of Board members attending the 2 physical meetings in person.

The proposal was approved by the Board with it noted that therefore the 18th January 2022 Board date was **cancelled**.

In addition it was noted that the next Board meeting would therefore be held on **22nd March 2022 at 4:30pm and this will be a physical meeting to be held at the Lancaster Health Innovation Campus.**

The cycle of meetings will be adjusted with further Board meetings for 2022/23 arranged for June 2022, September 2022, December 2022 and March 2023 with a revised programme of dates to be provided at the next LEP Board meeting.

9. Exclusion of the Press and Public

Resolved: 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 in Part I to schedule 12A to the Local Government Act 1972.

It was considered that in all the circumstances the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

10. Growing Places Report - Fleetwood FRP Ltd - Heads of Terms

Sue Roberts, Commercial and Business Support Manager, LEP, presented a private and confidential report (circulated) which sought approval to the Heads of Terms for a Growing Places Loan to Fleetwood FRP Ltd.

Following a period of debate the LEP Board approved a revised resolution as set out below:

Resolved: The Lancashire Enterprise Partnership Board

- (i) Approved the Heads of Terms to lend Fleetwood FRP Ltd £2.45m over 30 months with a final repayment date of 31 December 2024 at 4.5% over base subject to due diligence; and
- (ii) Delegated authority to the LEP Chief Executive Officer in consultation with the Section 151 Officer and LCC's Director of Corporate Services, acting in their capacity as LEP Company Secretary to negotiate, approve and enter into the legal documentation required to protect the LEP's interest in respect of this loan.

11. Growing Places Report - Heap Developments Ltd - Heads of Terms

Sue Roberts presented a private and confidential report (circulated) which presented the LEP Board with the Heads of Terms for a Growing Places Loan for Heap Developments Ltd for approval.

Following a period of debate the LEP Board approved an amended resolution as follows.

Resolved: The Lancashire Enterprise Partnership Board

- (i) Approved the Heads of Terms to lend Heap Developments Ltd £1.5m over 5 years at 4% over base subject to due diligence; and
- (ii) Delegated authority to the LEP Chief Executive Officer in consultation with the Section 151 Officer and Lancashire County Council's Director of Corporate Services, in their capacity as LEP Company Secretary to negotiate, approve and enter into the legal documentation required to protect the LEP's interest in respect of this loan.

12. Growing Places Report - PEARL 2 Brierfield Mill

Sue Roberts presented a private and confidential report (circulated) regarding a proposed Growing Places regarding extending the Facility Agreement for PEARL 2 / Brierfield Mill.

Resolved: Following a period of debate, the LEP Board agreed to **not** approve the resolutions at this stage and requested that further due diligence checks are undertaken by the LEP Chief Executive Officer with the outcome to be reported back to the LEP Board for further consideration.

13. Growing Places Report - Ormskirk Court Hotel - Change to Security Package

Sue Roberts presented a private and confidential report (circulated) which requested a change to an existing Growing Places loan terms and conditions regarding Ormskirk Court Hotel.

Two options were presented to the LEP Board, one to retain the existing terms and conditions and the other to vary the terms and conditions to incorporate securities from other properties,

Resolved: Following a vote, the Lancashire Enterprise Partnership Board approved by majority **Option 1 – to retain the existing terms and conditions** for the Ormskirk Court Hotel Growing Places loan.

14. Samlesbury Enterprise Zone - Memorandum of Understanding

At this point of the meeting all Directors and Officers that identified they had a conflict of interest previously as per Item 4 – Declarations of Interests left the meeting.

Sarah Kemp, LEP Chief Executive Officer, presented a private and confidential report regarding Samlesbury Enterprise Zone – Memorandum of Understanding.

During the private and confidential discussion, Board members were made aware of independent legal advice requested by the Board in respect of the proposed Memorandum of Understanding with Lancashire County Council.

With regard to the proposals regarding the Samlesbury Enterprise Zone – Memorandum of Understanding, the Board stated that they were supportive of proposals contained within the Memorandum of Understanding and that were content to approve that the LEP Chief Executive Officer enter into the Memorandum of Understanding on behalf of the LEP with a request that further independent legal advice be taken prior to entering into a legal binding agreement.

Resolved: The Lancashire Enterprise Partnership Board

- Noted that Phase 2b infrastructure costs are anticipated to be £20.8m in respect of completion of infrastructure works to site, to be met by prudential borrowing by Lancashire County Council, in addition to £14.35m of prudential borrowing incurred to-date.
- Noted that the Enterprise Zone Governance Committee have considered the works and costs associated with Phase 2b and recommend to the Board, the ongoing commitment of business rates to complete infrastructure requirements.
- Noted that the Agreement will also meet an outstanding Growth Deal

Grant Funding condition for Phase 2a with respect to the apportionment of any net proceeds between LCC and the LEP.

- Noted that the LEP has taken independent legal advice in respect of the proposed Agreement, as summarised in the private and confidential report.
- Agreed that the LEP Chief Executive Officer be authorised to enter into the Memorandum of Understanding as set out now with a request that a Forward Plan be created and further independent legal advice be sought regarding the legally binding agreement.
- Subject to satisfactory receipt of independent legal advice as set out in the point above, the LEP Board approved that the LEP Chief Executive Officer be authorised to execute and sign the legally binding agreement on behalf of the LEP Board.



Lancashire Enterprise Partnership Limited

Informal Note of the Inquorate Meeting held on Tuesday, 22nd March, 2022 at 4.30 pm at the Health Innovation Centre

Present

Andrew Pettinger (Deputy Chair)

Miranda Barker

County Councillor Aidy Riggott

In Attendance

Sarah Kemp, LEP Chief Executive Officer

Laura Sales, Director of Corporate Services, LCC and Company Secretary

Neil Kissock, Director of Finance, LCC - representing the Section 151 Officer

Andy Milroy, SDemocratic Services Manager (Companies), LCCI

Michele Lawty-Jones, Director of the Skills Hub (In part for items 6 and 12 via MS Teams)

Sue Roberts, Commercial and Business Support Manager, LEP

1. Welcome and Apologies for Absence

It was noted that there were not sufficient LEP Directors present to be quorate so an informal discussion was held by those LEP Directors present. LEP Board Deputy Chair, Andrew Pettinger, chaired the informal discussion.

2. Minutes of the meeting held on 23rd November 2021

Item deferred to the next formal LEP Board meeting.

3. Matters Arising

Item deferred to the next formal LEP Board meeting.

4. Declarations of Interest

Item deferred to the next formal LEP Board meeting.

5. LEP Governance and Committees Report

It was noted that this item was not for decision and a new updated report would be presented to the next formal LEP Board meeting.

6. National Skills Fund: Skills Bootcamps for 2022/23

Michele Lawty-Jones, Director of the Skills Hub, briefed the LEP Directors present on the key points of the report and the time sensitive decisions required.

Directors present clarified linking with the Skills Development Fund and also sought clarification on the £2.6m ask and if whether a lesser amount is awarded the project can proceed. It was confirmed that the project could proceed with a lesser amount.

Resolved: The Directors present were therefore satisfied with the report and given the need for approval to the recommendations to be sought as soon as possible, recommended that the item be presented to the LEP Directors for approval via Written Resolution.

7. LEP - Programmes Update Report

It was noted that this item was not for decision and a new updated report would be presented to the next formal LEP Board meeting.

8. Annual Plan and Budget (2022-23) including End of Year (2021-2023) Financial Forecast and Performance

The Directors present sought clarification on the key points contained within the report.

Sarah Kemp, LEP Chief Executive Officer provided a brief summary:

End of Year Forecast:

- Income received £993.7k against a budget of £982k
- Expenditure £1.03m against a budget of £1.68m – mainly due to recruitment freeze imposed by government and associated post activity
- Reserves at year end of £2.14m against a forecast of £1.46m

2021/22 Performance

- Performance on Programmes – set out separately with the Programmes Update Report, but no concerns on performance. However, the loss of European Funding will have a severe impact on revenue programmes, BOOST Growth Hub and Skills. Continuity of these programmes requires urgent action in respect of choice and allocation of UKSPF by local District Councils.
- Key highlights of the year – set out within the report – testament to the commitment and hard work of the respective LEP/Partner teams that so much was achieved during the pandemic

Annual Plan for 2022/23:

- 2021-24 objectives remain as approved in last year's Annual Plan
- Specific in-year objectives set against LEP Delivery, Partnership Delivery

and LEP Advisory role

- Delivery of the Strategic Framework
 - Delivery of the Capital Programme
 - Partnership Delivery
 - Bringing the voice of business to the heart of policy and decision-making and advocating for business
- Assumes continuation of 2021/22 activity for completion and implementation

Operating Budget for 2022-23

- Budget set within the 3 year Financial Strategy approved by the LEP Board in March 21
- Assumes income of £905k
- Proposes expenditure of £1.3m
- Assumes use of reserves to balance the budget of £485k
- Forecast end of year position on reserves is £1.6m

Risks and Challenges

- Government has not yet concluded the LEP Review and we anticipate a letter imminently, which sets direction on functions of LEPS and details of any financial settlement. Although it is not anticipated that this will have a material impact on the Annual Plan in the short-term, the Board might anticipate a mid-year revision of Annual Plan and budget, particularly in respect of any unanticipated changes and to ensure alignment with County Deal proposals.
- If there is no financial settlement for LEPs and no local matched funds provided, the only income the LEP will receive will be interest payable, mainly on Growing Places loans, of £150k. Under these circumstances, the LEP will rely more heavily on reserves to deliver the Annual Plan. If the status quo is maintained, the reserves will be depleted by mid-2023/24. Funds to meet contingent liabilities will be ring-fenced within reserves

Governance:

- Indicative ratings for end of year (21/22) Performance Review by Cities and Local Growth Unit have found the LEP to have met all requirements, and noting that there are some governance issues which are not reasonable to progress whilst the LEP Review is in force
- In year improvements include publication of an Annual Report, delivery of an Annual Conference, establishment of a Joint Scrutiny Committee, review of the Local Assurance Framework and appointment of a new Chair

The Directors presented noted that the recommendations of the report were fair but recognised concerns about the future and suggested that focus should be on those projects that can be delivered quickly in the short term. It was also noted that the future of LEPs was discussed at the Northern Powerhouse 11 meeting with BEIS confirming that a letter was due to be sent imminently. There was also a discussion regarding potential County Deals.

Resolved: Given the time critical nature of approving the LEP Budget and Business Plan for 2022/23 the Directors present were content to recommend that the LEP Directors consider approving this item via Written Resolution.

9. Annual Review - Local Assurance Framework 2022/23

Andy Milroy, Democratic Services Manager (Companies), Lancashire County Council briefly discussed this report explaining that it was time sensitive as it needed to be refreshed each year and published ahead of the new financial year in April. It was noted that it contained standard updates to things like membership and updates on the structures of the LEP and its Committees.

Resolved: Given the time sensitivity regarding approval timescales the Directors present recommended that the item be included in LEP Directors Written Resolution.

10. Any Other Business

LEP Director Miranda Barker provided an update on a Shared Prosperity paper which had also been discussed via the LEP Business Support Management Board. It was agreed that Sarah Kemp, LEP Chief Executive Officer, would take away an action regarding scaling this project up.

11. Date of Next Meeting and Programme of Meetings for 2022/23

The LEP Directors present noted the date of the next meeting and also that the Programme of Meeting dates for 2022/23 had been circulated to all LEP Directors.

12. Exclusion of the Press and Public

Item not required to be considered as no formal meeting held.

13. Grant Renewals

Michele Lawty-Jones, Director of the Skills Hub, gave an overview of the report to the Directors present.

Clarification was sought that Lancashire County Developments Limited had match funded along with the LEP.

Resolved: The Directors present were supportive of the recommendations in the report and also noted the time sensitive nature of the approvals required so therefore recommended that this item be included in the Written Resolution for LEP Directors to approve.

14. Growing Places Report - PEARL 2 Brierfield Mill

Sue Roberts, Commercial and Business Support Manager, LEP, briefed the

Directors present on this item.

Directors clarified that this item was not time sensitive and could wait for the next scheduled LEP Board meeting in June for a decision to be taken. The Directors present also expressed a view that it would be best to invite a representative from the construction firm, Barnfield, to discuss the report and the request given the queries that LEP Directors had regarding this item when it was considered by the LEP Board previously.

Resolved: The Directors present recommended that the item be deferred to the next LEP Board meeting in June as it was not time sensitive, with Barnfield Construction invited to attend the June Board meeting to discuss directly with the LEP Board.

Lancashire Enterprise Partnership Board

Private and Confidential: NO

Date: Tuesday 11th July 2022

Updated Annual Plan and Budget (2022-23)
(Appendices 'A' and 'B')

Report Author: Debbie Francis, LEP Chair

Executive Summary

This report provides a significant update on the detail of the LEP's operating budget and work plan for 2022-23. The Board have discussed this subject at previous informal and inquorate meetings since March 2022.

Since that point, the LEP network have received new guidance on future trajectory of LEPs accompanied in April by a revised and downgraded grant award. In Lancashire grant will fall from an annual £500,000 to £375,000 and the local match ask of 50% will fall from £250,000 to £187,500.

This new total grant income of £562,500 can be paired with Growing Places interest and other income to give a total income figure in 22/23 of £717,500 down by 30% on the total income in 21/22.

Recommendation

The Lancashire Enterprise Partnership Limited Board is asked to:

- (i) To note that the ongoing Government review of LEPS may have a material impact on the role and responsibilities of the LEP and the Board.
- (ii) To note the revised financial settlement with Government for 2022/23.
- (iii) Approve the planned expenditure for 2022/23 as summarised in this report, based on the income to be received plus the use of reserves, subject to confirmation of funds provided by Members and Government sponsors.
- (iv) To note the forecast end of year position on LEP reserves and the highlighted risks and challenges

The Report is set out as follows:

End of Year 2021/22 Position

- 1.0 Year-end Financial Forecast 2021/22
- 2.0 Budget for 2022/23

Annual Business Plan and Budget

- 3.0 Overarching Objectives 2021/24
- 4.0 Key objectives and Delivery for 2022/23
- 5.0 Operating Budget 2022/23
- 6.0 Governance
- 7.0 National Context
- 8.0 Resources
- 9.0 Key Risks and Challenges
- 10.0 Summary Position

Appendix 'A' Key Deliverables for 2022/23

- Growth Deal
- Getting Building Fund
- Growing Places
- BOOST Growth Hub
- Skills and Employment Hub
- Communications
- Innovation

Appendix 'B' Medium-term Financial Forecast

1.0 Year End Financial Forecast 2021/22

The Annual Operating budget in 2021/22 for expenditure was £1.687m and the forecast end of year position on income is £993,714k and on expenditure is £1.030m. The end of year position on reserves is forecast to be £2.140m. This assumes income will be received within the year arising from interest paid against LEP funds held on account (£33k) and repayment of interest accrued against Growing Places loans made by the LEP (£200k).

The main reason for the positive change in forecast to the operating reserves position is that the LEP was not able to progress recruitment of 3 new posts as anticipated within the year, nor replace two posts which became vacant as a consequence of the LEP review. In addition, some of the operating expenditure associated with these posts was therefore also not progressed.

The Operating Budget is set out in a Medium-Term Financial Forecast (2022-2025):



Operating budget	Forecast	Budget	Budget	Budget
	2021-2022	2022-2023	2023-2024	2024-2025
	£	£	£	£
Income				
Grants	750,000	562,500	0	0
Interest	265,974	155,000	155,000	155,000
Contributions	10,000			
Total Income	1,025,974	717,500	155,000	155,000
Operational expenditure				
Staffing	583,892	437,066	386,866	393,216
Running costs	63,508	57,232	57,232	57,232
Marketing and Comms	82,025	72,500	85,000	72,500
Professional and consultancy fees	50,636	63,000	63,000	63,000
Total Operational Expenditure	780,061	629,798	592,098	585,948
Net operating surplus/(deficit)	245,913	87,702	-437,098	-430,948
Project and programme expenditure				
Project support	149,781	60,000	60,000	60,000
Strategic Framework	98,640	145,000	50,000	50,000
Restructure	12,525	53,309		
Total Project and Programme Expenditure	260,946	258,309	110,000	110,000
Net P & L surplus/(deficit)	-15,033	-170,607	-547,098	-540,948
Reserves b/f	2,174,908	2,159,875	1,989,268	1,442,170
Contribution to/(from) reserves	-15,033	-170,607	-547,098	-540,948
Reserves c/f	2,159,875	1,989,268	1,442,170	901,221



2.0 Overview 2021/22 Objectives and Performance

2.1 Key objectives for the LEP in 2021/22 were set in the context of known policy changes, wider discussions with Members and Partners, existing and proposed strategic and delivery frameworks, requirements of the National and Local Assurance Frameworks and agreed actions arising from Annual Performance Reviews. These may be broadly grouped into 3 categories:

- Delivery
- Partnership and
- Advisory

These objectives are tabled as follows including an update on progress in year (2021/22):



Category		Objective	Status at year end
Governance	<p>Governance:</p> <ul style="list-style-type: none"> • Annual Performance Review • LEP review • Recruitment of Chair • Joint Scrutiny Committee • Annual Conference • Annual Report • Local Assurance Framework • Audit • Company Law • Peer to Peer Review 	To ensure that all requirements of governance are met	<ul style="list-style-type: none"> • APR – End of year Review indicative ratings – 'met' for all areas of governance and activity • LEP Review ongoing • New Chair, Debbie Francis appointed • 2 Joint Scrutiny Committees held • Annual Report published • Local Assurance Framework – reviewed and updated • Peer to Peer Review suspended due to LEP Review/pandemic
Delivery	<p>Programme Management:</p> <ul style="list-style-type: none"> • Growth Deal • Getting Building Fund • Growing places • Growth Hub* • Skills and Employment Hub* • DiT Key Account Mngmt* <p>*partnership delivery</p>	To programme manage all requisite elements of projects awarded funds, ensuring outputs are achieved, financial profiles are met, risks are appropriately managed and monitoring, evaluation and reporting requirements are met	<ul style="list-style-type: none"> • Programme Update Report presented separately to LEP Board March 22



Category		Objective	Status at year end
	Strategic Economic Framework <ul style="list-style-type: none"> • Internationalisation Strategy • Finance for Business • Charter for Social Value • Skills and Employment Framework Refresh • Sector Plans • Implementation of Innovation Strategy • Stakeholder Engagement • Local Industrial Strategy • Implementation of Cultural Strategy 	To commission and deliver Phase 1 Delivery Plan	<ul style="list-style-type: none"> • Internationalisation Strategy complete and in stakeholder consultation • Finance for Business Mapping Study – complete and in stakeholder consultation • Skills and Employment Framework complete • New Innovation Plan commissioned • Stakeholder Engagement Strategy operational
	Local Industrial Strategy: <ul style="list-style-type: none"> • Evidence Base • Strategic Action Plan 	To complete the Local Industrial Strategy which addresses underlying challenges of productivity and sets out a clear plan of strategic priorities and actions	<ul style="list-style-type: none"> • Local Industrial Strategy/Growth Plan – complete – evidence source for Lancashire 2050
	Greater Lancashire Plan <ul style="list-style-type: none"> • Independent Economic Review • Environment 	Support the development of the reviews, ensuring alignment of all strategic elements and evidence base	<ul style="list-style-type: none"> • Independent Economic Review and Environment Commission complete and being used as a foundational resource for Lancashire 2050



Category		Objective	Status at year end
	Covid Recovery Plans	To work with Partners to develop effective plans for recovery, building towards more sustainable and prosperous economy and communities	<ul style="list-style-type: none">Plans set out within Sector Plans
Partnership	Programme Management	To ensure the alignment of objectives, activities and resources to maximise value and outcomes delivered	<ul style="list-style-type: none">Ongoing activity
Advisory	Stakeholder Engagement Plan	To ensure that the LEP engages constructively with all its stakeholders, to build stronger relationships and insight to improve decision-making and outcomes for Lancashire	<ul style="list-style-type: none">Ongoing activity
	Strategy and Policy Development	Utilising private sector leadership, champion the interests of businesses through national and local policy development; set and put forward strategic economic priorities and actions for Lancashire	<ul style="list-style-type: none">Ongoing activity
	Social Value Charter	Ensure that all economic priorities and interventions maximise the opportunity to create social value	<ul style="list-style-type: none">In developmentSocial value requirements – developed via all project and programme activity



2.2 Key Highlights of the Year

Some of the highlights of the year are set out below:

Skills

- **Lancashire Careers Hub** now has ‘full coverage’ - engaging with every of the county’s 156 secondary schools and colleges, bringing businesses into the classroom to share insights about sectors, jobs and ‘the world of work’
- Through the Careers Hub, and Digital Skills Partnership, the LEP is supporting a number of initiatives, many designed to encourage more girls and young women to consider a career in tech or a STEM study pathway
- **InnovateHer**, a partnership between the LEP, BAE Systems, and the Lancashire Careers Hub, which brings ‘real world’ technological innovation directly into Lancashire classrooms
- **Cyber Girls First**, a programme delivered by a national charity which inspires girls to consider a career in tech disciplines by providing direct engagement with successful female technology professionals, business owners and digital entrepreneurs from national corporate companies and local businesses
- **Lancashire’s TeenTech Festival**, a six-week programme of virtual and interactive technology and digital skills education sessions, all delivered online
- **Skills Pledge celebration** – 180 companies now signed up
- **Skills Bootcamps** – further roll-out across Lancashire in digital and green skills

BOOST Growth Hub

In 2021, Boost – Lancashire's Business Growth Hub, continued to play a key role in:

- Supporting Lancashire's growth orientated companies and start-ups
- Providing continued advice and grant to businesses and sectors impacted by the pandemic
- Acting as a focal point for the business support offer in Lancashire
- Providing intelligence to BEIS and to local stakeholders detailing COVID, BREXIT and other business impacts and trends.

The Growth Hub itself continued to provide:

- Single point of contact for business enquiries and advice, the Business Relationship Management service (1429 Information Diagnosis and Brokerage sessions)
- Start-up support through Flying Start bootcamps. (316 new starts)
- Growth Mentoring for established businesses, (623 prolonged assists)
- Boost Bespoke for scaling businesses (211 business supported), and
- A supporting marketing programmes (4824 new to Boost clients engaged)

Despite having to adapt provision, Boost achieved all funding outputs and was commended for its #AskForHelp and #BoostYourRecovery COVID impact social media campaigns.

The Peer Networks funded by BEIS have been well received by participating businesses and following the successful delivery of a Pilot phase in 2020-21 with 327 local businesses participating, Lancashire has been awarded £390,000 to deliver a programme of 22 Peer Networks cohorts for 2021-22, with the ability to accommodate up to 242 businesses. The current programme was launched at the beginning of October, with the final cohorts commencing in January and finishing in March 2022. Businesses will benefit from a minimum of 18 hours group work and offered up to 3.5 hours of one-to-one support. The programme will be delivered by a network of local and regional suppliers.

BOOST 3 Programme is now completed and **BOOST 4 Programme** now in contract.

Growth Deal

- **AMRC** – launched in March 22 and is already supporting hundreds of businesses
- **Blackpool Conference Centre and Tramway** – opened in March 22 and hosting the Conservative Party Conference
- **Eden of the North** - planning Consent approved and business case completed
- **Blackpool Airport EZ** – new manufacturing unit built following infrastructure investment
- **Blackpool Town Centre Quality corridors** – public realm routes and transport improvements, property acquisitions and shop front improvements
- **Darwen East** – development corridor extension – link road completed to bring forward mix use site
- **UCLan EIC**- completion of Drone Command and Control Centre
- **Myerscough College** - Food Farming Innovation and Tech Centre – provision of new apprenticeship programmes and SME engagement
- **West Lancs College** – new STEM Technology Centre – equipment and new Level 3 apprenticeship courses established
- **Padiham Town Hall Business Hub** – extension project to refurbish new co-working space, now fully occupied
- **Pennine Gateways in Blackburn** – significant motorway junction improvements to enable commercial, employment and housing sites to come forward
- **Social Value** delivered to-date
- **Labour Market Information** and **Economic Forecast** open-source evidence base including skills and employment now available for all Local Authorities and partners
- **ESIF Programme** continues to deliver via the Adults Skills Forum – working with DWP to ensure the right resources matched with the right vacancies



- **ESF Building Blocks Programme funds** secured – will train 5,000 health champions in Active Lancashire
- **Gatsby Foundation** project completed in December – launch and implementation of T Levels, enabling us to raise the profile of T Levels with business and students

Getting Building Fund

Projects commenced in year include:

- **Neptune** – mixed use development at the fish and food park in Fleetwood
- **Abingdon Street Markets** in Blackpool – delivering a new retail and service offer
- **Strawberry Meadows Business Park** – new office accommodation
- **Hillhouse International Business Park** – new electrical and water infrastructure
enabling new employment sites
- **Houndshell Shopping Centre** – retail and leisure development in Blackpool
- **REDCat** – commercialisation of R & D in low carbon technology companies
- **SMART Building demonstrator** at AMRC for retrofittable low carbon technologies
- **Tatton** – mixed use new community centre in Chorley with assisted living
- **M55 link road** – breaking ground – enabling significant housing development

Trade and Investment

- **National Cyber Force** – location decision made for £5bn government investment – to develop new operational capability in cyber and security related assets at Samlesbury
- **Internationalisation Fund ERDF** - £2.24m funds available to Lancashire and 52 offers of financial support made
- **Inward Investment** 4 successful investments to Dec 21 – creating 154 jobs and £13.4m investment
- Creation of the **International Trade Working Group** – mix of public and private representatives.
- **International Trade Conference** (March 2021) - curated the EU Exit conference on behalf of BEIS.
- 60 new **company referrals** to DIT NW team; 86 events to promote internationalisation fund and DIT activities
- International request for sister **city partnership** with City of Preston by Baoding City in Hebei Province to developing city-level partnership between Baoding and Preston. (This is based on the successful collaboration between University of Central Lancashire and Hebei University in Baoding)



Partnership Activity

- **COP26** roadshow, 2 NW Green events and NW Summit held in Glasgow to showcase our
Assets and capabilities on a global platform
- **Internationalisation Strategy** completed and in stakeholder consultation
- **Finance for Business** mapping completed and in stakeholder consultation
- **Enterprise Zone Marketing Strategy** initiated and in development
- **NW Net Zero, Place-making Strategy, Digital Proposition** reports of NP11 completed and published
- **Annual Conference** – first of its kind held in October 21 at Burnley at the Crowwood Hotel
- **Sector Group Plans** – Digital and Food & Agriculture close to completion

3.0 Overarching Objectives for 2021-24

The overarching objectives of the LEP are:

1. **Growth.** To create additional jobs, attract investment and grow Lancashire's annual economic output, helping Lancashire deliver prosperity and improve the environment and quality of life
2. **Business.** Growing Lancashire businesses, improving awareness and engagement with available support, increasing trade and exports, growth in enterprise, productivity, innovation, access to finance, supporting new indigenous investments and inward investment; specific emphasis is made on responding to the structural challenges which undermine productivity
3. **Strategy.** To help set the strategy for long term sustainable, competitive and inclusive growth in Lancashire. Also to provide private sector and business leadership through the Board, Governance Committees and Sector Groups providing front-line, real-time, evidenced approach to informing strategies, setting new trajectories back to growth and identifying and supporting key enablers critical to success, such as skills, innovation, capital investment and business support
4. **Governance.** To set and achieve balanced budgets and demonstrate appropriate compliance with all relevant legal, financial, governance, partnership and performance frameworks and measures.
5. **Assimilation with democratic, devolved structures.** To actively work with local authority partners and government to deploy and maintain a strong business voice in the case making for and operation of new devolved structures in Lancashire.

4.0 Key Objectives and Delivery for 2022/23

Key objectives for the LEP in 2022/23 continue to be set in the context of known policy changes, wider discussions with Members and Partners, existing and proposed strategic and delivery frameworks, requirements of the National and

Local Assurance Frameworks and agreed actions arising from Annual Performance Reviews. These may be broadly grouped into 3 categories:

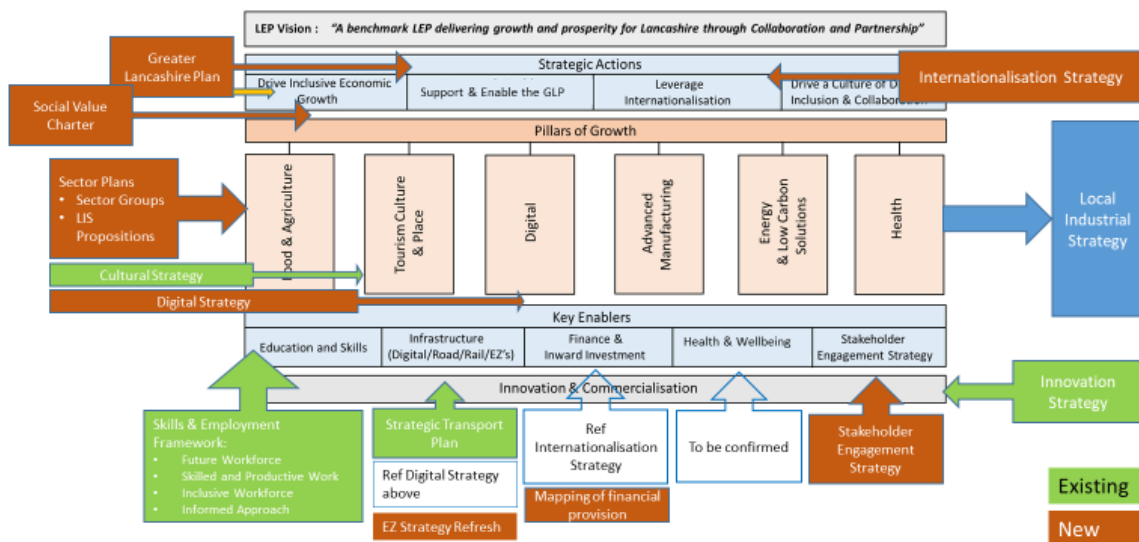
- Delivery
- Partnership and
- Advisory

In terms of direct delivery, the LEP will lead on both strategic and programme managed elements as follows:

4.1 Objective 1 Delivery of the Strategic Framework

Towards the end of 2019/20, the LEP Board developed a new Strategic Framework which seeks to align and integrate key strategic objectives of the LEP, delivered via an industry sector approach to key sectors of employment and the cross-cutting enablers which drive growth and productivity.

Development of the Framework – strategy elements in development



Key deliverables of the *Strategic Framework* include:

- Facilitation of the business-led Sector Groups
- Publication of Sector Plans, including refresh of the Tourism Strategy
- Publication of the Internationalisation Strategy and Action Plan
- Completion of Sector Plans for 6 key employment sectors
- Publication of the Finance for Business study and Action Plan
- Continued implementation of the Innovation Strategy (2016)
- Development and implementation of a new Innovation Plan
- Continued implementation of the Cultural Strategy
- Refresh of the Skills and Employment Framework
- Production and adoption of a Social Charter



- Refresh of the Tourism Strategy
- LEP Audit and Action Plan – Diversity and Inclusion

An overall budget envelope of £100k is proposed for continuation of this activity

4.2 Objective 2 Delivery of the Capital Programme

Many elements of existing programme delivery will continue through-out 2022/23 including programme and contract management of existing funded projects within:

- Growth Deal programme (£273m)
- Growing Places (primarily loan funds) (£19.3m)
- Getting Building Fund projects (£34.1m)

In addition, the LEP may provide ongoing and future support to initiatives as part of day to day operational activity, programmes and other LEP projects and commissions (such as annual / one-off projects identified in annual/strategic/finance plans). This would include for example, the bid for EDEN in the North.

There is no specific provision made for financial support to these initiatives within the 22/23 budget, but if required, activity will be supported by one of the Project budget, Monitoring and Evaluation or Legal budget.

4.3 Objective 3 Partnership Delivery

This includes activity which is resourced and delivered in Partnership, generally utilising programme specific resources; partners may themselves align further resources to maximise value for money and outcomes which may also include the cost and time of staff resource. By far the greatest contributor is Lancashire Council, in many cases exceeding the direct resources allocated by the LEP. The LEP has both a leadership (set by HMG) and oversight role within the partnership and may have a programme management responsibility. This includes activity the Government 'sponsors' through its core and specific project funding to the LEP. The LEP also provides governance Committees with partner membership, to steer and oversee the work and ensure it aligns with strategic priorities and Government requirements.

This includes:

- **Business Support/Growth Hub (Boost)** (LEP Business Support management Board)
- **Skills and Employment Hub** (LEP Skills and Employment Advisory Panel & Local Authority Leaders)
- **Enterprise Zones** (LEP Governance: Enterprise Zone Governance Committee)
- **City Deal** (Executive Board – (Chaired by the LEP) and Stewardship Board)



- **Trade and Investment** – trade advisor and key account management
- **Innovation** (Innovation Board)
- **Major Development and Infrastructure** (Local authority led)

These governance Committees, report to the LEP Board and secretariat support is provided by the Accountable Body; a cost of £43k is provisioned within the budget.

BOOST and Skills and Employment

These two services continue to be developed and seek grant funds to maintaining and supporting these services is essential. The services are highly valued across Lancashire, perform well in comparison to their peers and are highly likely to be considered with County Deal negotiations going forward. Funds to replace ESF funds will be essential to continuation and growth in these services.

Enterprise Zones

There are 4 sites in Lancashire which form 3 designated Enterprise Zones, each at various stages of development and delivery. This coming year, objectives include development and delivery of the Marketing Strategy, development of an initial proposal for Warton and maximising the opportunity of the announcement of National Cyber Force to build a world-leading defence and security related cluster within the county. Oversight of this activity will continue under the strategic direction of the Enterprise Zone Governance Committee.

Innovation

The Innovation Plan published in 2016 is for the greater part now being implemented and this coming year will see a the Innovation Plan refreshed, developed and published, under the oversight of the Innovation Board.

The funds required for the delivery of BOOST and Skills and Employment are held under separate budgets of delivery to that of the LEP's operational budget with the exception of the contribution to match the Careers Hub and Enterprise Advisor's Network (£25k).

Lancashire 2025

The Greater Lancashire Plan is now replaced by Lancashire 2050 – the foundational document to support negotiations with Government for a County Deal. The LEP will continue to support the development and negotiation of the County Deal by providing the voice of business, all evidence-led strategy, policies and sector plans, advocacy and any other support sought by Lancashire's local authorities.

Regional Collaborations

Government encourages LEPs to seek out and support collaborative partnerships which stretch beyond the boundaries of Lancashire, where additional value may be delivered as a consequence of developing broader and more significant propositions. The two most significant partnerships are:



- NP11 (with a clear focus on innovation, trade and investment, skills and net zero carbon)
- LEP Network

but other partnerships exist such as NetZero North West, and Lancashire Cyber Partnership Board in which the LEP is playing an increasing role to maximise the benefit for Lancashire.

There is occasionally a small financial implication to this activity for example to support events; if incurred it will be met from the General Project Fund.

4.4 Objective 4 – Bringing the voice of business to the heart of policy and decision-making and advocating for business

This reflects activity which other partners may be responsible for leading and delivering but which the LEP is engaged in an advisory role, utilising its private sector leadership as a champion of progressive policies in terms of the economy, environment, technology and innovation, supply-chain, investment, skills and training, enterprise and market development. The LEP may choose to contribute bespoke funding aligned to economic priorities. In financial year 2022/23, this includes, but won't be limited to:

- LEP Review
- Levelling Up
- UK Shared Prosperity Funds
- Lancashire 2050 County Deal

There is no direct provision made for the activity, but all LEP activity and engagement forms the platform on which the LEP is able to perform its strategic advisory role.

Sector Groups

Business-led Sector groups are now formed, many of which are chaired by LEP Directors, in order to determine the opportunities and challenges of their respective sectors and develop an evidence-based plan of priorities and action for sustainable and competitive growth. The initial focus has been to develop an appropriate response to Covid – particularly for those sectors most severely impacted by Covid 19 – Civil Aerospace and Tourism and Hospitality in particular. The Chairs of the groups are:

Sector Group	Chair	
Manufacturing Aerospace Task Force	Annette Weekes Claire Whelan	LEP Director, MD of PDS CNC Engineering LEP Director, Group MD Ansuka Group
Digital	Kam Kothia	LEP Director and MD ebusiness UK CEX Time 2 Technology
Health	Prof. StJohn Crean	ProVC (Clinical) UCLAN



Tourism and Hospitality	Robert Owen	Director Marketing, Sales & PR Blackpool Pleasure Beach
Food and Agriculture	David Hall	Regional Director of National Farmers Union
Energy & Low Carbon Technologies	Mick Gornall Miranda Barker	LEP Director MD Cavendish Nuclear LEP Director and CEX East Lancashire Chamber of Commerce

The Sector Groups will continue to be supported and facilitated to set out long term sector plans for sustainable and competitive industry sectors. In particular, they will consider key opportunities and challenges, barriers to growth and productivity, and corresponding enabling actions and interventions. Their action plans will be used as the foundation for providing the voice of business, in a strategic advisory capacity, to inform pipeline development of public funds, to leverage additional private sector investment and to influence national policy and decision making.

Sector group activity will continue to be supported within the resource envelope of the Strategic Framework allocation for 2022/23.

The LEP will continue engagement to provide the private sector voice and economic lens/scrutiny of other relevant wider activity.

For each Programme of Delivery, **Appendix 'A'** tables the priorities for the forthcoming year.

5.0 Operating Budget 2022/23

The Annual Business Plan is framed within the context of the Strategic Economic Framework set by the LEP Board, a Delivery Framework set by the Members of the Company and the requirements of the National Growth Assurance Framework for Local Enterprise Partnerships.

The annual operating budget required to deliver the Business Plan is £888,098 in 2022/23 and is to be met by the following (assumed) contributions.

- DCLG Combined grant £375k
- Members grant £187.5k
- Reserves £170.6k
- Interest payments £155k

Government have not yet confirmed a settlement for LEPS in 2023/24 or 24/25, nor made any suggestions that they will maintain grant support at previous levels. This limits the ability to plan with high confidence levels for a rolling three year Business Plan and mid-term Financial Strategy.

The Annual Business Plan and Operating Budget are separate and distinct from the Programme budget, both of which are held by the Accountable Body on behalf of the LEP and includes Government Funds awarded to the LEP for Growth Deal, Growing Places, Getting Building Fund, Skills and Employment Hub and BOOST Growth Hub. However, the specific LEP resources deployed to manage the relevant delivery elements of these funds are fully accounted for within the Operating Budget.

The Operating Budget set out within a Mid-Term Financial Forecast (2022-2025) which can be found in **Appendix 'B'**.

6.0 Governance

6.1 Annual Performance Review

At the start of the year 2021-22, the Annual Performance Review (APR) of the LEP undertaken by BEIS and MHCLG, recorded the following ratings:

- Delivery Requirements Met
- Strategic Delivery Requirements Met
- Governance Requires Improvement

An Improvement Plan was agreed and the LEP has worked systematically throughout the year to implement and demonstrate the required changes. A Mid-Term Review indicated good progress being made in respect of the actions of the Improvement Plan.

The Annual Performance Review of 2021/22, carried out in February 22, has not yet been moderated and its findings reported to the LEP. However, pre-review indicative ratings found the LEP to be meeting requirements in all areas, with the caveat that some proposed governance improvements are paused, pending the detailed outcome of the national LEP Review.

6.2 Chair of the LEP Board

A new LEP Chair, Debbie Francis was appointed by the LEP Board in August and Deputy Chair, David Taylor resigned in October 2022 having completed two terms of office. The Board approved the appointment of a new Interim Chair, Andrew Pettinger in March 22.

6.3 Joint Scrutiny Committee

The newly formed Joint Scrutiny Committee met twice during the year and a new private sector chair, Mike Leckie currently acting as Group Head of Business Finance at the National Nuclear Decommissioning Authority, and whose permanent role is rail Development Director at Nuclear Transport Solutions was appointed by the Committee.



At the first meeting of the Scrutiny Committee, a broad overview of all LEP activity was presented to provide context for future meetings. Most recently the Committee scrutinised a more detailed presentation of the Future Workforce element of the Skills and Employment Framework and an overview of the Innovation Programme.

6.4 Peer to Peer Review

In 2021/22 the LEP was paired with Heart of the South West LEP and met for the first time in March 21. However, the combined effect of the restrictions of the pandemic and the national LEP Review meant that peer to peer engagement did not take place in year.

There are generally no financial implications arising from this review process which is intended to facilitate constructive challenge and mutual support to each LEP areas' agenda.

6.5 Local Assurance Framework

The LEP is required to carry out as a minimum, an annual review of the Local Assurance Framework each year, which sets out set out in one document all the policies, rules and processes needed to provide the Department, Government and the public with the necessary assurances around the use of public money. Government published an update to the National Framework in September 2021 and the Board were requested to approve the 2021/22 Review of the Local Assurance Framework at the inquorate March 22 LEP Board meeting which was then subsequently approved via Written Resolution with a refreshed version of the Lancashire Local Assurance Framework published on the Lancashire LEP website in April 2022.

A refresh within the financial year is unlikely to result in any financial consequence.

6.6 Annual Conference

As part of their openness to the communities they serve, each LEP should openly advertise and hold an Annual General Meeting which is open to the public. This is not to be confused with the AGM to be held at the request of Members and is more commonly called an Annual Conference.

The LEP held its first Annual Conference at the Crowwood Hotel in Burnley in October which was well-attended, despite restrictions in numbers due to the pandemic. The LEP took the opportunity to celebrate 10 years of operation since formation. Attendees enjoyed musical performances from local youth groups, an overview of delivery and success of the past year, a fire-side chat with the Chairs of the Sector Groups, new Chair Debbie Francis and outgoing Interim Chair, David Taylor were interviewed and Dave Fishwick, local celebrity entrepreneur, gave the keynote talk. A lighter touch event is planned for 2022 with potential to return to a full blown event bi-annually.



6.7 Annual Report

In order to allow the public to access information regarding public funds overseen by the LEP, each LEP, (in addition to any requirements linked to their model of incorporation e.g. the publication of company accounts), must publish a financial statement each year within their annual report, including:

- The total amount of funds within the LEP's direction or control at the start and end of the financial year
- The total amounts committed by the LEP to external organisations through grants and risk finance (loans, equity, guarantees and quasi-equity)
- The total amounts committed to suppliers to purchase goods, works or services
- The total amounts incurred in running the LEP (for example salary costs, lease payments and expenses).

An Annual Report for 2021/22 was published to coincide with the Annual Conference

7.0 National Context

7.1 National LEP Review

A new LEP Review was announced early in March 21. Whilst the scope of the review and the desired outcomes remain to be clarified, the LEP will continue to work with the wider LEP Network and the local area CLGU team to both support the review and determine what the consequential implications might be for the LEP.

Depending on the nature and scale of consequential action, some of which may have significant and material implications for the LEP, this Business Plan may remain subject to review and change at any point during the year.

7.2 Levelling up White Paper Feb 22

In February 22, the Government published the long-awaited White Paper for Levelling Up. Whilst it did not provide clarity on specific form and functions for LEPs, it was significant in that this is the first time that LEPs have been acknowledged within the policy framework.

The UK Government has set out a mission that "By 2030, every part of England that wants one will have a devolution deal with powers at or approaching the highest level of devolution and a simplified, long-term funding settlement".

Around 40% of the population in England are currently covered by a devolution deal and



9 areas are being invited to take part in formal negotiations to agree new County Deals, some within months – Lancashire is not one of these areas but the political leadership in Lancashire is determined to maintain pace and readiness.

The Government is encouraging the “the integration of LEPs and their business boards into MCAs, the GLA and County Deals, where these exist.” The exact meaning of integration in this context has not been set out. LEPs will continue to “play their vital role in supporting local businesses and the local economy” where a devolution deal does not yet exist. “Where devolution deals cover part of a LEP, this will be looked at on a case by case basis”

The Government has pledged to provide further details to LEPs in writing regarding this transition “as soon as possible”. The impact of this position is that there is no certainty at the time of writing of continued grant funding to LEPs in 2022/23. In previous years, LEPs have received £500k each year on the condition that it is matched with local funds. In previous years this match (£250k) has been provided by Lancashire Council but in 2021/22, all Company members made a contribution to local match funds.

The proposed budget for 2022/23 assumes a continuation of both local and government funds. However, if not confirmed, the reserves position is sufficient to continue operational activity for the year and meet contingent liabilities, but the Board are requested to note that an emergency budget review may need to take place, should the LEP be required to make significant operational and structural changes.

8.0 Resources

8.1 Staff Resources (£437,066)

The Operating Budget 2022/23 provides for:

- core team of 3 people plus provision to cover the Chief Executive role¹
- 50% contribution to the costs of the leadership team of the Skills and Employment hub (2 people)
- 100% contribution to the costs of the Skills LMI Officer for one year only

Where additional capacity is required, this will be sourced on a temporary procured /contracted /secondment basis from the Strategic Framework Delivery budget of £100k and the Professional Consultancy budget of £100k.

8.2 Chair's remuneration (£24k)

The Chair's remuneration will continue at the same rate and has been included within the budget.



8.3 Core running costs (£57.2k)

The provision for accommodation and running costs has dropped slightly from 2021/22, reflecting the savings achieved by moving the team from Docks House to the new shared working space within Christ Church Precinct in space vacated by LCC.

8.4 General Project Fund (£60k)

The General Project Fund will be reduced this year to £60k and will provide resource for activities relating to development of the ecosystem and generating new inward investment, and supply chains particularly related to the establishment of the National Cyber Force. It will also provide for a diminishing requirement for monitoring and evaluation of projects and associated legal work and £25k for the continued support to the Careers and Enterprise Advisors Network.

8.5 Marketing and Communications (£72.5k)

This figure has been reduced significantly from the previous year, but will still allow for the LEP to engage with partners in wider place marketing and the promotion of specific sites.

8.6 Expenditure to be carried forward to 2021/22

A small number of items within the 2020/21 Business Plan have not been delivered within the period and the committed expenditure will be carried forward to the new financial year.

8.7 Reserves

At the start of financial year, 2022-23, the reserves position is forecast to be £2.139m.

The Operating Plan for 2021/22 requires further investment of LEP reserves to the plan £170k, assuming continuation of grant funds from Government and Company Members.

8.8 Procurement

The LEP will ensure that any goods, works or services are purchased in accordance with the directives, regulations, policies and guidance relating to the procurement of supplies, services and works for the public sector as defined in the Public Contracts Regulations 2015. The over-riding policy requirement is that all public procurement must be based on value for money, defined as the best mix of quality and effectiveness for the least outlay over the period for use of the goods or services bought.



9.0 Key Risks and Challenges

The following risks and challenges are highlighted:

9.1 Income from interest payments

Reliance on interest payments from LEP funds, held on account by the Accountable Body. This is a diminishing pot of capital funds, comprised mainly of Growth Deal Funds – most of which were paid out in 2021/22 and Getting Building Funds, most of which will be paid out in 2022. There are no indications from government that LEPs will continue to act as a conduit for capital funds.

The Accountable Body pays interest to the LEP at a rate of 0.1% and charges a treasury management fee of £15,200 – which is provisioned within the annual budget. A reasonable forecast of interest is £5k in 22/23.

Reliance on interest payments from Growing Places loans. Approximately £9.7m remains held on account for allocation which earns 0.1% interest and is available for investment. For loans agreed by the LEP Board, typically the interest rate payment is about 4% above base rate. The LEP should seek to fully utilise these funds, primarily to unlock stalled investment and create jobs, but also to maximise the return of interest to the LEP. It is anticipated that £200k of interest will be repaid to the LEP in 2022/23 but this carries an inherent risk, should the Board agree to extend any repayment terms (similar decisions were made in 2021/22 to support businesses affected by Covid 19), or the borrower defaults on payment. Should this be the case, the only available provision to meet the Operating budget would be the further use of reserves or make expenditure savings.

9.2 Reliance on reserves

Historically, the LEP has carried forward significant reserves. However, these reserves have been relied on in recent years to support LEP operational costs. This budget proposes further use of reserves, with no obvious sources of additional income which might replenish the reserves position.

9.3 Reliance on Government Sponsor Funds

The Government has not yet indicated its intention to continued financial support.

9.4 Reliance on Local Matched Funds

The ability to continue to secure local contributions, primarily from the Company Members is currently essential to the drawdown of Government funds, but may change in the future. Equally, Company Member contributions remain dependent on their willingness to continue to contribute and affordability.

10.0 Summary Position

The Medium-Term Financial Forecast is attached at Appendix 'B'.

10.1 Income

Income of £717,500 is anticipated for the financial year made up of contributions from Local Partners, DCLG and interest earned on Growing Places loans and LEP funds held on its behalf by the Accountable Body. This is a reduction of £308k on previous year's income.

10.2 Expenditure

The proposed budget for 2022/23 is £888k, a significant reduction on the previous year's budget of £1.3m, reflecting an anticipated reduction in income and seeking to minimise the impact on reserves. There are significant risks and uncertainties in the MTFF with regard to future funding levels and operating budgets in future years will need to be reviewed as their financial sustainability as levels of future funding are confirmed.

List of Background Papers

Paper	Date	Contact/Tel
None		
Reason for inclusion in Part II, if appropriate		
N/A		



APPENDIX 'A' Key Programme Deliverables in 2022/23

Getting Building Fund (£34.1m)

Programme	Getting Fund	Building
Priorities for Forthcoming Year	<ul style="list-style-type: none"> • Quarterly monitoring of projects to 2025 • Quarterly reporting to CLG to 2025 (outputs) • Reporting to LEP Board • Annual Performance Review / Mid-Year Review • Subsidy control reporting • Performance assessment • Completion of Programme and Projects Evaluation • Strategic Thematic communications / promotion • Case studies • Lessons Learnt / Best Practice • Programme Review (refresh) 	
Strategy/Policy elements	<ul style="list-style-type: none"> • Communication / Promotion • Assurance Framework Refresh • Alignment with Strategic Framework and Lancashire 2050 • Government funding approach • Future funding opportunities 	
Strategic Initiatives	<ul style="list-style-type: none"> • Social Value Charter • Future phases of projects e.g. (AMRC, LHIC, BVP etc.), including growth / expansion / innovation (will require new source of funds) 	
Core Programme of delivery	<ul style="list-style-type: none"> • As included in priorities 	
Key Challenges	<ul style="list-style-type: none"> • Ensuring project spend within eligible timeframes • Covid-related delays 	



Enterprise Zones

Programme	Enterprise Zones
<p>Priorities for Forthcoming Year</p>	<ul style="list-style-type: none"> • Successful establishment of NCF • Development of Cyber Ecosystem • Marketing Strategy and Plan; website updates • Support current businesses in occupation • Infrastructure development plans / delivery (partners) • Promotion of EZ to potential occupiers • Enquiry handling • Proposition Development • Performance assessment • Quarterly reporting to CLG • Business Rates Reconciliation • Programme review – refresh • Compliance with Assurance Framework
<p>Strategy/Policy elements</p>	<ul style="list-style-type: none"> • Internationalisation Strategy • New Innovation Plan • Fiscal Benefits Extension • Proposition development • Marketing Strategy / Plan • Alignment with Strategic Framework and Lancashire 2050 • Future funding opportunities • Social value Charter
<p>Key Challenges</p>	<ul style="list-style-type: none"> • Developing a strong pipeline of leads • Repayment of PWLB borrowing for infrastructure • Freeports creating a gravitational pull away from EZs • Optimising new global opportunities



Growth Deal

Programme	Growth Deal	
<p>Priorities for Forthcoming Year</p>	<ul style="list-style-type: none"> • Financial closure of programme / Audit • Quarterly monitoring of projects to 2025 • Quarterly reporting to CLG to 2025 (outputs) • Annual Performance Review / Mid Year Review • Reporting to GDMB / LEP Board • Subsidy control reporting • Performance assessment • Completion of Programme and Projects Evaluation • Strategic Thematic communications / promotion • Case studies • Lessons Learnt / Best Practice • Programme Review (refresh) 	
<p>Strategy/Policy elements</p>	<ul style="list-style-type: none"> • Emerging priorities of Lancashire 2050 and Sector Groups 	
<p>Strategic Initiatives</p>	<ul style="list-style-type: none"> • Social Value Charter (not just this programme) • Future phases of projects e.g. (AMRC, LHIC, BVP etc.), including growth / expansion / innovation 	
<p>Key Challenges</p>	<ul style="list-style-type: none"> • No further Growth Deal funds available to invest • To be effective in influencing new sources of funds to meet strategic priorities 	



Growing Places

Programme	Growing Places Fund	
Priorities for Forthcoming Year	<ul style="list-style-type: none"> • Full investment of Growing Places Funds (circa £9.7m available) to unlock stalled investment • Promotion of the Fund including case studies • Commission Monitoring Surveyor and Valuation services provider for 3 years • Commission a Legal Firm for 3 years • Ensure capital and interest repaid according to schedule 	
Strategy/Policy elements	<ul style="list-style-type: none"> • New criteria for the fund to be agreed to include revenue projects • Continued recycling of fund to ensure income stream to the LEP 	
Core Programme of delivery	<ul style="list-style-type: none"> • One scheme in delivery • One scheme going through due diligence • Three schemes approved in principle • Key outputs (not contractual) <ul style="list-style-type: none"> ○ circa £1private sector funds leveraged, ○ circa 10 jobs created ○ circa 1,421 sqm developed 	
Key Challenges	<ul style="list-style-type: none"> • Delays in repayments due to impact of Covid • Appetite of borrowers to use the funds post Covid/Brexit 	



Communications

Programme	Communications
<p>Priorities for Forthcoming Year</p>	<ul style="list-style-type: none"> • Creating a 'Communications Dashboard' to effectively measure the LEP's impact, effectiveness and reach • Deliver effective communications across all channels for the work and impact of the LEP • Increase the effectiveness of communications to drive Lancashire's economic growth and deliver its strategic intent • Ensure the LEP is a trusted source of credible, relevant and insightful intelligence regarding the Lancashire economy • Create and develop new partnerships to deliver its core objectives • Foster a positive image of the LEP to encourage business engagement • Nurture a healthy familiarity with all those who come into contact with the LEP and the LEP's activities, its services, its people and its policies • Create a constructive climate for businesses for information, recognition and involvement • Bring the concerns of Lancashire businesses into the hub of strategic decision-making of the LEP and exert a positive influence on public policy and decision making in the region and at a national level • Taking our social and economic values and vision out into the world to influence and align with partners • Respond to emerging policy issues and challenges • Campaigns emerging from Sector Plans • Annual Conference • Deliver the Stakeholder Engagement Plan
<p>Strategic Initiatives</p>	<ul style="list-style-type: none"> • Internationalisation Strategy • Lancashire 2050 • Sector group Plans • Social Charter • Innovation Plan (2022) • Cultural Strategy • Social Value Charter • Stakeholder Engagement Plan
<p>Key Challenges</p>	<ul style="list-style-type: none"> • Measurement and evaluation • Rapidly evolving policy and economic landscapes • Freeze on recruitment

Innovation

Programme	Innovation
<p>Priorities for Forthcoming Year</p>	<ul style="list-style-type: none"> • Develop pipeline of Innovation propositions from main stakeholders (eg Universities working together) in support of the LIS and to secure new Govt funding initiatives. • Coordinating clusters of Tech companies through an Observatory helping the linking of incubators, demonstrators and initiatives for better take-up of funds from UKRI • Facilitating a series of Innovation events and the annual Innovation Festival in October alongside the emerging Innovation Marketing Plan • To support the Sector Groups to embed innovation opportunities and support the cross-fertilisation of emerging technologies amongst the supply chain eg sector challenges • Leveraging innovation through investment, inward development and internationalisation opportunities and building networks for seed capital for Innovation Driven Enterprises eg NorthInvest; iCure etc • Complete work on refreshing the Innovation Plan alongside the Innovation Board to include new performance indicators
<p>Strategy/Policy elements</p>	<ul style="list-style-type: none"> • Refresh Innovation Plan • Respond to Govt policies around SPF; Build Back Better; R&D Roadmap and Green Revolution; working with NP11 and their likely role according to emerging devolution/CA structures.
<p>Strategic Initiatives</p>	<ul style="list-style-type: none"> • Initiate an Innovation Hub and Spoke Model with major stakeholders aligning activities for greater impact. The aim being fewer, bigger projects with greater coherence, collaboration and impact. • National Cyber Force R & D Innovation (LCP Board)
<p>Key Activities (if not covered elsewhere)</p>	<ul style="list-style-type: none"> • Innovation programmes are facilitated with the support of the LEP and delivered through specialists such as Universities and



	<p>Public/Private Partnerships working alongside Boost etc</p> <ul style="list-style-type: none">• A small fund via LCDL (£100K) acts as seed for the Innovation team to explore and promote initiatives but the wider programmes delivered by partners amount to multi-million scale innovation programmes that are regionally and internationally recognised.
Core Programme of delivery	<ul style="list-style-type: none">• Multiple ERDF and Growth Deal programmes along with Growth Hub programmes delivered across numerous assets.
Key Challenges	<ul style="list-style-type: none">• Lancashire has been nationally recognised as very successful at developing ERDF based SME support programmes with innovation at their core but post-Brexit there is a potential cliff face for innovation programmes.• The Innovation team available to support the LEP is very small comprising of three people including LCC staff.• Innovation programmes tend to span local/regional boundaries alongside business eco-systems and aligning programmes and funding appropriately and ensuring Govt recognises these structures is a key challenge at the present time.



BOOST Growth Hub

Programme	BOOST Growth Hub
Priorities for Forthcoming Year	<ul style="list-style-type: none"> • Continue to support business through the pandemic and recovery • Provide intelligence and support to businesses impacted by BREXIT • Start delivery of Boost 4 2022 – mid 2023 • Deliver year 2 of BEIS Peer to Peer Network Provision • Build on the outputs of the LEP's review of Business Finance. • Beyond achieving contractual outputs, focus the value added work of the Access to Finance service on developing improved and sustainable Angel Networks across Lancashire. • Using LCC resource to sustain provision for rural communities and business as the European LEADER programme comes to an end. • Continued delivery of the LEP's Innovation Plan including third Innovation Festival • With LCC resource to continue to support Aero, Auto, Digital and Creative sectors, (inclusive of LEP Cultural strategy, Lancs 2025, Linear Park etc.)
Strategy/Policy elements	<ul style="list-style-type: none"> • UKSPF strategy potentially required for Lancashire if the model follows ESIF • Innovation Plan • Internationalisation Strategy
Core Programme of delivery	<ul style="list-style-type: none"> • Outline of core programme for delivery • Associated investment • Key outputs contracted on projects in year (22/23)
Key Challenges	<ul style="list-style-type: none"> • Ensuring widespread awareness and engagement with the Growth Hub by Lancashire businesses • Replacement ERDF for continued service



Skills and Employment

Programme	Skills & Employment	
<p>Priorities for Forthcoming Year</p>	<ul style="list-style-type: none"> • Implement the Lancashire Skills and Employment Strategic Framework 2022 • Meet the government's Skills Advisory Panel requirements • Feed evidence-base / Framework and skills and employment priorities into the Lancashire 2050 and in turn those into the Framework refresh for 2022, as well as priorities identified by Sector Groups • The Lancashire Skills and Employment Strategic Framework outlines the 4 strategic themes, Future Workforce, Skilled & Productive Workforce, Inclusive Workforce, Informed Approach and the underlying priorities <p>There are a number of key programmes that align:</p> <ul style="list-style-type: none"> • Careers Hub and Enterprise Adviser Network • Technical Education Vision and implementation of the Gatsby Foundation funded Routeways project, as well as the Apprenticeship Action Plan • Lancashire Digital Skills Partnership and allied programmes • Prioritisation of and strategic oversight of the Lancashire ESF Programme, including 'joining the dots' through the Lancashire Skills Escalator and the Escalate tool • Promotion and engagement of businesses with the Lancashire Skills Pledge and residents with 'Skills for Work' • Development of the Social Value charter and embedding of Social Value into commissioning, procurement and planning processes <p>N.B. Whilst led by the Skills and Employment Hub the activities are dependent upon contributions from employers, providers and stakeholders</p>	
<p>Strategy/Policy elements</p>	<ul style="list-style-type: none"> • Drive the implementation of the published Lancashire Skills and Employment Strategic Framework by working in partnership with employers, providers and stakeholders • Develop the new Local Skills Improvement Plan • Refresh the Lancashire Skills and Employment Strategic Framework for 2022, incorporating DfE policy and guidance in regard to SAPs and the requirements regarding Local Skills Reports 	



	<ul style="list-style-type: none"> • Responding to the Skills for Jobs White Paper – contributing to resulting DfE consultations and positioning Lancashire employers and providers to secure trailblazers • Continue to shape DfE policy in relation to the National Skills Fund and, in particular Skills Bootcamps through the test and learn provision in Lancashire • Influence and shape the coming UK Shared Prosperity Fund, and seek to secure pilots in Lancashire
<p>Strategic Initiatives</p>	<ul style="list-style-type: none"> • DfE SAP programme and building the evidence based approach to the identification of skills and employment priorities, including open source LMI toolkit and resources • Drive the implementation of the published Lancashire Skills and Employment Strategic Framework by working in partnership with employers, providers and stakeholders (delivery plan contained within with anticipated outputs, and logic chain to outcomes) <p>Key programmes:</p> <ul style="list-style-type: none"> • Careers Hub and Enterprise Adviser Network – driving excellent in careers provision through planning against the Gatsby Benchmarks • Technical Education Vision and implementation of the Gatsby Foundation funded Routeways project, as well as the Apprenticeship Action Plan • Lancashire Digital Skills Partnership and allied programmes • Prioritisation of and strategic oversight of the Lancashire ESF Programme, including 'joining the dots' through the Lancashire Skills Escalator and the Escalate tool, and shaping of successor, UKSPF • Development of the LEP's Social Value charter and embedding of Social Value into commissioning, procurement and planning processes <p>Range of programme funding from DfE, DCMS, Careers and Enterprise Company, Gatsby Foundation and Blackpool Opportunity Area</p>
<p>Key Challenges</p>	<ul style="list-style-type: none"> • Ongoing impact of the pandemic on employment and businesses/sectors across Lancashire – compounding effect on the more disadvantaged



	<p>areas and people (pushing back opportunity for levelling up)</p> <ul style="list-style-type: none">• Positioning of the SAP programme within DfE and across government departments, so that local priorities influence and shape employment and skills commissioning and procurement• Positioning of Lancashire weakened due to the lack of a Combined Authority for devolved funds and pilots – need to work harder to position with government departments• Funding and resources to sustain activity – across programmes (generally annual allocations or one off investments – for example, not expecting further funds beyond December 2021 for Technical Education work from the Gatsby Foundation)• Allocation of remaining ESF funds and the ability / speed of DWP Managing Authority to procure and award funding, sharing of data also remains an ongoing issue• Ability to influence and shape UKSPF and secure funds / pilots for Lancashire• Complex skills and employment system with many new initiatives introduced by central government, for example 'Plan for Jobs' – local coordination is critical to maximise impact
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The Annual Business Plan provides for the following elements of resource to support the continued delivery of the LEP's Programme:

- Contribution of 50% staff costs, 2 people Skills and Employment Hub (£104k)
- 100% cost of Skills Intelligence Officer for one year



APPENDIX 'B' – Medium Term Financial Forecast (2021/22 to 2023/24)

Appendix 3 Lancashire Enterprise Partnership Medium Term Financial Forecast 2021/2022 to 2024/2025	2021-2022	2022-2023	2023-2024	2024-2025
	Actuals	Budget	Budget	Budget
Income				
DCLG income - strategic	250,000			
DCLG income - core	250,000	375,000		
LCC / Partner contributions	250,000	187,500		
Growing Places Interest received	193,815	150,000	150,000	150,000
Contributions	10,000			
Interest received on funds	72,159	5,000	5,000	5,000
Total Income	1,025,974	717,500	155,000	155,000
Expenditure				
Staffing				
CEO and interim CEO Costs	166,090	111,141	67,956	68,725
LEP core staff	354,584	222,633	213,811	217,552
LEP contribution to Skills Hub staff	63,218	103,292	105,100	106,939
	583,892	437,066	386,866	393,216
Core Running Costs				
Accommodation	17,032	17,032	17,032	17,032
Treasury management costs	15,200	15,200	15,200	15,200
Accountable Body Support Agreement	-	-	-	-
Running costs	31,276	25,000	25,000	25,000
	63,508	57,232	57,232	57,232
Strategic Framework Delivery				
Local Industrial Strategy	18,616			
Sector Support	46,015	60,000	60,000	60,000
Finance for Business	11,600			
Manufacturing Sector Group				
Internationalisation Strategy	73,550			
	149,781	60,000	60,000	60,000
Project Support				
Festival of making (21-22 commitment only)	45,000			
LEP programme consultancy and assurance	13,550	30,000		
General Project Funding	7,000	25,000	25,000	25,000
Match for Careers Hub and Enterprise Advisors Network	25,000	25,000	25,000	25,000
LevyTransfee Network	8,090			
Extension of Export Plan advisor				
NCF Ecosystem development		65,000		
	98,640	145,000	50,000	50,000
Marketing & communications activity				
Specific agreed marketing projects	53,416	60,000	60,000	60,000
	53,416	60,000	60,000	60,000
Marketing & communications commissions				
Annual Conference and annual publications	28,609	12,500	25,000	12,500
	28,609	12,500	25,000	12,500
Fees and charges				
Legal Support	7,636	20,000	20,000	20,000
Company Secretary	43,000	43,000	43,000	43,000
	50,636	63,000	63,000	63,000
LEP Restructuring Budget				
Consultancy and professional support	-	20,000		
Recruitment costs	12,525			
Provision for staff indemnity liabilities		33,309		
	12,525	53,309	-	-
Total Expenditure	1,041,007	888,107	702,098	695,948
Net P&L	- 15,033	- 170,607	- 547,098	- 540,948
Reserves				
LEP account balance brought forward, including Growing Places interest	2,174,908	2,159,875	1,989,268	1,442,170
Balance of P&L above	- 15,033	- 170,607	- 547,098	- 540,948
Total LEP funding available	2,159,875	1,989,268	1,442,170	901,221



Lancashire Enterprise Partnership Limited

Private and Confidential: NO

Date: Monday, 11 July 2022

LEP Governance and Committees Report

**Report Author: Andy Milroy, Democratic Services Manager (Companies),
Lancashire County Council, Tel: 01772 530354, andy.milroy@lancashire.gov.uk**

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. The report also contains Governance updates and any Governance decisions required by the Board.

Recommendation

The Lancashire Enterprise Partnership Board is asked to note the updates provided in this report in relation to Governance, urgent decisions taken since the last LEP Board meeting and the Committees of the Lancashire Enterprise Partnership as set out.

Background and Advice

This is a standing report which provides an update on governance issues and meetings of committees of the LEP since the last inquorate Board meeting on 22 March 2022 in accordance with the LEP Assurance Framework, publicly available on the Lancashire Enterprise Partnership website:

<https://lancashirelep.co.uk/about/policies/>

Current LEP Committee Vacancies / Appointments

Vacancies

There are currently 2 vacancies on the LEP Enterprise Zone Governance Committee.

Appointments

Graham Baldwin has been confirmed by the Company Members as a new LEP Director, Graham is also the Chair of the LEP Innovation Board (Committee of the LEP).



Alison Robinson has been confirmed as the new Chair of the LEP Skills and Employment Advisory Panel (Committee of the LEP) and confirmed by the Company Members as a new LEP Director.

Dr Fazal Dad has joined the LEP Skills and Employment Advisory Panel as a new Further Education representative.

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

1. Urgency Business Procedure Decisions

There have been three urgent decisions approved by the LEP Board via the Urgent Business Procedure since the last Governance and Committee report submitted to the inquorate LEP Board meeting held on 22nd March 2022 as follows:

18th March 2022 – Growing Places - Ormskirk Court Hotel

Resolved: The LEP Directors approved the proposed change of security offered for this loan as a first charge over the Ormskirk Court Hotel and a second charge over No.10 Preston.

25th March 2022 – Urgent Decisions from the Inquorate LEP Board meeting held on 22nd March 2022

Resolved: The Lancashire Enterprise Partnership Directors approved the following reports, as presented in the agenda pack for the inquorate Board meeting held on 22nd March 2022, as set out without amendment:

- (i) Item 6 – National Skills Fund Bootcamps
- (ii) Item 8 – LEP Annual Plan and Budget 2022/23
- (iii) Item 9 - Annual Review - Local Assurance Framework 2022/23
- (iv) Item 13 - Grant Renewals Skills

In addition, the LEP Directors noted that Item 14 – Growing Places – Pearl 2 Brierfield Mill would be presented to the 21st June 2022 LEP Board meeting with the constructor requested to attend to answer any queries LEP Directors may have.

24th May 2022 – Appointment of new Chair and Committee Member to the LEP Skills and Employment Advisory Panel

Resolved: The Lancashire Enterprise Partnership Directors:

- (i) Approved the appointment of Alison Robinson, Chief Executive and Principal at Myerscough College as the new Chair of the Lancashire Skills and Employment Advisory Panel (LEP Committee) with immediate effect.
- (ii) Approved the appointment of Dr Fazal Dad, Principal and Chief Executive at Blackburn College, as a new Lancashire Skills and Employment Advisory Panel Further Education Committee Member; and



- (iii) Recommended that the Company Members appoint Alison Robinson as a LEP Director, noting that Alison will replace Amanda Melton as the LEP Director Champion for Skills and Education.

15th June 2022 – PEARL Brierfield Mill Growing Places Loan

Resolved: The Lancashire Enterprise Partnership Directors approved the extension of the use of the Facility Agreement to include commercial development.

2. City Deal Executive and Stewardship Board

There have been no meetings of the City Deal Executive and Stewardship Board since the last update.

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

3. Growth Deal Management Board

There have been no meetings of the Growth Deal Management Board since the last update.

Full agendas and minutes for Growth Deal Management Board meetings can be accessed here:

<http://council.lancashire.gov.uk/ieListMeetings.aspx?CommitteeID=1218>

4. Enterprise Zone Governance Committee

The Enterprise Zone Governance Committee met on 9th March 2022 and considered / approved the following:

Enterprise Zone Marketing Strategy – the Enterprise Zone Governance Committee noted the Development Plan for a comprehensive marketing strategy and plan, with a clear focus on website development as a priority. The Committee also requested that the LEP Chief Executive go back to the task group and pull together a marketing plan for the coming year in terms of events and conferences that they are confident around to give more of an idea around resources and timescales.

Blackpool Airport Enterprise Zone: Progress Report - The Committee received and noted a report that included updates on activity since the last meeting, including achievements to date, KPI's and milestones, risks, opportunities and issues, Master plan and delivery plan, project management, Fiscal incentives, current activity, towns fund, development for Multiply Ltd, Squires Gate Industrial Estate, Planning applications, communications infrastructure, Marketing, Blackpool Airport, Project team and the Risk Register.



Hillhouse Technology Enterprise Zone: Progress Report – The Committee received and noted a report included updates on activity since the last meeting, including achievements to date, KPI's and milestones, progress with the site's Delivery Plan, update on the planning application by NPL Estates for a residential development, update on the residential development by BXB purchasing the former Sainsbury retail site and planning application logged for the main site of residential development, progress made by Dickie & Moore with their residential development plans for the former Thornton AFC site, ongoing issues regarding road access across the Fleetwood-Poulton railway line, Marketing, NPL Estates have acquired the vacant property of the former Vinnollt site, new companies on site, job creation, Hillhouse Board and Project board meeting update, and fiscal benefits.

Samlesbury Aerospace & Warton Aviation Enterprise Zone: Progress Report - The Committee received and noted a report regarding the Samlesbury site, the report included updates on the Memorandum of Understanding between the LEP and the County Council, Site Delivery Programme: Phase:2a - Delivery of Public Infrastructure and Development/Growth Deal Programme and Phase 2b Delivery Programme, a Planning update, commercial agents, Marketing and Communications and Warton Aviation Enterprise Zone.

The Enterprise Zone Governance Committee also met on 12th May 2022 and considered / approved the following:

Blackpool Airport Enterprise Zone: Progress Report - The Committee received and noted a report that included updates on activity since the last meeting, including achievements to date, KPI's and milestones, risks, opportunities and issues, Master plan and delivery plan, project management, Fiscal incentives, current activity, towns fund, development for Multiply Ltd, Squires Gate Industrial Estate, Planning applications, communications infrastructure, Marketing, Blackpool Airport, Project team and the Risk Register. In addition, this report provided updates on Marketing and Communication Infrastructure.

Hillhouse Technology Enterprise Zone: Progress Report – The Committee received and noted a report included updates on activity since the last meeting, including achievements to date, KPI's and milestones, progress with the site's Delivery Plan. In addition, job creation updates were provided along with objectives for 2-, 5- and 10-year periods.

Samlesbury Aerospace & Warton Aviation Enterprise Zone: Progress Report - The Committee received and noted a report regarding the Samlesbury site, the report included updates on Phase 1, Phase 2a and Phase 2b of site delivery. In addition, a finance update was provided along with planning updates, commercial marketing agents, ancillary accommodation, marketing and communications and a brief update on activities at the Warton site.

Full agendas and minutes for the Enterprise Zone Governance Committee meetings can be accessed here:

<http://council.lancashire.gov.uk/ieListMeetings.aspx?CommitteeID=1171>



5. Lancashire Skills and Employment Advisory Panel

The Lancashire Skills and Employment Advisory Panel meet on 23rd February 2022 and considered / approved the following:

Update from the Lancashire Skills Hub, Employment Hub and Partners – The Panel received and noted an update that was structured against the strategic themes and priorities outlined in the Lancashire Skills and Employment Strategic Framework 2021 and provided an update since the last meeting of the Panel.

National Skills Fund: Skills Bootcamp for 2022/23 - The Panel considered the opportunity to secure grant funds for Skills Bootcamp delivery in Lancashire and proposed to the LEP Board that grant funds were accepted should the application to the DfE be successful, subject to review of the grant funding offer and the terms and conditions by the Chief Executive and Section 151 Officer and any related procurement considerations.

Levelling Up for Lancashire – The Panel received a presentation on the Government Levelling Up white paper and the implications for Lancashire. It was noted that the next informal meeting of the Panel would have a focus on the development of Lancashire 2050, with the anticipation that the Panel would have a role in developing the theme relating to early years, education, adult skills, and employment.

Local Skills Improvement Plan: Early Findings – It was noted that the Local Skills Improvement Plan (LSIP) came out of the Skills White Paper from January 2021 with the intention of putting employers right at the heart of decisions made with regards to skills provision in their local areas. Lancashire was one of only 8 trailblazers in England to do this.

The programme ran alongside the Strategic Development Fund programmes that were going through colleges at the moment. In addition, it was noted that the work on the LSIP was due to finish on 31 March 2022 and that a report on the outcomes would be sent to the DfE upon its conclusion.

Grant Renewals – Following presentation of a private and confidential report, the Panel:

- (i) recommended to the LEP Board acceptance of the grant funding offer from the CEC once received, subject to review of the final grant offer and associated terms and conditions by the Chief Executive and Section 151 Officer and support the extension of the contract with Inspira.
- (ii) Recommended to the LEP Board that they approve the acceptance of the grant from DCMS, should it be approved, subject to review of the final grant offer and associated terms and conditions by the LEP Chief Executive and Section 151 Officer.

The Lancashire Skills and Employment Advisory Panel meet on 9th June 2022 and considered / approved the following:



Update from the Lancashire Skills Hub, Employment Hub and Partners – The Panel received and noted an update that was structured against the strategic themes and priorities outlined in the Lancashire Skills and Employment Strategic Framework 2021 and provided an update since the last meeting of the Panel.

Food and Agriculture Study - The Panel agreed to note the draft Food and Agriculture Study as presented and provided comments on the draft report and recommendations to officers.

Local Skills Improvement Plan – The Panel received a report regarding the Lancashire Local Skills Improvement Plan (LSIP) which provided an insight into the early findings. It was noted that the Lancashire Skills and Employment Hub have supported the Chamber of Commerce and partners with research and shared local labour market intelligence to support the production of the report. The Lancashire LSIP report was published on the 31st March 2022, which included an executive summary, and a range of recommended actions – the Panel noted the Lancashire LSIP as presented.

Transition from ESIF to USKFP – The Panel received a presentation on the change from ESIF to USKFP and the impact of the change.

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>

6. Business Support Management Board

The Business Support Management Board meet on 26th May 2022 and considered / approved the following:

Growing Women – New Report on Women's Enterprise in Lancashire – The Business Support Management Board received and noted a report and the suggested initial responses that Boost will make in relation to the study, including:

- Where money becomes available explore option of more targeted support
- More visuals of women in business on Boost publicity and website
- Explore option of adding a women in business page onto Boost website
- Boost staff to only be on panels where there is equal representation
- Where events/activity have limited representation to challenge and support Organisers

Availability of Finance in Lancashire Report – It was noted that Consultancy EKOS were commissioned by the LEP to provide an overview of the finance market in Lancashire. The commission also asked EKOS to investigate opportunities for a Lancashire Investment Forum. The research included desk-based research, broad engagement with around 40 key stakeholders, representations to the LEP's sector groups and a presentation to an informal LEP board. The Board received / noted the report, reviewed the Executive Summary and Action Plan, and recommended the report to the LEP Board.



Business Support Update - The Board received and noted a report regarding Business Support and recommended the following:

- (i) Confirmed that the use of BEIS resource in 2021-22, is as discussed at the Board in Spring 2021 and note that this spend has been audited by Lancashire County Council as the accountable body.
- (ii) Discussed and suggested those areas where any additional BEIS resource might be applied in 2022-23 for thematic or demographically specific projects or research.
- (iii) Noted the additional pressure on resources for local business support and endorsed the suggested actions set out in the report to address this.

Full agendas and minutes for the Business Support Management Board meetings can be accessed here:

<http://council.lancashire.gov.uk/ieListMeetings.aspx?CommitteeID=1220>

7. Lancashire Innovation Board

The Lancashire Innovation Board meet on 3rd March 2022 and considered / approved the following:

Innovation Observatory Interim Report - The Board received an update report on progress to date regarding the development of the Innovate Lancashire web site. Darren Bentham from Interact-IT also gave a demonstration of the user interface design, functionality and fit with marketing, branding and initiatives for Innovate Lancashire.

Following the demonstration Board members discussed the content and colour scheme for the website and it was suggested that consideration be given to the inclusion of additional alternative data sources. It was noted that the site currently did not refer to Cyber or Aerospace and it was proposed that the home page of the website focus of 2 or 3 key elements.

The Board resolved that the views of the Board be taken into consideration during further development of the website and that the Board be kept informed of progress and that further information regarding the Lancashire Innovate Challenge be circulated to Board members outside of the meeting.

Innovation Plan Refresh - A report was presented which set out the baseline position for the refresh of the Lancashire Innovation Plan. Representatives from Steer Consulting Group gave a presentation on the existing five strategic aims and objectives in the Plan and identified key messages from the report together with a socioeconomic summary of Lancashire (in 2017 and 2021), the North West and United Kingdom.

The Board resolved that the baseline report on the Innovation Plan refresh, as set out at Appendix 'A' to the report presented, is noted and that Board members participate in a workshop, facilitated by Steer Consultants, to shape the development of the next stages of the refresh. The Board also resolved that the views of Board members from



the workshop be taken into consideration by Steer Consultants when further developing the Innovation Plan refresh

The Lancashire Innovation Board also met on 7th June 2022, at the time of writing the minutes of this meeting are not available and an update will be reported to the next LEP Board meeting.

Full agendas and minutes for the Lancashire Innovation Board can be accessed here: <https://council.lancashire.gov.uk/ieListMeetings.aspx?Committeeld=1678>

The Lancashire Innovation Board also meet on 7th June 2022 and considered / approved the following:

Innovation Update - A report was presented on a proposed Shared Prosperity Fund programme, collaboration between the three North West Innovation Boards together with an update on the Innovate Lancashire Website.

It was resolved that:

1. That the Board be kept informed of further developments regarding the Shared Prosperity Fund programme, collaboration between the three North West Innovation Boards and Innovate Lancashire Website.
2. That Board members be provided with a formal communication from the Innovation Board Chair which can be used for collective and individual lobbying regarding the provision of future funding for innovation locally, regionally, and nationally.
3. That Board members be provided with a hyperlink to the Innovate Lancashire Website for use in emails or when networking to direct more traffic to the website.

Update from Individual Board Members – The Board received updates from a number of Board Members regarding a digital hub to promote knowledge and skills sharing across healthcare, academia and business, and drive innovation in digital health. The establishment of a digital community hub in the town centre of Whitehaven and the pan Lancashire decarbonisation project with the updates noted. In addition it was agreed to include a 10 minute slot on future agendas for roundtable feedback from individual board members on activity.

Innovation Plan Refresh – Steer Economic Development gave a presentation on the outcome of the previous workshop and gave feedback on further external consultations and sectoral analysis of smart specialisation for Lancashire. The Board noted the presentation and requested that a further workshop be arranged ahead of the next Board meeting.



8. Joint Scrutiny Committee

The LEP Joint Scrutiny Committee has not met since the last Governance and Committees update provided to the inquorate LEP Board meeting held on 22nd March 2022. It is scheduled to meet again in September 2022 (date to be confirmed).

Full agendas and minutes for the Joint Scrutiny Committee meetings can be accessed here: <https://council.lancashire.gov.uk/ieListMeetings.aspx?Committeeld=1708>

List of Background Papers

Paper	Date	Contact/Tel
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None

Reason for inclusion in Part II, if appropriate

N/A



Lancashire Enterprise Partnership Limited

Private and Confidential: NO

Date: Monday, 11th July 2022

Availability of Finance in Lancashire

(Appendices 'A' and 'B' refer)

**Report Author: Sue Roberts, Tel: 01772 536605,
sue.roberts@lancashire.gov.uk**

Executive Summary

Consultancy EKOS were commissioned by the LEP to provide an overview of the finance market in Lancashire. The commission also asked EKOS to investigate opportunities for a Lancashire Investment Forum.

The research included desk-based research, broad engagement with around 40 key stakeholders, representations to the LEP's sector groups and a presentation to an informal LEP board.

It should be noted that the research was carried out during the Covid 19 pandemic where the availability of temporary and interventionist government funds, skewed the financial markets. The supply and demand side research was primarily delivered through business support organisations, finance providers and limited business engagement.

Recommendation

The Lancashire Enterprise Partnership Board is asked to:

- (i) Review and approved the Executive Summary and Action Plan; and
- (ii) Note that regular updates on progress against the Action Plan will be brought to the LEP Board and oversight provided by the Business Support Management Board



Background and Advice

1. Background

- 1.1 The LEP board identified an opportunity to provide financial investment to advanced manufacturing businesses that were struggling during the pandemic.
- 1.2 LEP board members were concerned that momentum in research & development and the adoption of new technologies would hinder businesses as a result of the pandemic and saw an opportunity to support with a financial instrument.
- 1.3 In order to establish what financial instruments were needed in the county the LEP commissioned EKOS to conduct a review of what was already available and to identify any gaps in the marketplace.
- 1.4 The Executive Summary at Appendix A identified Early-Stage finance as problematic in Lancashire with companies finding difficulty in identifying sources of this type of funding.
- 1.5 The report identified that there were circa 20,000 financial products available in Lancashire and that businesses found it difficult to navigate those streams of funding.
- 1.6 Ten recommendations were proposed and a stakeholder group was set up to review the recommendations, set priorities and create an Action Plan to improve the financial eco-system in Lancashire.
- 1.7 A well-functioning eco-system has the ability to support the LEP's Sector Groups plans to enable all Lancashire companies to access the right finance at the right time.
- 1.8 Nine recommendations are proposed to be taken forward and work has already commenced. One recommendation was deemed not appropriate.
- 1.9 The stakeholder group that considered the report, the recommendations and worked on the action plan consists of representatives from,

Lancashire Enterprise Partnership
Lancashire County Council
British Business Bank, covering the Northern Powerhouse Investment Fund
Access to Finance
University of Central Lancashire
Institute of Chartered Accountants England and Wales
Foresight Group
ReOrient Consulting Ltd



1.10 The stakeholder group met frequently over the last nine months to consider the recommendations and devise the Action Plan at Appendix B recognising that working together to achieve common goals will positively impact the financial market in Lancashire.

2. Consultation

2.1 The report has been shared with the LEDDG group and the LEP's Manufacturing, Food & Agriculture and Energy & Low Carbon Sector Groups.

2.2 The report was presented to the Business Support Management Board on 26 May 2022 and was well received. The Business Support Management Board commented that there is a constantly moving finance landscape, the report should link up to new initiatives such as the LCC Finance Simplified Programme and the Federation of Small Business's funding platform and information around social investment should be included.

2.3 The report was recommended to the LEP Board.

2.4 Feedback from the consultation has been incorporated into this report.

3. Next Steps

3.1 The Business Support Management Board commends this report to the LEP board for consideration with a recommendation to endorse and publish the report.

3.2 The stakeholder group will continue to meet quarterly to receive updates on progress. The stakeholder group has been expanded to include:

- East Lancashire Chamber of Commerce,
- Lancaster University,
- Edge Hill University,
- University Of Cumbria,
- Nat West Bank, and
- Lancashire Universities Innovation Manager

3.3 An annual report will be brought to the LEP Board detailing progress regarding the actions identified in the plan and the impact it is having on the Lancashire financial eco-system, with oversight provided by the Business Support Management Board.



Lancashire LEP Finance Review Executive Summary Report

April 2021
Updated May 2022

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Contents

- 1. FOREWORD..... 1
- 2. HEADLINE CONCLUSIONS..... 2
- 3. MAY 2022 UPDATE 4
- 4. RECOMMENDATIONS 5
- 5. SOME EARLY ACTIONS..... 7

1. Foreword

1.1 This report presents an Executive Summary of the Finance Market for (SME) Businesses in Lancashire which completed a detailed review of the demand for, and supply of finance, for Lancashire SMEs to identify any significant gaps in the funding market and recommend appropriate actions/ responses.

1.2 The research also sought to investigate opportunities and options to design and establish an “Investment Forum” for Lancashire.

1.3 This Executive Summary is part of a suite of evidence papers which includes the following: Initial discussion paper – Availability of Business Finance in Lancashire; Main headline report addressing the research objectives; and Technical Annex containing the detailed evidence and data sets.

1.4 A number of activities were completed in undertaking the research, including: extensive desk review of published data and sector/industry reports to provide an overview of finance, economic and financial markets; broad engagement with 40 key stakeholders using in depth telephone interviews; presentation and discussion with the LEP Board and Sector Groups around initial findings and conclusions; and development of final reports and technical appendices with conclusion and recommendations.

1.5 It is crucial to recognise that the report and analysis were completed during a time of extreme flux, with impact of Covid and Brexit impacting significantly across the business spectrum and the availability of the Governments national responses significantly distorting the market for business finance.

1.6 It is not suggested that the LEP can, or indeed should, seek to address all the recommendations and associated actions under their own account. Instead, the next stage should be to disseminate and discuss with partners (public and private agencies) and agree detailed requirements and associated roles and responsibilities for future delivery actions.

1.7 We do, however, suggest that time is of the essence to implement some of the recommendations, in particular the development of the ability to deliver business advice, at scale, to companies facing potential distress as COVID support comes to an end.

1.8 There will be limitations on what can be done to address some issues at a local level. For example, the level of Covid debt support has been so large this can't be replaced by the LEP or any single (public or private) source.

2. Headline Conclusions

2.1 At a high level, our examination of the finance market in Lancashire identified the provision of Early Stage Seed and Development (property) funding was problematic for some businesses. Currently the business finance market is significantly distorted from 'normal' by the level of Covid support debt that has been made available by the government.

2.2 Government Covid-specific support funding packages have significantly distorted the current SME finance market which is clearly in a state of flux. Recently, the data show that far more SMEs have taken on external finance than in the past. These SMEs represent "borrowers of necessity" seeking finance for survival as opposed to "planned borrowers", typically seeking to fund investment and growth. Post-covid it seems probable that the majority of these "borrowers of necessity" will revert to being non borrowers, if they can survive the transition to a non-Covid support environment.

2.3 Some SMEs who previously borrowed on a commercial basis may also take the opportunity of the long repayment terms of COVID support to pay down other commercial loans and exit the lending market in the short/medium term, seeking to reduce their perceived personal risk. Others may seek new borrowing to enable them to take advantage of opportunities provided by the anticipated future economic growth. For the present, this is all speculation and forecasting future demand is really little more than "a finger in the air".

2.4 More gaps may emerge once the covid pandemic comes to an end. Indeed, it is likely that many SMEs will be subject to financial difficulty when existing support funding has been stopped, and repayments become due. This will be a nationwide problem, and we anticipate nationwide solutions are likely to be developed. It is, however, appropriate to consider what local steps can be taken to resource, organise and coordinate a short term local response.

2.5 We were advised (anecdotally) of a very few specific cases where a business was said to be unable to obtain the finance they required. There does seem to be an impression held by some consultees that shortages in some areas remain. For example, property funding being an example although we were, however, unable to identify any evidence to support this contention.

2.6 While future demand for funding may be unknown (or unknowable), there are local steps that can be taken to improve the efficiency of the Lancashire finance market. The research has identified issues around information provision/ signposting/ visibility of success/ and business financial skills which should be addressed.

2.7 A headline SWOT of the finance market in Lancashire is presented below and is based on the evidence gathered through the research.

<u>Strengths</u>	<u>Weakness</u>
<ul style="list-style-type: none"> • Strong Lancashire identity • Range of national and regional funds are accessible • Local established funds (Rosebud) • Current A2F infrastructure • Potential for angel activity • Local Partnership working established 	<ul style="list-style-type: none"> • Limited national/regional strategic influence • Low visibility of local activity • Lack of easy access to Lancashire financial information • Unclear tech deal flow • Data often lost within 'north west' • Limited 'Lancashire' angel activity visible. • Immature finance market • Unclear SME demand for different types of finance
<u>Opportunities</u>	<u>Threats</u>
<ul style="list-style-type: none"> • Develop financial infrastructure/ ecosystem • Regular county data collection monitoring and reporting • Joined up information/ signposting/online education • Develop Finance Lancashire as a finance portal • Expand capacity of support services (for both supply and demand). • Support for innovation and low carbon sector activity • Increase angel activity • Embed Environmental, Social and Governance in the financial ecosystem 	<ul style="list-style-type: none"> • Continuing policy focus on cities • Longer term consequences of covid • Weak SME balance sheets • Loss of funding for national/ regional projects • Lack of policy priority • Impact of the war in Ukraine

2.8 There are clear steps that can be taken locally to improve the efficiency of the Lancashire finance market and address these opportunities and threats in the wider financial eco-system including - information provision/ signposting/ visibility of success/ and business financial skills and the establishment of a robust and inclusive investment/ investor forum. These are now expanded on below.

3. May 2022 Update

3.1 The Government announced its Living with Covid plan in February 2022 which removed the last legal restrictions. However, the impact of Covid is still felt by businesses in terms of staff absences and supply chain issues. This in turn has financial consequences.

3.2 The impact of the war in Ukraine has further exacerbated the position for companies in terms of source raw materials from Russia, Belarus and Ukraine. The government has issued sanctions against Russia and Belarus. With sanctions on Russian banks, it is becoming increasingly difficult to obtain goods and services from Russia. The government has warned that there is likely to be significant disruption to supply chains because of the war in Ukraine. It is unknown how widespread the impact is on Lancashire companies. What is known is the impact of the war in Ukraine on energy prices which has soared. In addition, many pension funds, investment houses and funding providers are now scrutinising their portfolios and divesting their interests in Russian and Belarussian companies.

3.3 Against this background, Lancashire's Internationalisation Strategy is emerging. It will be published at a similar time to this report and the two reports should align with each other.

3.4 It is important for the Lancashire economy that it is attractive to Foreign Owned Companies for inward investment, that Lancashire companies export more to provide resilience, for universities to attract international students, academics, support innovation in Lancashire companies and overseas collaborations. All this activity will increase the size and value of the economy in which the financial ecosystem plays an enabling role.

3.6 The LEP's Sector Groups are publishing their Sector Plans and finance features in many of the plans. If Lancashire businesses are to grow and stay in the county there needs to be the financial eco-system for them to access the right finance at the right time. This includes micro and third sector businesses with an emphasis on inclusivity to support our diverse business community.

3.7 Moving forward government funded financial products are likely to focus on their flagship policies such as Levelling Up and the 10-point plan for a Green Revolution in their investment decisions. This works alongside businesses who are looking at their environmental, social and governance responsibilities.

4. Recommendations

4.1 The recommendations are designed to address the key issues raised through the research and the opportunities and threats as highlighted. These are considered both proportionate to address the identified issues and (relatively) low cost/ low maintenance and as such could be implemented quickly. The main report provides additional information on all the recommendations.

4.2 Post Covid Support Taskforce. It is likely that within Lancashire additional resources and skills will be required to assist companies experiencing debt repayment problems. There already exists investment ready and A2F services and these will likely need to be further developed - scaled up, new skills are likely to be needed in relation to dealing with distressed companies (as opposed to growth companies), new information and guidance will be required, and additional signposting to specialist debt management and insolvency services.

4.3 Improved Data Access. Effective future policy development should be built upon a proper understanding of the existing and potential demand for, and supply of, funding. Having a clear grasp of demand/ supply of grant, lending and equity funding requires regular, effective, and systematic data collection and analysis at local, regional and national levels.

4.4 Regular Business Surveys and Market Reports. It would be appropriate to undertake regular (eg bi-annual) surveys of businesses operating in the key Lancashire sectors. This need not be an onerous undertaking and could be delivered through the sector representative organisations, as standalone surveys or by adding finance questions to existing member surveys. A regular market report to highlight the scale and scope of finance activity in Lancashire would help to promote the region and its opportunities. This could include data from the above, supplemented with data from BoE; British Business Bank etc.

4.5 Lancashire Early-Stage Finance Discussion Group. This new discussion group hosted by British Business Bank and should be encouraged and, where appropriate, supported. In part due to its initial relative informality, together with the obvious enthusiasm of those attending, it appears to have potential to be a useful forum for sharing experience, identifying problems and developing coordinated solutions.

4.6 Regional Financial Information Portal. The provision of information around financial sources/ availability of finance is inconsistent, incomplete and fragmented across the region. A new common regional brand (eg Finance Lancashire) should be developed and promoted on all (public and private sector) partner websites, and in turn the Portal would signpost users to the services offered by other partners.

4.7 Access to Finance Services / Finance Education. In light of the potential longer-term consequences of, and recovery from, Covid, it would be appropriate to review the capacity, scope and skills of the A2F service. It is understood that current services are constrained by the need to deliver support to meet EU targets. Businesses need a more flexible approach which may increase both capacity and demand, for example through a telephone triage service. Consideration should also be given as to how much support material can be put online, including articles and webinars. This may again increase capacity, and help to filter companies to appropriate levels of support (online, telephone, light touch or in depth).

4.8 Signposting and information for Angel Investment. The development of an effective angel investment market at a local level is inhibited by the general lack of knowledge about the nature and operations of Business Angels. This applies to both seekers and potential suppliers of funding (Angels). Some misunderstanding exists regarding the typical profile of the individuals who become angel investors, the amounts they invest, the ages and stages of companies they invest in, and even their underlying motivations. Advisory organisations, Investor Ready and Access to Finance services should be encouraged to provide improved links. The Regional Information Portal should include information and signposting for potential applicants for angel funding and individuals interested in becoming angel investors.

4.9 Support New Angel Networks, Groups and Investors. A number of initiatives are already underway at a regional level to increase the amount of angel investing in the region. These include the British Business Bank Regional Angel's Programme and to take advantage of these opportunities consideration should be given to supporting an umbrella angel support and development agency specifically focused on the county (but empowered to look outside the county for deal flow and co-investment to facilitate necessary scale of investment).

4.10 New Finance-Related Products. There are currently no clear identified gaps in the Lancashire market for lending products. We believe that for the moment effort should be concentrated on providing improved signposting to, and education about, existing products available regionally and nationally. The only issues raised (although not evidenced) include: early stage seed finance and funds to support green projects. However, we do not believe these are issues that can be addressed locally but must be subject to national or possibly regional interventions.

4.11 Lancashire Investment Forum. This could take many forms (options) including: a meeting place/introduction service; an events-based angel network meeting; an extension, or Lancashire chapter of an existing regional angel network, such as GC Angels; a Lancashire 'Angel Hub; establish a new angel group/network of Lancashire new and existing angel investors; and setting up a specialist investor group, focused on a specific industry sector.

5. Some Early Actions

5.1 Crucially, the LEP cannot (and probably should not attempt to) address these issues on their own as they require to be delivered in partnership with wider public, financial and SME sectors. No single grouping or organisation will be able to address all the issues and recommendations highlighted in the report and any future MUST be a partnership one with perhaps the LEP taking a lead role in driving forward.

5.2 The LEP can however provide the required strategic leadership in delivering some key actions which could, if deemed appropriate, be developed further.

- Establish baseline data;
- Work with key sector groups to produce more detailed sector specific reports e.g. Provide national international context / options;
- Detailed option appraisal for investor forum with recommendations/ actions;
- Undertake in depth SME interviews (sector or thematic) early post-covid;
- Establish regional information portal and local brand such as Finance Lancashire;
- Detailed swot analysis - or at sector/ thematic level with strategic pointers;
- Establish a local stakeholder group to consider the development of an investor forum to deliver the highlighted recommendations with partners and to produce delivery/ action plans;
- Depending on options selected, assist with development and implementation of angel network; and
- Consideration of new funding products / adjustments to existing eg co-investment grants or green/low carbon finance;
- embed Environmental, Social and Governance into financial ecosystem; and
- align with Lancashire's Internationalisation Strategy.

5.3 Our clear and strong message is that there are some (relatively low cost) actions which can be taken to improve the workings of the local financial ecosystem and support better access to funding for local SMEs.



Lancashire
Enterprise Partnership

Availability of Finance in Lancashire DRAFT Action Plan v.7 April 2022

Appendix B



Contents

- Introduction
- Findings
- Stakeholder Group
- SWOT Analysis
- Recommendations
- Action Plans
 - High Priority
 - Medium Priority
 - Low Priority
 - No Priority
- Timescales
- Next Steps





Introduction

- LEP commissioned finance review by EKOS
- Scope of commission to:-
 - Look at availability of finance in Lancashire
 - Desk based and primary research
 - Demand and supply side research
 - Identify any gaps in the market
 - Establish if there is potential for a Lancashire Investment Forum
- Report Findings and Recommendations



Headline Findings

- Recognise that the report was completed during Covid Pandemic new priorities have emerged
- Report found evidence of failure of Early Stage Funding in the Lancashire
- Government Covid funding significantly distorted the market
- Clear steps can be taken locally to improve the finance market in Lancashire
- Report identified 10 Recommendations to take forward
- Local Stakeholder group established to sense check findings and agree priority actions



Stakeholder Group

- Stakeholder Group made up of finance professionals consisting:-
 - Access to Finance
 - British Business Bank
 - Institute of Chartered Accountants England and Wales
 - Lancashire Enterprise Partnership
 - Lancashire County Council
 - Private sector finance providers
 - University of Central Lancashire
- Remit of the group to:-
 - Sense check the report
 - Prioritise recommendations
 - Agree an action plan
 - Agree a lead partner for actions



SWOT Analysis

<u>Strengths</u>	<u>Weakness</u>
<ul style="list-style-type: none"> • Strong Lancashire identity • Range of national and regional funds are accessible • Local established funds (Rosebud) • Current A2F infrastructure • Potential for Angel activity • Local Partnership working established 	<ul style="list-style-type: none"> • Limited national/regional strategic influence • Low visibility of local activity • Lack of easy access to Lancashire financial information • Unclear tech deal flow • Data often lost within 'north west' • Limited 'Lancashire' angel activity visible. • Immature finance market • Unclear SME demand for different types of finance
<u>Opportunities</u>	<u>Threats</u>
<ul style="list-style-type: none"> • Develop financial infrastructure/ecosystem • Regular county data collection monitoring and reporting • Joined up information/signposting/online education • Develop Finance Lancashire as a finance portal • Expand capacity of support services (for both supply and demand). • Support for innovation and low carbon sector activity • Increase Angel activity • Embed Environmental, Social and Governance in the financial ecosystem 	<ul style="list-style-type: none"> • Continuing policy focus on cities • Longer term consequences of covid • Weak SME balance sheets • Loss of funding for national/ regional projects • Lack of policy priority • Impact of the war in Ukraine





Recommendations

- **10 Recommendations** in the order of the Executive Summary
 - Post Covid Support Taskforce
 - Improved Data Access
 - Regular Business Surveys and Market Reports
 - Early stage Finance Discussion Group
 - Regional Information Portal
 - Access to Finance Services/Finance Education
 - Signposting and information for Angel Investment
 - Support New Angel Networks, Groups and Investors
 - New Finance Related Products
 - Lancashire Investment Forum
- Recommendations prioritised by Stakeholder Group
- Action plans developed on a priority basis
- Stakeholder group working together to address recommendations

High Priority - Regular Business Surveys and Market Reports

Recommendation	Feedback from Stakeholders	Implications	Actions	Outcomes
<p>Regular surveys of businesses operating in Lancashire delivered through key sector representative organisations.</p> <p>Surveys could be standalone or add specific finance questions to existing member surveys.</p> <p>Annual market report to highlight the scale and scope of finance activity in Lancashire. This would help promote the region and opportunities and could be published on the LEP website.</p>	<p>Collect data on a 6 monthly cycle to monitor situation.</p> <p>Use existing resource such as Chambers as they regularly survey members. Use other organisations that survey members such as ICAEW, NWAA, NAA, ML and any surveys that Boost carries out.</p> <p>Key Priority to support innovation and green industry activity e.g. RedCat. Ambition for Lancashire to be centre of excellence for low carbon investment.</p> <p>Environment, social and Governance issues are now being taken into consideration in investment and lending decisions. This information should be captured in order to establish the impact this has on the Lancashire economy.</p>	<p>Timely financial data granular to Lancashire will provide evidence for any policy and or interventions needed.</p> <p>Support the Internationalisation Strategy by providing the financial environment for domestic and Foreign Owned companies to access financial support needed to thrive in Lancashire.</p> <p>The evidence base will inform accurate reporting.</p> <p>A published annual report will support building the financial eco system in Lancashire and will be a point of reference for businesses seeking finance.</p>	<p>LEP to create a task and finish group to set up the process including stakeholders such as Chambers, Universities, ICAEW, LCC, IOD, FS, SELNET, Boost etc.</p> <p>Research all the organisations in Lancashire that carry out surveys and make contact.</p> <p>Investigate if Lancashire data can be extracted from data sets collected or if separate survey of questions needed.</p> <p>Create a small number of financial questions for surveys.</p> <p>Agree costs and data sharing agreements with various organisations.</p> <p>LEP to collate information and produce an annual report.</p>	<p>Visibility of the financial eco system in Lancashire.</p> <p>A clear picture of how Lancashire businesses are performing in terms of accessing finance and the types of finance being accessed.</p> <p>A clear picture of how Lancashire businesses are creating value in the Environmental, Social and Governance space.</p> <p>Targets can be determined once data available.</p> <p>Annual report on financial activity in Lancashire reporting on progress on the Action Plan.</p>

High Priority – Access to Finance Services/Finance Education/Boost

Recommendation	Feedback from Stakeholders	Implications	Actions	Outcomes
<p>Review the capacity, scope and skills of the Access to Finance service to deliver an enhanced service post-Covid and post-Brexit.</p> <p>Current services constrained by the need to deliver 12 hours of support to meet EU targets. A more flexible approach should be considered to increase capacity and demand. E.g. a telephone triage service.</p> <p>Consideration as to how much support material can be put on line.</p> <p>Using inline resources and signposting to specialist advisers. It would be appropriate to consider provision of a broader range of business and finance education.</p>	<p>Awareness of finance available and education on getting investment for your company is needed to supercharge growth.</p> <p>Education on Environmental, Social and Governance issues needed which is often taken into consideration when making investment and lending decisions.</p> <p>Joined up approach to education as various stakeholders have educational activities such as NPIF who are developing Masterclasses.</p> <p>Give thought to scaling up the successful Investment Readiness programme is programme</p> <p>A2F key to supporting financial literacy.</p> <p>Ambition for Lancashire to be centre of excellence for innovation and low carbon investment.</p>	<p>Easy for businesses to find the information they need regarding business finance.</p> <p>Easy for businesses to link into appropriate support such as A2F to have a conversation about money.</p> <p>Businesses to understand what type of finance they need for their business and how long they need it for.</p> <p>Easy for businesses to find the information they need regarding the different types of finance and what information they will need to provide to access that funding.</p> <p>Data on traffic to A2F/LEP/LCC webpages for finance. Where traffic coming from and going to etc.</p>	<p>Access to Finance to lead through Boost, Lancashire's Growth Hub.</p> <p>A2F reviewing services and setting out provision for next 18 months .</p> <p>Working with partners such as BBB, review available financial information online. Create content for gaps in information including social investment.</p> <p>Take companies virtually through applying for finance and how to create the documents needed.</p> <p>Marketing campaign to promote the service and financial education that is available in Lancashire.</p> <p>Create sustainable resourcing for the service.</p> <p>Potential for UCLAN MBA students to collate baseline data.</p>	<p>Comprehensive and easy access for all Lancashire companies to understand the various financial options available.</p> <p>Comprehensive and easily accessible information on what investors or finance houses (such as banks) are looking for and how to produce that information.</p> <p>Easily available support for Lancashire businesses to access financial support whether it be seed, start-up, scale up, growth, mature funding or sale.</p> <p>Easily available information on environmental, social and governance finance.</p> <p>A vibrant and thriving financial eco-system in Lancashire.</p> <p>Targets can be determined once the baseline data is known.</p>

Medium Priority – Improved Data Access

Recommendation	Feedback from Stakeholders	Implications	Actions	Outcomes
<p>Effective policy recommendation should be built upon proper existing and potential demand for and supply of funding.</p> <p>Time series data helps provide an accurate measure of market size, investment activity and the types of investment being made.</p> <p>There is a need to identify the impact that this information would have on the finance landscape in Lancashire.</p> <p>Stakeholders should be encouraged to provide anonymised information on successful and unsuccessful funding applications.</p>	<p>Need to create Lancashire datasets to understand existing and potential demand and supply of finance.</p> <p>Need data on High Net Worth Investors and what sectors they are keen to invest in.</p> <p>Need more information on the size of market, where companies are receiving funds from and validity of deal-flow.</p> <p>Need to understand what Lancashire information is currently available.</p>	<p>Good and reliable Lancashire data will build and improve the Lancashire finance eco system. Currently some data can only be gathered at a North West level.</p> <p>Data sets need to be granular to Lancashire.</p> <p>Resource is needed to achieve good and reliable Lancashire data. The potential to create a Finance Observatory or employ a data analyst or consultant to analyse and interpret the data that is gathered.</p> <p>The top down and bottom up approach will produce the clearest picture of financial activity in Lancashire.</p>	<p>LEP to lead and set up a Task & Finish Group to drive forward the issue.</p> <p>Identify existing Lancashire data sets already available on the internet or thorough organisations that carry out surveys.</p> <p>Make contact with data holders and put in place protocols for data to be shared.</p> <p>Review available data and identify what data sets need collecting and how it can be achieved.</p> <p>Feed data collected into market surveys and annual market report.</p> <p>Potential for UCLAN MBA students to collate baseline data.</p>	<p>Reliable data to inform policy and interventions if needed in the finance eco system.</p> <p>Reliable data to inform recommendation re business surveys and market data.</p> <p>Reliable data to feed into angel investment activity and early stage finance activity.</p> <p>Reliable data to inform annual report on progress of Action Plan and financial activity in Lancashire.</p>

Medium Priority - Early stage Finance Discussion Group

Recommendation	Feedback from Stakeholders	Implications	Actions	Outcomes
<p>The new discussion group hosted by the British Business Bank should be encouraged and, where appropriate, supported.</p> <p>The group has the potential to be a useful forum for sharing experience, identifying problems and developing co-ordinated solutions.</p>	<p>Need to tie in with the group looking at finance across Lancashire to co-ordinate efforts.</p> <p>Members of the Early Stage Finance Group are members of the Finance in Lancashire Group.</p> <p>Need to engage with Start up loans providers in Lancashire for cross referrals so that companies looking for finance get the appropriate finance for their business.</p> <p>Need to link up programmes to finance e.g. RedCat. So that companies can get referrals to appropriate finance.</p> <p>Need to engage with Innovate UK and encourage SME's to apply for innovation funding.</p>	<p>Early stage finance is a gap in the market in Lancashire.</p> <p>Making links between Start up Loans and other Boost programmes will ensure that Lancashire companies get the support to access the finance they need when they need it.</p> <p>Linking Boost and University programmes to early stage finance, if appropriate. This provides a pathway to greater success for the business and ultimately the economy of Lancashire.</p> <p>Baseline data is needed.</p>	<p>BBB to lead and link into Start Up Loans providers in Lancashire to support businesses looking for early stage finance.</p> <p>BBB to lobby for an early stage fund in the next round of Northern Powerhouse investment Fund.</p> <p>Lancashire Universities and Boost to link their programmes to finance providers, where appropriate.</p> <p>Create content re early stage finance providers in Lancashire and link in with them.</p> <p>CPD training for A2F team underway to refresh the requirements of early stage finance providers in Lancashire.</p> <p>Potential for UCLAN MBA students to collate baseline data.</p>	<p>Greater availability and accessibility of early stage finance for businesses in Lancashire.</p> <p>Support for early stage businesses to access the funding that is available.</p> <p>Increase in Innovate UK funding being deployed into Lancashire businesses.</p> <p>NPIF 2 Early Stage Equity Fund.</p> <p>Increase in volume and value of finance flowing into innovative businesses in Lancashire.</p> <p>Targets to be determined once baseline data available.</p>

Medium Priority - Regional Information Portal

Recommendation	Feedback from Stakeholders	Implications	Actions	Outcomes
<p>The provision of information around financial sources/availability of finance is inconsistent , incomplete and fragmented across the region.</p> <p>A new common regional Brand (e.g. Finance Lancashire) could be developed and promoted on all (public and private)partner websites.</p> <p>The portal would be a focus of information on the type of finance available in Lancashire and how to access it. News regarding new sources of funding and stories. (press releases) on companies that have successfully accessed the funding.</p> <p>The portal would promote the area to SME's and investors and include the published annual report on the finance eco-system in Lancashire (see slide 8)</p>	<p>BBB are working on a portal but this is a national portal, not specific to Lancashire.</p> <p>Look at ways of engaging with entrepreneurs and SME's.</p> <p>Use the portal to communicate financial educational.</p> <p>Put education resources online.</p> <p>Raise awareness of the ambition for Lancashire to be centre of excellence for innovation and low carbon technologies.</p> <p>Articulate the funding proposition to Lancashire businesses and funders.</p> <p>The portal could act as one point of contact for the access to debt, equity and Innovate UK finance.</p>	<p>A trusted portal with easily accessible information to support businesses find the right financial solution.</p> <p>Whilst desirable the cost of setting up a portal could be costly and would need to be kept updated.</p> <p>Resources are needed to maintain the portal, promote its existence and to monitor traffic, what pages people are looking at and the impact that it has on deployment of funds and jobs.</p> <p>Boost is already established as a one stop shop for Lancashire businesses but it tends to be used by smaller businesses. A local information portal such as Finance Lancashire could appeal to all businesses looking for finance.</p>	<p>LCC to set up a task and finish group into portal for scale up businesses.</p> <p>LCC are working on a scale up business portal with the A2Fservice.</p> <p>Review the feasibility of a Finance Lancashire.co.uk website/webpage and where it would sit on the Boost/LEP website.</p> <p>Look at technology solutions to seek a local cost solution to providing a Lancashire specific finance portal.</p> <p>Cost the proposal and seek support from partners such as LEP, BBB, funding providers, Local Authorities etc.</p> <p>A marketing campaign aimed at raising the profile of the portal and how it can help to support business in Lancashire looking for finance.</p>	<p>A one stop shop offering financial education, advice and signposting to support linked to Boost.</p> <p>The portal will shine a light on companies that have been successful in accessing funding, new pots of funding that are available and data around the availability of finance in Lancashire.</p> <p>A well functioning information portal to inform businesses of where and how they can access funding and support. This includes innovation funding and Environmental, Social and Governance issues..</p>

Medium Priority - Signposting and Information for Angel Investment

Recommendation	Feedback from Stakeholders	Implications	Actions	Outcomes
<p>The development of an effective angel investment market is inhibited by the general lack of knowledge about the nature of operations of Business Angels.</p> <p>Individuals do not know that they can become an angel investor or how to start. Few individuals who are active angel investors have had access to training or support materials to develop best practice.</p> <p>Founders do not know where to find angel investors, whether their business is suitable for investment and what is the best way to attract investment.</p> <p>The Regional Information Portal should include information and signposting for potential applicants for angel funding and individuals interested in becoming angel investors.</p>	<p>Need some baseline data</p> <p>Need to stimulate supply demand for equity.</p> <p>Build awareness with brokers to improve the finance market in Lancashire.</p> <p>Promote information in the marketplace with a marketing campaign.</p> <p>Link Lancashire support programmes to angel investors where appropriate such as Red Cat so that companies get the best chance of attracting investment.</p> <p>Focus resources on Low Carbon and/or Advanced Manufacturing and get some traction in the market.</p> <p>Lancashire has an immature angel eco-system.</p>	<p>Need to understand how many companies are seeking investment through existing programmes.</p> <p>GDPR may be a limiting factor in marketing and communication activity aimed at supporting businesses through their finance journey.</p> <p>Grow the number of angel investors and companies seeking angel investment in Lancashire.</p> <p>Improve the angel eco-system in Lancashire to grow the amount and value of investments in the county.</p> <p>Data on the sectors and types of businesses that are attractive to angel investors will enable targeted support to businesses that are looking to attract investment.</p> <p>Baseline data needed.</p>	<p>Access to Finance to lead on developing the angel eco-system in Lancashire.</p> <p>Create online material regarding angel investment for investors.</p> <p>Create online material for companies looking for angel investment.</p> <p>Link University and Boost programmes with Investment Readiness Programme and sources of angel investment.</p> <p>Host events to encourage individuals to become angel investors.</p> <p>Host events for companies to understand the support available to getting angel investment.</p> <p>Potential to use UCLAN MBA students to provide baseline data.</p>	<p>Increase the size and volume of angel investment in Lancashire. Target to be determined once baseline data available.</p> <p>More individuals engaged in angel investing in Lancashire. Increase diversity in angel investing. Target to be determined once baseline data available.</p> <p>More companies seeking and receiving angel investment in Lancashire. Target to be determined once baseline data available.</p> <p>Joined up business support programmes linking innovative companies to finance providers including Innovate UK.</p> <p>Provide a platform to promote social investing.</p>

Medium Priority - New Finance-Related Products

Recommendation	Feedback from Stakeholders	Implications	Actions	Outcomes
<p>Early stage finance has been identified as a gap in the market in Lancashire.</p> <p>New pots of government funding to support concept and product development should be included in the Regional Investment Portal.</p> <p>Consideration should be given to a post investment ready support programme that would include introductions to Venture Capitalists.</p> <p>Wider regional and national funds are available to support green projects.</p> <p>LEP should not initiate any new lending products but focus on improving signposting and education about existing products available.</p>	<p>Weaknesses in property finance not picked up by report. Banks currently reluctant to lend for property development.</p> <p>Boost going out to procurement for 2022-2023 service - contractual requirements to work with funders and focus on outcomes.</p> <p>Early stage finance group working to support the availability of new funding in the next round of Northern Powerhouse Investment Fund. NPIF 2 is considering a pot of funding for see or early stage companies.</p> <p>Low value of Innovate UK funding being deployed into Lancashire companies.</p>	<p>Whole market approach to finance in Lancashire.</p> <p>Forum whereby weakness in the financial eco-system can be reported and actions decided. This may involve lobbying government for funding through existing channels.</p> <p>A number of recommendations are linked and a Regional Information Portal has the potential to provide information on angels, national, regional and local products including grants.</p> <p>Need baseline data on how many Lancashire companies are accessing government or regional grant funding.</p> <p>Ensure that financial information is inclusive.</p>	<p>LCC (Boost) to lead on the procurement of the next Boost contact. As part of the contract service providers will need to work with A2F to get investment into Lancashire companies.</p> <p>LEP to investigate the funding tracker developed by D2N2 LEP The tracker gathers announcements from selected government departments and can be searched to provide results on funding available in various sectors. Tracker limited but a start and A2F can support companies to apply.</p> <p>Potential to use UCLAN MBA students to provide baseline data on how many Lancashire companies are accessing Innovate UK funding.</p>	<p>A joined up approach to business support and funding for business.</p> <p>The ability to find national grants or finance products appropriate to Lancashire businesses.</p> <p>Easily accessible early stage funding and information on how to access it.</p> <p>Availability of support to companies who want to apply for national funding but need assistance in accessing the funding.</p> <p>Targets to be determined once baseline data is available.</p>

Low Priority - Support New Angel Networks, Groups and Investors

Recommendation	Feedback from Stakeholders	Implications	Actions	Outcomes
<p>Engage with initiatives underway already at a regional level to increase the level of angel investing such as the British Business Bank Regional Angels Programme.</p> <p>Engage with UK Business Angels Association who provide training for investors</p> <p>Build angel investing activity specifically in and for Lancashire.</p> <p>Consideration should be given to supporting an umbrella angel support and development agency specifically focussed on Lancashire (but empowered to look outside the county for deal-flow and co-investments)</p>	<p>£100m Regional Angel Programme are keen to invest but need a pipeline.</p> <p>Look at how BBB could better connect these players to the existing programmes across Lancashire especially those who are dealing with scale ups.</p> <p>Use Regional Investment Portal to engage with entrepreneurs and investors to inspire them to become investors.</p> <p>Route to investors via local accountants.</p> <p>Marketing campaign including video, website content and social media content.</p>	<p>Baseline data required to understand the position now so that meaningful targets can be determined.</p> <p>Well publicised and easily accessible information for angel investors.</p> <p>Support and training to enable individuals to commit to investing, deal with the paperwork and expectations of angels and investee companies.</p> <p>Access to businesses that investors want to invest in.</p> <p>Access to larger pots of funding such as the BBB Angel Co-Fund to increase investment in the county.</p>	<p>Access to Finance, as part of Boost, Lancashire's Growth Hub to lead on developing the angel eco-system in Lancashire.</p> <p>Data collection regarding sectors that angel investors want to invest in. Engage with UKBAA to get the relevant data.</p> <p>Create a target list of sectors and potential companies that could use angel finance.</p> <p>Host angel events around Lancashire with businesses in the sectors that the invited angels are interested in investing in.</p> <p>Potential to use UCLAN MBA students to collate baseline data.</p>	<p>A thriving and vibrant angel eco-system. Target to be determined once baseline data is available.</p> <p>Easily accessible information on how to become an angel investor.</p> <p>Easily accessible information on how to access equity finance for businesses., including the Investment Readiness Programme.</p> <p>PR and news stories on successful angel equity investments to highlight the vibrancy and diversity of the market.</p>

Low Priority - Lancashire Investment Forum

Recommendation	Feedback from Stakeholders	Implications	Actions	Outcomes
<p>Consider options for a Lancashire Investment Forum.</p> <p>Option 1) A meeting place or introduction service to bring investors together with companies seeking funding.</p> <p>Option 2) An events based angel network meeting</p> <p>Option 3) An extension of Lancashire chapter of an existing regional angel network such as GC Angels.</p> <p>Option 4) A Lancashire Angel hub to act as a focal point for early stage investor community.</p>	<p>This recommendation was not discussed in the group.</p> <p>Subsequently UCLAN have approached the LEP regarding a investment fund for Life Sciences.</p> <p>Liverpool City Region Ventures launched (Dec 21) with £10.5m to help Health and Life Sciences innovators to turn great ideas into businesses.</p> <p>Liverpool City Region to launch a Green Investment Fund in March 2022 to support renewable energy projects.</p>	<p>A local fund for health tech sector would support the emerging sector in the county.</p> <p>The fund could be expanded to include advanced manufacturing which could attract some private sector investment in the fund.</p> <p>Establish Environmental, Social and Governance criteria by which investments could be assessed.</p> <p>Further work needed to identify the scale and scope of funds available in the county. Terms of reference needed to clarify what funds, if raised could be used for.</p>	<p>UCLAN and the LEP to work with partners to create a pot of funding for health tech/ manufacturing .low carbon.</p> <p>LEP to work with the board to explore the options .</p> <p>Potential to use UCLAN MBA students to collate baseline information on companies accessing/seeking innovation funding.</p>	<p>The creation of an investment fund specifically for Lancashire businesses to support innovation in the county.</p> <p>Increase in value and volume of innovative funding in Lancashire. .</p> <p>Support the emerging cluster of innovative companies in Lancashire.</p> <p>Targets to be determined once baseline data known</p>

No Priority – Post Covid Support Taskforce

Recommendation	Feedback from Stakeholders	Implications	Actions	Outcomes
<p>It is likely that within Lancashire additional resources and skills will be required to assist companies experiencing debt repayment problems.</p> <p>The existing A2F will need to be scaled and new skills likely to be needed in relation to dealing with distressed companies.</p> <p>Consideration to be given to extending the elements of business support to include awareness and appropriate signposting in relation to mental health issues that are likely to affect management and employees of SME's in distress.</p>	<p>Key issue is weak SME balance sheets.</p> <p>Government fiscal policy has skewed the finance markets in UK both equity (Future Fund) and debt (BBLs/CBILs/CLBILs).</p> <p>The focus is needed to support businesses who have taken on debt once PAYG finishes etc.</p> <p>Public sector funds are not able to support distressed businesses.</p> <p>A2F signpost distressed businesses to private sector professional advice.</p>	<p>Focus is on viable businesses who are demonstrating good financial control in the circumstances.</p> <p>Resources used to tackle this won't grow the economy and will take resource form more productive activity such as growing the demand side.</p> <p>Distressed businesses get support from private sector professionals to assist with re-structuring.</p>	<p>Access to Finance service to continue signposting businesses to private sector professional support.</p> <p>No taskforce actions required.</p>	<p>Events have superseded this recommendation and is not considered a priority.</p> <p>Ongoing support from the Access to Finance service.</p> <p>Companies are already starting to think about growth except in the Hospitality and Culture sectors.</p>



Timescales

- Many actions already started
- Most actions will be continuous and will evolve over time
- High Priority Actions
 - Some activity already started and will be a focus of the group over the next 12 months
- Medium Priority Actions
 - Some activity already started and will continue to be progressed over the next 2 years
- Low Priority Actions
 - Some activity already started and will continue to be progressed over the next 3 years



Next Steps

- Agree the Action Plan with the Stakeholder group.
- Socialise the Action Plan with LEP Sector Groups and other stakeholders including LEDDG.
- Take the final plan to the Business Support Management Board on 26 May 2022 for recommendation to the LEP board.
- Take plan to 21 June 2022 LEP Board for approval.
- Deliver the plan.
- LEP to report on progress annually.



Lancashire Enterprise Partnership Limited

Private and Confidential: NO

Date: Monday, 11th July 2022

Lancashire Digital Strategy
(Appendix 'A' refer)

Report Author: Martine Winder, Economic Policy and Communications Manager, LEP Tel: 01772538791 Email: Martine.winder@lancashirelep.co.uk

Executive Summary

The value of the UK's technology ecosystem has exploded in recent years, and with sustained dynamic growth it has surpassed a valuation of \$1tn – becoming the 3rd in the world to achieve this status after the US and China.

Lancashire's unique strengths in digital, along with recent investment decisions such as the announcement to locate the National Cyber Force in the county, means it is now timely to produce a strategic framework to position Lancashire as a major contributor to the UK's technology ecosystem.

The Lancashire Digital Strategy is the first in a series of documents which will inform the framework and articulates the vision for the Lancashire's digital sector and the strategic imperatives and enablers to achieve this vision.

Recommendation

The Lancashire Enterprise Partnership Limited Board is asked to:

- (i) Approve the Lancashire Digital Strategy; and
- (ii) Approve the formation of a Task and Finish group to develop a detailed implementation and investment plan, overseen by the Digital Sector Group.

Background and Advice

In December 2020, the board approved the LEP's Strategic Economic Framework which prescribes a system leadership approach which brings together both the public and private sectors to address the underlying economic challenges of the county, as well as responding to existing and emerging opportunities.



Within the Framework system, a series of inputs will start to determine evidence-based strategies and priorities for action, which will deliver strategic impact for Lancashire with respect to the following:

- New and sustainable jobs for everyone
- Improved productivity across Lancashire's business base
- A vibrant ecosystem which supports new business start-ups and growth
- Investment and growth in new industries for Lancashire
- Significant contribution to net zero carbon targets across all sectors
- Enhanced sustainable, internationally competitive businesses

At the heart of the framework are six pillars of growth, which identifies key industry sectors for employment and productivity growth and a set of enablers, essential to the success of those industry sectors where barriers to growth may need to be addressed and enabling factors fuelled for greater impact. A sector development approach is being taken for the pillars of growth, which has resulted in sector groups being established and which are led by business-leaders in their respective sectors.

Each sector group has been tasked with developing a long-term sector-specific strategy which will achieve and sustain a competitive position on both the national and international stage. Competitive advantage will be achieved by:

- Increasing the productivity of indigenous businesses
- Driving the direction and pace of innovation within businesses
- Stimulating the formation of new businesses and growth of existing businesses
- Identifying the county's differentiators and unique capabilities within each of the industrial sectors and the identification of new growth pathways

The sector plans will also determine which enablers (such as skills, infrastructure and inward investment) are the most important for the successful development of the sector.

The Lancashire Digital Strategy

Context

Members may recall, that at the appropriate time, the Sector Plans will be presented to this Board for consideration and subsequent approval.

The Lancashire Digital Strategy (Appendix A) is the first phase of a series of documents which will inform the development of a Strategic Digital Framework, and whilst very much conceptual at this stage, provides a high-level overview of the ambitions for the county.



The value of the UK's technology ecosystem has exploded in recent years, and with sustained dynamic growth it has surpassed a valuation of \$1tn – becoming the 3rd in the world to achieve this status after the US and China.

As a result, it is now timely for Lancashire to lay the foundations which begin to articulate its ambitions to ensure the county is well placed to benefit from these growth opportunities. Further work is required in developing a detailed delivery and investment plan, along with established governance arrangements.

Overview

Chaired by Kam Kothia OBE DL, the Digital Sector Group was established in February 2021 and is comprised of members primarily from the private sector, but also from academia, the civil service and the public sector.

In May 2021, Iain Bennett from The Fifth Sector was commissioned to produce the Lancashire Digital Strategy. The group met on several occasions to agree a vision for the sector along with a defined set of strategic objectives.

A mapping exercise was also undertaken to gain additional insight into the scale, geographical distribution and significance of the workforce and supply chains in Lancashire.

This was complemented by a number of wider stakeholder interviews with business leaders operating within and out with the sector (to provide the cross-sectoral enabling context of digital) to obtain evidence on critical technologies, Lancashire's key economic and social challenges, potential growth markets and skills and workforce development requirements.

This provided the evidence base to support the development of the Lancashire Digital Strategy and a range of potential interventions for Lancashire's digital sector to become more competitive and enable the growth of employment and opportunity across other priority sectors.

Vision

The vision for the sector is for *'Lancashire to forge a new identity as a globally significant hub of a fourth industrial revolution, at the heart of applied industrial technology and leading the transformation of its economy and society through ethical, innovative and secure applications of data and digital technology.'*

By 2035:

- Lancashire has reclaimed its identity as an economic powerhouse on the global stage, at the forefront of a digital industrial revolution.
- Lancashire is the fastest-growing digital economy in the UK and increase the contribution of the digital sector to over £5bn per annum.



- Lancashire is the location of choice for businesses and investors looking to develop and apply innovative digital solutions to significant global challenges.
- The benefits of improved skills and better access to job opportunities are available to all in Lancashire.
- Lancashire has leapfrogged other UK and international regions by focussing on its strengths.

Strategic Imperatives and Enablers

To achieve the vision for the sector, five strategic imperatives have been identified:

- To significantly increase the number of digital pre-start and start-up businesses
- Provide the conditions to allow more existing and new start businesses to scale-up
- Attract inward investment from major digital employers
- Increase the number of businesses across all sectors using data and digital tools and services to increase employment and productivity
- Greater collaboration and partnership between digital businesses and other priority sectors of Lancashire's economy

The realisation of the strategic imperatives will be underpinned by the following five enablers:

- Digital skills and talent development, to inspire children and young people in education, upskilling, and reskilling the existing workforce to address gaps and shortages, and attracting and retaining more skilled people
- A best-of-breed entrepreneurship and innovation ecosystem, inspiring leadership and a culture of co-creation and collaboration
- Digital and physical infrastructure to support clustering and knowledge exchange, linking existing digital workplaces to county-wide provision offered through an Innovation Enterprise Hub
- An escalator in grant, debt and equity funding and network building to stimulate private sector investment
- Investment in marketing and communications to project a positive, dynamic and forward-thinking image of Lancashire

Next Steps

- The essential next step is to translate the Digital Strategy into an Implementation Plan, developed by a stakeholder Task and Finish Group.
- The Digital ecosystem evolves rapidly by comparison to other sectors. As a key growth sector and primary enabler of many other sectors of growth, a plethora of initiatives are emerging across the county, via interventions of local authority, the education sector, businesses directly, national government departments and other agencies and organisations.
- The Task and Finish Group will consult widely with these stakeholders to develop an Implementation Plan which recognises and reflects these initiatives



within the Digital Framework and seeks to identify any additional gaps to be commissioned within the Plan.

- The Implementation Plan will also articulate the alignment of all elements of the LEP's Strategic Economic Framework, including the Skills and Employment Framework, Innovation Strategy and Plan, Internationalisation Strategy, Finance for Business Plan, and other Sector Plans.
- The business-led Digital Sector Group will provide oversight and direction to the Task and Finish Group and the final Implementation Plan, review progress of delivery and monitor impact on the ground at appropriate intervals.
- In recognition of the very dynamic and fast changing nature of this sector, and emerging opportunities such as the successful establishment of National Cyber Force in Lancashire, a number of specific initiatives will be progressed in parallel with the Implementation Plan – major projects, quick wins and essential enablers.

List of Background Papers

Paper	Date	Contact/Tel
None		
Reason for inclusion in Part II, if appropriate		
N/A		



Lancashire
Enterprise Partnership

Lancashire Digital Strategy

June 2022



Appendix A

Page 101



Lancashire
Enterprise Partnership

Foreword by the Chair of the Digital Sector Group

KAM KOTHIA OBE DL, LEP Board Director

As Chair of Lancashire Enterprise Partnership's Digital Sector Group, it gives me great pleasure to introduce this ambitious and inclusive strategy for the digital sector in Lancashire, which is the culmination of extensive consultation with an array of stakeholders who have provided invaluable input and to whom I am extremely grateful.

The LEP is a business-led, strategic collaboration charged with leading the economic growth strategy for Lancashire, and I believe this strategy places the digital sector at the forefront of the county's growth ambitions.

The value of the UK's technology ecosystem has exploded in recent years, and with sustained dynamic growth it has surpassed a valuation of \$1tn – becoming the 3rd in the world to achieve this status after the US and China.

Lancashire has the technological capabilities to be part of this unprecedented growth opportunity. Which is why this strategy is ambitious. We need the level of ambition which has been demonstrated in other successful digital cluster areas, which have proved what is possible if there is a vision, ambition and commitment from multi-sector stakeholders.

But this ambition for Lancashire isn't about competing or following other areas; the ambition within this strategy is about Lancashire defining its differentiator; it's about dreaming big and developing an ecosystem in which start-ups, scale-ups and even unicorns can thrive; it's about a collective confidence in the county's unique capabilities and developing strategic collaborations for the sector to fulfil its latent potential.

The decision to locate the National Cyber Force in Lancashire shows what can be achieved by working together. I believe Lancashire's digital sector is on the verge of truly transformational change and our vision and ambition will accelerate that change. We need to be bold, but fortune favours the brave and together we can take that leap of faith and take Lancashire from the fringes to the heart of the UK's technological ecosystem.





Overview of the Work

- ✂ The Lancashire Digital Strategy is the first phase of a series of documents which will inform the development of a Strategic Digital Framework, providing a high-level overview of the ambitions for the county, which is for Lancashire's digital sector, by 2035, to forge a new identity as a globally significant hub of a fourth industrial revolution – a revolution in applied industrial data, leading the transformation of its economy and society through ethical, innovative and secure applications of data and digital technology.
- ✂ The vision is ambitious, but is underpinned by a legacy of established strengths in telecoms, electronics and sensors, drawing on the technology and cyber expertise manifest in advanced manufacturing sectors. Existing sector strengths in Aerospace, Nuclear Engineering and Advanced Composite Materials are being built on and amplified by Lancashire's digital sector, supported by significant input from the county's universities in the areas of creative design, computer sciences and knowledge transfer.
- ✂ The strengths of Lancashire's digital sector, in particular its cyber and data security capabilities, have been recognised in recent investments in national centres of excellence in the County, including the National Cyber Force (NCF) and the 5G Factory of the Future at Samlesbury. These successes embody the sector's ability to translate research into products and services capable of transformational impacts in areas of major societal and technological challenge. The additional capacity and demand for leading edge applied data science these projects bring will help to further differentiate our offer from neighbouring metropolitan areas.



- ✂ However this strategy isn't focussed solely on growing our existing digital strengths and maximising our unique capabilities to capitalise on the opportunities from emerging sectors. As recognised in the LEP's strategic framework, digital is a vital enabler to drive change in each of our other growth sectors, providing them with the means through which to increase productivity and realise their growth ambitions.
- ✂ The role of digital both now and in the future cannot be under-estimated, and will not only be instrumental in achieving economic growth, but will also contribute to addressing some of our societal challenges such a health and income inequalities and Net Zero.
- ✂ By implementing a range of strategic interventions in skills, business support, investment and a digital infrastructure which encompasses a nationally significant Innovation Enterprise Hub and a network of hubs in towns and cities across the county, Lancashire will become the fastest-growing digital economy in the UK, increasing digital employment to over 50,000 and the contribution of the digital sector to over £5 billion per annum by 2035 – growing from the current 3% contribution to over 10% of economic output
- ✂ The ambitious vision will not be achieved overnight, and will require a range of both fiscal and policy-led interventions over the short, medium and long term to achieve impact and positive outcomes for Lancashire's businesses and residents. These will be developed further through the establishment of a Task and Finish Group, which will consult widely and draw upon the collective knowledge of all stakeholders to develop a detailed Delivery Plan, thereby ensuring Lancashire achieves the transformational change it deserves and of which it is capable.



Lancashire
Enterprise Partnership

A Once in a Lifetime Opportunity





A National Perspective

The digital economy is recognised as a key driver of growth with increasing significance in the future prosperity of the UK. DCMS estimates that the digital sector in the UK generated GVA of £137 bn in 2021 (1). Since 2010, UK Government has made sustained interventions through arms-length bodies such as Tech Nation and Digital Catapult to increase the quantity, quality and share of investment to the tech sector. Historically, that has focused on London; but whilst the capital still absorbs the lion's share of new money, other regions are harnessing more investment than ever before:

With more money than ever flowing into UK tech - £29.4 billion this year, up 2.3x from last year's figures of £11.5 billion - almost £9bn of all VC invested went into startups and scaleups outside London and the South East and the regions are home to nine of the 29 unicorns formed this year. The combined value of UK tech companies founded since 2000 is now £540 bn, after the biggest year-on-year increase since 2013/14.(2)

Last year, the government named the West Midlands as the UK's fastest growing region for digital tech. They are on track to create an additional 52,000 tech roles and add £2.7 Billion to their economy by 2025

Similarly, Manchester was identified as the UK's top digital tech city. They have now have over 19,000 tech businesses including 5 home grown unicorns valued at over \$1Bn each. The sector contributes £5Bn GVA to their economy, and employs 15% of Manchester's population.



1..DCMS Economic Estimates: Monthly Gross Value Added for DCMS Sectors and Subsectors, February 2022

2. Department for Digital, Culture, Media & Sport (2021). Press release: "UK tech sector achieves best year ever as success feeds cities outside London", 21 December 2021. [UK tech sector achieves best year ever as success feeds cities outside London - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/press-releases/2021/12/21/uk-tech-sector-achieves-best-year-ever-as-success-feeds-cities-outside-london)



A Lancashire Perspective

- ✚ The Lancashire Digital Economy Report 2021 sets out a picture of a digital sector which has grown by 28% over the last five years and in the period to 2028 is forecast to outstrip growth in Lancashire's economy threefold.
- ✚ It is a diversified sector which includes:
 - ✚ An information and communications sector with GVA in excess of £1bn per annum
 - ✚ An e-commerce and creative tech sector together worth £1.3bn per annum, with research from Amazon and eBay suggesting that the county has a very high proportion of e-commerce traders as well as some leading businesses in that field
 - ✚ Strengths in telecoms (particularly wireless), digital health and electronics manufacturing
- ✚ What differentiates Lancashire's digital offer regionally and internationally is its combination of:
 - ✚ Existing technology and data science capabilities within Lancashire's diversified digital sector – its "USPs"

- ✚ A set of 'frontier' sectors – four areas of emerging high growth, cross sector activities identified in Lancashire's Innovation Strategy as priorities for investment and growth:
 - ✚ Cyber, Digital & Secure Systems
 - ✚ Advanced Mobility (3) and Manufacturing
 - ✚ Clean and Sustainable Growth
 - ✚ Healthy Productive Communities
- ✚ Demand for digital intelligence and applied data in other "prime" sectors of Lancashire's economy – Aerospace, Energy & Low Carbon, Manufacturing, Health, Tourism, Culture & Place and Food & Agriculture.



3.. A set of technologies, products and services which includes development of advanced (unmanned, autonomous) vehicles and associated sensor, control systems and infrastructure development.



- ✚ This combination of factors creates demand for digital products and services and drives collaborative R&D and cross sector innovation. Combined with recent investment decisions, accelerating global demand for digital capability and data security in all sectors, this creates a **once in a generation opportunity for growth**.
- ✚ The reaction of stock markets to recent world events illustrates that technology, media and telecoms (TMT) remain relatively volatile. However, historic growth and the ability of tech businesses to attract valuations reflect high multiples of turnover point to continued investor confidence.
- ✚ Lancashire's digital sector is diverse, encompassing the gamut of digital capabilities, from digital marketing to high performance computing. The evolution of the e-commerce and creative tech sector – from simple e-commerce websites to subsequent app development and sophisticated fulfilment platforms indicate how digitally-enabled commerce can drive competitiveness and employment in a mass market sector. Rapid adaptation of artificial intelligence (AI) and machine learning (ML) continues to drive Lancashire's performance.
- ✚ We consider that the combination of sector diversity and digital capability present in Lancashire creates significant opportunities at multiple levels of maturity and capability; from start-ups to established businesses, and from creative design to coding and engineering.
- ✚ Whilst the strategy is looking to facilitate the growth of those businesses already operating within the sector, we cannot just focus on the 'here and now'. We need to harness the cross-cutting power of digital to support our other sectoral pillars of growth, as well as using our digital prowess to capitalise on the opportunities in the high growth emerging sectors of Cyber Security, Health Tech, Advanced Transportation and Net Zero Technologies.
- ✚ This is an opportunity to transform economic productivity by moving the digital sector from the fringes to the heart of Lancashire's economic strategy. This strategy sets out a vision for that transformation, in which Lancashire will forge a new identity as a globally significant hub of a fourth industrial revolution – a revolution in applied industrial data.



Differentiating Lancashire's Offer

- ✂ Our unique combination of advanced digital, manufacturing and engineering capabilities differentiates Lancashire's offer and provides 'barriers to entry' for others outside Lancashire.
- ✂ Lancashire's expertise in data security, and in the secure and ethical creation, sharing and management of data, arises from a strong research base and effective technology transfer between universities and businesses
- ✂ Lancaster University's leading edge capabilities in research and teaching of cyber and data security are reflected in its status as the only North West university to be among the first eight trailblazing Higher Education Institutions to gain recognition for their commitment to cyber security education in a new initiative from the National Cyber Security Centre (NCSC).
- ✂ All of which were critical factors in securing investment for the National Cyber Force (NCF), to be based in Lancashire.
- ✂ Applied more broadly across key industry sectors and in sectors including health, these are strengths which Lancashire can also use to differentiate its offer from neighbouring metropolitan areas.
- ✂ National agencies consulted reflected concern that there was too much 'hot money' in the market – too many investors looking for short-term returns on consumer-focused propositions. In proposing this strategy, we look for substantial and sustainable evidence of the translation of research into products and services capable of a transformational impact on society and the economy as a whole.
- ✂ Recent investments present Lancashire with a unique opportunity to identify itself as a leader in integrating digital technologies as part of large-scale multi-sector transformation

The Vision

Lancashire will forge a new identity as a globally significant hub of a fourth industrial revolution, at the heart of applied industrial technology and leading the transformation of its economy and society through ethical, innovative and secure applications of data and digital technology.

Strategic interventions in skills, business support, investment and a digital infrastructure which encompasses a nationally significant Innovation Enterprise Hub and a network of hubs in towns and cities across the county that will make Lancashire the fastest-growing digital economy in the UK, increasing digital employment to over 50,000 and the contribution of the digital sector to over £5 billion per annum by 2035 – growing from the current 3% contribution to over 10% of economic output.

Lancashire's combined industrial and academic strengths will be harnessed in the creation of better data and the ethical and secure use and sharing of those data for the benefit of sectors and communities across the county.

An innovative and sustained approach to inclusive growth in digital jobs and skills will stimulate productivity growth across the economy to provide an environmentally sustainable, healthy and prosperous future for all Lancashire's people. In the process, this will make Lancashire more desirable both as a destination and a domicile.

By 2035:

Lancashire has reclaimed its identity as an economic powerhouse on the global stage, at the forefront of a digital industrial revolution

Lancashire is the **fastest-growing digital economy** in the UK and increase the contribution of the digital sector to over £5 bn per annum

Lancashire is the location of choice for businesses and investors looking to develop and apply innovative digital solutions to significant global challenges in Advanced Mobility, supply and distribution of Clean Energy and Net Zero Technologies, Cyber Security and Health

The benefits of improved skills and better access to job opportunities are available to everyone in Lancashire, regardless of race, creed, colour, gender, disability, sexual orientation or socio-economic background, leading to a **better quality of life and standard of living for all**

Lancashire has leapfrogged other UK and international regions by focusing on its strengths



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Digital



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Regional Growth Imperatives





✂ The Levelling Up White Paper (4) proposes a new policy regime for regional development. Two of the proposed 12 missions are particularly relevant to this strategy:

✂ **‘Mission 2’ - R&D;** aiming to boost spending outside the South East by 40% by 2030. A proposed increase in public R&D investment to £20bn by 2024-25 aims to leverage at least twice as much private sector investment to stimulate innovation and productivity growth. Department for Business, Energy and Industrial Strategy (BEIS) aims to invest at least 55% of its total domestic R&D funding outside the Greater South East by 2024-25.

✂ **‘Mission 6’ – Skills;** significantly increasing high quality skills course completion leading to 200,000 more people successfully completing courses annually with 80,000 more people completing courses in the lowest skilled areas. The White Paper describes investment of £3.8bn in skills planned by 2024-25.

✂ Lancashire’s Digital Strategy complements that of BEIS and its implementation would look to this new policy regime to support project funding.



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✚ The UK Government's Made Smarter review (5) highlighted opportunities for the UK to become a global leader in industrial digitalisation by 2030. The adoption of Industrial Digital Technologies ('IDTs') aims to increase sector growth in UK manufacturing by 1.5 to 3 per cent, creating a net gain of 175,000 jobs and increased GVA of as much as £455 billion whilst reducing CO₂ emissions by 4.5 percent (6)

✚ Lancashire's Digital Strategy builds upon extensive work with businesses in manufacturing sectors across the county to implement Made Smarter and the recommendations of the Made Smarter Commission.

5. Made Smarter Review, "Becoming a Global Leader in Industrial Digitalisation by 2030", October 2017.

<https://www.gov.uk/government/publications/made-smarter-review>

6. *Ibid* pp 7-8

Made Smarter & the 4th Industrial Revolution





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Regional Deals as Exemplars and Success Models

Other regions provide exemplars in looking to make the case for funding for the initiatives proposed in this strategy.

Lancashire's approach reflects learning from successful models of cluster development in advanced technologies both in the UK and internationally.





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✚ A central part of the £826m **Aberdeen City Deal** (7), was a proposed investment of £105m in hubs for Innovation in the Oil & Gas (recently rebranded as the Net Zero Technology Centre), Agri-Food & Nutrition and Life Sciences sectors – all of which have strong clusters in the region. After five years, investments total £505m with 66% secured from private sources (8).

✚ Closer to home, **Made in Sheffield** is part of the Sheffield City Region deal approved in July 2012. The deal placed digital at the heart of South Yorkshire's strategy through:

- ✚ Delivering the infrastructure with a major corporate partner.
- ✚ Collaboration and cluster development to foster innovation through cross-industry working between the private, public and research sectors,
- ✚ Focusing on fully exploiting digital in the advanced manufacturing, healthcare, low carbon and creative & digital sectors, digitalisation of key sectors to drive efficiency in the public and private sectors.

7. <https://www.gov.uk/government/publications/city-deal-aberdeen-city-region>

8. <https://investaberdeen.co.uk/success-stories/latest-news/city-region-deal-annual-report>

Regional Deals





Successful Models of Cluster Development

- ✚ **South Carolina Innovation ‘Upstate SC Alliance’ (9):** Upstate South Carolina is a 10-county region that includes the Greenville metropolitan area and the Spartanburg metropolitan area. Both its population - approximately 1.4 million people – and physical scale are similar to Lancashire.
- ✚ Its strategy has enabled an economy previously dependant on the textile industry to transition to advanced manufacturing. Nearby Atlanta is a strong competing force, with headquarters of global businesses including Coca-Cola, Delta Airlines and UPS, but the Upstate SC Alliance has succeeded in developing a distinctive offer to inward investors and corporate partners including BMW and Michelin.
- ✚ In addition to the automotive sector, the Upstate SC Alliance is also looking to grow in engineered materials, aerospace and life sciences. It places a regional emphasis on collaboration and provides evidence that focus on workforce quality and skills, attracting ‘primes’ (large companies as anchor investors) and quality of life can compete with nearby large city offers.
- ✚ The Upstate Alliance (10) has experienced the multiplier effects of automotive and aerospace combined with the development and production of engineered materials, and more recent gains in life science and food manufacturing. Its impact can be measured in more than \$17.3 billion in capital investment and 49,296 jobs generated between 2011-2020, the result of a collaborative strategy to grow and diversify the region.


- ✚ **Bristol & Bath City Region** is an exemplar of the role of university collaboration in developing significant digital innovation infrastructure. The digital ecosystem takes in:
 - ✚ Bristol’s National Composite Centre and VR Lab
 - ✚ Bath’s CAMERA for VR in gaming and health applications and Automotive Propulsion Institute
 - ✚ Bristol Robotics Lab (a joint venture of the UWE and University of Bristol)
 - ✚ Bath Spa’s Centre for Cultural and Creative Industries (CCCI)
 - ✚ UWE/Bristol's Health Technology hub.
- ✚ Its cluster strategy has contributed enormously to Bristol & Bath City Region becoming a magnet for corporate partners and venture capital investors. The position of Bristol & Bath demonstrates the impact of great regional confidence and a sustained approach to regional economic development for the digital sector.


9.. <https://www.upstatescalliance.com>

10. August 3, 2021 <https://www.upstatescalliance.com/innovation-economic-development-upstate-sc/>




Successful Models of Cluster Development

 **Scottish Optoelectronics Distributed Cluster:** Scotland has a long and distinguished history in optics, punching above its weight in a globally competitive market for over a century, built on an internationally recognised academic base and a thriving industry cluster (11). Scottish Photonics is a £1bn industry supporting over 4,000 high-value jobs in a range of vertical sectors.

 This example demonstrates the power of a distributed approach to cluster development. The sector is supported by universities across Scotland, with around 250 academics and researchers in photonics, including optical communication, quantum technologies, biophotonics, and sensors and imaging. Much of this research is internationally leading, evidenced by the fact that around 25% of all UK research funding in photonics goes to Scotland (12).

11. <https://technologyscotland.scot/wp-content/uploads/2019/04/scottishphotonics-paper-final.pdf>

12. Enabling Technologies in Scotland's Central Belt, Science and Innovation Audit, Glasgow Economic Leadership Consortia, 2018

 **AMRC North West** is a gateway development on the Samlesbury Enterprise Zone, part of the wider Lancashire Enterprise Zone Cluster. The flagship facility (built using a £20m grant from the LEP's Growth Deal) extends the University of Sheffield AMRC's footprint across the North. AMRC North West supports businesses to engage and adopt Industry 4.0 technologies, demystifying and de-risking the process through research, collaboration and knowledge. It provides a benchmark for the scale of project needed to deliver the benefits targeted in this strategy to Lancashire's digital sector.





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Competition, Collaboration and Partnerships

Lancashire's digital sector builds on a legacy of established advanced manufacturing strengths – including telecoms, electronics and sensors, drawing on the technology and cyber expertise manifest in advanced manufacturing sectors. Existing sector strengths in Aerospace, Nuclear Engineering and Advanced Composite Materials are being built on and amplified by Lancashire's digital sector – supported by significant input from the county's universities in the areas of data security, creative design, computer sciences and knowledge transfer.

We consider that Lancashire's "Unique Selling Points" are potential catalysts for developments in the digital sector. They provide defensible and distinctive capabilities creating high barriers to entry combining digital skills with those in Aerospace, Advanced Manufacturing and Nuclear Engineering.

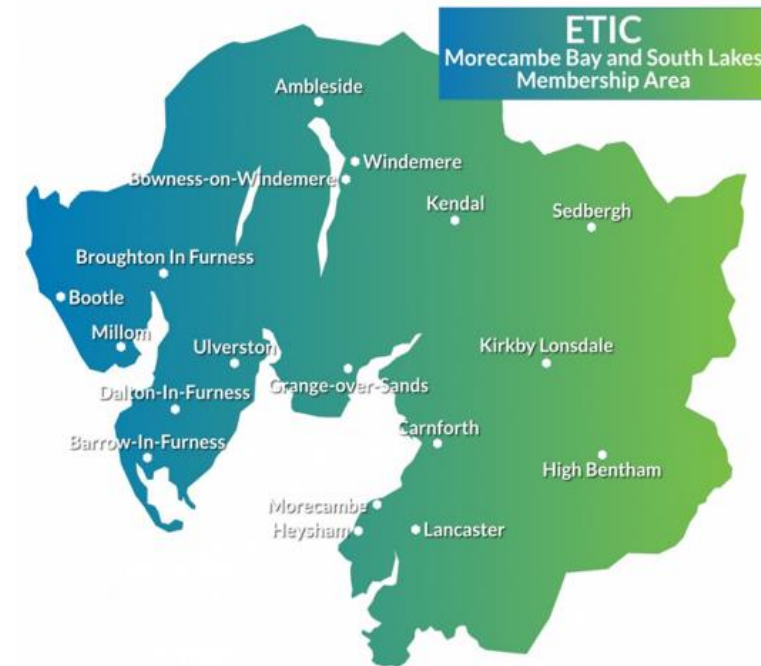
Existing collaborative structures can be built on by further investments in the digital sector. As traditional industries increasingly become digital, there are opportunities to attract and partner with international corporate partners.





Case Study: Electech Innovation Cluster

- Lancashire's digital capability is leading in the development of a new sector; 'Electech' which produces the electronics, electrical hardware and embedded software that enables the existence of technology. The Electech Innovation Cluster (13), based at the White Cross Industrial Park in Lancaster, has over 30 members and supporters across multiple traditional industry sectors.
- The Electech industrial sector covers companies who design, deploy and support hardware built using combinations of ultra-low power, highly integrated electronics chips, medium to high power electro-technical systems and embedded software (the low-level software that controls the hardware). Electech is at the heart of every automation system and every robot (14).
- Almost every aspect of the digitalisation of industry requires many different Electech technologies, from communications to power sub-systems; from embedded processing for automation and control to intelligent lighting and security systems. Advanced Electech computation powers everything from the largest datacentres to the tiniest sensors and servos, doing everything from day-to-day computing to accelerating AI-based machine learning and making every electric motor smarter and self-maintaining.



The Electech Innovation Cluster (ETIC), based in Lancaster, was founded by a consortium of technology companies to provide a strong collective voice. ETIC aims to bridge the gap between industry, research and development, government and education.



13. <https://electechinnovationcluster.co.uk>

14. 'Made Smarter' Review 2017



Case Study: Electech Innovation Cluster

Industry bodies estimate that Electech contributes more than £100 billion a year to the UK economy (15). The Morecambe Bay and South Lakes area is at the very heart of the 4th Industrial Revolution, harnessing innovative Electech technologies, supporting the transition to a low carbon economy and attracting investment. The area’s existing skills, infrastructure and supply chain are all vital for the UK’s recovery from the impact of Covid-19 and future growth.

This is a sector which naturally lends itself to higher value added activity, improving economic output and creating high value jobs. ETIC is establishing an inclusive local peer network, aiming to enhance local skillsets, increase accessibility to Electech careers and enable knowledge sharing and collaboration. ETIC members are active across a wide range of sectors (Figure 1)

ETIC demonstrates the effectiveness of an industry-led initiative of companies in Lancashire committed to supporting the collaborative growth of a new sector grouping. It currently has 30 members and supporters from the public and private sectors. The “horizontal” nature of digital technology and its wide impact as digitalisation penetrates ‘traditional’ sector definitions underpins its approach to cross-sector working.

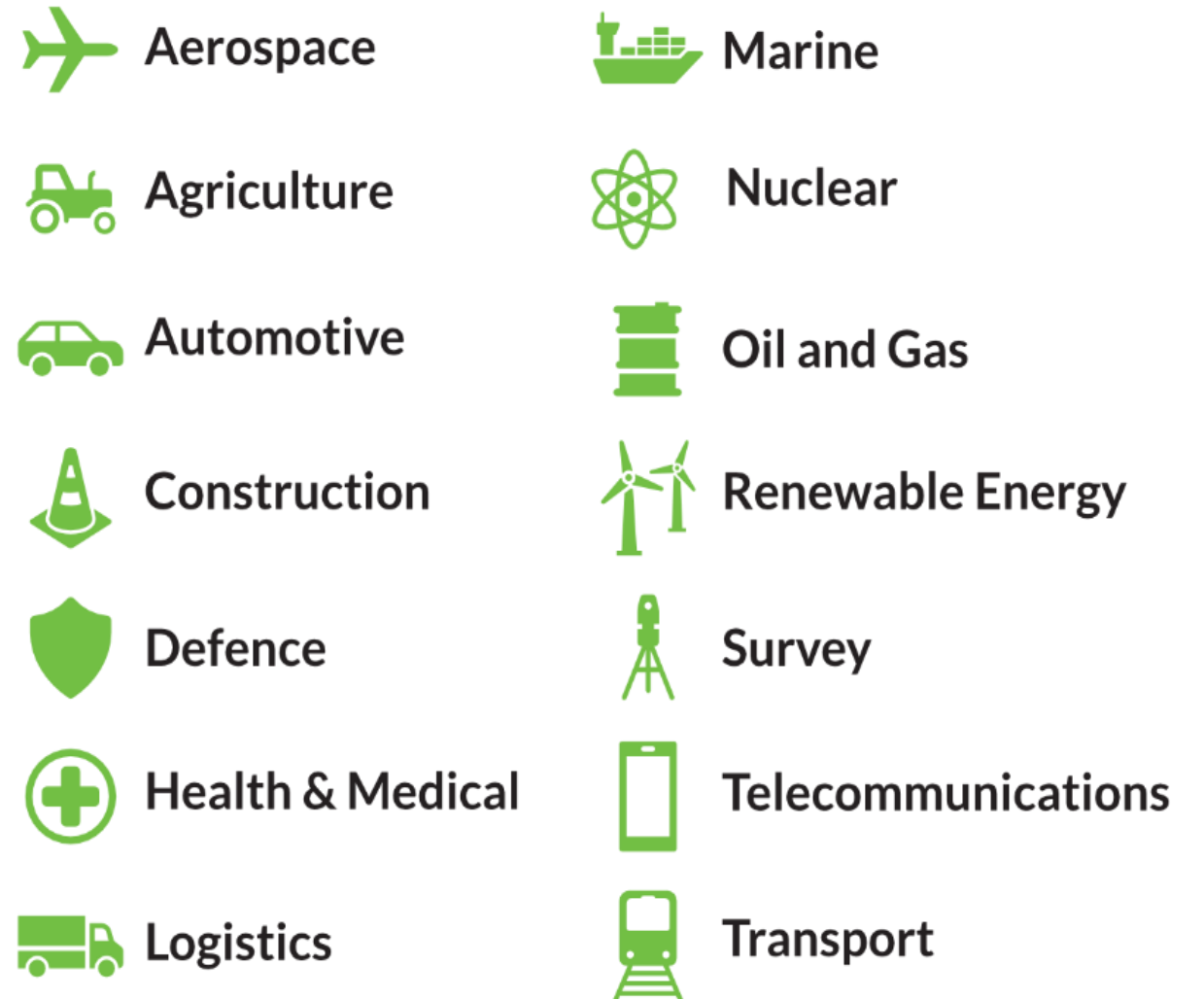


Figure 1 ETIC Sectors





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The Digital Sector Group

*A collaboration between the private
sector, academia and the public
sector*





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Businesses & Organisations Involved



Digital
Lancashire /



LANCASTER



WYRE

RIBBLE VALLEY

PENDLE



FYLDE

PRESTON

HYND-BURN

BURNLEY



SOUTH RIBBLE

CHORLEY

BLACK-BURN DARWEN

ROSSENDALE



WEST LANCASHIRE



BAE SYSTEMS





The Work of the Group

Working with senior leaders from the private sector, academia and the public sector with significant experience and knowledge of the digital sector and technologies, the group met on a number of occasions to develop this strategy, which is the first of a series of documents which will inform the development of a Strategic Digital Framework.

Their sector specific insight and real-time evidence as to what the sector needs means we are confident the interventions are relevant and will have impact at scale to unlock Lancashire's digital growth potential.



Pathway to Interventions

- ✚ The Lancashire Digital Strategy Group met a number of times to discuss the vision and strategy for Lancashire's digital sector, and its wider digital economy.
- ✚ Mapping was undertaken to gain additional insight into the scale, sector and geographic distribution and significance of the digital workforce and supply chains in Lancashire.
- ✚ Stakeholder interviews were completed with senior business leaders, academics and representatives of national organisations, to obtain evidence of cross-sector portfolios, critical technologies, key economic and social challenges for Lancashire, potential growth markets, and skills and training for the digital workforce and employees in other industry sectors.
- ✚ Members of the Strategy Group contributed their time and ideas to the development of an evidence base that supports a range of potential interventions which will help Lancashire digital businesses to become more competitive, and enable the growth of employment and opportunity across other priority industry sectors.
- ✚ A number of interventions have been identified and prioritised by consultation and by the Digital Strategy Group.
- ✚ Together, the evidence gathered and the solutions proposed, form the Lancashire Digital Strategy.



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Digital Sector Action Plan

*Strategic Imperatives, Enablers and
Potential Interventions*



Strategic Imperatives

Significantly increase the number of digital **pre-start and start-up businesses** (including university spin outs)

Provide the conditions to allow more existing and new start businesses to **scale up** (demonstrate 20% + growth in jobs and revenues year on year)

Attract **inward investment** from major digital employers

Increase the number of Lancashire businesses in all sectors using data and digital tools and services to **increase employment and productivity**

Greater **collaboration and partnership** between digital businesses and other priority sectors of Lancashire's economy, including Advanced Mobility, Clean Growth, Cyber Security and Health

Essential Enablers

Digital skills and talent development, providing inspiration for children and young people in education, upskilling and reskilling the existing workforce to address skills gaps and shortages and attracting and retaining more skilled people

A best-of-breed **entrepreneurship and innovation ecosystem**, inspiring leadership and a culture of co-creation and collaboration

Digital and physical infrastructure to support clustering and knowledge exchange, linking existing digital workplaces to county-wide provision offered through an Innovation Enterprise Hub

An escalator of strategic interventions in grant, debt and equity funding and network building to **stimulate private sector investment**

Investment in **marketing and communications** to project a positive, rich, dynamic, and forward-thinking image of Lancashire



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Digital



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The role of the digital sector in the Lancashire Innovation Plan

The success of Lancashire's Innovation Plan depends on the successful outcomes of Lancashire's digital strategy.

Lancashire Enterprise Partnership's Innovation Plan already identifies digital as a key sector in its own right, with key strengths in Cyber, innovation in electronics technology and manufacturing and applications in Advanced Mobility and Space.

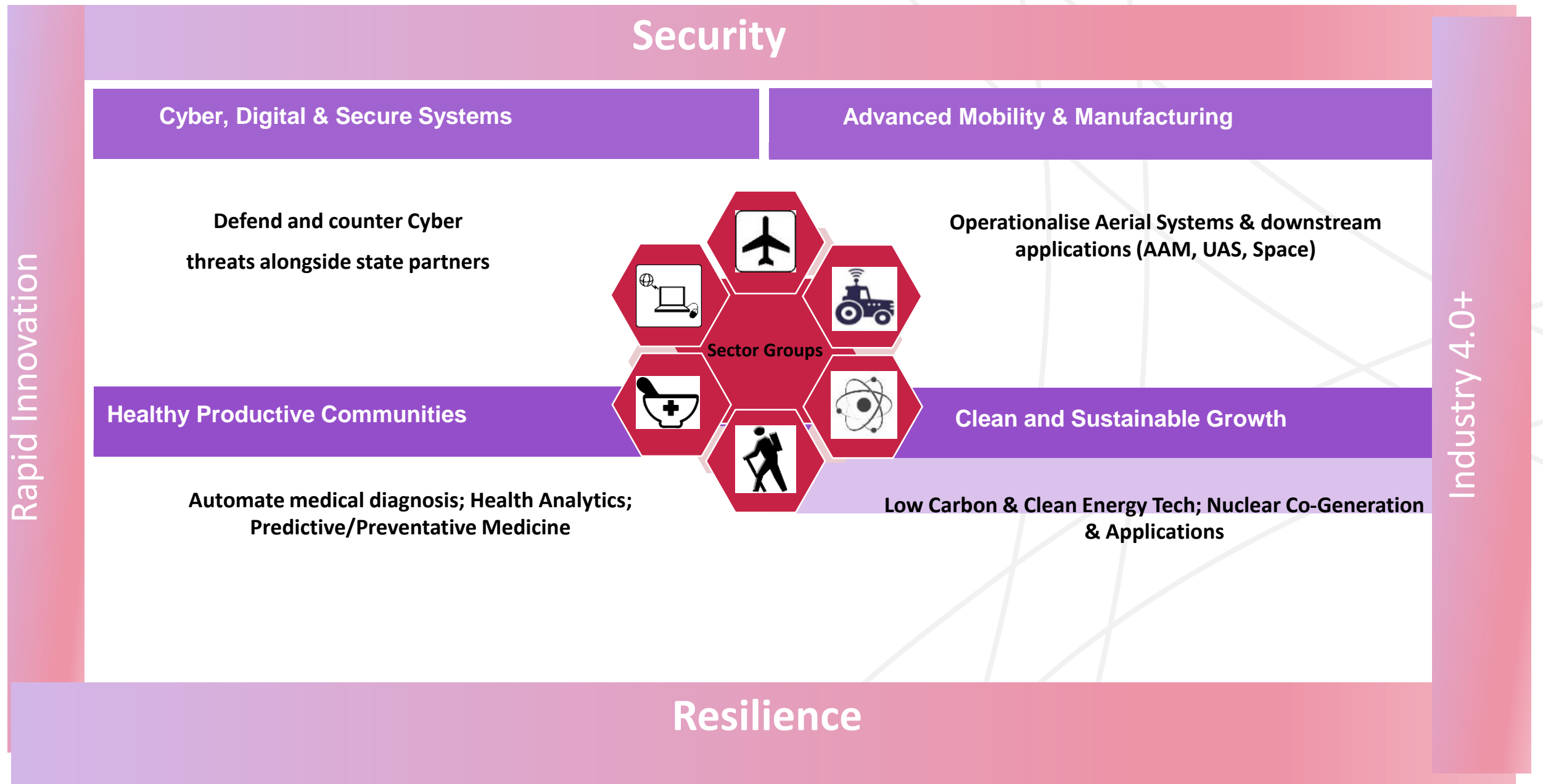
But digital - the generation, interpretation and transmission of data from sensors and other inputs and the application of artificial intelligence in creating an output to control devices and processes – is itself a 'frontier sector', critical to the success of approaches to Rapid Innovation, Resilience, Security and Industry 4.0.

Consultation with industry representatives of Advanced Mobility, Cyber, Healthy Communities and Clean Growth has confirmed that digital is an integral part of those strategies.





Figure 2 Lancashire Economic Partnership Frontier and Cross Sectors Tiers





1. Lancashire's Digital Ecosystem

- Lancashire boasts a growing number of digital 'hubs' in towns and cities across the county (detailed in the Lancashire Digital Economy Report 2021). The digital sector businesses within those hubs are also demonstrating increasing success in attracting private equity, with nine deals ranging from hundreds of thousands of pounds to multi-million-pound investments in the first months of 2022.

The Lancashire model

- National and international studies consistently stress the benefits, in terms of market entry, skills, knowledge exchange and productivity, arising from sector collocation. The digital sector's dispersal across Lancashire - about half the workforce is distributed between Preston, Lancaster, Blackpool, Blackburn and Burnley - argues against a strategy based on agglomeration around a single market vertical. The lack of scale in any one place compared to national and international competitors would be unlikely to harness the benefits of agglomeration observed in Manchester's media-led sector or around software development in Leeds city regions.
- Rather, Lancashire has a distinctive set of assets and capabilities that suggest it should pursue opportunities in applied industrial technologies for other 'primes' of the county's economy in both the private and public sector, with the potential to become a critical part of the supply chain in applied industrial technologies and data security for regional and national customers and partners.
- Lancashire's digital strategy does not, therefore, direct the creation of vertically integrated place-based clusters (along the lines of MediaCityUK), but will instead look to strengthen the connectivity and knowledge exchange between hubs as a way to build productivity, investment and growth in digital capability and capacity in the sector and the wider economy – including the ways in which applications of technologies such as Cyber and AI will profoundly shape our future economic and social environment.



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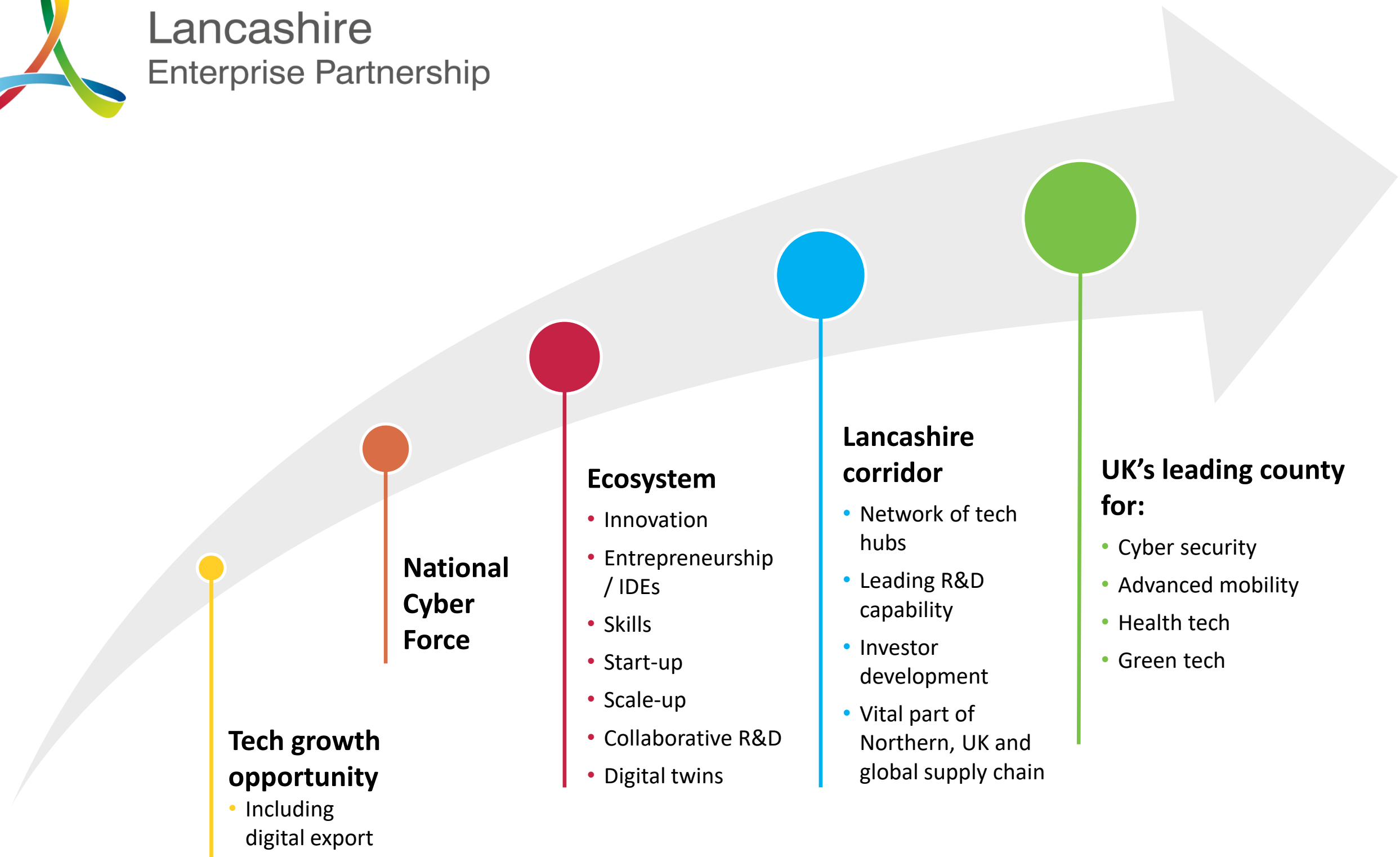


Figure 3 Lancashire - a vision of digital growth



Digital Ecosystem

- ✚ This strategy sees digital as an enabler of growth and change, targeting innovation and solutions for identified large-sale global opportunities, reflecting sustainable growth and social benefit for producers, end users and consumers.
- ✚ The distributed model also allows for much closer interaction between the hubs, research institutions and FE colleges and employers in the digital sector and other industrial sectors looking to make increased use of applied industrial technologies. It will allow each location to remain agile and responsive to market signals from across a series of digital value chains, from fundamental research to collaboration R&D to industry-led innovation, from e-commerce to cyber security. And, just as importantly, it will allow the hubs to build strong connections to the communities and schools amongst which they sit to provide a visible spur to ambition and aspiration.

A. Increase engagement of digital supply chain with national investments in NCF and Innovation Enterprise Hub

B. Increase specialisation and focus on Innovation Driven Enterprises, at all scales from pre-start to exist within digital 'spokes' in towns and cities across Lancashire

C. Broker engagement of digital companies with customers and collaborative R&D opportunities in adjacent sectors through demonstrators and 'MVPs'

D. Develop cross-sector, peer to peer learning networks to connect all points of the digital supply chain in Lancashire with existing innovation ecosystem and major industrial actors

Figure 4 Building Lancashire's digital ecosystem



Demonstrators and 'MVPs'

The Electech case study above highlights the value of collaboration across industry sectors and with the academic research base in addressing innovation in applied data technologies.

The strategy builds upon this approach to help increase the specialisations in cyber and data security and focusses on growing the pipeline of Innovation Driven Enterprises across Lancashire's digital ecosystem, pursuing the development of demonstrators and 'minimum viable products' (MVPs) which address opportunities and challenges faced by Lancashire's key industry sectors and emerging high growth areas. Working collaboratively with Higher Education to co-design and scope projects and agree outputs, the market-focused application of collaborative R&D will catalyse adoption of digital industrial and data security technologies to increase productivity and drive growth across Lancashire's economy. The creation of the new ICS also offers a platform to develop a similar testbed for healthy living applications.

Using a distributed ecosystem of hubs to co-locate researchers and industry partners closer to end users is an opportunity to build capacity, specialisation and industry awareness of Lancashire's diverse and geographically dispersed digital capability, providing focus for investment and recruitment into those digital hubs.



The North West Cyber Corridor

Lancashire's positioning emphasises collaboration with and market opportunities in neighbouring metropolitan areas. Initiatives such as National Cyber Force demonstrate the complementarity and interdependency of Lancashire and Manchester in growing cyber capability and capacity across the North West to deliver on a strategy that will make the region the UK hub for cyber security.

Lancashire's offer to investors and future workforce is long-term and strategic. Rather than chasing 'hot money' for close-to-market consumer applications of digital technology, it builds upon its base in advanced technology and applied industrial data across digital and manufacturing – both in research and industry capability – to address **major strategic challenges** for the UK. Lancashire's greater experience of working collaboratively with government agencies in highly regulated sectors, including defence and nuclear, raises barriers to entry for competitors and helps align the interests of collaborative regions to its own.

In this way, Lancashire crystallises a different offer, with an improved quality of life offer at its heart, to that of neighbouring cities looking to develop 'vertically integrated' digital communications and IT sectors.



- ✚ Harness and tailor **existing, proven business support mechanisms** to develop focused programmes of support, networking and knowledge exchange activities around the LEP's defined sectors of growth and emerging markets.
- ✚ Identify opportunities across the hub network for **applied data science demonstrators** and prototyping zones for each of the LEP's defined sectors of growth and emerging markets, including health.
- ✚ Use these demonstrators and the hubs' networking events as platforms for a County-wide programme to **promote the benefits of digital and applied data technologies** to businesses in Lancashire.
- ✚ Support the development of existing and new hubs to deliver **affordable incubation space** for pre-start businesses and workspace for micro and small digital enterprises.
- ✚ Work with local authorities, universities and private sector landlords to ensure a pipeline of suitable **space for 'grow on' businesses** moving toward investment.
- ✚ **Complement and connect** to investments in world-class higher education, research and vocational skills provision and facilities made through Lancashire's £320m Growth Deal, including UCLan's flagship Engineering and Innovation Centre, the national Energy HQ in Blackpool, Lancaster's Health Innovation Campus and the Advanced Manufacturing Research Centre.

Digital Ecosystem: Aims

Innovation Enterprise Hub

The model of a distributed cluster has at its heart the creation of a new 'Innovation Enterprise Hub' for the digital sector and applied industrial data technologies at Samlesbury.

Samlesbury is already one of four Enterprise Zone sites across Lancashire, and home to the new Advanced Manufacturing & Research Centre (AMRC) North West facility, BAE Systems and the 5G Factory of The Future. The addition of National Cyber Force in Samlesbury will bring a further 2,000 jobs and transform the image of the Hub as a world class centre for digital innovation, skills and entrepreneurship. It will be at the heart of the UK's largest cyber cluster, the North West Cyber Corridor, and will be a catalyst to realise the latent potential for the digital sector across Lancashire and will be at the heart of an ecosystem of physical locations and knowledge exchange driving the growth of the digital sector in Lancashire.

To avoid duplicating services and 'reinventing the wheel', the Hub will draw upon and amplify the county-wide skills and business support systems and practices already in place, including Lancashire Digital Skills Partnership and Boost.



- ✚ The growth of digital industries globally and nationally, and demand for applied data technologies within growth sectors across Lancashire’s economy, mean that prospects for business growth are healthy. However, despite some recent successes, Lancashire’s digital businesses lag far behind their competitors in London and their metropolitan neighbours in cities such as Manchester and Leeds in the amount of equity investment they are able to attract.
- ✚ This is critical for Lancashire because it is smaller and scale-up organisations which will create the volume of jobs the county needs to fulfil its digital ambitions and meet demand from other sectors.
- ✚ Scottish Enterprise’s Logan report (2021) highlights that in order to build a sustainable investment pipeline, there needs to be a consistent flow of new entrants and new money, from pre-start through start-up and scale-up businesses to those achieving an ‘exit’ at the end of the funnel.
- ✚ This strategy champions the systemic approach set out in Figure 5, including dedicated support for pre-start, start-up and scale-up businesses across all sectors, to build a vibrant and growing pipeline of new businesses and to complement Lancashire’s universities efforts to support the spin out and growth of more Innovation Driven Enterprises.

2. Business Growth and Investment

E. Lancashire Innovation Plan will identify funding for both short-term business support for competitiveness and productivity and long term R&D

F. Develop regional angel networks to address need for “patient capital” to support development of small and larger scale-up businesses

G. Build the pipeline of pre-start, start-up, smaller and larger scale –up businesses to create resilience in the digital innovation ecosystem

Figure 5 Business Growth and investment



- ✚ Harness and tailor **existing, proven business support mechanisms** in the County (Boost and Made Smarter).
- ✚ Put in place incentives and support for **patient money and smart capital** to close the gap and opportunity in investment for Lancashire businesses
- ✚ Identify and scale more of the micro- and small eCommerce businesses, which are a 'hidden strength' of the sector, as an **entry level opportunity** for new entrepreneurs; and to support existing providers to increase levels of innovation to diversify their services through developing AI, SaaS and data security expertise
- ✚ Complement work already underway in Lancashire's universities to build the pipeline of **Innovation Driven Enterprises**, from pre-start to exit
- ✚ Work with business leaders across all sectors to **highlight productivity gains** from digital
- ✚ Support digital businesses to **invest in new technologies and innovation** to target identified high growth opportunities
- ✚ Support businesses in priority and frontier sectors to **adopt and apply data, digital tools and services** (including AI) to deliver quick wins and realise the economic and social potential of longer-term growth opportunities.

Attracting global players

Global IT consultancy firms already provide a significant proportion of the digital employment opportunities in Lancashire – but mostly in the role of service provider to large public sector clients.

Lancashire's digital strategy seeks to transform the sector landscape in the county from top to bottom, leveraging public sector investment in significant 'centres of excellence' such as National Cyber Force, AMRC North West and the National Energy HQ in Blackpool to identify opportunities for new R&D collaboration with other global digital 'primes' as part of a targeted inward investment campaign.

Inward investment can be used to accelerate acquisition of skills and capabilities critical to the development of Lancashire as part of a national cyber hub; without it, there is a risk that development of that capacity will take too long, undermining the opportunity and exposing Lancashire to greater competition.

It can also open up access to global markets for applied industrial data across all industry sectors to Lancashire's innovative SMEs.



3. Transforming Digital Skills and Talent

- ✚ Lancashire needs **more people with more advanced digital skills** if it is to achieve its objectives. The scale of the opportunity to transform the digital skills and employment landscape is matched by the gravity of the challenge.
- ✚ Lancashire needs to invest further in digital skills, including re-skilling and up-skilling the existing workforce, to address structural issues which beset the county's economy:
 - ✚ Shortage of available jobs – there are not enough employment opportunities in Lancashire for its working age population
 - ✚ Skills gaps and shortages
 - ✚ Proportion of Level 4+ qualifications in the workforce below UK and regional average
 - ✚ Aging workforce
- ✚ These four issues combine to depress both wages and productivity levels in digital and across the economy – and need to be addressed if Lancashire is to take advantage of the opportunity which presents itself through NCF and other investments.



3. Transforming Digital Skills and Talent

- ✚ Lancashire was the first area to launch a Digital Skills Partnership together with DCMS, who provided funds to develop the model. The Lancashire DSP (LDSP) is now one of eight partnerships nationally collaborating with DCMS and with local private, public and third sector partners to drive up digital skills, digital inclusion and the future pipeline of talent.
- ✚ The LDSP has made good headway in Lancashire to enable a joined-up approach to digital skills development, but we are still relatively early in the journey. Lancashire employers in both the tech and other sectors still report skills gaps and shortages, and the inability to attract people with the level of skills needed, as the most serious issue affecting not just growth but the sustainability of their businesses.
- ✚ Alongside this sit some structural challenges which affect digital sectors in all parts of the UK:
 - ✚ Underrepresentation of women in the workforce – women make up fewer than one in six employees in some digital sub-sectors (although the picture improves slightly in digital content and marketing subsectors)
 - ✚ Underrepresentation of people with other protected characteristics, including disability, race, creed, sexuality and socio-economic background
 - ✚ Undersupply of new entrants at all levels – from take up of computer science-related courses of study in schools through apprenticeships into graduates and more experienced mid-career professionals
- ✚ If it is to succeed, the digital strategy needs to be complemented by a manifold increase in the number of new entrants and a significant upskilling of the existing workforce. The LDSP will need to accelerate the growth of the talent pipeline, working with the Lancashire Careers Hub to inspire and engage young people in schools and colleges, and through partnerships with providers of skills and employment programmes, including Skills Bootcamps, to enable adults to pivot to these new opportunities and upskill in the workplace.
- ✚ There is also a job to be done in other sectors which will have an increasing need of digital skills to ensure that both employers and employees have a better understanding of the need and opportunities to develop digital skills amongst the existing workforce; and the opportunities for recruitment and retention that presents in those areas of industry currently struggling to adopt the benefits of applied industrial tech in pursuit of increased sustainability and competitiveness in a time when global markets have been severely disrupted.



Lancashire's Digital Workforce

Office of National Statistics data obtained through the Business Register and Employment Survey (BRES) represents an estimate of employment drawn from a survey of a small percentage of companies across the UK. This has some recognised limitations:

- It underestimates freelance and contract employment, an important part of the digital workforce, where the flexibility to introduce new skills either on a project basis or to catalyse R&D is an important factor in growth and the absorptive capacity for innovation of smaller firms
- It relies on Sector Industrial Classifications (SIC codes) which in many cases do not keep pace with this fast-moving industry.

BRES (2020) (16) estimates that total digital sector employment in Lancashire was 19,975. Analysis of LinkedIn carried out as part of the research for this strategy in May 2021 suggests that Lancashire's digital workforce is nearly two-thirds as large again – more than 33,000 individuals.

Some of these people are based in Lancashire and commuting out of area for employment; but this still represents a significant opportunity for Lancashire to do more to retain and 're-shore' resident talent to harness the opportunities for growth in the digital and other priority sectors over the next decade.

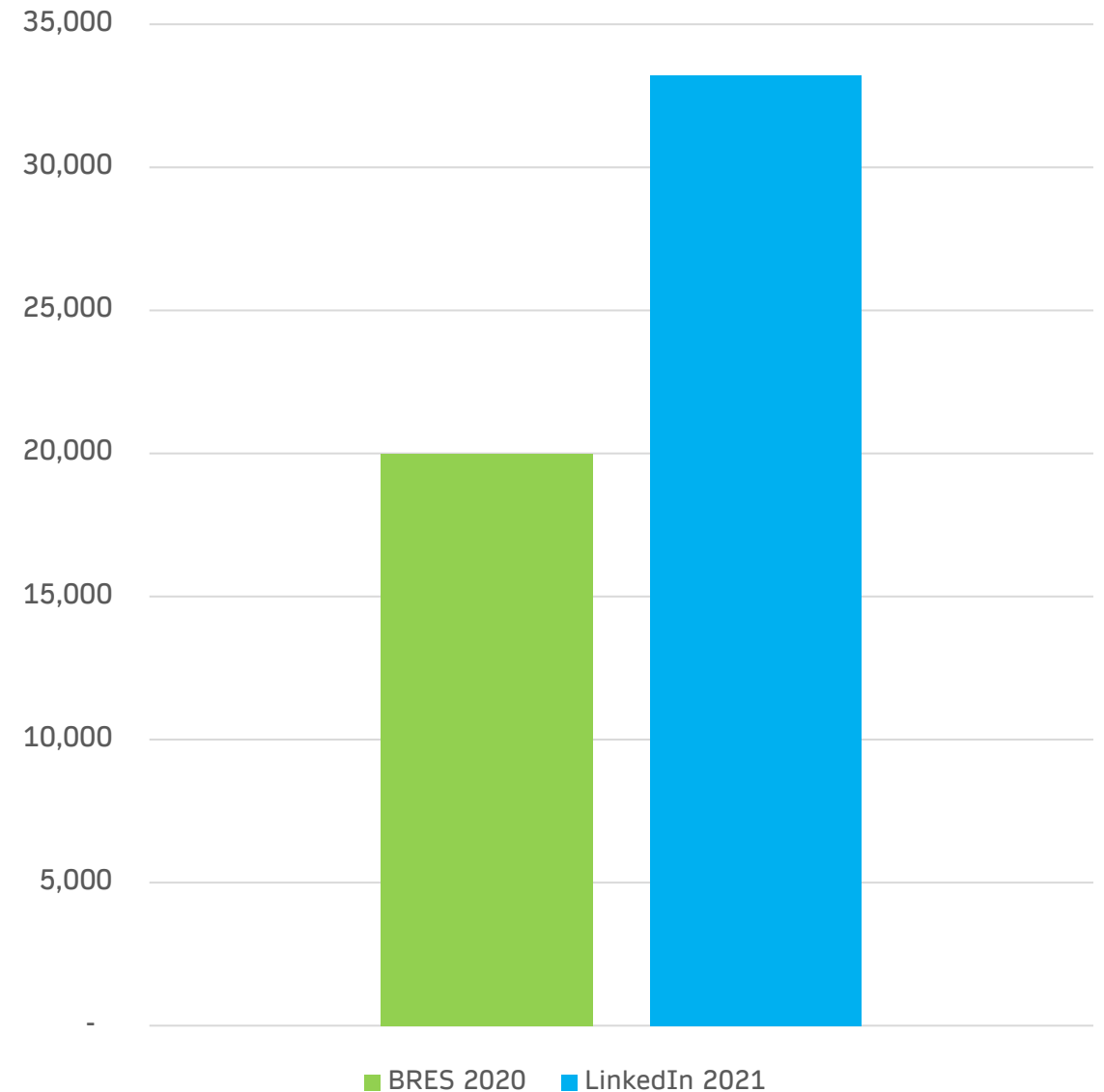


Figure 6 Lancashire digital employment (Source: The Fifth Sector/Curator Technologies 2021)



Scenarios for Digital Sector Jobs Growth in Lancashire

- Current employment in digital industries in Lancashire stands at just below 20,000 (14)
- Cambridge Econometrics' estimate of digital jobs growth to 2035 (shown at (1) in Figure 7) reflects current trends. It emphasises how low levels of investment and skills gaps and shortages are holding back growth in Lancashire's digital sector.
- However, there are several factors which cause us to be more optimistic about jobs growth.

Inflection points in jobs growth

- We already know that National Cyber Force (NCF) will create 2,000 new jobs at Samlesbury by 2030 (2), of which it is estimated two-thirds will need to be recruited outside the county to reflect the levels of skills required.
- Private sector companies likely to be directly involved in supply chains to NCF suggest that this investment alone will create three new jobs in the Lancashire economy for each job created at NCF (3).
- Consultation with employers in digital and other priority sectors, universities, national tech organisations and other stakeholders indicates that implementation of the recommendations in this strategy could create an additional 15,000 jobs – bringing total employment in Lancashire's digital sector to over 50,000 by 2035 (4).

It is important to note, that Lancashire is currently collaborating with Greater Manchester to develop an agreed model to more accurately forecast digital jobs growth to support the development of the NW Cyber Corridor.

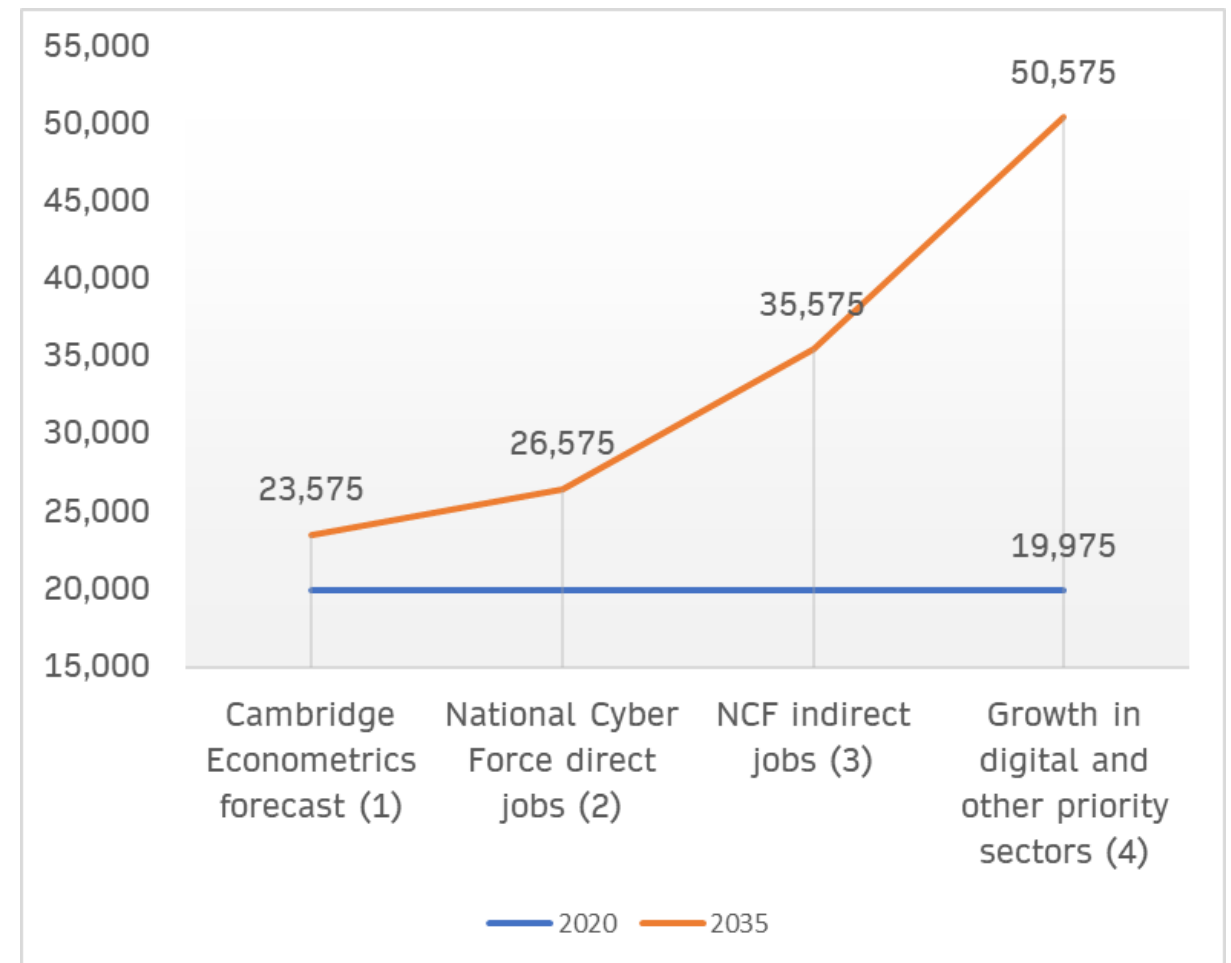


Figure 7 Scenarios for digital jobs growth to 2035





Transforming Digital Skills and Talent

Skills gaps and shortages of people with digital skills at all levels are, and will remain, the main constraints to growth of Lancashire’s digital sector. Unless addressed, this will also limit the ability of other priority sectors within Lancashire to meet their objectives.

Capacity needs to be increased across the education and training system, from schools to universities and including private sector providers and employers’ own CPD, to provide Lancashire with a workforce with the skills needed to access any of the 2,000 employment opportunities at NCF. The county requires a systemic approach to increasing the number of people entering the digital workforce, beginning in primary school with information and inspiration about digital careers, progressing through all stages of education and continuing throughout people’s working lives.

Working with the Lancashire Digital Skills Partnership, the strategy has identified five priority actions which align with three of the four strategic priorities in the Lancashire Skills & Employment Framework:

- Future Workforce
- Skilled and Productive Workforce
- Inclusive Workforce

These combine to address the key problem faced by the digital sector and other pillars of growth in Lancashire’s economy – **the need for more people with digital skills.**

H. Careers inspiration and transformation of the school curriculum for computer science

I. Develop a campaign to lobby for a change in national skills policy to embed digital in curriculum

J. Extend and expand flexible models of delivery, such as digital bootcamps

K. Integrate provision of CPD to drive recruitment and retention

L. Innovative and sustained approach to equality, diversity and inclusion

Figure 8 Transforming digital skills and talent



- ✚ The LEP has already taken significant strides to address the issue: it was the first area in the country to launch a Local Digital Skills Partnership trailblazer and is one of only eight areas in the Country, supported by DCMS in this 'test and learn' phase.
- ✚ The suggested actions (shown in 8) build upon existing examples of good practice developed through the work of the LEP Skills team and its partners in education and industry.

Careers inspiration

- ✚ Since changes to the national curriculum saw ICT replaced by Computer Science in 2012, the number of students opting for that course of study has fallen. Fewer than 1 in 10 children in Lancashire pursue digital courses after Year 9.
- ✚ If Lancashire is to plug its skills gaps and shortages, it is essential that children, their parents and educators understand and can communicate the range of opportunities available to those with digital skills.
- ✚ Lancashire Digital Skills Partnership already coordinates online digital skills training and a range of digital resources and opportunities for schools and educators. It also offers initiatives for children as young as 8, designed to get children excited about the possibilities of digital long before they have to make their choice of GCSEs in Year 9, and to inform (and therefore reassure) their parents about the career prospects which arise from those skills.
- ✚ Existing Teaching School Hubs and the advent of the new National Institute of Teaching can provide a focus on training teachers for digital programmes, including computer science. This could potentially deliver a step change in the quality and take-up of digital education in schools, and with it, the supply of suitable educated and qualified young people to Level 2 and Level 3 qualifications.
- ✚ Other initiatives, including the proposed Morecambe Bay Curriculum being promoted by partners bidding for Eden North including Lancaster University and Lancaster & Morecambe College, also set digital skills in the context of citizenship, developing the net zero industries of the future and global sustainability goals.



Flexible models of delivery

- ✂ Digital apprenticeships, T Levels, traineeships and higher technical qualifications need simultaneously to meet the needs both of larger employers and a digital sector predominantly made up of businesses employing fewer than ten people.
- ✂ For **new entrants**, this means supporting flexible provision through apprenticeships and group training schemes which allow smaller employers to share the burden of training whilst presenting the learner with the opportunity to experience a variety of working environments.
- ✂ For **people already in work**, returning to work or at risk of redundancy or redeployment, this means having access to up-to-date information and advice about the career opportunities available in skills and training for the skills needed to access them.
- ✂ For **unemployed** people, Escalate, Lancashire's Skills Escalator programme to help unemployed people get back into work, has instituted effective referral processes, so that people can move from project to project to enhance their employability skills, secure sustainable employment and progress within the workforce. The Lancashire Adult Skills Forum and the Employer Skills Forum bring together partners to support referral processes, share good practice and co-ordinate activity.

Digital skills bootcamps

- ✂ Skills Bootcamps have been used successfully to give adults aged 19 and over who are either in work, self-employed, recently unemployed or returning to work after a break the opportunity to build up sector specific skills. Intensive and flexible courses of up to 16 weeks, all Skills Bootcamps offer a guaranteed interview for a job at the end.



Recruitment and retention

- Whilst universities across the county are taking steps to increase recruitment into computer science subjects and meet employer demand for digital skills, Lancashire cannot rely solely on graduate entry to provide the digital workforce it needs to meet its growth ambitions. Lancashire already offers Access to Employment, funded recruitment and pre-employment training support for employers. For people already established in digital careers in other areas, recruitment and retention links to the other pillars of the strategy, around business growth, building Lancashire's digital ecosystem and promoting Lancashire as both a dynamic digital economy and one which offers a more affordable and attractive quality of life than its competitors.

Digital inclusion

- Lancashire has a huge, underutilised talent resource amongst people with protected characteristics, including minority ethnic communities, women and people with disabilities. This strategy takes forward an innovative and sustained approach to inclusion. It emphasises the need for support for employers and new entrants from 'non-traditional' backgrounds to enter the sector to complement existing programmes such as InnovateHer (which aims to equip girls aged 13-16 with the self-belief and skills to pursue a career in technology) and City of Tomorrow (which invites young people aged 8-13 to design ideas for the safer, smarter, kinder City of Tomorrow, surfacing careers in the connected city). This encompasses programmes to support educators and parents in understanding the career opportunities that arise from digital skills, programmes for new entrants and those currently excluded from the workforce and measures to support people being made redundant or redeployed from role in other sectors.
- The strategy for diversity and inclusion extends to offering support for entrepreneurship – many of the leaders of Lancashire's successful e-commerce sector and an increasing proportion of those working in cyber come from South Asian backgrounds – as well as highlighting to employers the value of a diverse workforce in addressing global markets.



Transforming Digital Skills and Talent: Aims

- ✚ Lancashire needs **more people** with **more advanced** digital skills. Accelerating and improving the quantity and quality of supply of digital skills and talent is the most significant challenge in addressing existing skills gaps and shortages and building capacity for Lancashire's residents and businesses to take advantage of opportunities for growth.
- ✚ Delivered through investment in an expanded Lancashire Digital Skills Partnership, these actions will help Lancashire become a digital skills hot spot with:
 - ✚ High levels of digital inclusion
 - ✚ Successful businesses and increased productivity across all sectors
 - ✚ A pipeline of people with digital skills leaving our schools, colleges, universities and training providers
 - ✚ Support digital businesses to invest in new technologies and innovation to target identified opportunities in high growth areas

Productivity

Productivity in Lancashire's digital sectors is less than two-thirds the national average, reflecting gaps and shortage in skills and the fact that many of the micro-enterprises which make up the overwhelming majority of businesses in the sector are not taking opportunities presented either amongst the traditional 'primes' of Lancashire's manufacturing and engineering sectors, or in the larger commercial markets in neighbouring metropolitan areas.

The digital strategy aims to close this productivity gap by 2035 and then continue to exploit the conditions for growth to make Lancashire one of the most productive digital regions of the UK. Over the period to 2035, the strategy aims to achieve a £4 bn increase in GVA (at 2020 prices) attributable equally to an increase in the number of digital jobs and in output for each employee.



Lancashire is currently a net exporter of digital talent to London and neighbouring metropolitan areas. Although the measures set out under skills, business support and ecosystem development will do much to address the need for more people, more jobs, more high growth businesses and increased investment, other measures need to be taken to secure the development of a resilient digital sector and to make available the digital talent needed to fuel growth across Lancashire’s economy.

These include:

- Recruitment in the short term of people with higher level digital skills to address gaps and shortages
- Increased recruitment into and retention of a greater proportion of computer science graduates from Lancashire’s universities
- Attracting investment from two or three global digital businesses which can ‘anchor’ the digital ecosystem and provide additional impetus to collaborative R&D with the county’s universities and SMEs

This requires a coordinated focus on marketing and inward investment which highlights Lancashire’s distinct benefits for digital employers and employees:

- A range of affordable housing in attractive areas close to potential employers

4. Identity, Marketing & Promotion

- Good national and international transport links to markets
- Quality of life – the distinctive mix of urban, rural and coastal environments accessible from anywhere in the county
- Lancashire’s role as a critical hub within an interdependent and complementary North West Cyber Corridor
- Lancashire as a leading source of innovation in data science

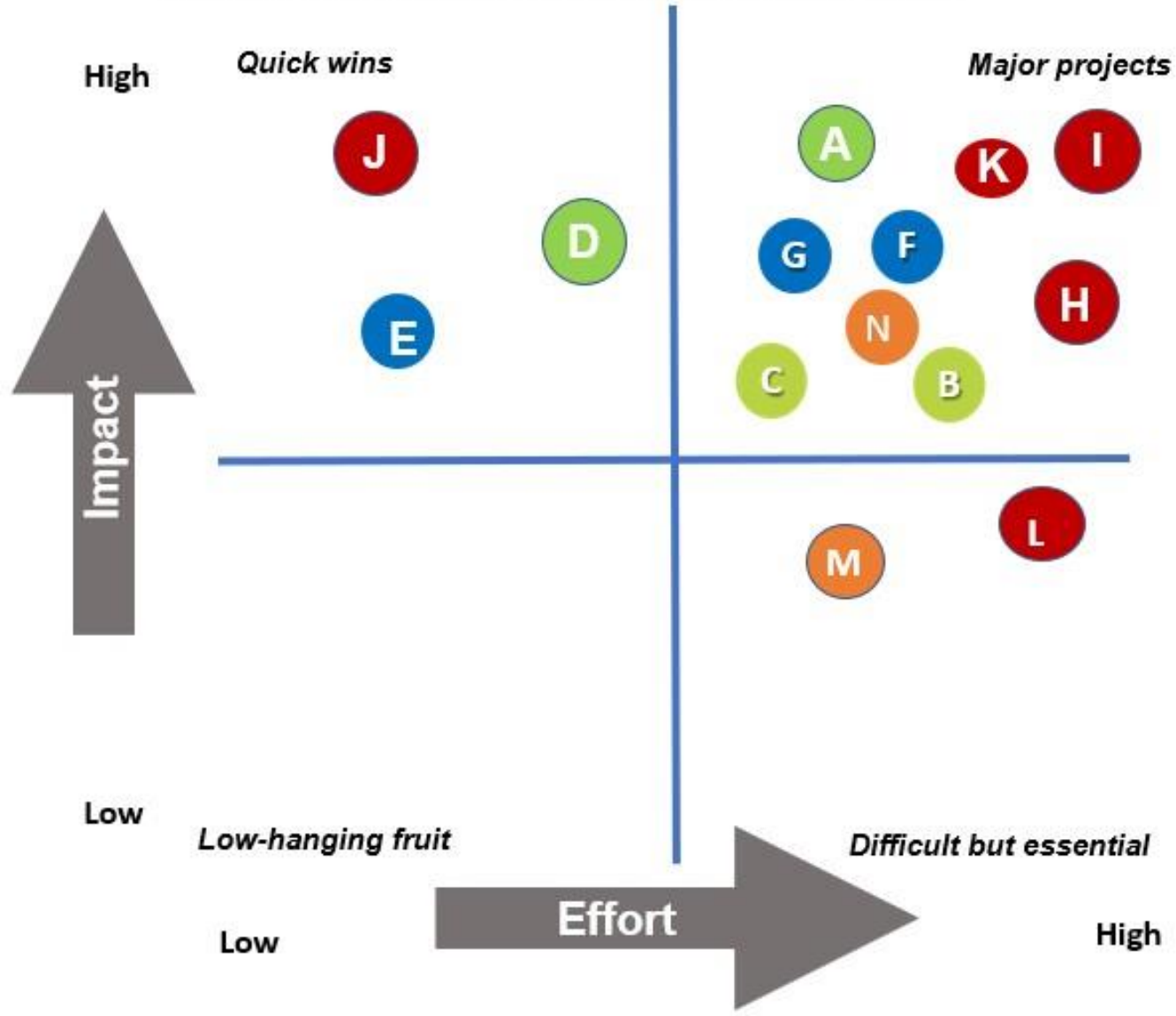
M. Identify Lancashire’s critical strengths and competitive advantage as part of the North West Cyber Corridor

N. National and international marketing to attract talent and investment

Figure 9 Identity, marketing and promotion

Lancashire Digital Strategy: Prioritisation of Potential Interventions

VISION – Lancashire to forge a new identity as a globally significant hub of a fourth industrial revolution, at the heart of applied industrial technology and leading the transformation of its economy and society through ethical, innovative and secure applications of data and digital technology.



Digital Ecosystem	<p>A. Increase engagement of digital supply chain with national investments in NCF and Innovation Enterprise Hub</p> <p>B. Increase specialisation and focus on Innovation Driven Enterprises, at all scales from pre-start to exit, within digital 'spokes' in towns and cities across Lancashire</p> <p>C. Broker engagement of digital companies with customers and collaborative R&D opportunities in adjacent sectors through demonstrators and 'MVPs'</p> <p>D. Develop cross-sector, peer-to-peer learning networks to connect all points of the digital supply chain in Lancashire with existing Innovation ecosystem and major industrial actors</p>
Business Growth	<p>E. To increase engagement of the supply chain with Lancashire's existing investments in the Innovation ecosystem (e.g. EIC and AMRC NW).</p> <p>F. Develop regional angel networks to address need for "patient capital" to support development of small and larger scale-up businesses</p> <p>G. Build the pipeline of pre-start, start-up, smaller and large scale-up businesses to create resilience in the digital Innovation ecosystem</p>
Skills	<p>H. Careers inspiration and transformation of the school curriculum for computer science</p> <p>I. Develop a campaign to change national skills policy to embed digital within school curriculum</p> <p>J. Extend and expand flexible models of delivery, such as digital bootcamps</p> <p>K. Integrate provision of CPD to drive recruitment and retention</p> <p>L. Innovative and sustained approach to equality, diversity and inclusion</p>
Marketing	<p>M. Identify Lancashire's critical strengths and competitive advantages as part of 'North West Cyber Corridor'</p> <p>N. National and international marketing to attract talent and investment</p>



VISION

OUTCOMES

STRATEGIC IMPERATIVES

Significantly increase the number of digital pre-start and start-up businesses (including university spin outs)	Provide the conditions to allow more existing and new start businesses to scale up (demonstrate 20% + growth in jobs and revenues year on year)	Attract inward investment from two or three major digital employers	Increase the number of Lancashire businesses in all sectors using data and digital tools and services to increase employment and productivity	Greater collaboration and partnership between digital businesses and other priority sectors of Lancashire's economy, including advanced mobility, clean growth and health
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Lancashire has reclaimed its identity as an economic powerhouse on the global stage, at the forefront of a digital industrial revolution

Lancashire is the fastest-growing digital economy in the UK and increase the contribution of the digital sector to over £5 bn per annum

Lancashire is the location of choice for businesses and investors looking to develop and apply innovative digital solutions to significant global challenges in advanced mobility, supply and distribution of clean energy and net zero technologies, cyber security and health

The benefits of improved skills and better access to job opportunities are available to everyone in Lancashire, regardless of race, creed, colour, gender, disability, sexual orientation or socio-economic background, leading to a better quality of life and standard of living for all

Lancashire has leapfrogged other UK and international regions by focusing on its strengths

ENABLERS

Digital skills and talent development , providing inspiration for children and young people in education, upskilling and reskilling the existing workforce to address skills gaps and shortages and attracting and retaining more skilled people	A best-of-breed entrepreneurship and innovation ecosystem , inspiring leadership and a culture of co-creation and collaboration	Digital and physical infrastructure to support clustering and knowledge exchange, linking existing digital workplaces to county-wide provision offered through Samlesbury Super Hub	An escalator of strategic interventions in grant, debt and equity funding and network building to stimulate private sector investment	Investment in marketing and communications to project a positive, rich, dynamic, and forward-thinking image of Lancashire
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Digital Ecosystem	A	B	C	D	
Business Growth and Investment	E	F	G		
Digital Skills and Talent	H	I	J	K	L

Identity, Marketing and Promotion	M	N			
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Lancashire
Enterprise Partnership

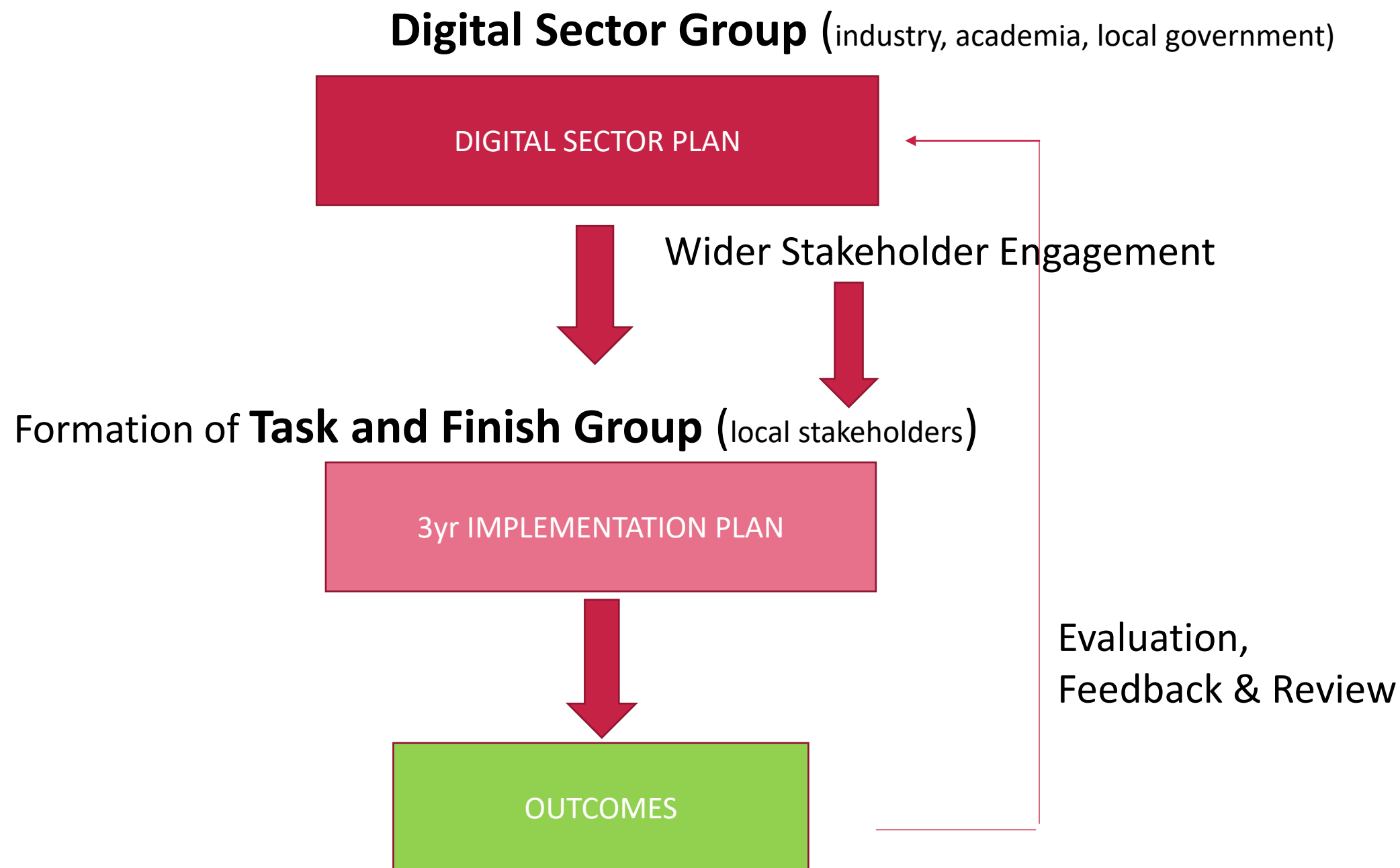
Next Steps





- 📄 Lancashire's unique strengths in digital as outlined in this report, along with recent investment decisions have the ability to establish the county as a major contributor to the UK's technology ecosystem.
- 📄 Our aspirations are ambitious, however by making use of a range of policy and fiscal interventions, as well as the knowledge collateral of stakeholders, the sector has the potential to achieve transformational change.
- 📄 The essential next step is to translate the Digital Strategy into an Implementation Plan, developed by a stakeholder Task and Finish Group.
- 📄 The digital ecosystem evolves rapidly by comparison to other sectors. As a key growth sector and primary enabler of many other sectors of growth, a plethora of initiatives are emerging across the county, via interventions of local authority, the education sector, businesses directly, national government departments and other agencies and organisations.
- 📄 The Task and Finish Group will consult widely with these stakeholders to develop an Implementation Plan which recognises and reflects these initiatives within the Digital Framework and seeks to identify any additional gaps to be commissioned within the Plan.
- 📄 The Implementation Plan will also articulate the alignment of all elements of the LEP's Strategic Economic Framework, including the Skills and Employment Framework, Innovation Strategy and Plan, Internationalisation Strategy, Finance for Business Plan and other Sector Plans.
- 📄 The business-led Digital Sector Group will provide oversight and direction to the Task and Finish Group and the final Implementation Plan, review progress of delivery and monitor impact on the ground at appropriate intervals.
- 📄 In recognition of the very dynamic and fast changing nature of this sector, and emerging opportunities such as the successful establishment of National Cyber Force in Lancashire, a number of specific initiatives will be progressed in parallel with the Implementation Plan - major projects, quick wins and essential enablers.

Next Steps





Lancashire
Enterprise Partnership

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Lancashire Enterprise Partnership Limited

Private and Confidential: NO

Date: Monday 11 July 2022

Internationalisation Strategy for Lancashire

(Appendices 'A', 'B', 'C', 'D', 'E' and 'F' refers)

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Executive Summary

Lancashire's first Internationalisation Strategy has been developed in collaboration with partners as the fifth element of the Independent Economic Review which is now known as Lancashire 2050. The strategy is fundamental in driving forward our continued economic success and for future asks of Government. Our long-term vision is to emulate our city region neighbours in global competitive performance.

Lancashire is the second largest economy in the North West but growth has stagnated over the past decade. Lancashire businesses tend to trade less and levels of foreign direct investment and capital investment are proportionally lower than the size of the economy might indicate.

It's time to do something different, drive a step-change and catalyse growth in the economy. Currently the ratio of available jobs to working age population is 4-5. Without new investment good quality, high productivity jobs will not be created and Lancashire will continue to under-perform.

This Internationalisation Strategy is a blueprint to address those concerns and capitalise on the opportunities that are available. It is based on a five-pillar approach to ensure that all elements of the county work together to produce a bigger impact.

The LEP Chief Executive will have stepped down when the Board considers this report so they are not requested to approve any resource. When the budget and the direction of travel has been approved the board may be asked to consider resource to deliver specific elements of this strategy.



Recommendation

The Lancashire Enterprise Partnership Board is asked to:

- (i) Consider, note the next steps and approve for publishing the Internationalisation Strategy at Appendix 'A'.
- (ii) Consider, note the next steps and approve for publishing the Export Action Plan at Appendix 'B'.
- (iii) Consider, note the next steps and approve for publishing the Foreign Direct Investment Action Plan at Appendix 'C'.
- (iv) Consider, note the next steps and approve for publishing the Capital Investment Action Plan at Appendix 'D'.
- (v) Consider, note the next steps and approve for publishing the Innovation Action Plan at Appendix 'E'; and
- (vi) Consider, note the next steps and approve for publishing the Visitor Economy Action Plan at Appendix 'F'.

Background and Advice

Internationalisation Strategy for Lancashire

1. Background

- 1.1 Lancashire's performance on the international stage is lacking both strategic and resource, whilst untapped opportunity is very significant Lancashire has only one dedicated resource and that post is funded by the Department for International Trade (DiT).
- 1.2 The objective of this strategy is to provide a clear way forward for Lancashire to transform its economic performance through an international strategy that positions Lancashire to secure better outcomes based on attracting investment, trade, talent and ideas from around the world and that opens up new markets and opportunities. The strategy is grounded in data, intelligence and evidence and is benchmarked against successful regions of the UK.
- 1.3 Recent times are continuing to be both hugely challenging and uncertain. Whilst the response and recovery process to the major global economic shock arising from covid19 remains uncertain, the UK has completed its transition to Brexit.
- 1.4 The LEP in response has developed a new Strategic Framework. It has also established a number of business-led priority sector groups. Local resilience

is at the centre of our response but continuing macroeconomic financial and economic uncertainty is the playing field.

- 1.5 Lancashire still remains the second largest economy in the North West with 54,000 businesses, punching £33bn GVA per annum. It contains the fourth largest aerospace cluster in the world and has world class companies and innovation assets across energy, advanced manufacturing, engineering, automotive and the green economy. It has the potential to become a much more important part of our aspirations to make Britain a leading-edge green and clean industrial superpower.
- 1.6 With a resident population of 1.5m people, over 60% of whom are working age, Lancashire provides 732,000 jobs and a significant talent pool. Across four universities, a student population of over 55,000 continuously adds to that talent every year. The port of Heysham is an important facility supporting international seaborne trade and will be a gateway to Europe via the Irish Republic post Brexit. Lancashire also supports major transport infrastructure that links England to Scotland via the M6 and the West Coast Mainline.
- 1.7 But Lancashire is falling behind other Northern economies with relatively lower economic growth and productivity. Lancashire ranks 7th out of the Northern Powerhouse 11 LEP's in terms of value of good exported in 2019 and Foreign Direct Investment projects (2015-2019). It ranks 8th for UKRI funding (2018-2019) and 7th in terms of the visitor economy visits and spend (2015-2019).
- 1.8 Deprivation is high in parts of the area and skills levels and wages are low, with concentrations of 'left behind' communities. Nevertheless, we are holding onto aspirations to halve our economic output gap, close our productivity gap and secure net carbon by 2050.
- 1.9 In this new emerging context, an internationalisation strategy transitions from a 'could have' to a 'must have'. Internationalisation already plays a critical role in our economy in many of the county's key assets including towns and cities, universities, sports clubs, culture and areas of outstanding natural beauty. There is a need to maximise the opportunities presented from globalisation, but also in response to Brexit and future trade deal.
- 1.10 Currently: (a) 1% of the NW investor base is foreign owned but delivers 17% of the region's GVA; (b) FDI companies generally pay more per worker and are more productive per worker than the indigenous business base; (c) Many global businesses control supply chains from within the county.
- 1.11 The county plays an important role in globalised innovation through firms and institutions leading international research programmes: (a) International students attend universities in the county making a vital revenue contribution to the universities and colleges and the local economy; (b) International migrants who have settled within the county, bringing a wealth of talent skills

and expertise; (c) Effects and impact of Covid and Brexit have led to the loss of migrant workers particularly in the healthcare and food and agriculture and hospitality sectors; (d) At least 90 different languages spoken; (e) More than 18 categories of ethnicity represented at the last census; (f) Recent strategic investment opportunities in the pipeline.

1.12 Some of the world's greatest global challenges can be addressed by solutions developed in Lancashire. The United Nations Sustainable Development goals are the blueprint to achieve a better and more sustainable world for all. Whilst the LEP Sector Groups take a sector led approach to challenges and opportunities, many identify global opportunities to address global challenges with local solutions. A few examples of relevant goals might include:

- End hunger, achieve food security and improved nutrition and promote sustainable agriculture
- Ensure healthy lives and promote well-being for all at all ages
- Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
- Ensure availability and sustainable management of water and sanitation for all
- Ensure access to affordable, reliable, sustainable and modern energy for all
- Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
- Take urgent action to combat climate change and its impacts
- Ensure sustainable consumption and production

1.13 The total quantum of resources invested in internationalisation activities represents a small fraction of resources invested by our city region neighbours by comparison, with a not unexpected performance which is significantly diminished as a consequence.

1.14 If Lancashire wants to fulfil its ambition to grow the economy and retain the talent that comes out of our four universities an Internationalisation Strategy is essential to frame the activities and outcomes, with appropriate allocation of resources to deliver that strategy. Even if it takes some time to identify and allocate that resource, the ambition should be set now with clear outcomes in mind.

1.15 The desired outcomes are to:-

- Position Lancashire at the forefront of innovation with cutting edge and progressive research. This will result in more UKRI funding, the development of an innovation roadmap and more international innovation partnerships being created.
- Build a globally competitive county by increasing trade, foreign direct investment, R&D, innovation and visitor numbers. This will result in



more exporters, new trading relationships in key overseas markets, new jobs, foreign direct investment linked to innovation, an increase in private equity investment and more Lancashire towns receiving Levelling Up Funding.

- Promote the Lancashire brand internationally to attract investment, business visitors and increase visitor spend in the county. This will result in attracting more international business visitors, more visitor spend and create new visitor economy jobs.
- Establish Lancashire firmly as a place which attracts and retains talent and investment. This will result in more graduates of Lancashire's universities staying in Lancashire taking up high quality jobs thereby reducing the number leaving the county to take up jobs elsewhere.

1.16 The LEP commissioned an Internationalisation Strategy from OCO Global/Metro Dynamics after a procurement exercise in April 2021. The commission was overseen and developed by a local partnership team, including the LEP, Marketing Lancashire, DiT, the universities and Lancashire County Council.

1.17 The scope of the commission was to deliver a 10-year strategy that identifies a clear way forward for Lancashire to transform its economic performance and grounded in data, intelligence, evidence and analysis.

2. Methodology

2.1 A ten-step process to develop the strategy included desk-top and literature review and stakeholder engagement. Analysis of Lancashire's strengths and value proposition were analysed along with a review of the global market opportunities. Many variables were considered within a bespoke Lancashire model which was used to inform the final selection of markets.

2.2 A five-pillar approach to the strategy focused on the following elements of internationalisation, recognising that it is not an exhaustive list but is a means to structure the report and resulting activities:

- Export (trade)
- Foreign Direct Investment (inward investment)
- Capital Investment
- Innovation and education
- Visitor Economy

Other elements might include civic and sporting connections, business ambassadors, university overseas campuses.

2.3 Each pillar details the strategy, baseline performance, domestic and international benchmarking, examples of best practices, priority sectors and markets. Action plans have been developed along the pillar structure and the



activities will be collaborative across pillars to maximise the resource available.

- 2.4 A stakeholder group consisting of partners who work internationally met regularly since April 2021 to oversee the development of the strategy. The group has provided information from their organisations to inform the strategy and they have reviewed and commented on the strategy. They have also been instrumental in developing the Action Plans.
- 2.5 Members of the stakeholder group have also been working on other LEP plans such as the Innovation Plan, Finance Plans and Sector Group Plans.
- 2.6 To ensure that this strategy aligned with the LEP's Sector Group Plans, the consultants engaged with them to gather information regarding key & emerging sectors and key & emerging markets. The consultants reviewed their findings with the Sector Groups to ensure alignment with their Sector Plans.

3. Findings

- 3.1 The Internationalisation Strategy at Appendix A details the findings and a ten-year plan to achieve the Strategic Objectives outlined.
- 3.2 It is timely that the strategy follows the announcement of the location of the new National Cyber Force to be in Sarnesbury. This generational investment will create a gravitational pull of investment, talent and innovation to the heart of Lancashire's assets and capabilities and ensure that operational capability will be world-class.
- 3.3 The LEP's overall opportunities and strengths, across all five pillars and the growth sectors of the LEP's Strategic Framework, coalesce across the following key markets:
 - Canada
 - China
 - France
 - Germany
 - India
 - Malaysia
 - Netherlands
 - Nordics
 - Singapore
 - USA
- 3.4 The key strengths of the county have been identified as
 - Universities
 - National Cyber Force Campus
 - Innovation assets
 - Four Enterprise Zones



- Prime manufacturers
- Strong natural assets
- Strong leisure and cultural offer
- Destination Management organisation

3.5 A number of great opportunities have been identified but there are weaknesses and challenges that will need to be addressed in order for Lancashire to fulfil its potential on the world stage.

4. Consultation

4.1 The Internationalisation Strategy has been out to consultation to Lancashire's Local Authorities, Universities and DiT.

4.2 Feedback from the consultations have been incorporated in the document.

5. Pillar Action Plans

5.1 In order to support, be included in the delivery of Lancashire 2050 and a devolution deal, this Internationalisation Strategy has developed action plans for each pillar. The action plans detail the resources that are available now and what is needed to deliver the outcomes.

5.2 Action Plans have been developed for each pillar and many of the plans are inter-connected. For example, in the Visitor Economy pillar the workstream to Collaborate on Capital Investment means that work on the Capital Investment pillar will impact the Visitor Economy. By working together, the intention is that more can be achieved to benefit the whole economy.

5.3 In order to improve the efficiency of the resources available partners should collaborate on all of the Action Plans. This will also maximise the impact to the county. The stakeholder group will continue to meet to drive forward the action plans and collaborate on actions that overlap the pillars.

5.4 The Export Plan at Appendix B has been extensively developed with a stakeholder group overseeing its production. DiT is tasked with increasing exports and Lancashire currently has a dedicated Export Manager. In order to encourage more of our companies to export we need this resource and access to further resources from DiT.

5.5 The Foreign Direct Investment (FDI) Action Plan at Appendix C details the work that is needed to really gain traction in inward investment. Currently there is a dedicated Key Account Manager, funded by DiT but much more could be done if resource is available. Inward investment represents new money into the economy and the job creation that comes with it creates further economic benefits.



- 5.6 The Capital Investment Action Plan at Appendix D details the potential that Lancashire could achieve if dedicated resource was available to pursue capital investment into the county. Currently there is no dedicated resource for capital investment.
- 5.7 The Innovation Action Plan at Appendix E provides the actions and resource needed to position Lancashire at the forefront of innovation.
- 5.8 The Visitor Economy Action Plan at Appendix F builds on the work that Marketing Lancashire had started internationally. The Action Plan covers the resources needed to make an impact in terms of international visitor numbers and will need to work collaboratively with other pillar resource.

6. Next Steps

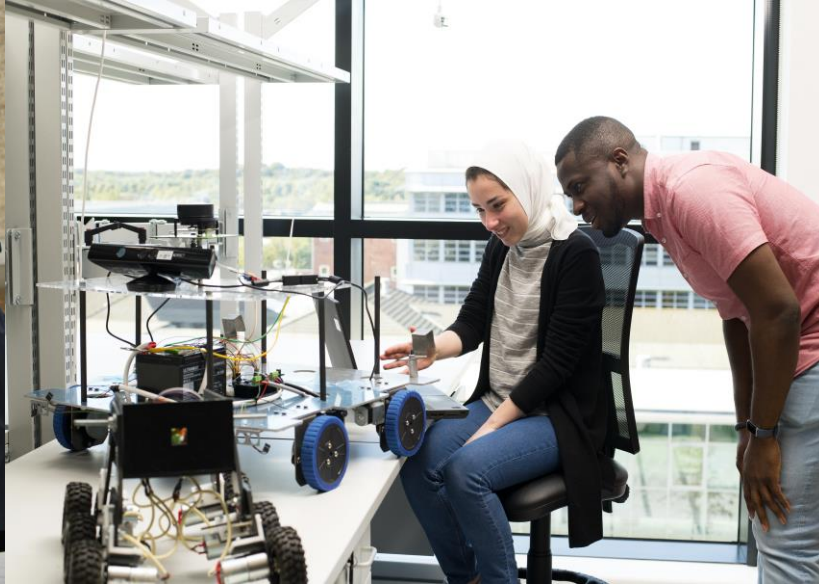
- 6.1 The Internationalisation Strategy document is a blueprint for the work that needs to be done. The ten-year strategy sets out the ambitions of the county to fully exploit the opportunities that are now presented in terms of NCF and a county deal.
- 6.2 Integral to the success of the Internationalisation Strategy is alignment and concurrent delivery of the Sector Plans, the Innovation Plan and the Finance Plan. All of which create the ecosystem to propel Lancashire on a growth trajectory.
- 6.3 The stakeholder group is represented by organisations that are working on those plans so all parties remain informed of the activities and progress occurring in Lancashire. They will collaborate on resources and apply for funds when appropriate funding pots are identified.
- 6.4 The Pillar Action Plans show the potential work for the next three years subject to resources and they will be refreshed on a rolling three-year basis with progress reported to the board annually.
- 6.5 There are significant budgetary implications needed to deliver this strategy in its entirety and the LEP will work with partners to identify funding opportunities.
- 6.6 Once approved, the Internationalisation Strategy will be published along with the Action Plans and work will commence on identifying resource and delivering the plans.

7. Financial and Legal Implications

- 7.1 There are financial implications in the Internationalisation Strategy and a resource breakdown is included in the Action Plans. The cost of the activity will not be borne by one stakeholder rather it is a collective cost of what is



available now and can be used to secure new resources when they become available.



OCO



OCO Global & Metro Dynamics

Internationalisation Strategy for Lancashire

This is a summarised version for public release. For a full version with appendices, please contact sue.roberts@lancashirelep.co.uk

Vision	3
Executive Summary	5
Introduction	6
Pillar Analysis	
Exports	13
Foreign Direct Investment	21
Capital Investment	29
Innovation	37
Visitor Economy	47
Conclusions & Aggregated Analysis	56
Resource Implications	59

Vision for Lancashire's Global Competitive Position

VISION

A new ambition for Internationalisation is set for Lancashire which is fundamental to our continued economic success. The Lancashire Internationalisation Strategy (LIS) confirms that we have the assets, capabilities and opportunities To compete on a global platform for investment, trade, talent, ideas and visitors.

Our long-term vision is to emulate our city region neighbours in global competitive performance as measured by:

- Our attractiveness to international investors, visitors, business and academic talent and students;
- New capital and foreign direct investment, which drives innovation and productivity performance
- Our international cultural and place offer and the propensity of our business base to trade internationally;
- The quality and ease of access and interconnectivity to all places across the UK to maximise the local benefits of Internationalisation across Lancashire's communities.

Why does Lancashire need an Internationalisation Strategy?

Lancashire is the second largest economy in the North West, a fact often overlooked, as its city region neighbours have secured devolution and more resources. However, growth in the economy has stagnated over the past decade. Lancashire businesses tend to trade less than its neighbours, and levels of foreign direct investment and capital investment are much lower proportionally, than the size of the economy might indicate.

Lancashire's productivity rate was strong in the five years prior to the Covid pandemic, driven specifically by high productivity, innovation and manufacturing led businesses. However, the ratio of available jobs to working age population is 4:5, and without new investment creating high productivity jobs, the Levelling Up agenda will never be delivered. An estimated 80,000 people leave the county to find employment and this costs our economy £4.3bn per annum and 130,000 residents can't find jobs to match their skills. The lockdowns of the pandemic have metered a devastating effect on some sectors more than others such as the visitor economy and civil aerospace.

It's time to do something different – something which drives step-wise change and catalyses growth in the economy and creates good jobs. Something which sets a new ambition and approach to ensure it harnesses the full potential of our assets, resources, skills and industry to create a sustainable, competitive and thriving platform for Lancashire. With UK government policy around Levelling Up, the climate change agenda and the United Nations Sustainable Development Goals we have never been better placed to take advantage of these opportunities.

Internationally active SMEs are three times more likely to introduce products or services that are new to their sector than those that are entirely domestic focused. Foreign-owned companies invest more readily in skills, are more productive, and are far more likely to export. Internationalisation is also a route through which we can translate more of our employment growth into increased productivity.

At a strategic level, this report provides an evidence base for the ways in which Lancashire is already engaged in international activity, as well as a set of activities to further increase internationalisation throughout the county. It informs the development of activities at a county level and within each pillar of activity, through which Lancashire can develop a more outward-facing approach.

These conclusions will draw together evidence and suggested activities from across all pillars in an aggregated analysis of the approach that Lancashire can take from the top down. It will collate the key insights and activities from each pillar to assess where commonalities can be found and where limited resources can be maximised. This will help to reduce duplication of effort as well as promote collaboration between pillars.

Working in partnership with stakeholders and drawing on the evidence base in this strategy we need to seize the moment and ensure that Lancashire delivers on these opportunities.

Lancashire is an ambitious county with key strengths and assets in Advanced Manufacturing, Energy and Low Carbon technologies, Digital and emerging sectors of cybersecurity and defence, advanced mobility and health innovation. Lancashire will build on these assets and capabilities to become a global player.

This strategy outlines the opportunities for growth across the county's core pillars and sectors going forward.

Lancashire's Strategic Ambitions



Position Lancashire at the forefront of innovation



Build a globally competitive county



Promote the Lancashire brand internationally



Establish Lancashire firmly as a place which attracts and retains talent and investment

Pillar Analysis

The strategy focuses on five core pillars:

- **Export** – navigating the macroeconomic changes to keep Lancashire goods and services competitive
- **Foreign Direct Investment** – highlighting the assets and strengths of the county to overseas companies
- **Capital Investment** – articulating the opportunities for regeneration, infrastructure investment and VC funding
- **Innovation** – building on existing and new collaborative partnerships across sectors
- **Visitor Economy** – placing Lancashire on leisure and business visitors' radars as travel reopens from the pandemic

Aggregated Analysis

The strategy brings together the pillars in an aggregated analysis for economic development across Lancashire as a whole with a focus on:

- **Cyber and Digital Services** – improving resourcing constraints through digitisation of products and services
- **Promotion and Branding** – improving awareness of Lancashire on the international stage through profile raising and promotional activity
- **Collaboration on markets and sectors** – working with partners and stakeholders across pillars where there are synergies and commonalities
- **International networks and partnerships** – creating meaningful and lasting international partnerships

Opportunities and Challenges

Opportunities

- Lancashire is an ambitious county looking to capitalise on the recent announcement of the National Cyber Force campus and its ambitions for growth on the international stage.
- Lancashire has the opportunity to build on its heritage of manufacturing from the Industrial Revolution to Industry 4.0+.
- Lancashire is home to some of the world's most innovative companies and new sectors are emerging which will drive growth internationally..
- The county has a large and diverse talent pool as well as top class and highly internationalised universities.
- Build international awareness of Lancashire based on the close proximity of Manchester and Liverpool.
- Link internationalisation work with Northern Powerhouse neighbours and the Department of Trade campaigns such as Why Invest in the UK?

Challenges

- Resources to deliver the Internationalisation Strategy and realise the potential of the Lancashire economy will need to be prioritised.
- There is a need to develop sector propositions in the county's key, niche sub-sectors.
- Supporting Lancashire companies to increase exporting and take advantage of the new Free Trade Agreements.
- Lower than average Level 4+ skills in the working age population.

What is the economic make up of Lancashire?

Manufacturing has consistently been the largest sector by output. It was heavily impacted by the recession in 2009 but has grown consistently since then, particularly during the middle of the decade.

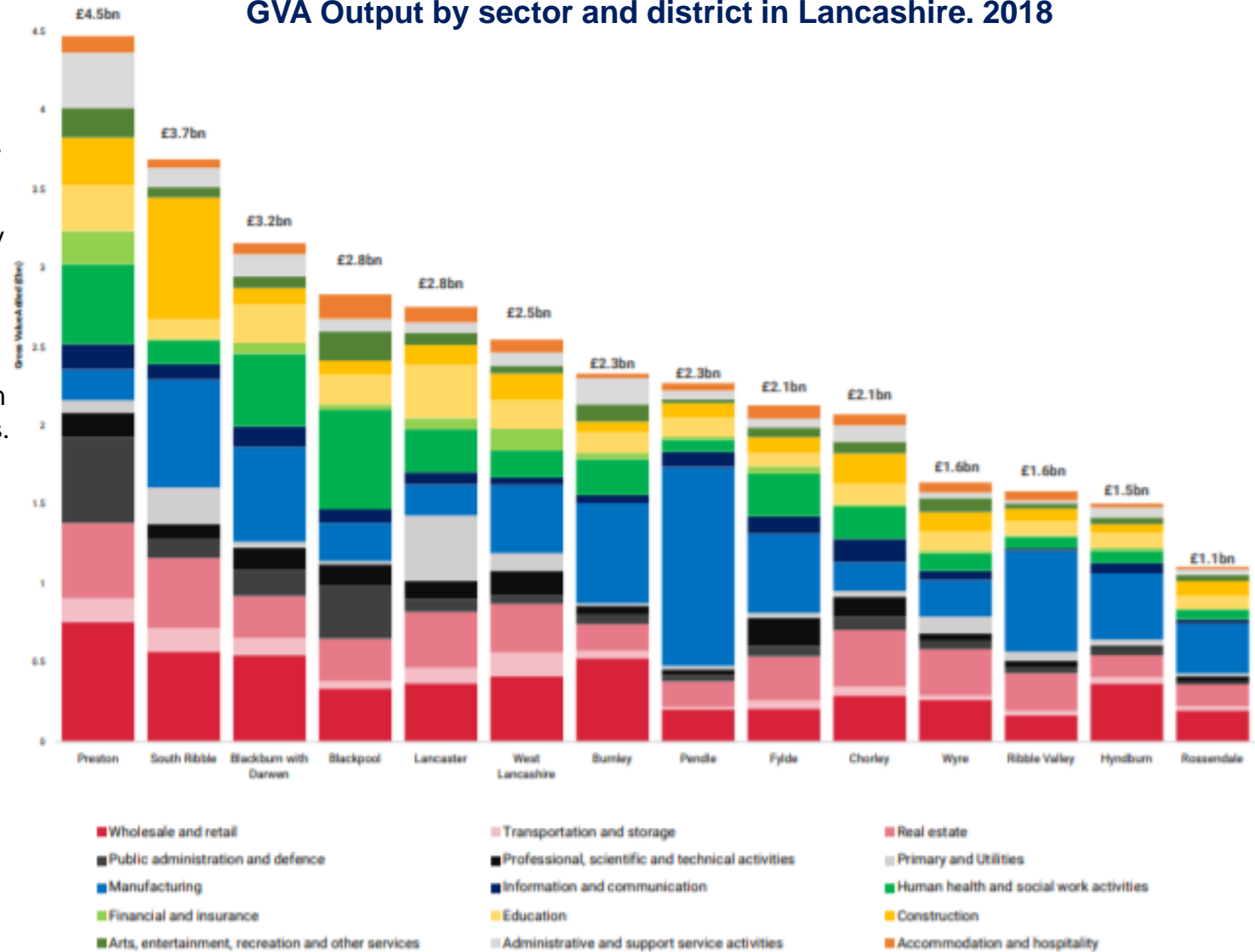
Real estate has gradually declined in value, and now overtaken by the wholesale & retail sector, another sector that has grown strongly over recent years – but one which we know has been especially affected by COVID-19.

The value and size of the Health & Social Work and Education sectors have both remained fairly constant, but public administration and defence have seen a clear decline, in line with austerity policies.

Finally, construction has fluctuated over the period, but a general upward trajectory had been seen since 2013.



GVA Output by sector and district in Lancashire. 2018



How has Lancashire's economy performed in the last 5 years?

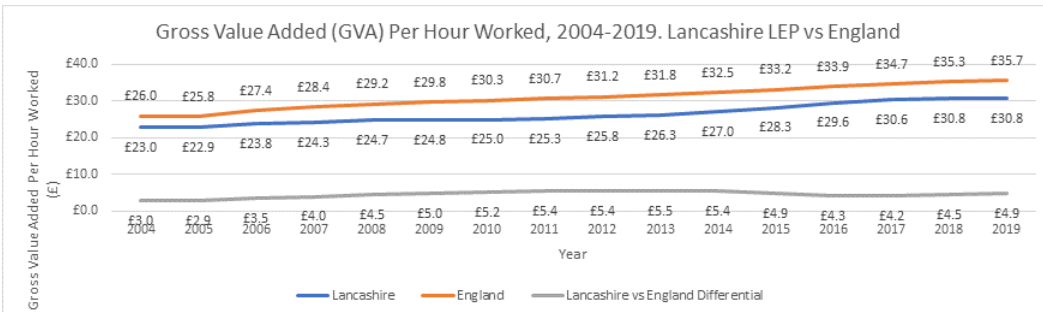
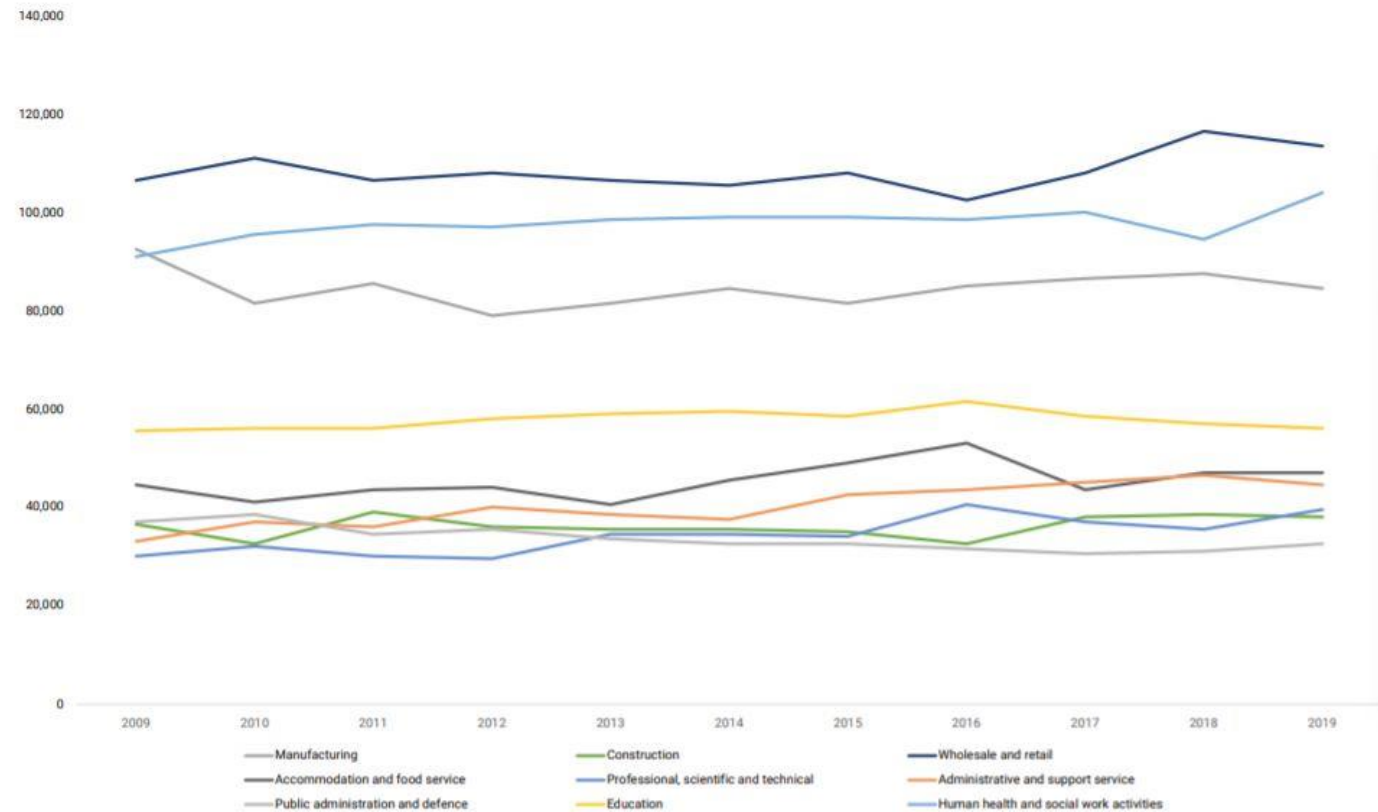
Lancashire's recovery from the financial crisis was slow and variable across the county. However, it has picked up pace in recent years, with productivity in Lancashire growing faster than the national rate since 2015. In fact, goods exports to the EU from the North West were at their highest level in three years in Q2 of 2021. The full impact of EU Exit on Lancashire's economy is harder to judge.

When the pandemic started in spring 2020, Lancashire was heavily affected by COVID-19 with above average case rates and more severe restrictions throughout 2020 than those experienced across most of the country.

With the furlough system taking hold across the UK during the pandemic, Lancashire was significantly impacted. At its highest, 101,900 were furloughed in the LEP are in July 2020. However, recent indications from job numbers show that Lancashire has managed to recover fairly quickly.

Which sectors are the largest employers

The graph below shows the nine largest sectors, which employed around 84% of the workforce over the period. Wholesale and retail employment has clearly grown, and after an initial drop, employment in manufacturing has steadily grown back. Though smaller, the professional, scientific and technical sector has seen a general growth trend since 2012 – increasing this further is a major part of improving productivity in Lancashire.



Lancashire has a strong range of assets which can naturally breed opportunities on the international scale. However, there are some key challenges to overcome to ensure successful implementation of an internationalisation strategy.

Strengths

- Universities of Lancaster, University of Central Lancashire (UCLan), Edge Hill and Cumbria with overseas campuses
- Location of National Cyber Force
- Innovation assets such as AMRC NW , EIC, HIC, Energy HQ
- A diverse mix of towns and cities
- Four enterprise zones (Blackpool Airport, Hillhouse, Samlesbury and Warton) and the Lancaster University Enterprise Zone for Secure Data
- Prime manufacturers such as BAE, Rolls Royce, Leyland Trucks , Westinghouse and a strong manufacturing SME base
- Strong natural assets – 137 miles of coastline, 80% rural and home to Area of Outstanding Natural Beauty in the Forest of Bowland
- Strong leisure and cultural offer for visitors including the popular seaside resort of Blackpool
- Destination Management Organisation – Marketing Lancashire

Weaknesses

- Lack of resource to implement the Internationalisation strategy and fully exploit Lancashire's potential
- Poor East-West connectivity, despite most people living on this axis hampering talent and businesses accessing companies and markets
- Number and value of Lancashire exports, proportionately lower
- International links of universities and diverse communities not fully exploited
- No dedicated resource and brand recognized investment promotion agency
- Lower than average Level 4+ skills in the working age population

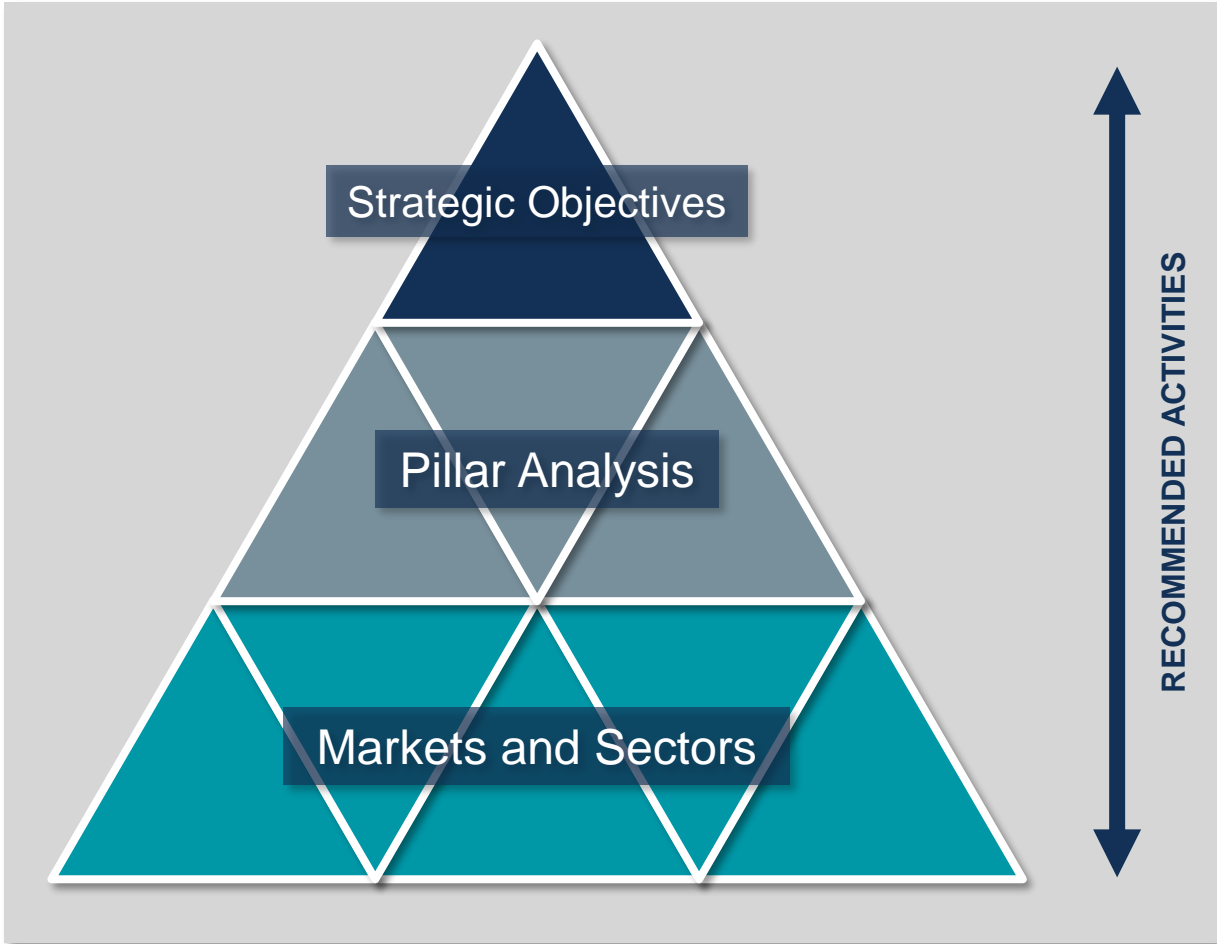
Opportunities

- Further development of the NW Cyber Corridor from Manchester to Lancaster, heart of a cluster of cyber, defence and security related assets
- Technical infrastructure - Advanced Manufacturing Research Centre NW , Health Innovation Campus and Engineering Innovation Centre and other assets to drive recovery, growth, productivity and innovation
- Revitalised towns and heritage assets
- Major green energy opportunities along with existing nuclear sector and low carbon technologies – led by innovation and manufacturing
- North Atlantic loop – opportunity to boost digital connectivity and resilience
- Stronger shared governance across Lancashire
- Eden North, due to open in 2024
- BREXIT – new international trade agreements
- Political ambition to agree a County Deal in order to benefit from a devolved authority and additional local resources
- Institute of Technology to be established in 2022 due to a strong collaboration between colleges and universities

Challenges

- Ongoing COVID-19 disruption and recovery to pre-pandemic levels; some sectors more severely impacted than others
- Lancashire sector propositions to be widely disseminated and understood internationally
- Neighbours, particularly City Regions have significant resource for internationalization activities
- A poor national and international brand and no high value propositions marketed by DIT

Strategic objectives have driven this internationalisation strategy



This Internationalisation Strategy has been driven by a set of Strategic Objectives. These **strategic objectives are ambitious, aspirational and focus on a long-term enhancement of Lancashire's international activity**. They are focused on transforming Lancashire into an outward-facing county. The objectives are cross-cutting and applicable to the county as a whole.

Underpinning these broad objectives is a detailed pillar analysis. These analyses evaluate performance for each of Lancashire's **core pillars; trade, FDI, capital investment, innovation & the visitor economy through both a domestic and international lens**. They place past and current performance in a regional, national and global context with an emphasis on enhancing Lancashire's position on the international stage.

Moreover, for each pillar, a set of markets and sectors have been assessed. This work highlights the key opportunities as well as some of the trends occurring both locally and globally, placing Lancashire's strengths within a set of international opportunities. These evaluations are also drawn together to provide a pan-Lancashire perspective.

Across all of these layers, there are a set of recommended activities to help achieve the strategic objectives. The recommendations can be thought of as strategic enablers and vary depending on if they are market / sector specific, pillar specific, or pan-Lancashire.

For the Pillar-by-Pillar analysis, we adopted a structured approach that seeks to provide a baseline understanding of the landscape in Lancashire, placing this in a national and international context, this before articulation a set of specific actions to achieve strategic, outward-facing objectives.

Baseline Analysis

The baseline study aims to understand the past and present situation in Lancashire and on the global stage. For each Pillar, we have assessed:

- The current and past performance in Lancashire
- The current services offered to businesses in Lancashire
- The global context and international performance

Competitor Analysis

Competitors for Lancashire were selected based on two key indicators:

- 1) Alignment of sector strengths and priorities to Lancashire (i.e., strong high-value manufacturing offer, sustainability as focus)
- 2) Overall perception of the location's investment and export activities (i.e., rank in terms of investment performance, export performance)

From here, a benchmark study assessed Lancashire's performance within each Pillar against all, or a selection, of the competitor locations.

Further work drew out some best practice examples occurring within competitor locations, where successful activity around internationalisation has been occurring around the world.

Lancashire and its performance was also compared against its nearest geographic competitors across the Northern Powerhouse region.

Stakeholder Consultation

Throughout this project we engaged in consultation with a broad range of stakeholders on a local, national and international level. These consultations were held through one-on-one engagements, workshops or presenting to working groups. A full list of stakeholders consulted can be found in the appendices.

Our broad objectives for this engagement were to understand:

- Assets and strengths of Lancashire
- Weaknesses and areas for improvement
- Perceptions of Lancashire as a location for an international audience
- Existing international activity in the county

Suggested Priority Sectors

For each Pillar, we have listed the key sectors of focus for Lancashire and, within that, the specific local assets and international opportunities that exist. Sectors align with the priority sectors set out by the LEP and are reinforced by evidence from our baseline research and stakeholder consultation.

Suggested Priority Markets

A set of target markets helps to give any internationalisation strategy focus. Therefore, we have highlighted the key markets for Lancashire to prioritise within each Pillar. These markets have been selected based on a combination of quantitative and qualitative research, including data modelling (more details can be found the appendices), as well as an examination of global trends and Lancashire's existing international relationships.

Strategic Objectives and Suggested Activities

This section sets out what Lancashire could hope to achieve as a result of greater internationalisation and outlines the activities that could be undertaken to help achieve them. It sets out a long term, 10-Year horizon for the strategy with some short to medium-term activities to help catalyse these objectives.

Key Sectors

Across the core pillars, the analysis carried out, demonstrated opportunities in each pillar that consistently aligned with priority sectors in Lancashire. As the table below shows, the sectors of digital and cyber security, advanced manufacturing, energy & low carbon aerospace and food & agriculture all had opportunities in almost every pillar*. This demonstrates the importance of co-ordination between sectors and pillars when delivering the internationalisation plan.

Page 173

Pillar	Identified opportunity in sector				
Exports					
FDI					
Capital investment					
Innovation					

Linkages and specialisms

Three themes which linked opportunities across the pillars and sectors were digitisation, security and sustainability. Digitisation aligns innovation in the digital sector with industry 4.0 developments across manufacturing – a particular strength in Lancashire given the strong manufacturing base and Made Smarter work supported by government.

Security is essential to the protection, productivity and resilience of our communities of people and businesses with assets and capabilities in our biggest sectors of cyber, aerospace and energy. As such it is a cross-cutting theme across pillars and sectors. Emerging areas around secure data, sensors, aerial platforms and geospatial test areas are ideal for internationalisation.

Sustainability is also a theme cross-cutting pillars and sectors as companies look for solutions to industrial decarbonisation and energy efficiency, often supported by new advancements in technology and make a significant contribution to achieving net zero carbon targets.

Alongside these commonalities were sub-sectoral specialisms that provide unique opportunities for the county. These included advanced mobility including satellites and space, advanced nuclear technologies, and cyber security and crime.

*Visitor economy was not included in this part of the analysis as it is both a pillar and a distinct sector

Key Markets

For each pillar, the most important markets were split into two groups, core and emerging.

Core markets were large stable markets that already had relationships with Lancashire and were aligned with strengths in the county. These were immediate targets with the aim of building on existing relationships.

Emerging markets represent a longer-term project of developing relationships in markets and in pillars where specific opportunities exist.

The core markets include Germany, USA and France.

Linkages across pillars

A key draw of markets such as Germany, USA and France is that they have linkages across pillars that allow for a county-wide approach. A further nine markets were identified as core or emerging in some pillars. These represent longer-term opportunities to access fast-growing economies or markets with a strong link to Lancashire's strengths.

Given the resources available, it would be difficult for Lancashire to work with all these markets, therefore a degree of discretion is required for leads in each pillar to identify the best targets. However, this should be agreed across all pillars to identify complementarities and joint working.

The table below shows the spread of core and emerging markets within pillars. It helps identify pillar/market combinations and those that have the greatest potential for cross-pillar activities.

Core and Emerging markets in each pillar

	Germany	USA	France	Sweden	India	Canada	China	Denmark	Norway	Netherlands	Singapore	Malaysia
Exports	Core	Core	Core	Emerging	Emerging							
FDI	Core	Core	Core	Emerging	Core	Emerging				Emerging		
Capital investment	Core	Core			Emerging	Core	Emerging				Emerging	
Innovation	Core	Core	Core			Emerging		Emerging				Emerging
Visitor economy	Core	Emerging		Core	Emerging		Emerging	Core	Core			

Core market
 Emerging market

Exports: Internationalisation Strategy

Evidence

Whilst Lancashire has some well-known manufacturing assets, such as Samesbury, Blackpool Airport and Hillhouse Enterprise Zones, the volume of exports is lower than the national average.

Goods exporting is concentrated in manufacturing with service exports across the board performing well.

Globally, the fastest growing trade sectors are not in sectors or markets which are currently strengths for Lancashire.

Goods exports across the UK have declined slightly in value in the past few years and are likely to have been disrupted to a greater extent than services by the pandemic.

Brexit and the pandemic are likely to cause short- and long-term disruption, in particular for long complex supply chains (such as in manufacturing).

The USA is the top market for goods and service exports, but the EU is the largest market overall for goods.

Feedback from stakeholders

EU markets still account for the majority of Lancashire companies' goods exports, but they are starting to look into new markets as administration and costs add new burdens to exporting to the EU.

Trade missions are still viewed as important by stakeholders who value the opportunity to explore new markets as part of organised programmes.

There is some confusion amongst exporters on the different types of support available. A more coordinated approach between stakeholders could be beneficial.

A lack of awareness of Lancashire in international markets means that the Lancashire "brand" doesn't have as much impact as more well-known areas of the UK.

What this means

Opportunity to build sector export propositions based on regional strengths in aerospace, energy & low carbon, and advanced manufacturing

Global Britain is an opportunity to diversify into new markets, but Lancashire will need to prioritise:

- Core markets – with current and future opportunity
- Emerging markets – with a medium / long term opportunity which will need curating

Brand building and awareness activity needs to be undertaken to raise the profile of Lancashire exports.

Lancashire manufacturing must both maintain and grow its export capacity and capabilities but also consider how to onshore supply chain activity to build resilience.

New paperwork may mean SMEs are discouraged from continuing and growing goods exports to the EU – they may need advice and guidance.

Suggested Activities

Capability mapping - to understand the specific sector, sub-sector and niche goods & services strengths of Lancashire

Local Business Support – create a dedicated team with easy-to-access advice and support

Upskilling Lancashire exporters – companies are provided with the confidence and skills to excel in international markets

Promoting Lancashire – organisations delivering export services in collaboration to deliver a clear and concise message

Developing trade corridors - create new opportunities and capitalise on existing relationship and networks

Events and missions – develop a collaborative calendar of events and missions for Lancashire companies around our priority sectors

Strategic Outcomes

Significantly contribute to the UK Government 's £1 trillion export target by 2030.

Enable 300 new exporters from Lancashire by 2030

Create 7 trading partnerships with strategic locations in key overseas markets by 2030

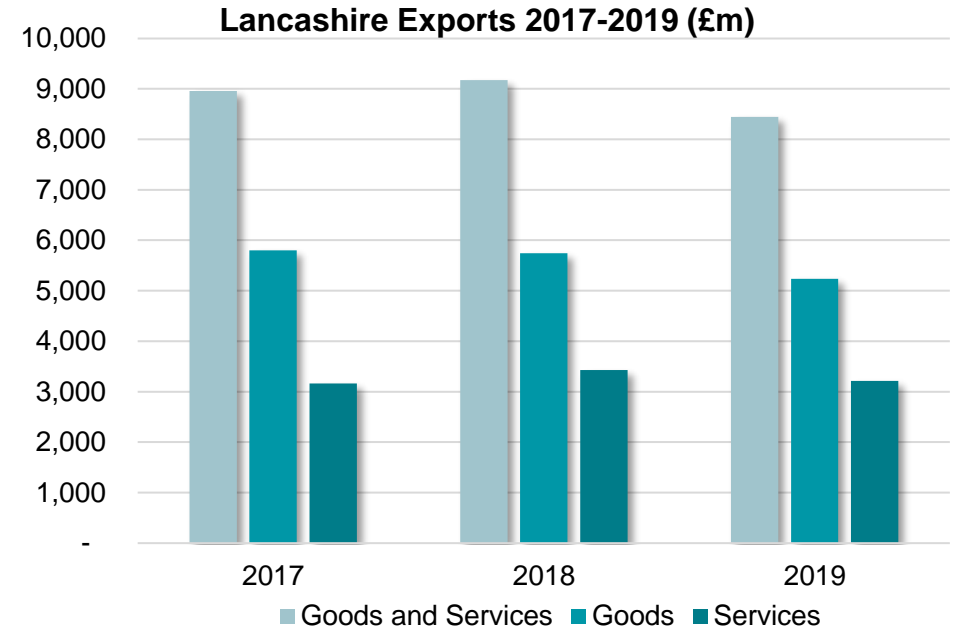
Raise exports contribution to Lancashire's GDP above the national average of 30% by 2030

Lancashire's trading landscape...

International Trade is vitally important to the growth of the economy and research shows that exporting businesses are more competitive, pay higher wages and are more profitable. Exporting companies in Lancashire, generate over £8bn of revenues from trade each year, with over £5.2 billion in goods and over £3 billion in services. Over 123,000 jobs are supported by exporting companies in the county, especially in the manufacture of textiles, chemicals, rubber, machinery and equipment, motor vehicles and transport equipment. Trade is equally important to the service sector supporting roles in wholesale trade, financial, legal, professional and administrative services.

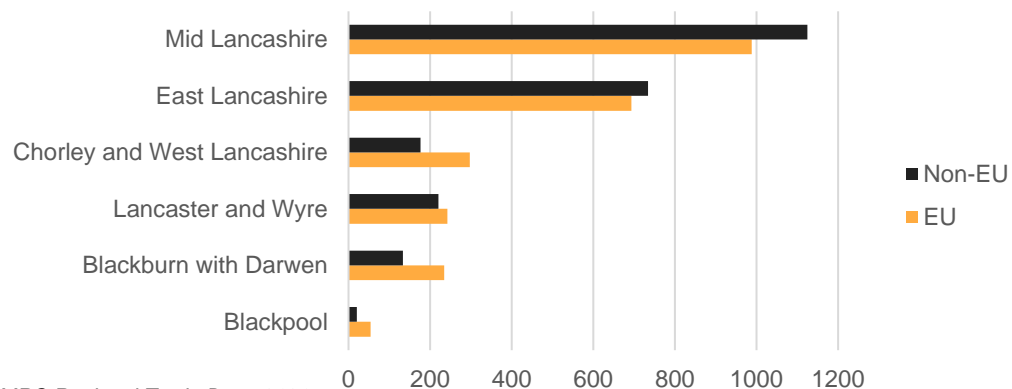
As a percentage of GDP, the volume of exports from Lancashire is lower than the national average, accounting for only 27.4% of all output, compared to 30.7% in England. However, data on service exports suggests that Lancashire performs strongly, with service exports at 14% of GVA above the North West average (11%) and just below the average in England of 15%.

Looking at the balance of trade (value of exports and the value of imports) and based on Standard International Trade Classification (SITC) definitions, the county punches above it's weight in terms of the export of machinery, transport equipment, chemicals and manufactured goods and articles.



HMRC Regional Trade Data

Sub-regional trade with EU and non-EU markets 2020 (£m)



HMRC Regional Trade Data, 2020

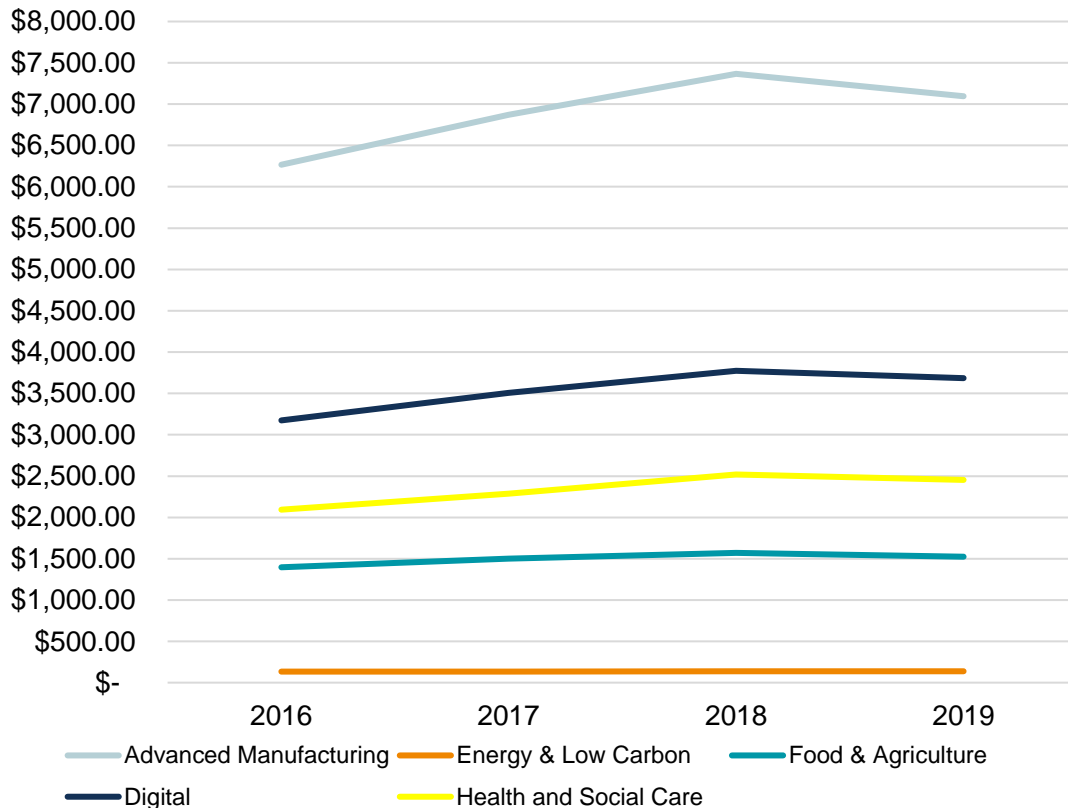
World of Opportunity

According to a recent Board of Trade publication: "Global Britain, Local Jobs," almost 90% of world growth is expected to be outside the EU over the next 5 years. The future of the global economy lies to the East with 65% of the world's 5.4 billion middle class consumers expected to be in the Asia-Pacific region by 2030. Progressive companies will continue to strengthen links with the USA and Europe and look to capitalise on the new market opportunities.

Lancashire's main export partners continue to be the US, Germany, France and the Republic of Ireland, with six out of the top ten export markets being in the EU. The table below shows growth in trade with China, Spain and the Irish Republic. Companies will need to fully understand the opportunities afforded by the negotiated free trade agreements.

Global trade has undoubtedly been shaken by major events over the past five years. Particularly for the UK, adjusting to a post-EU world has meant adjusting and adapting existing relationships as well as exploring new ones. The effects of the pandemic since 2020 have had a similarly significant impact with supply-chain disruption globally and many businesses looking to nearshore operations rather than rely on interconnected and international supply-chains. The true impact of these developments are yet to fully play out, and it remains to be seen how international trade will adapt. 2021 has seen double digit recovery figures for trade between more developed nations, but it is smaller economies who are feeling the effects of the pandemic most keenly.

Global Trade Flows 2016-2019 (\$bn)



Fastest growing major global economies (GDP per capita)



With economic growth and increasing demand firmly centred in the Indo-Pacific region in the years leading up to the pandemic, there is no indication that this will change as we enter recovery. The economic centre of gravity is shifting eastward and with it comes a shifting trade focus for countries and businesses alike. Growing incomes in developing countries will naturally lead to an increasing demand for international trade in products, services and expertise. As these trends develop, export strategies should be aware of the growing opportunities outside of traditional trading markets.

At a sectoral level, there is likely to be an increase in service-orientated trade in response to a growing middle-class with increased spending power. Travel services and digital services are forecast to be the two fastest growing sectors in the years up to 2030. In comparison, oil and gas, as well as other less sustainable industries, will decrease in response to the energy transition away from fossil fuels. Likewise, certain manufacturing trade may also see a decline as productivity growth drives down prices and creates lower dollar value outputs. This makes domestic production more cost-effective and reduces the need to import particular products. Whilst there are obviously opportunities in fast growing markets and sectors, they are not currently core strengths in the context of Lancashire's exports, suggesting that a more focused approach on core markets should be taken in the short to medium term. This provides an opportunity to focus attention on identifying new exports in growth sectors and sub-sectors.

Fastest growing international trade sectors (share of global trade 2019-2030)



Global Britain is providing new opportunities for exporters but diversifying into new markets will also provide challenges

Global Britain is an opportunity to diversify into new markets; however, there needs to be an awareness that European markets still comprise the majority of goods exports. Knowledge and understanding of the Lancashire offer are also lower outside of European markets which presents a challenge for diversification to new markets.

Therefore, Lancashire will need to prioritise:

- **Core markets** – where there is both a current and future opportunity
- **Emerging markets** – with a medium / long term opportunity which will need curating

There are a number of new and exciting opportunities across the world as the UK signs free trade agreements with a range of countries. Although there may be niche opportunities to explore in these markets, they can often require a greater level of support to access than resourcing will allow Lancashire alone to provide for individual opportunities – particularly if brand building and awareness activity needs to be undertaken to raise the profile of Lancashire exports.

New paperwork may mean SMEs, in particular, are discouraged from continuing and growing goods exports with the EU. This may result in two things: either they look for new markets with easier export processes, or they may need further advice and guidance than ever before to access these markets.

From a services perspective, the USA and markets outside of the EU (excluding Germany) dominate exports. A different approach may need to be taken between supporting goods versus services exports.

Leveraging DIT export support could assist with exporters looking to explore new markets, whilst Lancashire focuses support on the core priority markets in the short term.


Export propositions can be built around key regional strengths and assets

There is an opportunity to build sector export propositions based on regional strengths in aerospace, energy & low carbon, advanced manufacturing, food & drink and technology. Further work may need to be done to understand the specific strengths that exist within each of these sectors, for example, leveraging the ElecTech cluster, or the significant dairy industry.


Historically, manufacturing has led the way for Lancashire on the international stage. Lancashire manufacturing must both maintain and grow its export capacity and capabilities but also consider how to onshore supply chain activity to build resilience. The pandemic has reinforced the importance of creating resilience in supply chains, and any export proposition will need to factor this in going forwards.




Assessing the key sectors for export promotion uses a combination of understanding Lancashire's assets, the existing export picture and the global trends & opportunities influencing international trade. As such, the priority export sectors for Lancashire have been viewed through the lens of the county's key exportable strengths as well as the global trends and opportunities to increase exports from both new and existing exporters. Underpinning these sectors is a move towards greater digitisation and an increased appetite to integrate sustainability into trade practices.




Digital and Cyber Security



Aerospace



Advanced Manufacturing




Lancashire's digital and cyber security export proposition

Key exportable strengths

- ✓ There are several assets linked to Lancashire's universities such as the cluster of digital and creative businesses linked to Lancaster University.
- ✓ Lancashire has renowned expertise in cybersecurity with recent investment in the area as well as the national Centre of Excellence in Cyber Security Research.
- ✓ UCLan and Lancaster University are participating with the NCF move to Samesbury
- ✓ The ElecTech Innovation Cluster is a key digital asset, integrating technology across many industries, that links business, academia and Government.

Opportunities

- ElecTech cluster is a key opportunity with leading capability and an existing network across the UK.
- Med-tech is an emerging sector based on the manufacturing heritage of Lancashire.
- Integrating technology into traditional industries provides an opportunity in less tech-advanced markets. It could also drive collaboration between some of Lancashire's strongest sectors.
- Recent cyber investments set Lancashire out as a world-leader, a reputation that can be enhanced and translated into an export opportunity.




Lancashire's aerospace export proposition

Key exportable strengths

- ✓ Lancashire is the number 1 employer in the UK aerospace industry with strong capabilities and key companies such as BAE Systems and Rolls Royce.
- ✓ Lancashire's aerospace industry is very accustomed to international collaboration. As the UK does not produce any whole aircraft, exported products are part of an international supply chain.
- ✓ Home to an abundance of talent within both large and small companies, supplemented by the innovative collaborative environment of Samesbury Aerospace Enterprise Zone.

Opportunities

- Pivoting from existing capability in aerospace to low carbon aviation and more sustainable focused aero activity.
- Developing overseas relationships with other key aerospace clusters such as Toulouse, Seattle and Singapore.
- Understanding Lancashire's unique capabilities and where these fit into the international supply chain. Leveraging other strengths such as ElecTech and automotive to add value.



Lancashire's advanced manufacturing export proposition

Key exportable strengths

- ✓ Lancashire has a rich history in advanced manufacturing and engineering innovation. It has been a historic world leader and a symbol of modern industrialisation throughout the world.
- ✓ Lancashire is home to highly international manufacturers across sectors including aerospace, automotive, chemicals, specialist materials, nuclear fuels and textiles. It is the county's leading export sector with the greatest international trade experience.
- ✓ Innovation in the industry is fostered in the Samesbury, Blackpool Airport and Hillhouse Enterprise Zones.

Opportunities

- Leveraging Lancashire's historic and current expertise will resonate well in overseas markets to grow exports.
- Collaborate across sectors to carve out a niche in international supply chains.
- Work closely with key overseas investors and businesses located in major domestic assets such as EZs to understand where supply chain opportunities exist internationally.

Assessing the key sectors for export promotion uses a combination of understanding Lancashire's assets, the existing export picture and the global trends & opportunities influencing international trade. As such, the priority export sectors for Lancashire have been viewed the county's key exportable strengths and the opportunities to increase exports from both new and existing exporters. Underpinning these sectors is a move towards greater digitisation and an increased appetite to integrate sustainability into trade practices.



Energy & Low Carbon



Food & Drink



Lancashire's energy and low carbon export proposition

Key exportable strengths

- ✓ The county leads the way in renewable energy generation capacity in the North West with a specialism in onshore wind.
- ✓ Talent and expertise exist in local assets such as the Clean Energy Technology Park, Lancashire Centre for Alternative Technologies, The National Nuclear Laboratory & AMRC Low Carbon Building Demonstrator.
- ✓ Lancashire Energy HQ is located in Blackpool. It is a £10.7 million facility with a sole aim of preparing and equipping a skilled workforce in the renewable energy sectors.

Opportunities

- Link energy and low carbon to existing sector strengths such as advanced manufacturing, automotive and aerospace. Transitioning capabilities in existing sector strengths rather than develop new ones.
- Lancaster Environment Centre, with internationally leading capability has co-location facilities for industry
- Export of services and expertise in specific areas such as wind energy and nuclear, with a focus on decommissioning.



Lancashire's food & drink export proposition

Key exportable strengths

- ✓ A large employer with experience in both agriculture and food production, as well as food manufacturing.
- ✓ Lancashire is home to some of the largest household names in food & drink; PepsiCo, Dr Oetker, Fisherman's Friend, Farmhouse Biscuits, Singleton's Cheese, Stella Artois and Budweiser. There is also a large artisan and luxury food industry in the county.
- ✓ Advanced manufacturing capability also lends itself to food production and processing technology and machinery.
- ✓ Myerscough College is a leading college for agricultural technology and food manufacturing training.

Opportunities

- Agricultural produce from Lancashire tends to either stay in the county or the UK, produce could be exported for processing in other markets.
- Service exports in food & drink could revolve around food production technology and AgriTech where consultancy services are in high demand globally.
- The export of food manufacturing technology and processing equipment itself could also be a strong opportunity in markets that are yet to fully integrate tech into their supply chain.

Based on a combination of quantitative and qualitative research, priority export markets have been identified. This was achieved through data modelling work as well as stakeholder consultations, both domestic and international. These markets are aimed to meet demand for both new and experienced exporters, as well as a blend of existing and developing relationships. The core markets are those in which there is both an opportunity and existing experience and relationships for exporters. The emerging markets already have some experience but present future opportunities and are markets in which Lancashire could be doing more. We acknowledge that there is limited resource and as such, 5 markets may be too many to tackle at once. We propose a further prioritisation in which initially focuses on the Core Markets of France and the USA and India is focused on from the Emerging Markets.

Core Markets



The USA is Lancashire’s number one individual trading partner across both goods and services, as well as being one of the largest markets in the world. There are also leverageable assets such as the North Atlantic Loop which directly connects the USA and Lancashire, providing superfast broadband to the Fylde coast.



France is Lancashire’s third largest trading partner and the number one priority market in the aggregated analysis across Pillars. With a strong cluster landscape, there are opportunities for reciprocal trade relationships, particularly in areas such as Toulouse which is home to Aerospace Valley.



India is a major market, with the world’s second largest consumer population. It has a growing middle class and rising incomes. It is also a market in which targeted support can be most beneficial for exporters as they look to negotiate the nuances and intricacies of the market. The large Lancashire Indian diaspora provides links to various states within India e.g. Gujarat.

10-Year Export Strategy: Activities



Activities are plotted against a three year timeline to help with prioritisation. Although the strategic outcomes are targeting a 10-Year strategy, activities will need to be reviewed and refreshed throughout to ensure relevance and keep material up to date.

Months	0-6	6-12	12-18	18-24	24-30	30-36	
Activities	Capability Mapping				Capability Mapping		
	Local Business Support		Local Business Support		Local Business Support		
	Upskilling Lancashire Exporters		Upskilling Lancashire Exporters		Upskilling Lancashire Exporters		
	Brand Development	Promoting Lancashire in international markets					
		Developing Trade Corridors					
	Develop Calendar & Identify Capabilities	Events & Missions					
			Review progress				Review progress and refresh

Evidence

Foreign Direct Investment is more competitive than ever due to a reduction in activity caused by the COVID-19 pandemic and increased protectionism among governments.

Lancashire had been experiencing growth in FDI projects prior to the global shutdown, with manufacturing accounting for half of all projects.

The US is the largest single investor in Lancashire, although EU countries account for 43% of projects.

FDI in Lancashire tends to be concentrated in four local authorities, Preston, Burnley, Blackburn with Darwen, and West Lancashire.

Lancashire has a number of innovation assets directly linked to priority sectors and major projects in the pipeline that will be attractive to investors (Eden North and the National Cyber Force HQ).

A positive trend for the county is that it ranks first in the region for jobs created per project, which suggests an historic strength in attracting larger employers

Feedback from stakeholders

Stakeholders believed a shift towards new technologies would help attract FDI, in line with sectoral trends around digitisation and innovation for a low carbon future.

Stakeholders would like to see a stronger brand for Lancashire and an assertive strategy to attract investment.

Many stakeholders felt that on balance Manchester and Liverpool, were an asset to use in investment promotion.

Lancashire has virtually no dedicated investment activity nor branded International Promotion Agency such as MIDAS in Manchester. Without some investment in resource, Lancashire's potential will always be curtailed.

Compelling sector and high value propositions are not well-developed and existing marketing channels such as websites are not particularly enriched with content.

What this means

Lancashire needs to proactively define its brand, selling this to regional and national partners and actively pursuing potential investors.

The innovation assets in Lancashire are a core part of the selling message and need to be linked to marketing messages.

Lancashire has the capability to serve as a testbed for innovation in a number of different sectors including industrial digitisation, low carbon aviation, future flight, low carbon energy, and precision farming.

Upcoming developments such as the Clean Energy Technology Park represent transformative opportunities to develop new clusters that will attract investment.

Dedicated resources are required to drive FDI activity and results.

Building stronger links with intermediaries, including DIT will be critical to success.

Suggested Activities

Work with stakeholders in the region to develop and agree the selling message for Lancashire.

Market the region and selling messages within the Northern Powerhouse and DIT (nationally and internationally within priority markets)

Develop a suite of propositions and case studies on priority sectors and key opportunities in Lancashire

Attend trade shows and events (either as a county or linked to NPH/DIT) to promote Lancashire and the opportunities

Organise virtual events or virtual visits to promote key opportunities

Target companies in relevant sectors and markets.

Account manage existing investors with a view to encouraging expansion.

Extend the Key Account Management Model to cover Foreign Direct Investment

Strategic Outcomes

200 FDI project wins to 2030 depending on resource (new and expansion)

2,500 new jobs created over the next 3 years

15% of project wins linked to innovation led investment

200 companies targeted per year for investment promotion

Increased awareness of Lancashire's opportunities from within NPH and DIT.

Lancashire’s FDI wins are concentrated in manufacturing sectors

Prior to the Covid pandemic, Lancashire had been experiencing an upswing in FDI into the county, from two projects in 2017 to twenty two in 2019. The Key Account Management programme started in 2018 which partially explains the increase. Traditionally, the county experiences peaks and troughs in the number of successful projects and jobs, so it is unclear if this trend would have continued without the global pandemic.

Manufacturing accounted for almost half of the projects, but this was across a broad range of sectors rather than one dominant sector. These included food & drink, aerospace, automotive, chemicals, metals, plastics, textiles and industrial equipment.

The other main activities were logistics, and two investments in offshore R&D showing the potential for higher value activities in the emerging renewable energy sector.

FDI into Lancashire is centred around the larger towns

Two-thirds of all FDI into Lancashire since 2015 has been located in just three local authority areas, Preston, Burnley, and Blackburn with Darwen. It is perhaps not surprising as these areas are more populated and closer to Manchester and Liverpool. This evidence supports the argument that Manchester and Liverpool have a positive effect on FDI into Lancashire.

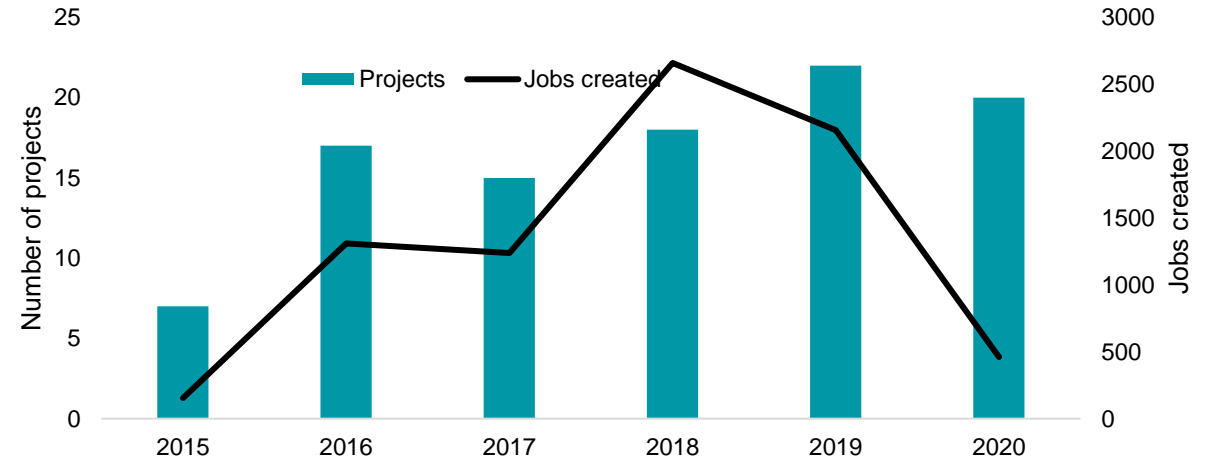
The US is the most important single market for investment, with the EU the largest contributor overall

Companies from thirteen countries have invested in Lancashire in the last ten years, with US based companies accounting for 26% of projects, double the amount of the next largest source, France.

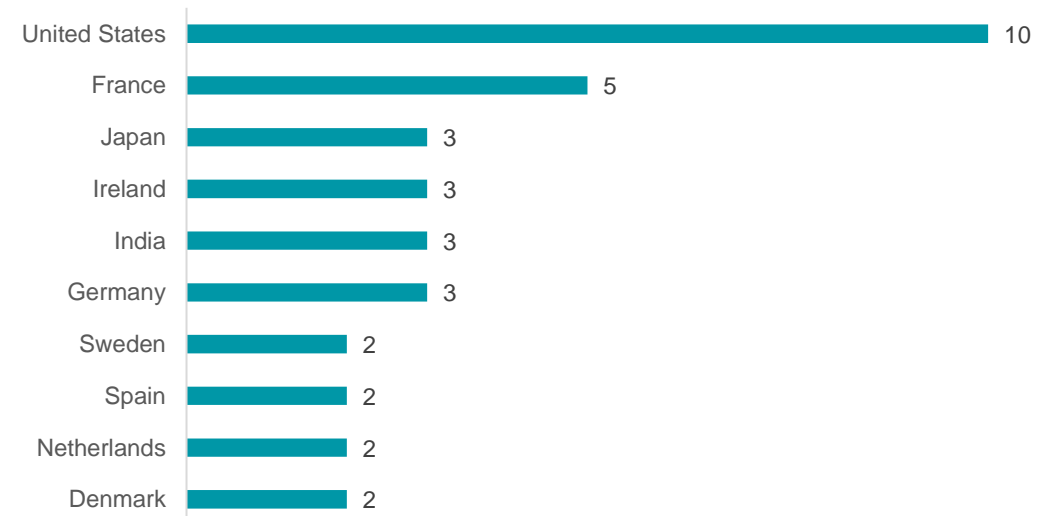
EU countries contributed 50% of projects, with France and Ireland the largest contributors, reconfirming the importance of the EU to the Lancashire market.

Outside of the US and EU, two Asian markets (India and Japan) are within the five largest sources of FDI and account for 16% of projects between them.

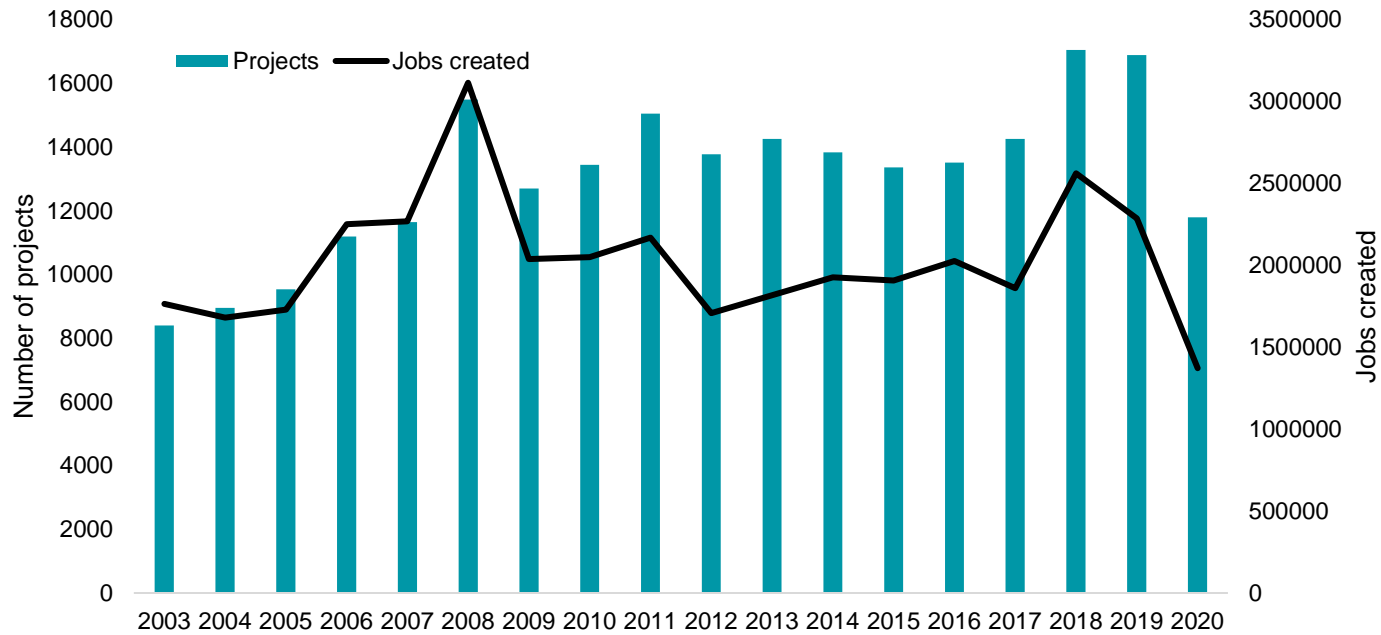
Projects and jobs into Lancashire 2015-2020



Source markets for FDI by number of projects 2015-2020



Global FDI projects and jobs 2003-2020



The recovery of global FDI will take time

Over the last twenty years, FDI has followed a similar trend to the global economy. The early part of the century witnessed strong recovery after the economic shock of the dot.com bubble bursting in 2000, but the global financial crisis of 2008 was to leave a longer shadow.

From 2009 to 2017, the world witnessed slow economic growth in the face of austerity, and the number of FDI projects remained below the high of 2008, with jobs affected even more.

Hopes of a potential recovery in 2018 were quickly dashed by the global pandemic and shutdowns. In 2020, the number of FDI projects decreased by 30% from 2019, with the number of jobs created down by 40%.

Global forecasts for FDI flows suggest the current trough is expected to bottom out in 2021 and recover some lost ground with an increase of 10–15% from 2020. This would still leave FDI some 25% below the 2019 level.

Post pandemic economic self-interest amongst nations is expected to lead to a more tightly regulated FDI landscape. Protected industries will extend from historically sensitive ones in defence and energy, to food & drink, medicine and all data rich sectors.

The reduction in global FDI activity creates a more competitive environment as there are fewer projects to go around. Recovery will be dependent on health policy and access to vaccinations.

Covid exposed the vulnerability of global supply chains and companies are looking to reduce risk through investment closer to their customer base. There is likely to be growing interest in re-shoring or near-shoring.

Lancashire has potential to be a testbed for innovative investment

Lancashire has the capability to serve as a testbed for innovation in a number of different sectors including industrial digitisation, low carbon aviation, future flight, low carbon energy, geospatial test areas and precision farming. This links directly to the innovation pillar where collaborative opportunities exist to transition traditional industries into innovative ones and recognised the strong skills and education on offer in Lancashire.

The innovation assets in Lancashire are a core part of the selling message and need to be linked to marketing messages. Assets such as the Lancaster University Health Innovation Campus are primed to attract innovative investment in the life sciences and healthcare sectors.

A targeted approach to investment attraction

In order to take a more targeted approach to investment attraction, understanding the specific assets that Lancashire has is key. Likewise, understanding international supply chains and how Lancashire could fit into these on a local level will also provide critical information in supporting investment attraction.

Therefore, Lancashire will need to prioritise:

- **Core markets** – where there is both a current and future opportunity
- **Emerging markets** – with a medium / long term opportunity which will need curating

Where possible, taking advantage of DIT support will be important to reduce the resourcing burden for investment staff in Lancashire. However, there also needs to be a set of specific Lancashire objectives and targets to focus on. It is clear that Lancashire receives less in terms of resource, support and funding than other regions in the UK. An important part of furthering an investment strategy will be to campaign for funding. However, it will also be to distinguish the areas in which Lancashire can maximise local resource by differing support and activities to DIT and NPH colleagues.

Recent developments provide opportunities for significant investment

Upcoming developments such as Eden North and the National Cyber Force HQ represent transformative opportunities to develop new clusters that will attract investment. Particularly the recent investments in cybersecurity have paved the way for Lancashire to become a global leader. This will in turn lead to greater awareness on the international stage, making attracting investment easier.

As such, Lancashire needs to be proactive in defining its brand and investment assets, selling this to regional and national partners, and actively pursuing potential investors. The Lancashire brand is not necessarily well-known to international investors so a more aggressive and independent marketing strategy will be key to attracting new investment.



Samlesbury will be home to the National Cyber Force as well as BAE Systems, two key investment assets

KEY FDI SECTORS



Digital
(Cybersecurity & Emerging Tech)



Advanced
Manufacturing



Lancashire's digital FDI proposition (cybersecurity)

Key investment strengths

- ✓ Lancaster University is one of only five universities in the UK to gain NCSC recognition as a Gold Academic Centre of Excellence in Cyber Security Education.
- ✓ New National Cyber Force (NCF) HQ is a £5bn investment that demonstrates government confidence in the county's capabilities and talent around cybersecurity.
- ✓ Lancaster University is involved in Lancashire Cyber Foundry, a government backed initiative to help SMEs explore and develop new cyber security technologies.
- ✓ Lancashire Careers Hub and employers inspiring young people in schools and colleges to explore careers in digital and cyber security, building the talent pipeline.

Opportunities

- Promote the **Cyber Security Corridor** between Manchester and Lancaster Universities, encouraging expansion of existing investors out of Manchester along this corridor.
- The **NCF have a remit to work with companies** and this will attract investors into the county.
- **Digital industrialisation** within the large manufacturing base requires strong cybersecurity capabilities along the supply chain and can be promoted as a local digital specialism.



Lancashire's digital FDI proposition (emerging tech)

Key investment strengths

- ✓ Tech sector forecast to outstrip local economy by 3X up to 2028
- ✓ 15,000 professionals working specifically within software and software development
- ✓ Digital innovation ecosystem supporting development of future flight and mobility.
- ✓ The ElecTech Innovation Cluster is a key digital asset, integrating technology across many industries that links business, academia and Government.
- ✓ Lancaster Uni School of Computing and Communications ranked 6th in the UK for computer science and IT.

Opportunities

- Opportunities for digital innovators to work with major industrial players to develop new **manufacturing technologies** within digital testbeds
- Opportunities for innovative businesses to provide solutions for data rich companies looking to increase productivity
- Opportunities for **AI** companies to capitalise on Lancashire businesses looking to streamline operations
- Development of **future flight** and other **advanced mobility** requires digital innovation.



Lancashire's advanced manufacturing FDI proposition

Key investment strengths

- ✓ Second highest concentration of manufacturing in the UK
- ✓ Strong track record of attracting investment.
- ✓ AMRC NW and Engineering Innovation Centre
- ✓ Electech Innovation Cluster
- ✓ 5G Factory of the Future and Made Smarter pilot projects
- ✓ Experience integrating technologies into new platforms such as the Tempest Future Combat Air System

Opportunities

- **Digital testbeds** – the shift towards digitisation has been slow in manufacturing and there remains opportunities to work with leading companies on new innovations.
- **Market seeking** – the strong manufacturing base creates a market for new technologies and presents an opportunity for supply chain companies to be close to their customers. Opportunities exist in MedTech and renewable energy manufacturing which also align with wider UK government priorities.

KEY FDI SECTORS



Energy & Low Carbon



Aerospace



Food & Drink



Lancashire's energy and low carbon FDI proposition

Key investment strengths

- ✓ Lancashire produces 30% of the UK's low carbon electricity
- ✓ Strong offshore industry that has previously attracted FDI in R&D related activities. The Port of Heysham is a key supply base for operations and maintenance.
- ✓ Eden North development.
- ✓ Clean Energy Technology Park & Lancashire Centre for Alternative Technologies
- ✓ AMRC Low Carbon Building Demonstrator
- ✓ Low Carbon Technology Business Support and Skills Academy will upskill workers for new economy
- ✓ Lancaster University's Centre for Global Eco-Innovation
- ✓ Lancashire Energy HQ on Blackpool Airport Enterprise Zone

Opportunities

- Working with the wider **Nuclear industry** in the North of England.
- Government funding for **small modular reactors** in Lancashire.
- Large manufacturing base looking to develop more **sustainable and resource efficient practices**.
- Establish **demonstrator sites** and enable new technologies to be developed, demonstrated and commercialised.
- Eden North can be an anchor investment to build a sustainability cluster.



Lancashire's aerospace FDI proposition

Key investment strengths

- ✓ 500 aerospace businesses active in the county
- ✓ #1 for aerospace jobs in the UK in a single LEP (17,000)
- ✓ AMRC NW and Engineering Innovation Centre
- ✓ 5G Factory of the Future and Made Smarter projects
- ✓ 2 Enterprise Zones with operational airstrips
- ✓ Lancashire Drone Innovation Zone

Opportunities

- **Low carbon aviation** innovation.
- **Digitisation** of existing supply chains.
- **Expansions** from current investors.
- Participation in **international programmes** such as Tempest Future Combat Air System provides access to global innovation and manufacturing networks.
- Emerging **drone technology** can link to other sectors such as offshore energy, nuclear, and food production.
- **Blackpool Airport** as a test bed for new mobility solutions.



Lancashire's food & drink FDI proposition

Key investment strengths

- ✓ One of the largest manufacturing sectors in Lancashire
- ✓ The county has previously attracted investment in food manufacturing and R&D for new product development.
- ✓ Food & Farming Innovation Centre (Myerscough College)
- ✓ Engineering Innovation Centre –
- ✓ Lancashire Drone Innovation Zone
- ✓ The sector links to both advanced manufacturing and low carbon & energy, providing opportunities for cross sector working.

Opportunities

- **Market seeking** opportunity - challenges around employment are encouraging producers to invest in new machinery for increased productivity.
- Opportunities around low carbon and **circular economy farming solutions**
- **Precision farming** innovation linked with drone developments.
- New food **product development**.

10-Year FDI Strategy: Priority Markets

The data modelling provided a long-list of countries that could be considered high and medium value potential markets for investment attraction. The next stage was to refine this to a feasible number given the resources available and to ensure that target markets represented a strategic mix of large stable opportunities, highly innovative markets, and longer-term opportunities in emerging markets. Core markets are the highest scoring markets in this pillar from the data modelling that have strengths across sectors, while emerging markets scored lower on the data modelling but have specific advantages that can be aligned to Lancashire. We acknowledge that there is limited resource and as such, 7 markets may be too many to tackle at once. We propose a further prioritisation in which initially certain markets are focused on in the short-term and then another set focused on in the medium- to long-term.

SHORT TERM



France



Germany



USA



Canada

YEAR 1 →

MEDIUM TO LONG TERM



India



Sweden



Netherlands

YEAR 2 →

Focus Markets



The USA is Lancashire's number one source market for FDI. It is also a major investment market globally with interests in multiple sectors. US sector interests align with Lancashire's across most key sectors.



France is Lancashire's second largest source market for FDI. They are also a leading player across all pillars in Lancashire. More broadly, they are one of the largest investors into the UK for key Lancashire sectors: aerospace, advanced manufacturing and energy.



Germany is not a large source market for FDI in Lancashire; however, they are for the rest of the UK, suggesting a potential missed opportunity. They are a global leader in energy transition, industrial equipment, and digital start-ups. Germany is now taking an increasingly important position in the European aeronautical sector with R&D expenditure now greater than France.



There are several major Canadian investors in Lancashire. Increased appetite for overseas investment has led to Canada being a fast-growing source of FDI into Europe. Opportunities linked to innovation in aerospace, health, food and low carbon are particularly relevant and align with Lancashire's strengths.

10-Year FDI Strategy: Activities

Activities are plotted against a three year timeline to help with prioritisation. Although the strategic outcomes are targeting a 10-Year strategy, activities will need to be reviewed and refreshed throughout to ensure relevance and keep material up to date.

Months	0-6	6-12	12-18	18-24	24-30	30-36
Activities	Develop connections within Lancashire		Increase account management		Develop international relationships	
	Create proposition for CETP		Use propositions with DiT colleagues		Create a central store of material	
	Identify target markets and events		Generate virtual events		Outbound missions	
	Interrogate DiT pipeline	Develop list of target companies and pursue in market				
			Review progress			Review progress and refresh

Evidence	Feedback from stakeholders	What this means	Suggested Activities	Strategic Outcomes
<p>The overall trend shows private equity investment is growing in Lancashire, in line with global trends for the last ten years.</p> <p>The North West has one of the best private equity markets in the UK outside of London, although this is mainly in Manchester.</p> <p>Most private equity investment into the UK goes to London and the South East, with regions typically relying on investment from within their region.</p> <p>Global trends forecast a boom in infrastructure private equity, with finance for sustainable infrastructure already accelerating significantly in 2020.</p> <p>London is one of the leading centres for green finance depth and quality, with £55bn of responsible investment funds managed.</p> <p>Three of the largest sectors for private equity include financial services, communications and plastics.</p>	<p>Stakeholders were most likely to discuss major infrastructure projects in Lancashire as a potential opportunity for international investors.</p> <p>A significant proportion of infrastructure investment is led by central government, and stakeholders wanted to see increased lobbying for projects in the region.</p> <p>An increase in private equity growth capital is most likely to happen if there is more investment in the start-up ecosystem.</p>	<p>Alongside attracting international investors, Lancashire should seek to work more closely with Manchester and London.</p> <p>The county's plan for a low carbon transition is likely to need a proportion of private financing. As a global centre for green finance, London provides links to institutional investors and sovereign wealth funds.</p> <p>Major infrastructure projects (Blackpool Central) or development projects (Eden North) are potential opportunities for investment.</p> <p>Attracting more central government infrastructure projects will raise the profile of the county among infrastructure investors.</p> <p>Outperformance in IT and healthcare investment should drive sector focus.</p>	<p>Ensure all major infrastructure and development projects in the region are shared and stored centrally</p> <p>Develop closer links with finance ecosystems in Manchester and London</p> <p>Develop a Lancashire Capital Investment Prospectus that demonstrates the business case for future opportunities alongside projections for return on investment</p> <p>Align capital investment activity with the FDI pillar to take part in relevant outbound missions and events</p> <p>Identify and target institutional investors most interested in the large capital projects within the Lancashire pipeline</p> <p>Identify and target private equity firms with an investment strategy linked to priority markets</p>	<p>Increase visibility of the capital investment ecosystem in Lancashire</p> <p>15% increase in private equity investment in Lancashire companies</p> <p>More towns included in central government funding such as the Levelling Up Fund</p> <p>Lancashire projects receiving public and private funding for low carbon initiatives</p> <p>Increase in infrastructure investment coming from private sector investors</p>

Private equity investments are growing globally

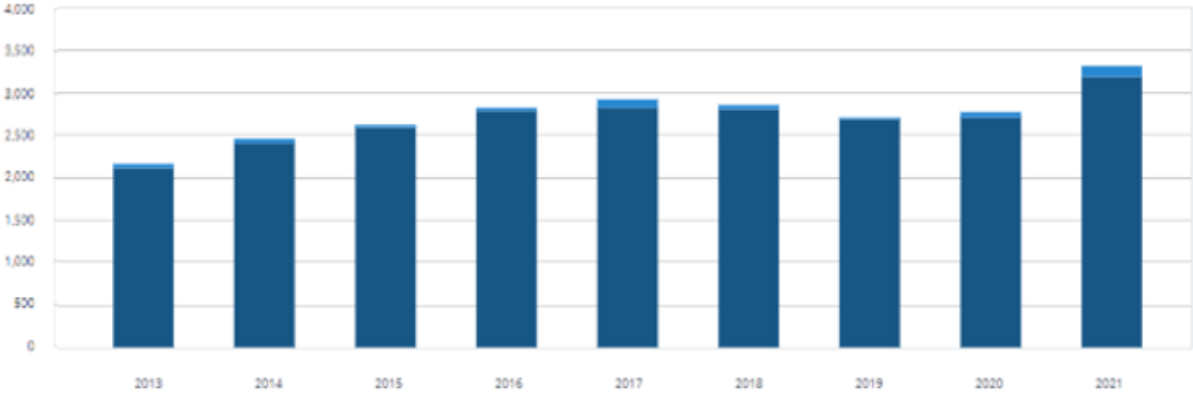
Private equity deals up to December 2021 show investment has risen above pre-pandemic years, and 2021 has witnessed the most projects, circa 3,250 and most capital invested in the last ten years, circa £140bn.

The ten year trend in deal numbers has been growth up to 2017, followed by a small decline to 2020, and recovery in 2021. This may be due to investors becoming more active after the global shutdown as data on values suggests that the investment started to pick up in 2020 after a dip in 2019.

By examining the investment area of focus, which can often span across industries, it is possible to identify which areas are attracting investment. In this case technology, media and telecoms was the largest area of focus, followed by industrials, manufacturing, oil & gas, infrastructure and CleanTech.

The underlying trend in numbers and values for the past ten years is one of growth, and this suggests there will be opportunities for companies in Lancashire to attract private equity investment in the future.

Number of global private equity deals



Source: Pitchbook Database, December 2021

Green finance can support the low carbon transition

The shift to a low carbon future will require significant investment, a fact that financial services companies have been quick to appreciate and identify as a new market. Data for the period 2016-2020 shows that the market for green bonds accelerated dramatically in 2020, in line with multiple government promises to 'build back better' and include sustainability in future infrastructure. The four largest uses for these bonds in 2020 were renewable energy, green buildings, access to essential services and clean transportation.

The Global Green Finance Index has consistently ranked London as one of the leading centres for green finance depth and quality, with £55bn of responsible investment funds managed in the UK in 2020. The city represents a key multiplier in the infrastructure investment market and would be a useful route to market for Lancashire.

Global trends forecast a boom in infrastructure private equity

Infrastructure private equity resembles any other type of private equity in that firms raise capital from outside investors and then use that capital to invest in assets, operate them, and eventually sell them to earn a high return. The exception is that infrastructure private equity firms invest in essential utilities, real estate or services that typically serve a public good.

Current global conditions and government priorities suggest the infrastructure private equity industry will experience a boom over the next few years due to;

- Remote working has created demand for homes and infrastructure.
- Growing market demand for electric vehicles and heat pumps will increase demand for renewable energy sources.
- Governments and asset owners are increasingly focused on the resilience of their infrastructure to climate and weather-related risks.
- Increasing demand for data usage and 5G is driving investment in telecoms infrastructure, with telecommunications operators looking to partner with specialised infrastructure investors.

Global investments are predominantly coming from the USA and China with a focus on Creative & Digital and Health

- The largest sectors for investment are Advanced Manufacturing, Creative & Digital and Health, although this will include a degree of overlap between Advanced Manufacturing and Digital due to the industrial digitalisation.
- The US is the dominant market across nearly all sectors, often by a considerable margin.
- The one exception is Advanced Manufacturing where the US is second to China.
- China is also a strong market for Digital, Energy & Low Carbon, and Health where it is second only to the US and well ahead of other markets.
- Outside of the US and China, the UK is well positioned as a market for Private Equity across most pillars, typically outperforming other EU markets.

Value of Private Equity deals by market and sector (2016-2020 - \$bn)

	Advanced Manufacturing	Digital	Energy & Low Carbon	Food and Agri	Health	Visitor Economy	Total
United Kingdom	38.9	28.4	12.3	2.8	10.6	0.60	93.6
United States	122.8	97.3	36	6.6	67	6.15	335.85
Canada	18.7	9.1	4	5.8	11.1	0.04	48.74
Germany	35.1	14.2	8	3.3	13.6	0.02	74.22
France	15.1	11.6	4	0.3	8.2	0.2	39.4
Netherlands	8.4	5.7	2	1.3	4.6	1.7	23.7
Italy	10.9	6	1	0.01	4.9	0.05	22.86
China	130.1	87.1	18	2	22.7	0.8	260.7
Singapore	6.9	12.1	2	0.4	0.6	0.04	22.04
Japan	12.8	11.5	2	0.01	4.9	0.3	31.51
India	28.2	25.9	4	2.2	8.8	0.4	69.5
Sweden	0.3	6.2	1	0.3	5.8	0.04	13.64
Finland	6.2	4.1	1	0.01	4.5	0.01	15.82
Denmark	6.6	3	0.2	0.01	4	0.01	13.82
Norway	9.7	1.7	1.5	0.2	0.7	0.01	13.81

Source: Pitchbook database 2021 (for consistency with other data, the above figures cover private equity deals involving growth/expansion funding, equity deals, investor buy out and GP stakes)

Low carbon transition in Lancashire will require investment

Alongside attracting international investors, Lancashire should seek to work more closely with Manchester and London as links to capital investment. The county's plan for a low carbon transition is likely to need a proportion of private financing. As a global centre for green finance, London provides links to institutional investors and sovereign wealth funds.

Likewise, a targeted approach should be taken to seeking capital investment that focuses on markets, and within those markets, investment sources that are prioritising low carbon investments. This applies across Lancashire's key sectors, from both a large capital and growth capital perspective. Likewise, outperformance in IT and healthcare investment should drive sector focus.

Therefore, Lancashire will need to prioritise investment attraction in key sectors across:

- **Core markets** – where there is both a current and future opportunity
- **Emerging markets** – with a medium / long term opportunity which will need curating

Global investment trends suggest that capital investment is becoming more prevalent and developing a targeted approach to attracting this capital will ensure Lancashire receives its fair share of this pot.

Major infrastructure projects (Blackpool Central) or development projects (Eden North) are potential opportunities for investment. Raising the profile of these investment opportunities in international markets will be key to ensuring that capital is raised to fully support them.

Beyond large capital, Lancashire is also a prime target for venture capital and private equity investment. Growing innovation in the county is opening the door for investors looking for start-ups or SMEs to invest in at an early stage.

Using national platforms will be important to attracting capital

Attracting more central government infrastructure projects will raise the profile of the county among infrastructure investors. Working with central government to understand opportunities will be important.

Likewise, being able to flag investment opportunities through national platforms to an international audience is important to raise profile and awareness. Currently, Lancashire has no investment opportunities listed on DIT's Investment Opportunity database. Understanding how to get projects requiring investment listed on this database is a key way to drive more investment. Working with DIT colleagues will help assess eligibility requirements.

Find your investment opportunities

We have selected a range of attractive large capital and foreign direct investment opportunities to meet your needs.

[DISCOVER MORE >](#)

DIT's Investment Opportunity database lists capital investment opportunities currently existing in the UK for overseas investors

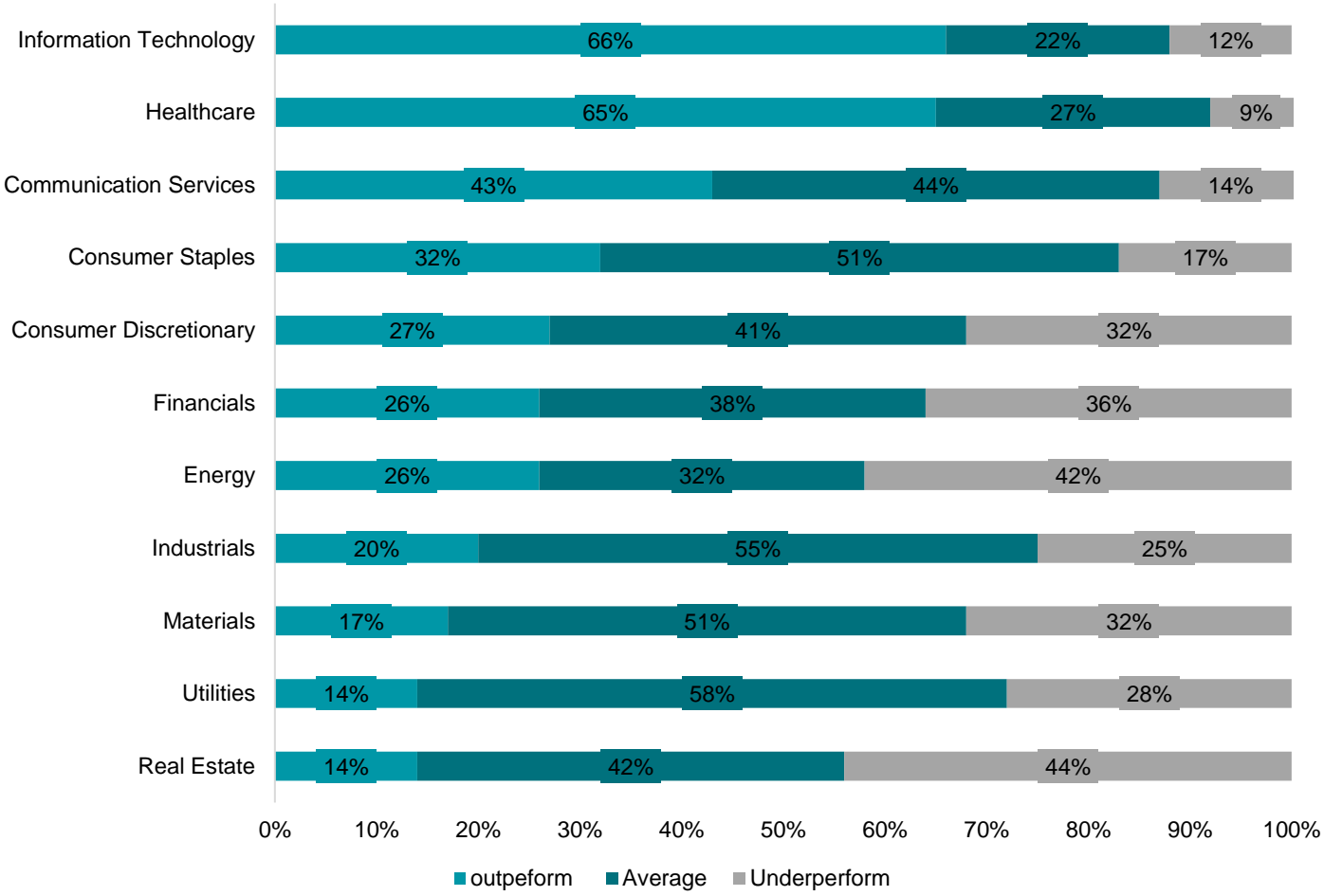
Private equity investments target sectors and verticals

Identifying the most valuable sectors for private capital in each region is complicated by the fact that the investment potential of one sector may actually be caused by its enabling capacity in another sector. For example, investment in technology such as Artificial Intelligence can revolutionise industrial production.

While acknowledging this issue of imperfect definitions, it was still possible to conduct more detailed research on each sector in the key markets identified by the data modelling.

In a survey of 500 institutional investors, technology and healthcare were the two sectors the majority of respondents believed would outperform the market average and therefore the most likely to receive investment. Other strong sectors included communication services, consumer products, energy and financials. Industrials were of less interest to investors, but this is likely to be because the opportunity is in the digitisation of manufacturing rather than manufacturing itself.

Combining this analysis with historic investment trends discussed earlier, it is possible to align priority sectors in Lancashire with investor priorities. Although a slightly subjective judgement, the most likely areas for investment include:



Source: Natixis (2021) Natixis Investment Managers Global Survey of Institutional Investors

Infrastructure private equity can be attracted to new infrastructure plans in Lancashire

Foreign capital investment in infrastructure into the UK is broken down into real estate, and energy & infrastructure. Opportunities revolve around the UK infrastructure pipeline, government initiatives, local government development plans, housing development, and private developer projects. Examples include:

- The **UK national infrastructure and construction pipeline** is forecast at £650bn of public and private infrastructure investment across the country over the next decade.
- **Levelling Up Fund** is a £4.8bn government programme to invest in infrastructure that improves everyday life across the UK, including regenerating town centres and high streets, upgrading local transport, and investing in cultural and heritage assets. The first round of applications announced in October 21 includes £46m for new projects in Lancashire.
- **Decarbonisation of transport** including funding for zero emissions flight infrastructure and R&D, £12bn for local transport systems, and £90m for electric vehicle infrastructure.
- The “Getting Building Fund” will provide £900m to deliver jobs, skills and infrastructure across the country. This investment is being targeted in areas facing the biggest economic challenges as a result of the pandemic. It is supporting the delivery of shovel-ready infrastructure projects, agreed with mayors and Local Enterprise Partnerships to boost economic growth and fuel local recovery and jobs.

Examples of projects in Lancashire are provided below and listed by investment type (regeneration, transport, tourism, and social infrastructure). These are a good match with the main capital investment themes emerging from the stakeholder consultation.



- **Blackpool Central** (£300m)
- **Colne Town Centre** regeneration £6.5m
- **National Cyber Force Corridor**



- **Burnley Railway Station Accessibility Improvements** (£19m as part of a package with public realm and college investments)
- **Blackpool tram extension and transport interchange**



- **Eden North** (£125m)
- **4* hotel at Blackpool North station**



- **Burnley Campus Expansion** (£19m as part of a package with public realm and railway improvements)
- **Blackpool affordable housing** with the pro-active assistance to developers

Data modelling identified that the leading countries for capital investment closely matched those identified for inward investment. This is unsurprising given the similarities in priority sectors and that multinational companies and private equity investors are looking for the same thing – strong stable markets and innovative ecosystems. The emerging markets represent the global economic shift to the East and are three of the most common markets that the UK works with in Asia for capital investment. We acknowledge that there is limited resource and as such, 6 markets may be too many to tackle at once. We propose a further prioritisation in which initially Germany, Singapore and the USA are focused upon in the short term, with Canada, India and China having a more medium to long term focus.

SHORT TERM



Germany



Singapore



USA

YEAR 1 →

MEDIUM TO LONG TERM



China



India



Canada

YEAR 2 →

Focus Markets



Globally, the USA is the largest source of capital investment. It is also one of the largest investors in the UK and North West in terms of large capital investment as well as growth capital such as Venture Capital and Private Equity funding. A lot of the current priority sectors for US investors also align with Lancashire's priorities.



Germany has high investment figures across creative & digital as well as health, two areas in which Lancashire is focusing innovation energy for further investment. Within Germany are two of Europe's largest capital investment hubs in Berlin and Frankfurt.



Singapore typifies the rise of capital investment in Asia and is trying to make itself the Silicon Valley of the East by investing in and collaborating with companies around the world. It is also a financial services hub which acts as the investment arm for many Asian funds.

10-Year Capital Investment Strategy: Activities

Activities are plotted against a three year timeline to help with prioritisation. Although the strategic outcomes are targeting a 10-Year strategy, activities will need to be reviewed and refreshed throughout to ensure relevance and keep material up to date.

Months	0-6	6-12	12-18	18-24	24-30	30-36
Activities	Map private equity investors in Lancashire		Database of infrastructure projects		Develop infrastructure propositions	
	Create proposition for CETP		Use proposition with DiT colleagues		Create a central store of material	
	Identify investors in the clean energy sector		Develop propositions		Create London Capital Investment event	
	Build target list of investors		Engage with investors to land capital investments in Lancashire			
				Review progress		Review progress and refresh

Innovation: Internationalisation Strategy

Evidence

Innovation assets in Lancashire are a mix of specialist centres (e.g., Clean Energy Park, Lancashire University's Health Innovation Campus) and multi-sector Centres of Excellence (e.g., Advanced Manufacturing Research Centre NW and UCLan's Engineering Innovation Centre)

The recently announced National Cyber Force HQ in Samlesbury is expected to develop strong opportunities for Lancaster University and UCLan to develop UK and international partnerships

Lancashire receives significantly less funding from Research Councils or Innovate UK compared to other NPH locations.

China, India and Hong Kong are currently key inbound student markets for Higher Education, but other key centres in Malaysia, Cyprus, Germany, Hong Kong and the Middle East have provided key opportunities for Transnational Education (TNE).

Feedback from stakeholders

There was positivity around the range of innovation assets in Lancashire but also a belief that success is dependent on more support and investment from government.

Stakeholders felt the county should build on the expertise that already exists, although they warned of being too dependent on the large multi-nationals who might move elsewhere.

Universities were seen as key players due to their centres of excellence, entrepreneurial work, and international connections.

Suggestions for improving the innovation ecosystem included innovation mapping, better marketing materials, innovation road maps, more events locally to put greater focus on start-ups/innovation and programme support for organisations to work collaboratively on Lancashire innovation priorities.

What this means

Lancashire is able to provide a thematic approach to innovation that solves problems across sectors. This is more relevant to modern, interconnected economies.

Lancashire has the capability to serve as a testbed for innovation in a number of different sectors. These could be used to develop a national/international reputation for expertise in areas such as industrial digitisation, low carbon aviation, future flight, low carbon energy, and precision farming. This should involve a combination of businesses, academia and enterprise.

Innovate UK funding data suggests that commercialisation of research in Lancashire is behind other competitor locations such as Sheffield. Linking to the capital investment pillar could help attract investment.

Suggested Activities

Work with all stakeholders in the Lancashire innovation ecosystem to agree strategic priorities aligned with core themes (low carbon) or technologies (cybersecurity)

Greater government lobbying to attract more R&D funding

Develop an Innovation Map for Lancashire that can be used to promote the county and shared with Investment Pillar

Missions to develop innovation partnerships with new markets around education and research

Conferences and events in Lancashire to increase attention of the county to local, national and international funders, research organisations and companies

Targeted campaign to attract students, companies and research organisations to Lancashire

Link to Capital investment pillar to secure more private investment/Innovate UK funding for commercialisation of research

Strategic Outcomes

Lancashire to be recognised as the UK's leading innovation region in security and resilience eg through NCF with cyber-security and through the CETP with nuclear clean tech.

A 20% increase in UKRI and other innovation related funding which will underpin innovation relationships, clusters and growth (Wellcome Foundation and Bill Gates Foundation etc).

Development of a roadmap for the county that levers knowledge networks, bringing together innovation stakeholders with an international specialisation for each of the four Missions

Innovation partnership initiatives established with two key foreign markets to support FDI, Exports and Equity Investment in our four missions areas, alongside UKRI, our four universities (and their foreign campuses) and key corporates with bases in Lancashire.

Collaborative innovation ecosystems are a strength in Lancashire

Innovation underpins prosperity in Lancashire, whether it is improving the quality of life for citizens or supporting trade and investment. As the world transitions to a lower carbon, more digital future, it is areas with strong innovation ecosystems that will be most in demand internationally. While big cities are typically seen as the first port of call, it is often smaller areas with strong collaboration between academia, multiple sectors and government that are the most attractive to investors looking to test and commercialise an innovation.

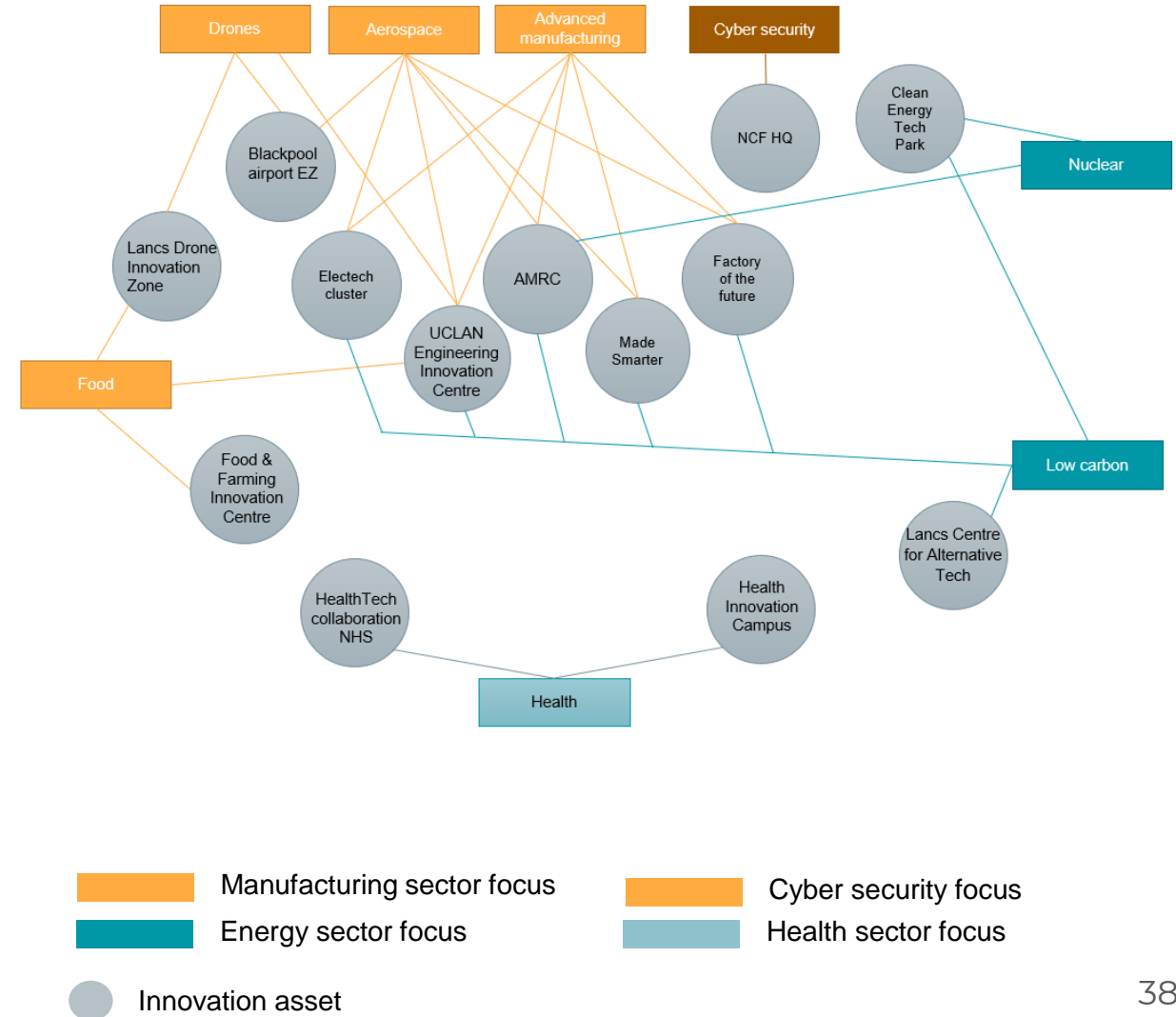
Priority markets for innovation were identified by data modelling that combined: qualitative analysis on Lancashire's innovation assets; assessment of international priorities of higher education institutions; and monitoring global trends in sustainability, digitisation and health that are driving demand for innovation.

The diagram highlights some of the main innovation assets in Lancashire and how they link to sectors and trends. It shows a core strength in technology and manufacturing/engineering that can be applied across multiple sectors. This is based around the Advanced Manufacturing Research Centre, 's Engineering Innovation Centre, a strong ElecTech cluster and pilot projects associated with Made Smarter and Factory of the Future. Alongside this, research centres and collaborations in nuclear technology, low carbon, food, and new mobility provide more specialist opportunities.

There is also a MedTech cluster emerging around health innovation assets such as Lancaster University's Health Innovation Campus and collaborations between the NHS and businesses that enable creation, development, spread and adoption of technological innovations.

The recently announced National Cyber Force HQ in Samlesbury is expected to develop a strong cybersecurity, defence, security related assets and digital cluster along a Cyber Corridor stretching from Manchester University to Lancaster University. Linked directly to Lancaster University and , this will be an additional innovation asset to the county that will provide links to UK and international partnerships.

Innovation assets link to multiple sectors in Lancashire



Higher education links Lancashire to the world

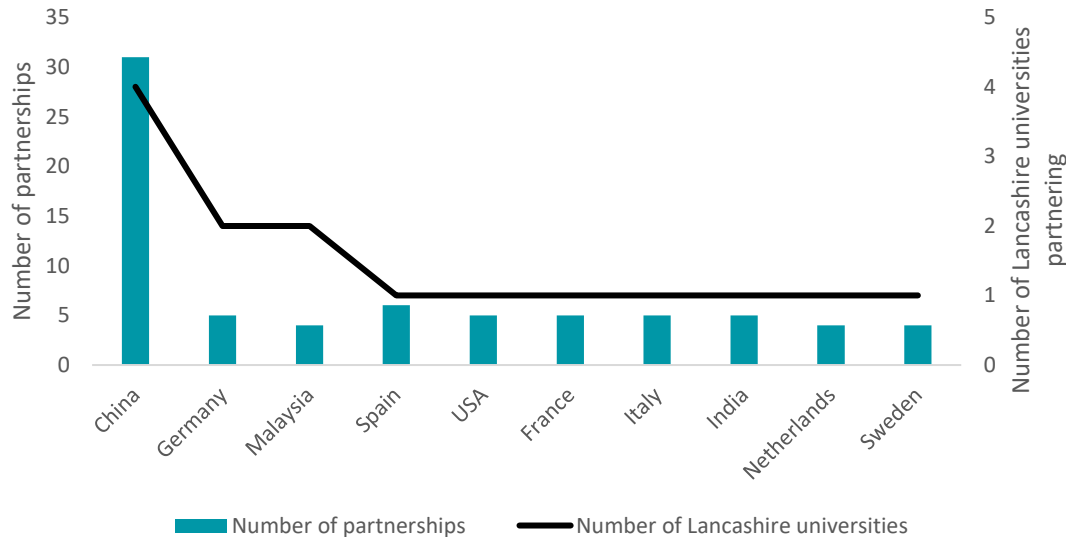
More than half of international students in Lancashire come from China, India or Hong Kong. This is consistent with information from university stakeholders who described these markets as their most important markets now and going forward. Malaysia was another key market for the universities, and it currently lies 16th, with growth expected thanks to the link between Lancaster University and Sunway University in Kuala Lumpur.

The European Union accounts for nine of the top 15 countries for international students, but these students combined are less than either China or India. Of the other countries that make the top 15, Africa is represented by Nigeria, and the Middle East is represented by Saudi Arabia and the United Arab Emirates.

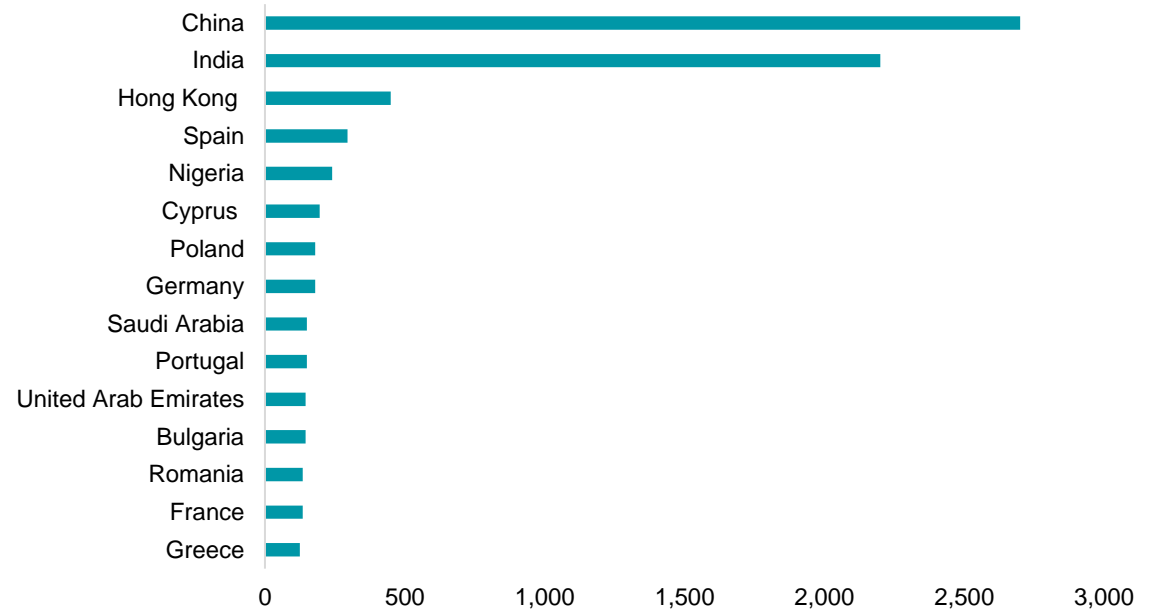
The United States, which plays an important economic role in the county, was ranked 20th with 95 students, similar to its North American neighbour Canada with 90 students.

Lancashire Universities have five overseas campus's in China, Cyprus, Germany, Ghana and Malaysia with opportunities to capitalise on these relationships in terms of international collaborations, links to businesses, access to a wide talent pipeline and the visitor economy.

University partnerships by country and number of Lancashire universities involved



Top 15 countries for International Students in Lancashire



China is by far the most important market for universities in Lancashire. All the universities have links to China, and there are more than 30 partnerships or Access and Articulation Programmes linking Lancashire to Chinese students. Both the University of Central Lancashire (UCLan) and Lancaster University have founded prestigious Joint Schools in the country.

Germany and Malaysia are the other countries where more than one university is currently active, while the most partnerships outside China are with Spain, US, France and Italy.

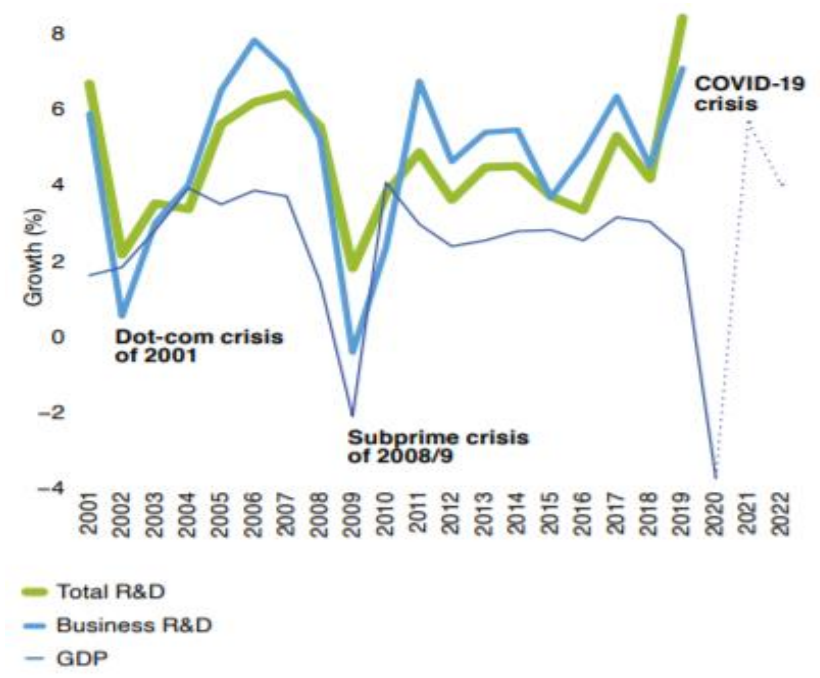
It is interesting that while India supplies such a large student population, there are limited relationships between institutions. This was a theme that emerged during consultation, with India being recognised as a future area of interest for universities.

Innovation is forecast to prove resilient to global pandemic

Global R&D spend has consistently outgrown economic growth (GDP) for most of this century. Prior to the global pandemic it had reached an all-time high of 8.5% compared to only 2.4% GDP growth. The economies spending the highest proportion of GDP on innovation were the US, China, Japan, Germany and South Korea. These have been the highest spending countries since 2011.

Current insights suggest innovation will prove resilient to the impact of the pandemic. While levels of investment are below the record figures of 2019, they will remain strong. Due to the importance of innovation in dealing with the pandemic, government policies towards building back better, and current data do not indicate any pronounced decline in investment.

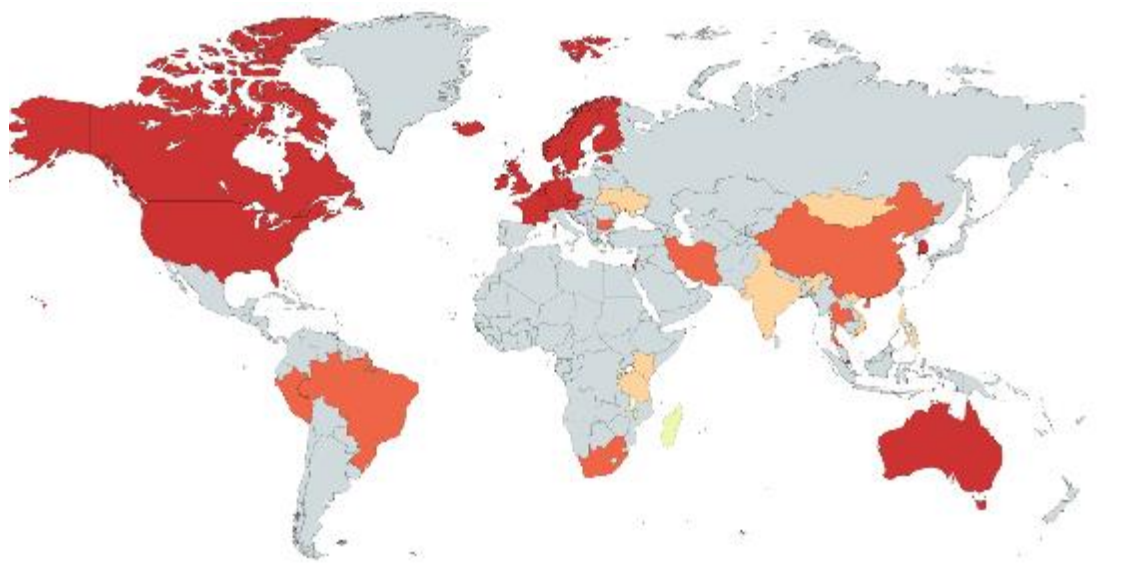
At a sectoral level, those industries that stood to gain from shifts towards more online and health related activities tended to increase their R&D spending, while those that were hardest hit (tourism, aerospace, automotive) tended to reduce their investment. However, future transitions in energy and low carbon transport are likely to accelerate a number of these sectors in the forthcoming years.



Some emerging economies are performing above expectations for innovation

Innovation performance in 2021 shows countries that have performed above expectations given their level of development (categories seen to the left). For high-income countries, high achievers include North America, Western/Northern Europe, South Korea and Australia. For the upper-middle income group, China, Thailand, South Africa and Brazil stood out.

Areas of untapped potential for innovation links are the high performing countries from lower income groups. These include important Asian markets in India, Vietnam, and the Philippines, as well as emerging African economies in Kenya and Rwanda.



■ High-income/high innovation ■ Upper-middle income/high innovation ■ Low income/high potential

Source: WIPO (2021) Global Innovation Index 2021

10-Year Innovation Strategy: Defining Next Steps

A collaborative approach between stakeholders is key to driving innovation

Lancashire has the capability to serve as a testbed for innovation in a number of different sectors. These could be used to develop a national/international reputation for expertise in areas such as industrial digitisation, low carbon aviation, future flight, low carbon energy,6 geospatial test area and precision farming. This should involve a combination of business, academia and enterprise and work across pillars from investment to exports.

Likewise, it can be inferred from Innovate UK funding that the commercialisation of research is behind other competitor locations such as Sheffield. Linking to the capital investment pillar could help attract innovative activity along with utilising the links between AMRC Sheffield and the AMRC NW. Ensuring that the funding landscape is set up for innovative companies, whether they are large companies undertaking R&D or smaller start-ups and SMEs.

Existing assets should be leveraged where possible to build collaborative relationships

Given the links between Lancashire's universities and academic institutions it makes sense to leverage these links. Lancaster University has partnerships with universities in Malaysia and China, as well as campuses in Germany and Ghana. This is not including numerous collaborative projects around the world. has 15 international partnerships including in the USA and Malaysia. . UCLan Cyprus is working to be recognised as a world-class, research-led University, competing successfully and sustainably within a national and international market.

Edge Hill University and the University of Cumbria have engaged in over 70 international research collaborations.

There are also international partnerships to be considered from some of Lancashire's major companies such as BAE Systems and Rolls Royce.

Therefore, Lancashire will need to prioritise:

- **Core markets** – where there are existing links and relationships as well as tangible and actionable opportunities
- **Emerging markets** – where there may be links as well as potential for growth in collaborative opportunities



Lancaster University has a partnership with Sunway University, Malaysia



UCLan also has a partnership in Malaysia with SEGi University

KEY SECTORS



Advanced Manufacturing



Energy & Low Carbon



Aerospace



Lancashire's advanced manufacturing innovation proposition

Key innovation strengths

- ✓ Large existing manufacturing cluster looking for innovation and upgrades
- ✓ Rapid growth in emerging tech utilising 5G, UAVs, HAPs, Secure Data Comms, Future Mobility and Cleantech
- ✓ AMRC NW, Engineering Innovation Centre, InfoLab at Lancaster University
- ✓ 5G Factory of the Future and Made Smarter pilot projects
- ✓ The only UK region with four Enterprise Zones and a University EZ

Opportunities

- Opportunities to connect **Innovation assets** within universities and Centres of Excellence in other countries (linked to investment pillar).
- Promote **Made Smarter programme** to show the county is at the cutting edge of industrial digitisation.
- Growth areas in **emerging industrial tech** including CNC, robotics, additive manufacturing, precision engineering, VR and digital twins, low carbon solutions, MedTech and intralogistics.
- Warton Enterprise Zone is a prime site for CAV and other **Future Mobility R&D**



Lancashire's aerospace innovation proposition

Key innovation strengths

- ✓ Leading global players and supply chains in the county
- ✓ Advanced Manufacturing Research Centre (AMRC) NW, (UCLan's) Engineering Innovation Centre, Lancaster Universities new Engineering Dept investment and the Quantum Tech Centre.
- ✓ £3m funding secured in 2020 for commercial drone technologies. Test facilities suited to Space Cluster technology. Crossover technologies in nuclear sector.
- ✓ Electech cluster, positioning, navigation and timing technology
- ✓ Blackpool Enterprise Zone, Warton EZ

Opportunities

- Opportunities to work with leading players in the aerospace sector to develop **low carbon aviation** solutions.
- Participation in **international programmes** such as Tempest Future Combat Air System provides access to global innovation networks.
- Emerging **drone technology** can be applied across multiple sectors such as offshore energy, nuclear, and food production. Surveillance and Comms
- **Warton EZ and Blackpool Airport** as a sandbox/test bed for new mobility solutions



Lancashire's energy and low carbon innovation proposition

Key innovation strengths

- ✓ Significant strengths in renewables, nuclear, and other energy supply industries which are complemented by a flourishing engineering and technology sector
- ✓ One of the largest concentrations of environmental researchers in Europe at the Lancaster Environment Centre
- ✓ Lancaster University's Centre for Global Eco-Innovation
- ✓ Strong offshore industry that has previously attracted FDI in R&D related activities.
- ✓ The Clean Energy Technology Park
- ✓ Lancashire Centre for Alternative Technologies
- ✓ AMRC Low Carbon Building Demonstrator

Opportunities

- Working across international **Nuclear industry**.
- Government funding for **small modular reactors** in Lancashire.
- Opportunities to establish **infrastructure and demonstrator sites** that enable new technologies to be developed, demonstrated and commercialised.
- **Link with existing companies** such as Rolls-Royce who are aiming to become net-zero by 2030, and enable sectors it sells to in becoming net-zero by 2050.
- Connecting with **Irish Sea Rim super cluster** for energy resources.

KEY FDI SECTORS



Digital
(Cybersecurity)



Food & Drink



Health



Lancashire's digital innovation proposition

Key investment strengths

- Cybersecurity**
- ✓ Lancaster Cyber Security Centre of Excellence, is an internationally renowned multi-disciplinary hub and testbed for cyber security R&D.
 - ✓ Lancaster University is one of only five universities in the UK to gain NCSC recognition as a Gold Academic Centre of Excellence in Cyber Security Education.
 - ✓ New National Cyber Force (NCF) HQ is a £5bn investment that demonstrates government confidence in the county's capabilities and talent around cybersecurity.

- Emerging Tech**
- ✓ Privately funded ElecTech Innovation cluster inspires collaboration across sectors.
 - ✓ £100m+ invested in high-tech collaboration hubs across Lancashire

Opportunities

- Cybersecurity**
- Develop links with clusters internationally who are operating in **offensive cyber activities**.
 - Longer term, promote the county as having a niche expertise in **cybersecurity for supply chains and industrial digitisation**.
- Emerging tech**
- Promote **enterprise zones** as links to specialist innovation ecosystems with additional tax & incentives benefits
 - Opportunities for **cross sector collaboration**



Lancashire's food & drink innovation proposition

Key investment strengths

- ✓ Food & Farming Innovation Centre (Myerscough College)
- ✓ Lancaster Environment Centre has internationally leading experience and labs addressing soil and cultivation
- ✓ Engineering Innovation Centre –
- ✓ Lancashire Drone Innovation Zone and precision farming/sensing
- ✓ The sector links to both advanced manufacturing and low carbon & energy providing opportunities for cross sector working.
- ✓ Links to health and social innovation, health analytics and preventative medicine

Opportunities

- Opportunities to work with **centres of excellence** in agriculture who are working on solutions around low carbon and circular economy farming solutions
- **Precision farming** innovation linked with sensors and drone developments.
- New **food product development and automation**



Lancashire's health innovation proposition

Key investment strengths

- ✓ Health Innovation Campus creates strong collaborative environment between research and practice.
- ✓ Healthtech collaborations between and NHS Trusts (eg Neuro-Rehabilitation Online).
- ✓ Diverse population and high levels of health risk provide useful populations for clinical trials.
- ✓ Post Covid surge in market for infection prevention and control aligns with local companies innovating in this sector.
- ✓ Crossover with nuclear and medicine, the CETP houses an NNL facility developing isotopes for alpha therapy.

Opportunities

- The local population allows the county to become a testbed for innovations developed elsewhere that lack a **diverse population** for thorough testing.
- Growing trends around MedTech and big data allow for **cross sector collaboration**.
- Developing **reusable/recyclable PPE** is a international opportunity that could involve cutting edge science combined with the county's traditional in textiles, paper and materials manufacturing.
- Nuclear medicine – unique facilities and expertise

Data modelling identified that the leading countries for investment based on R&D expenditure and incentives, patents, graduates, university rankings, and positions on the Global Innovation Index. This was followed by qualitative research that assessed the strengths of the highest ranked markets in sectors and technologies that were most relevant to Lancashire’s innovation priorities and had strong internationalisation links to the universities. Core markets are the highest scoring markets in this pillar from the data modelling that have strengths across sectors, while emerging markets scored lower on the data modelling but have specific advantages that can be aligned to Lancashire. We acknowledge that there is limited resource and as such, 6 markets may be too many to tackle at once. We propose a further prioritisation in which initially Germany, Malaysia and the USA are focused upon in the short term, with Canada, France and Denmark having a more medium to long term focus.

SHORT TERM



Germany



Malaysia



USA

YEAR 1 →

MEDIUM TO LONG TERM



Canada



France



Denmark

YEAR 2 →

Focus Markets



The USA is a global leader in most sectors of relevance to Lancashire. The new US Infrastructure Bill prioritises clean energy and investing in demonstration projects and research hubs for next generation technologies like advanced nuclear reactors, carbon capture, and clean hydrogen. US stakeholders are currently working with UK on nuclear research.



Germany is taking an increasingly important position in the European aeronautical R&D sector. As a global manufacturing hub, Germany is home to major players in Industry 4.0. Strategic partnership opportunities exist with Lancaster University’s Leipzig campus.



Malaysia is emerging as an innovative power in Asia. Lancaster University has a strategic partnership with Sunway University, with joint research initiative on future cities. Lancashire has a relationship with leading health investor iGene who have already invested in the county.

Page 206

10-Year Innovation Strategy: Activities

Activities are plotted against a three year timeline to help with prioritisation. Although the strategic outcomes are targeting a 10-Year strategy, activities will need to be reviewed and refreshed throughout to ensure relevance and keep material up to date.

Months	0-6	6-12	12-18	18-24	24-30	30-36
Activities	Map international collaborations		Map students and alumni across locations and fields of work		Leverage relationships	
	Identify assets and innovation priorities		Map priorities against government policies		Create innovation roadmap	
	Identify institutions to target re innovation		Join missions and events in target markets		Curate conferences to promote innovation	
	Create target list of universities and research organisations		Interrogate DiT pipeline for research projects		Campaign to target internationally mobile research projects	
				Review progress	Review progress and refresh	

Evidence

Lancashire has historically had a strong visitor economy offer, primarily through tourism but equally with the strategic location close to Manchester, Liverpool, the Lake District, and on a major route to Scotland.

Blackpool is still by far Lancashire's top visitor destination, accounting for around a quarter of all visits to the county.

Although Lancashire represents around 0.6% of all international visitors to the UK, the proportion of total nights stayed is nearer 1%.

The United States and Australia contributed the largest number of visitors in 2019.

Across total visits, nights and spend by international visitors between 2015-2019, Lancashire has a consistent 6% share of the total North of England market.

Feedback from stakeholders

From a domestic perspective, one of the major hurdles is the perception of key destinations such as Blackpool as one of decline.

Not only does Lancashire have proximity to Manchester and Liverpool as a major benefit, but it is also on a direct train line between London and Scotland. Working with other locations to create a joined-up tourism or visitor offer could help leverage these transport links.

Several international stakeholders mentioned football as a major influencer for their knowledge and perception of the North West of England and the UK more broadly.

For international audiences, individual city names such as Blackpool and Lancaster seemed to resonate more than the county name of Lancashire.

What this means

Support offered to the visitor economy over the past few years has been dominated by supporting domestic businesses impacted by the COVID-19 pandemic.

The combined impact of the pandemic and Brexit has created ongoing recruitment challenges for the sector.

The focus has shifted away from overseas markets as international travel has been heavily disrupted.

This calls for continuity from the programmes that were in operation prior to the pandemic. Therefore, the set of target markets leverages existing schemes as well as large diaspora populations in the county and markets with high outbound visitor numbers.

An initial focus should be given to short haul markets as travel links with these countries are more likely to resume sooner than long haul markets.

Suggested Activities

Increase collaboration links with capital investment teams operating in Lancashire.

Adopting specific activities for individual markets as visitors from individual countries are distinct and respond to different approaches.

Increasing the number of national schemes Lancashire is involved in can help to maximise local resource on targeted activities.

Raising awareness and building a greater profile in target markets will help turn existing branding work into international material.

Adopt a targeted approach to business tourism with more national and international events, conferences and trade shows hosted in Lancashire.

Foster a talent pipeline in conjunction with the Lancashire Skills and Employment Hub.

Strategic Outcomes

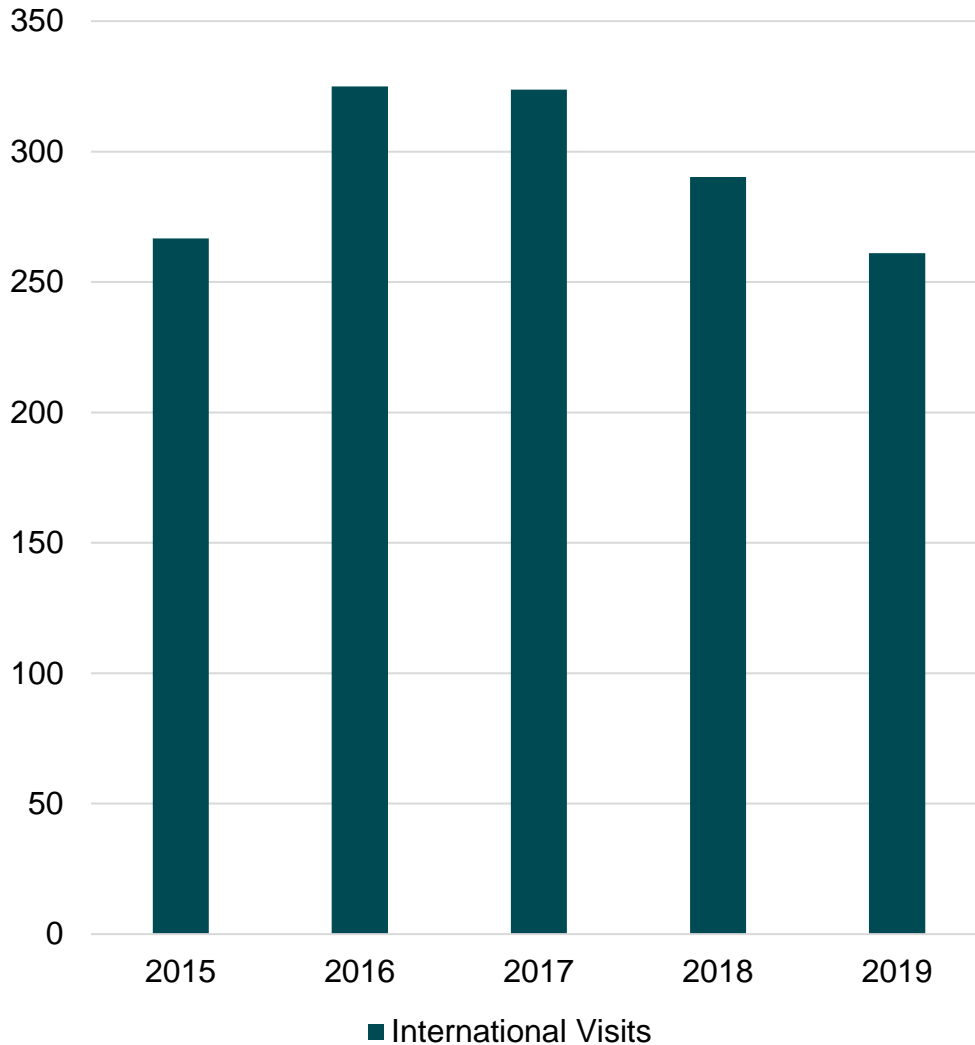
To attract an additional 6.3 million visits of which an increased proportion come from international visitors (from 0.05% to 1%)

To attract a greater share of international visitors to the North into Lancashire (from 6% to 15%)

Increase business visits to Lancashire by 15%

Drive an additional £650m of visitor spend and create an extra 5,000 jobs in the visitor economy

International Visits ('000s)



Lancashire has maintained over a quarter of a million international visits for the past 5 years

Lancashire has historically had a strong visitor economy offer, primarily through tourism but equally with the strategic location close to Manchester, Liverpool, the Lake District, and on a major route to Scotland. Lancashire also has a diverse visitor economy offer, with a combination of coast, countryside, and historic towns. This is combined with good connectivity and infrastructure to other parts of the UK and relatively easy access from international airports in London, Manchester and Liverpool.

One of the key considerations has been how to leverage these assets outside of Lancashire to grow the visitor economy. There appears to be a need to develop a stronger unique identity for the tourism offer, set apart from other locations in the UK. Flagship attractions such as Blackpool are suffering from an image crisis and as such have experienced consistently declining visitor levels in recent years.

Total visits from overseas to Lancashire has consistently remained between 250,000 to 330,000 per year for the past 5 years. This accounts for approximately 0.6% of all overseas trips to the UK.



Lancashire has a larger share of the national picture in terms of nights stayed and total spend

Total nights stayed from international visitors decreased in 2019 to under 2 million for the first time since 2010. This was in line with total nights spent across England which fell by 0.6%.

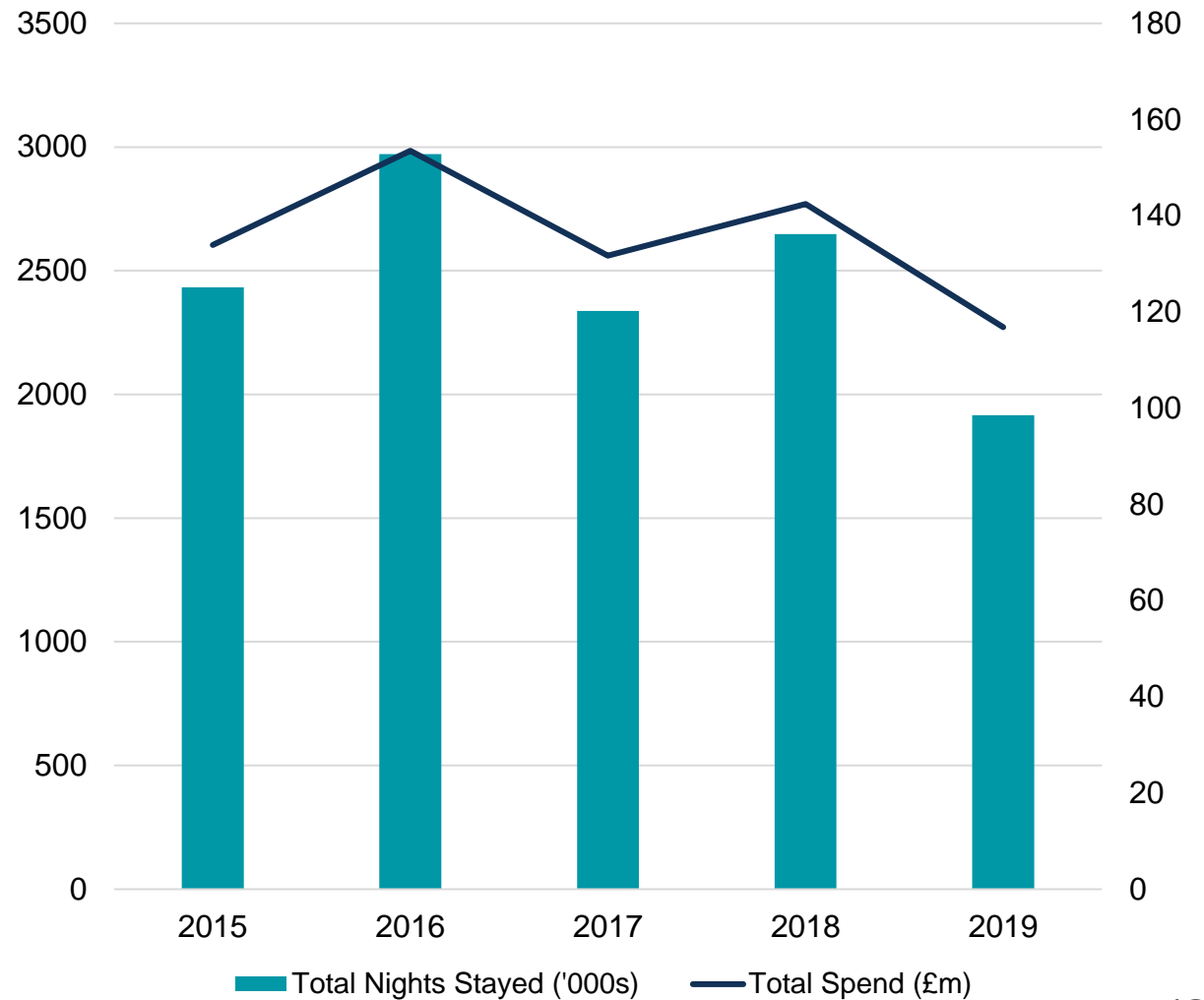
Although Lancashire represents around 0.6% of all international visitors to the UK, the proportion of total nights stayed is nearer 1%. This indicates visitors to Lancashire are more likely to stay longer than other UK destinations.

Total spend also dropped in 2019, in line with total visitors and nights stayed. It has consistently been between £120 million and £160 million for the past 5 years which shows the significant value add that international visitors have on the visitor and wider economy.

Decline in the national picture in 2019 has also been reflected in Lancashire. This is most likely linked to EU Exit, with uncertainty and developments in the exit process reducing the number of EU visitors. Gradual emigration will have also reduced the number of friends and family visitors from EU countries.

In terms of the most popular tourist destinations in Lancashire, Blackpool, Lancaster and Preston led the way. Despite falling visitor numbers, Blackpool is still by far Lancashire's top visitor destination, accounting for around a quarter of all visits to the county. The majority of visitors to these destinations seem to be day visitors with around 10-15% staying the night. With a total economic impact of £1.6 billion on Blackpool's economy, the importance of the visitor economy to the city is clear. It is a high employing, value creating industry for the local area.

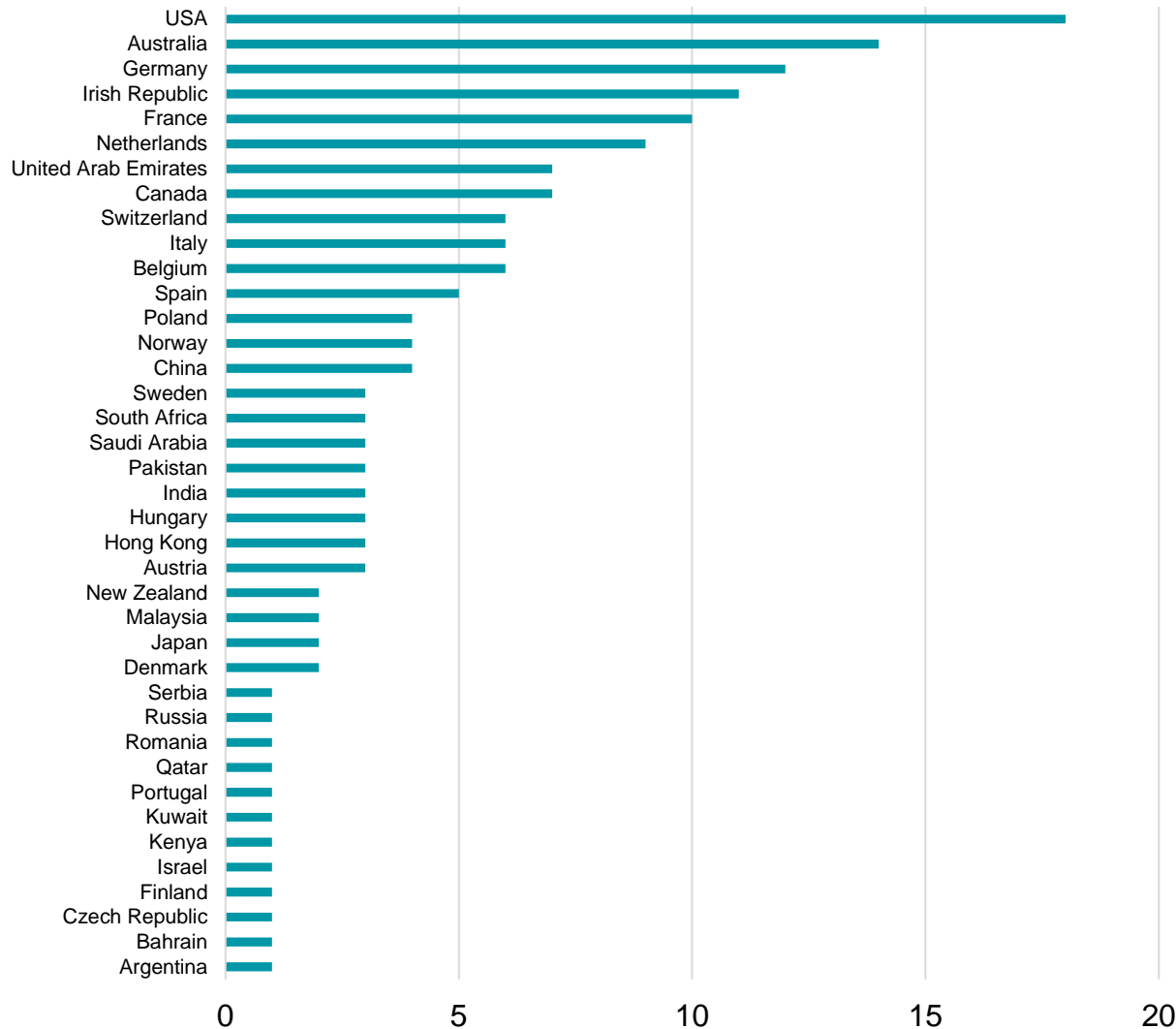
**Total Nights Stayed & Total Spend
(International Visitors 2015-2019)**



Lancashire has a broad range of assets, covering both leisure and business tourism. There are also opportunities to leverage existing visitor programmes as well as Lancashire's diaspora to drive international visitors.

Location	Category	Opportunity
Blackpool	Leisure / Business Tourism	<ul style="list-style-type: none"> Historical centre of tourism for the county with resorts, Blackpool Tower, Illuminations, Winter Gardens. Tired image provides an opportunity for Blackpool to re-brand in line with regeneration opportunities. Blackpool Central and Showtown aim to be the flagbearers for Blackpool's leisure regeneration. Significant investment has resulted in a growing business tourism offer. Blackpool will host its first political party conference in 15 years in the spring of 2022.
Morecambe	Leisure Tourism	<ul style="list-style-type: none"> Suffering from similar issues to Blackpool, regeneration and rebranding provide opportunities for this coastal town. Morecambe Bay is an attractive destination for walkers and ecologists alike. There are also links with Lancashire University through marine research.
Lytham St. Annes	Leisure Tourism	<ul style="list-style-type: none"> Golf courses and ties to the historic Open Championship will resonate well with international visitors looking to play prestigious golf courses.
Lancaster	Leisure Tourism	<ul style="list-style-type: none"> A historic city that is part of the England's Historic Cities initiative which was designed to grow tourism from the US market.
Universities	Leisure / Business Tourism	<ul style="list-style-type: none"> There are a large number of international students in Lancashire's universities (Edge Hill ~150, Lancaster ~5,000, ~4,350). This international student population can be leveraged to bring in friends and family visitors from overseas. The key is ensuring that they come to Lancashire and stay to contribute to the visitor economy. Business tourism can also be grown through the international business links held by the universities, to host events or conferences that would draw an international audience.
Diaspora	Leisure / Business Tourism	<ul style="list-style-type: none"> With strong diaspora communities (Pakistan, Poland, India & Ireland) there is opportunity for friends and family visitors to come to Lancashire and spend in the visitor economy. Business ties between countries with large diaspora populations can be leveraged for trade, investment and business related visits.
Post-industrial towns and cities (Blackburn, Burnley and Preston)	Leisure / Business Tourism	<ul style="list-style-type: none"> Leisure tourism opportunities such as Crow Wood in Burnley, cultural assets like Blackburn Cathedral and the Harris Museum, and events such as the National Festival of Making, British Textile Biennial, and Lancashire Encounters. Given the other leisure assets in the county, a greater focus could be given to driving greater business tourism into these business hubs.
Eden North	Leisure Tourism	<ul style="list-style-type: none"> This could have an impact not only on Morecambe and the immediate surrounding area but the wider county, to further position Lancashire as a leader in sustainability and ecology.
Rural areas and countryside (Forest of Bowland, Pendle Hill, Arnside and Silverdale and the Ribble Valley)	Leisure Tourism	<ul style="list-style-type: none"> Within these areas there are some of the best destination spas and natural assets in England, as well as a strong heritage offer. These assets need to be promoted better to an international audience who may be unaware of this relative to more widely known areas such as the nearby Lake District.

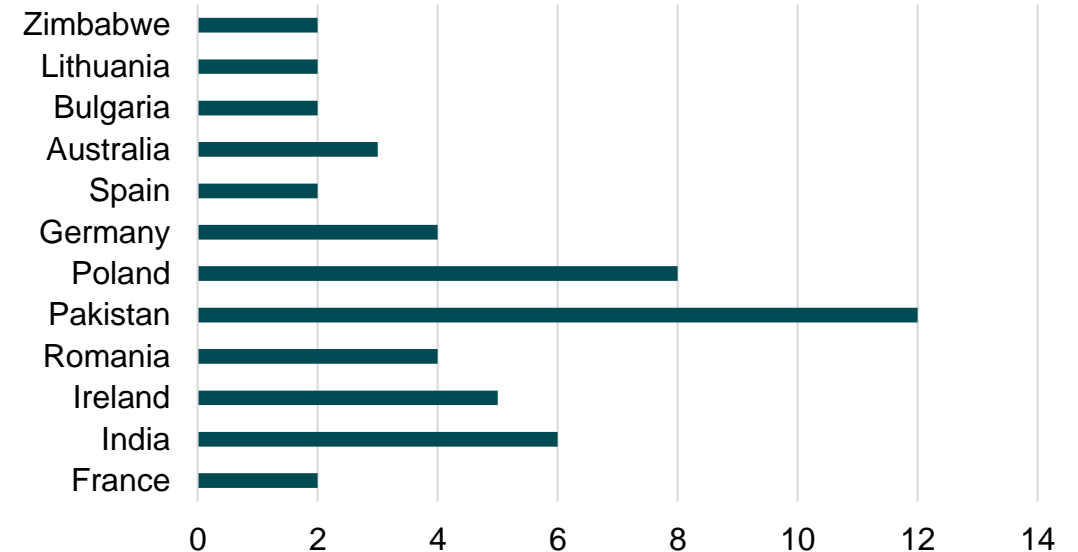
Number of Visits by Country ('000s)



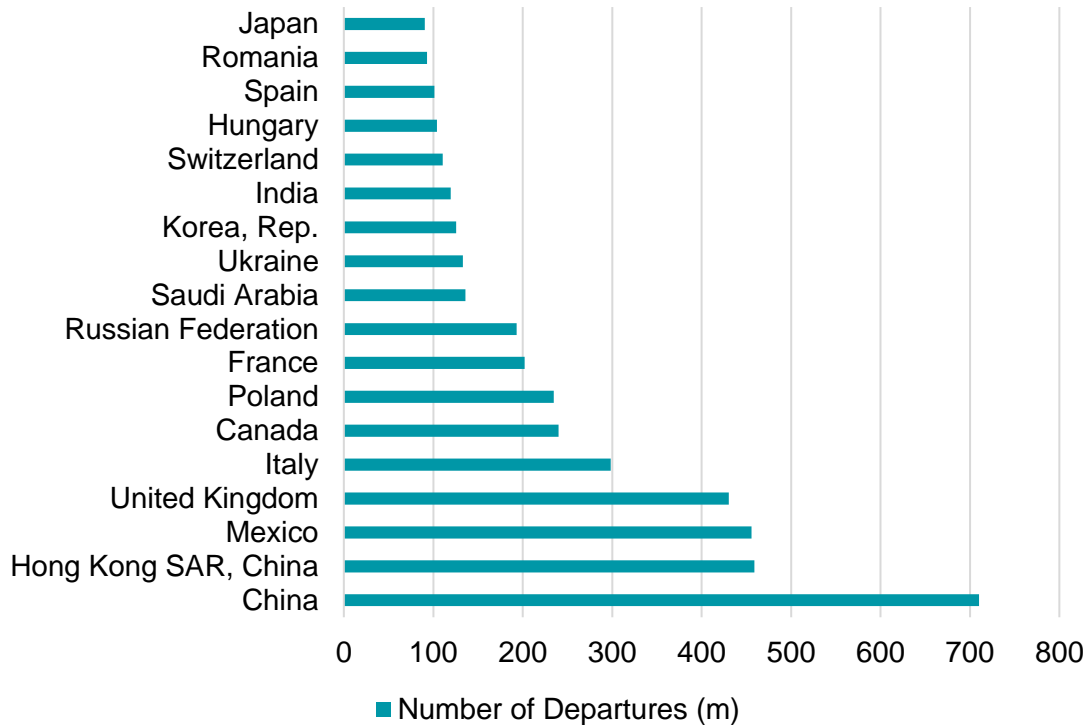
The United States and Australia contributed the largest number of visitors in 2019, perhaps surprising that two long-haul markets had such large contributions compared to short-haul European markets. A major reason for the United States' high visitor numbers could be attributed to England's Historic Cities programme for which Lancaster is one of the key cities.

Numbers in large diaspora markets such as Pakistan and India were perhaps lower than expected. This may represent an opportunity around friends and family visits - the key will be how these visitors can further add value in the visitor economy. Likewise, large international student populations in Lancashire from China and India are not well represented indicating another potential opportunity linked to friends and family visiting students in the county.

Lancashire Diaspora Population (,000)



Number of Departures by Country 2015-2019 (m)

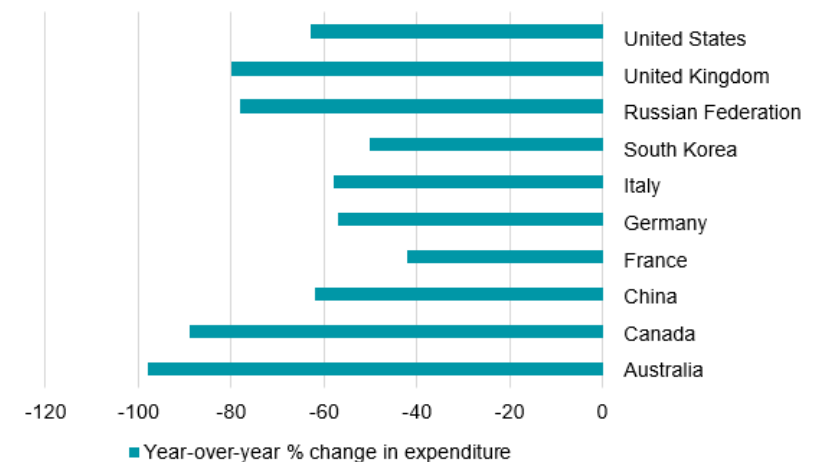


China has consistently had the highest number of departures over the past five years

Over the past five years, China has dominated the international visitor landscape with over 700 million departures between 2015 and 2019. The size of the market and the increasing independence of Chinese tourists beyond organised tour packages provides a clear opportunity to attract some of the substantial numbers to Lancashire. One of the factors to monitor will be Chinese appetite for international travel post-pandemic and whether this trend returns to pre-pandemic levels.

This World Bank dataset does not include the United States. However, US sources indicate that there are roughly 75 million outbound visits from the USA each year, also making this a significant market of focus. Key diaspora markets, India, Poland and Romania, also feature in the top visitors across this period. As well as short-haul European markets such as France and Italy. The UK features towards the top of this list, but it will be interesting to monitor the change in preferences from international to domestic post-pandemic.

Year-over-year % change in expenditure (2019 to 2021)



European markets are some of those recovering better in terms of visitor expenditure

It's clear that visitor expenditure across all markets has decreased over the past two years with travel restrictions and visitor confidence having impacts on travel. However, Italy, Germany and France are some of the source markets with the lowest reduction in expenditure. This advocates a short-term focus on European, or short-haul, markets as we return towards a less restricted normality.

Visitor economy support and attention has been domestic-facing during the pandemic

Support offered to the visitor economy over the past few years has been dominated by supporting domestic businesses impacted by the COVID-19 pandemic. Making sure businesses stay afloat going forwards has been the key prerogative of stakeholders involved in tourism and hospitality. Equally, given travel restrictions, the view has been very inward-facing with little attention given to international markets.

This calls for continuity from the programmes that were in operation prior to the pandemic. There were several successful schemes such as England's Historic Cities and "more than just a holiday" that Lancashire was involved in targeting specific markets. Picking up these programmes feels the most effective way to re-engage with international audiences.

Equally, target market can focus on large diaspora populations in the county and more broadly, markets with high outbound visitor numbers.

Therefore, Lancashire should focus on:

- **Short haul markets** – which in the short term are more likely to reopen for easy international travel with the UK
- **Long haul markets** – with a more medium to long term opportunity which will need curating and managing over time as restrictions reduce

There are also links to be drawn between the visitor economy and other Pillars. Capital investment is an obvious one, increasing investment in the business visitor economy will also help to combat the seasonality of Lancashire's current visitor offer.

Higher education has a part to play as well. With large international student populations in Lancashire's universities, there is a friends and family offering for those visiting students. The evidence indicates that this is currently an under-exploited area.

A market by market approach is needed to visitor attraction

Specific markets will require particular attention to effectively attract visitors. India is a particular example of this:

- There is a strong 'family and friends' market through the Indian diaspora. A mapping exercise should be undertaken to understand what regions of India are strongly represented in Lancashire.
- A targeted approach can be developed on a region by region approach.
- There are direct flights between Manchester Airport and 9 Indian cities by 2 carriers - Emirates and KLM
- Indian travel trade identified a particular opportunity for Blackpool . This should be exploited using any national funding from Visit England to target specific regions in India.
- Search engine optimisation is key and material should be of high-quality and in languages identified from the mapping exercise as to what regions have close contacts in Lancashire. India has 2 official languages, Hindi and English but in order to engage with specific regions consideration should be given to providing information in the predominant language of that region.
- Branding and imagery should focus on aspects of difference with India such as history, culture and natural beauty. However they should include positive aspects of shared ties such as cricket and food. The Lancashire Cricket Club training ground could provide a draw for staying visitors with links to matches at Old Trafford.
- Lancashire will be competing with Asian markets coming out of the pandemic. With travel restrictions many Asian tourist destinations are focussing on the Indian market as an alternative to Europe and North America.

Given the major changes that have occurred to international travel over the past two years, these markets have been chosen primarily due to existing work that has been undertaken by Marketing Lancashire and other organisations driving the visitor economy. This will allow for an element of continuity and building on existing work when the shift moves from a purely domestic focus back to international.

SHORT HAUL



Nordics



Germany

YEAR 1 →

LONG HAUL



USA



India



China

YEAR 2 + →

Short Haul Markets



Existing work has already been done in the Nordics market to target visitors for outdoor holidays as well as encouraging extension of visits to Manchester and Liverpool.



There is potential to undertake similar work in the German market, targeting visitors for outdoor holidays as well as extension of visits to Manchester and Liverpool.

Long Haul Markets



The USA is a large outbound visitor market and also the largest source market for visitors to Lancashire. Building on existing work around England's Historic Cities as well as direct travel links between the USA and Manchester Airport are options to increase tourism from the US.



As well as being a target for family and friends due to Lancashire's large Indian diaspora, an increasingly wealthy middle-class in India are exploring international travel more.



China is the largest market for outbound visitors, and these visitors are now starting to explore further beyond the organised tour trips. One nuance will be how to effectively market Lancashire to the Chinese market using Chinese social media platforms. A more long-term prospect given the resource and effort required to tailor to the Chinese market.

10-Year Visitor Economy Strategy: Activities

Activities are plotted against a three year timeline to help with prioritisation. Although the strategic outcomes are targeting a 10-Year strategy, activities will need to be reviewed and refreshed throughout to ensure relevance and keep material up to date.

Months	0-6	6-12	12-18	18-24	24-30	30-36
Activities	Collaborate on capital investment					
	Market focused approach					
	Assessment of national schemes					
	Identify target markets	Profile raising in target markets				
	Increasing business visitors					
	A customer focused workforce					
		Review progress				Review progress and refresh

As previously discussed, with limited time and resource, markets can be most effectively targeted by prioritising into short- and medium- to long-term. They can also be grouped further when assessed across pillars. Our analysis has shown that several markets have consistently appeared across multiple pillars, which indicates that these should be focused on when taking a cross-Lancashire approach. This will allow for a more joined-up approach, combining resources between different teams and allowing for a greater return on investment for promotional activity.

SHORT TERM



France



Germany



USA

YEAR 1 →

LONG TERM



China



India



Sweden

YEAR 3 →

Short Tern Markets



France ranked top in the data modelling exercise as well as being one of Lancashire's top export and investment source markets. Despite EU Exit, there are some opportunities around mutual key sectors.



Germany ranked consistently high in the data modelling exercise and has strong alignment with Lancashire on key sectors such as advanced manufacturing. Germany is also one of the largest markets for investment and especially services exports.



The US is Lancashire's largest international partner across all pillars as well as being a large and growing market. Synergy can be found across pillars, linking trade & investment with innovation and the visitor economy.

Medium to Long Term Markets



China is the largest global market with a rapidly rising middle-class and increasing interest in internationalisation. China ranked highly throughout the data modelling exercise and provides opportunities for Lancashire across pillars.



India ranked lower in the data modelling exercise but is growing and has an expanding interest in internationalisation. There are opportunities across pillars as well as a large diaspora population that could be leveraged.



Sweden ranked highest of the Nordic markets but represents a growing opportunity in the whole region. Highly innovative and with existing work already taking place between Lancashire and Sweden, there are opportunities to leverage from tourism campaigns and trade missions.

Lancashire's Key Sectors



This strategy has largely confirmed that Lancashire's key sectors do possess a strong base in terms of assets and capabilities, across all pillars. Digital including Cyber security, aerospace, advanced manufacturing, energy & low carbon, food & agriculture, health and visitor economy all provide a blend of existing capabilities and emerging international opportunities.

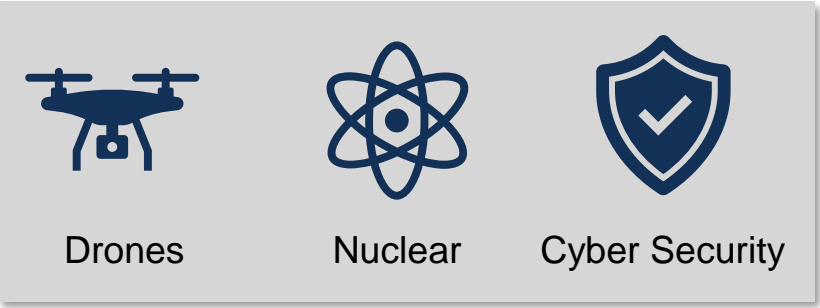
There were commonalities across sectors

There were three cross-cutting themes that have spanned across all sector analyses: digitisation, sustainability and security. Digitisation has been an important part of traditional sectors embracing a more technologically-driven approach to ways of doing business. Given Lancashire's strengths in traditional industries such as manufacturing and agriculture, greater digitisation will be critical to build greater international relevance.

The importance of sustainability grows every day as economic development agencies create strategies around trade, investment, the visitor economy and innovation. Companies' shift towards sustainability can be seen through the types of activities they support and their own policies to reduce environmental impact.

Security is another development that is growing in importance in the modern world as secure data, sensors and aerial platforms can only perform in a secure environment where the data is not corrupted.

Specific sub-sector specialisms were identified



This strategy has produced a foundational understanding of Lancashire's sector strengths and specific sub-sectors have been identified with niche strengths that provide Lancashire with a distinct offer from competitor regions.

In drones, nuclear and cyber security, Lancashire stands out as a national and potential world leader in terms of innovation. These assets can be leveraged to attract further investment, promote exports of goods and knowledge, and drive further innovation.

Sector proposition development can initially concentrate on these sub-sectors to articulate Lancashire's unique assets, capability, and overall strengths including a robust skill pipeline to support growth pillars and key assets driven through the Lancashire Skills and Employment Strategic Framework. A core component of promotional and branding activity going forwards should focus on these key sub-sectors and how to appeal to international businesses and stakeholders in these niches.

*Visitor economy was not included in this part of the analysis



Digitisation



Sustainability

A 10-Year Delivery Plan: Activities

Activities are plotted against a three year timeline to help with prioritisation. Although the strategic outcomes are targeting a 10-Year strategy, activities will need to be reviewed and refreshed throughout to ensure relevance and keep material up to date.

Months	0-6	6-12	12-18	18-24	24-30	30-36
Suggested Activities	Develop and Implement Digital Services		Promotion and branding in international markets		Review progress and refresh	
	Collaboration on markets and sectors		International networks and partnerships			

Develop and Implement Digital Services

- Adopt a joined-up approach to digital services that grows Lancashire's online presence through marketing and social media.
- A more digitally-driven approach to economic development that maximises human resource by digitising certain services and tools for investors, exporters, innovators and visitors alike.
- Create a more internationally-focused digital presence that appeals to certain markets.

Promotion and branding in international markets

- Adopt a consistent branding across pillars to raise the profile of Lancashire through a more aggressive marketing strategy that focuses on key international markets.
- Awareness of Lancashire's strengths and assets on the international stage.
- A cohesive approach to marketing Lancashire to international audiences with each pillar being able to benefit from promotional activity.

A 10-Year Delivery Plan: Activities

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		Promotion and branding in international markets				
	Collaboration on markets and sectors					
			International networks and partnerships			
						Review progress and refresh

Page 220

Collaboration on markets and sectors

- A formal setting in which different teams can come together to share planned activity and areas of potential overlap.
- A collaborative approach to economic development where different teams in Lancashire work together with the same goal of growing Lancashire's presence in the international economy.
- Pooling resources, funding and time to ensure a maximised return on investment for international promotional activity.

International networks and partnerships

- Create meaningful partnerships in international markets drive innovation, collaboration, tourism, reciprocal trade and investment.
- Work with other organisations and foster increased collaboration across pillars.
- Raise awareness of Lancashire's offer through partnerships.
- Increase integrated thinking within the county by leveraging existing relationships for wider benefits as well as develop new ones.

Review progress and refresh

- Over the duration of the 10-Year Strategy, integrate regular checkpoints to review work to date and refresh, if required, going forwards.
- Over the course of the coming 10 years there will be changes on a local, national and global that will require flexibility in approach and the need to change or adapt activity.
- These reviews should be undertaken with respect to each activity but also more broadly across the aims and purposes of the 10-Year Strategy.

The Internationalisation Strategy covers five pillars of work in which various partners will take the lead and will already have some resource in place, such as Marketing Lancashire. Other areas of work such as inward investment and capital investment have no dedicated resource. Lancashire can choose to put some resource into this activity if it wants to make a step-change in its performance in internationalisation. By creating a vibrant ecosystem of innovation, flowing through to innovative companies who have the right skills in their companies to deliver their potential the county will grow its economy. Highly skilled jobs will be created which will tempt graduates, including overseas graduates to stay which in turn will attract more inward and capital investment. Exporting companies are more resilient and if more businesses and universities hold conferences showcasing their products then the visitor economy will grow its share of international visitors. Thus by each pillar working collectively the economy of Lancashire will grow in line with its ambition.

The summary table opposite indicates the extra resource required to engage in all of the workstreams in each pillar. There is a Lancashire Export Manager funded by DiT which is not included in the figures and is assumed to continue for 3 years. The individual action plans give the detail of the amount of resource in terms of full time equivalent posts and length of activity needed for each element so that if funding becomes available there is a plan ready to be delivered. Each workstream of the action plans can be taken individually but collectively the resource can make much more of an impact.

The stakeholder group with oversight of the Internationalisation Strategy will work to identify additional resource and ensure that work is done collaboratively to maximise the resource available.

* Currently 0.5 FTE funded until 30/9/22 and included in the cost figure

Pillar	Resource	Cost	Outcomes
Export	6 FTE	£744,000	Understand sector and subsector strengths to underpin trade activity A definitive set of service offerings. Lancashire companies provided with the confidence to excel in international markets. Collaboration between organisations delivering export services to increase Lancashire's profile More established trade corridors Greater collaboration and purposeful approach regarding events and missions
Foreign Direct Investment	6 FTE *	£791,000	75 FDI project wins, 2,500 new jobs 75 companies targeted per year for investment promotion
Capital Investment	4.5 FTE	£561,000	Increased visibility of the capital investment ecosystem. 15% increase in private equity investment Increase in low carbon investment in Lancashire
Innovation	2 FTE	£150,000	Map activities, gaps and targets Synthesise opportunities and create propositions Successful well attended events across all four priority Missions Leads generated in all four priority Missions
Visitor Economy	6.5 FTE	£570,000	Identify opportunities for increased international profile International campaign activity Develop a target list of international events Engagement of Visitor Economy employers in skills programmes and digital skills provision
Total	25	£2,816,000	



Export Plan for Lancashire 2022 - 2025

OCO



Executive Summary	3
Introduction	4
Lancashire’s Exporting Ambition	7
New Exporting Context	9
Lancashire Exporting Insights	12
Insights from Stakeholders	22
Priority Markets and Sectors	25
Lancashire’s Strategic Export Plan	31
Summary	47
Appendices	49

Lancashire aims to become a more outward-facing county, focusing more energy in international markets to drive economic development. Despite the impact of EU Exit and the COVID-19 pandemic, opportunities exist for Lancashire to become a global player.

This strategy outlines the opportunities for exporters across the county, in both goods and services, in key markets and sectors.

Lancashire's Strategic Ambitions



Significantly contribute to the UK Government's £1 trillion export target by 2030



Enable 300 new exporters from Lancashire by 2030



Create 7 trading partnerships with strategic locations in key overseas markets by 2030



Raise exports contribution to Lancashire's GDP above the national average of 30% by 2030

Opportunities

- Lancashire is an ambitious county looking to make meaningful strides in promoting and supporting exports with a varied group of stakeholders all pushing for the county to become a global player.
- Lancashire is home to some of the world's most innovative companies in sectors that are constantly growing and developing.
- The county has strong international links through business connections and academia that are primed for further exploitation from exporters.
- Recent investments have placed Lancashire on the world stage for growing sectors such as cyber security

Challenges

- Awareness of Lancashire's export offer in terms of goods and services on the international stage is relatively low compared to other UK locations, particularly potential regional competitors such as Manchester and Liverpool.
- EU Exit and COVID-19 have fundamentally changed the way that the UK does business on the international stage, and locations will need to remain flexible in their approach to future export support.
- The large range of stakeholders involved in export support in the county need to adopt a more joined-up approach to maximise efficiencies.
- New Lancashire exporters require extra work to increase knowledge of exporting and appetite to export.

Key Sectors and Markets

Sectors

Aerospace	Advanced Manufacturing	Energy & Low Carbon	Food & Agriculture	Creative & Digital
Low Carbon Aviation	Automated Production	Nuclear and Decommission	AgriTech and AI	Cyber Security
Component Manufacture	Materials and Composites	Onshore Wind	Dairy Produce	ElecTech and Hardware
Defence & Security	Manufacturing Services	Low Carbon Consultancy		Drones and Surveillance
		Retrofit		

Markets

CORE MARKETS



EMERGING MARKETS



Introduction

Lancashire has set ambitious targets to transform into a more outward facing county

The LEP has set out a series of ambitions and strategic objectives to help increase the international reach of Lancashire across trade, investment, innovation and the visitor economy.

This strategy sets out how Lancashire can achieve its objectives by opening up new markets and opportunities around the world. It sets out the ways in which Lancashire can gain better leverage through existing international links as well as take advantage of its key assets to create new ones.

As the world changes in the face of globalisation, internationalisation is beginning to take on a different appearance – where digitisation and sustainability are at its core. Events such as EU Exit and the COVID-19 pandemic have changed the landscape further and made having a more definitive internationalisation strategy even more important for regions looking to assert themselves on the global stage.

These strategic objectives underpin what is fundamentally at the heart of Lancashire's desire to grow as a county. They place the improvement of core capabilities at the forefront whilst also seeking to promote the numerous assets that Lancashire has to offer.

Lancashire's Strategic Objectives



Position Lancashire at the forefront of innovation, with cutting-edge and progressive research, leader in the fields of Industry 4.0+, cyber, space and security related industries, energy and low carbon technology, health innovation and advanced mobility. Lancashire's universities are the most engaged universities in the UK supporting economic growth and collaborating with business and academia.



Build a globally competitive county by increasing trade, foreign investment, R&D and Innovation and visitor numbers, supporting business development and partnership working to deliver local growth ambitions and bring benefits to local businesses and residents



Promote the Lancashire brand internationally to attract investment, business visitors and increase visitor spend in the county, celebrating the strong quality of life offer. Exploit the new conference centre in Blackpool to host international events centred around our strengths in the North West Cyber Corridor, Net Zero technologies and defence.



Establish Lancashire firmly as a place which attracts and retains talent and investment in technology, skills and productivity and as a recognised destination of choice for business and leisure visitors.

Key Sectors

Lancashire’s key sectors all represent exportable opportunities, both across goods and services. The presence of global, innovative companies, as well as some of the other important assets in the county, provide the platform for Lancashire to showcase quality exports on the international stage. Within each sector are a set of specific sub-sector opportunities across both goods and services exports.

Aerospace	Advanced Manufacturing	Energy & Low Carbon	Food & Agriculture	Creative & Digital
Low Carbon Aviation	Automated Production	Nuclear and Decommission	AgriTech and AI	Cyber Security
Component Manufacture	Materials and Composites	Onshore Wind	Dairy Produce	ElecTech and Hardware
Defence & Security	Manufacturing Services	Low Carbon Consultancy		Drones and Surveillance
		Retrofit		

Key Target Markets

Based on a combination of quantitative and qualitative research, priority export markets have been identified. This was achieved through data modelling work as well as stakeholder consultations, both domestic and international. These markets are aimed to meet demand for both new and experienced exporters, as well as a blend of existing and developing relationships.

CORE MARKETS

- France
- Germany
- USA

EMERGING MARKETS

- India
- Sweden



Lancashire's Exporting Ambition

UK Government's Exporting Ambition

The UK Government's emphasis on exports was made clear in 2021 when a target of £1 trillion a year exports by 2030 was announced. After leaving the EU's single market, a new strategy was required to get more British businesses exporting.

Only 10% of UK businesses export, which puts UK exporters behind competitors such as Germany and the Netherlands. Given the significant contribution exporters make towards employment and productivity, the government has made it a priority to encourage new exporters and help existing exporters to export further.

The "Build Back Better" strategy outlines two key factors for growth in exports:

- **Levelling Up** – to more evenly spread the distribution of wealth across the UK
- **Global Britain** – to promote the UK as an outward-facing nation, active on the world stage

Further ambitious steps were announced at the end of 2021 with the "Made in the UK, Sold to the World" plan to help businesses across the UK double exports and sell their world-class products around the globe. It aims to give businesses the tools they need to become a nation of exporters and reap the benefits of our free trade deals.

It includes an Export Support Service that offers a one-stop shop for exporting advice, and the launch of a new UK Tradeshow Programme better-tailored to help businesses, particularly those outside London and the South East, to attend and promote their products around the world.

DIT will also be expanding its Export Academy, inviting owners and managers of SMEs to access masterclasses, roundtables and networking events that help them overcome common challenges first-time exporters face.

Lancashire's Exporting Ambition

Lancashire's volume of exports account for 27.4% of GDP, lower than the English average of 30.7%. In terms of GVA, Lancashire's proportion for exports is higher than the NPH average of 11% but lower than the UK average of 15%. Lancashire's export value per business is higher than regional competitors but growing exports will help the county to reach broader economic goals.

Outlining a set of definitive strategic outcomes over the next 10-Years that will help to provide direction to the development of an export strategy. They set out tangible goals for Lancashire to be more ambitious on the international stage and ultimately increase exports from Lancashire businesses.

Lancashire's Strategic Export Objectives



Significantly contribute to the UK Government's £1 trillion export target by 2030



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Raise exports contribution to Lancashire's GDP above the national average of 30% by 2030



New Exporting Context

COVID has exposed longer-term vulnerabilities in global trade

The Coronavirus pandemic delivered a demand and supply shock that is still reverberating through global supply chains, and likely to continue well into 2022. Export restrictions, and lower consumer spending have reduced the market for exporters, while the cost and time associated with the transport of goods has dramatically increased. For example, the cost of a 40ft container has increased by as much as 600% since 2019, with Logistics UK stating that it could be well into 2022 before these start to decrease.

While most focus has been on goods exports, research from the Office for National Statistics suggests that service exporters have also been affected by Covid-19. Research from October 2021 found that 33% of businesses that reported experiencing challenges with exporting services said the main cause was the coronavirus pandemic compared with just 7% for businesses exporting goods only (although goods exporters were likely to report other issues).

It is likely that export problems will linger beyond the hoped for return to normality. The fault lines opened up by the pandemic are looking more persistent, with uneven vaccine access likely to disrupt demand and global logistics for some time to come. Political factors such as greater protectionism in sensitive industries is also likely to continue post-pandemic. Other structural problems include a shortage of containers and reticence among shipping companies to order new ships in a period of increasing environmental regulation.

Covid-19 is best considered a short term global shock that exposed weaknesses in international trade. Supporting exporters through these difficult time is key to growing any economy.

EU Exit has impacted some sectors more than others

At the end of 2020 the UK and EU agreed a new Trade and Cooperation Agreement to govern their future trading relationship. This included a free trade agreement, framework for co-operation on law enforcement and judicial matters, and an overarching governance arrangement which will allow for cross-retaliation across different economic areas.

This agreement went further than any other EU trade deal with a third country and prevents additional taxes on products that would have made some UK sectors such as car manufacturing less competitive.

However there are certain aspects of the agreement that add costs and regulatory burdens on exporters:

- The introduction of sanitary and phytosanitary standards has added to costs for agri-food exporters.
- The deal did not allow UK bodies to certify that products meet EU standards, meaning additional costs and complexity for some business who have to undergo two sets of conformity assessments.
- The deal did not remove the need for customs declarations and paperwork, and while processes have been simplified they have still increased costs.
- Services arrangements include numerous exceptions and special provisions that have added complexity for services exporters.

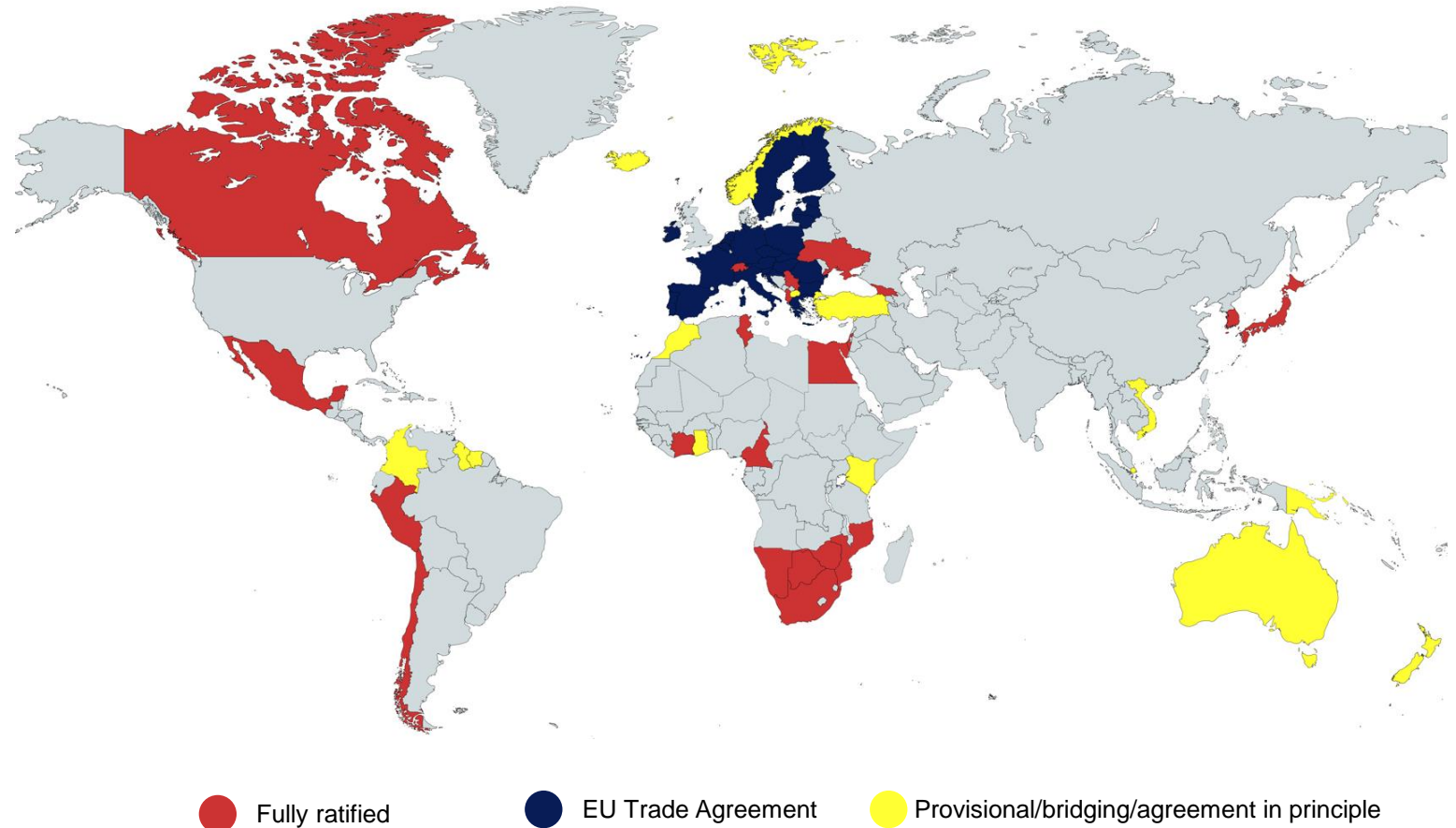
Free Trade Agreements provide longer-term potential

The UK Government is committed to a trade policy that negotiates bilateral and regional free trade agreements that opens up opportunities for UK exporters. It has committed to a manifesto pledge of having 80% of UK trade covered by FTAs by the end of 2022.

Current agreements show the early priority of this strategy has been to secure continuity agreements with key partners such as Japan, South Korea and Canada that retain business as usual under previous EU deals. While such deal provides limited competitive advantage relative to European competitors, they do provide more opportunities for UK regions that would not exist in EU-wide deals. For example, the trade agreement with Japan has the potential for increased use of UK geographic indications that would support Lancashire food producers.

Perhaps the greatest potential with free trade agreements lies with deals formally under discussion with major markets (eg US and India) and trading blocs such as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).

Current trade agreements (correct as of January 2022)





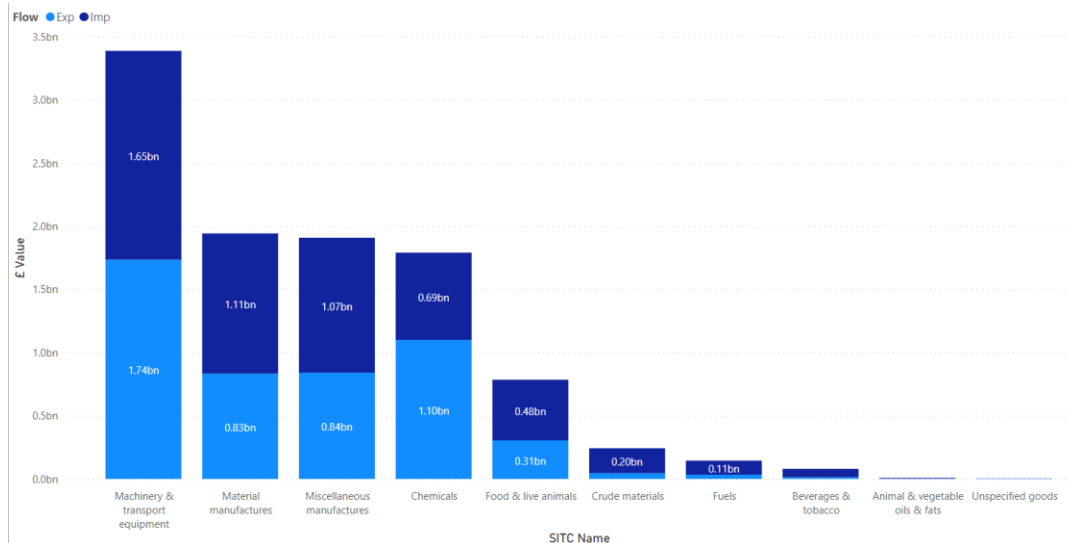
Lancashire Exporting Insights

Lancashire's trading landscape...

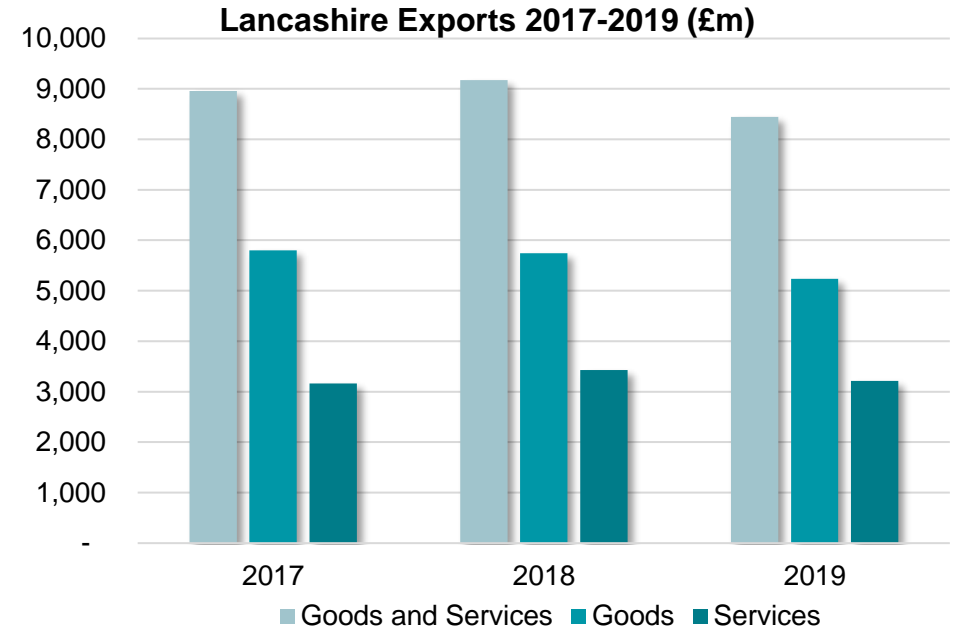
International Trade is vitally important to the growth of the economy and research shows that exporting businesses are more competitive, pay higher wages and are more profitable. Exporting companies in Lancashire, generate over £8bn of revenues from trade each year, with over £5.2 billion in goods and over £3 billion in services. Over 123,000 jobs are supported by exporting companies in the county, especially in the manufacture of textiles, chemicals, rubber, machinery and equipment, motor vehicles and transport equipment. Trade is equally important to the service sector supporting roles in wholesale trade, financial, legal, professional and administrative services.

As a percentage of GDP, the volume of exports from Lancashire is lower than the national average, accounting for only 27.4% of all output, compared to 30.7% in England. However, data on service exports suggests that Lancashire performs strongly, with service exports at 14% of GVA above the North West average (11%) and just below the average in England of 15%.

Looking at the balance of trade (value of exports and the value of imports) and based on Standard International Trade Classification (SITC) definitions, the county punches above it's weight in terms of the export of machinery, transport equipment, chemicals and manufactured goods and articles.



Value of Trade (£) by SITC Name, Imports and Exports - Lancashire, 2020



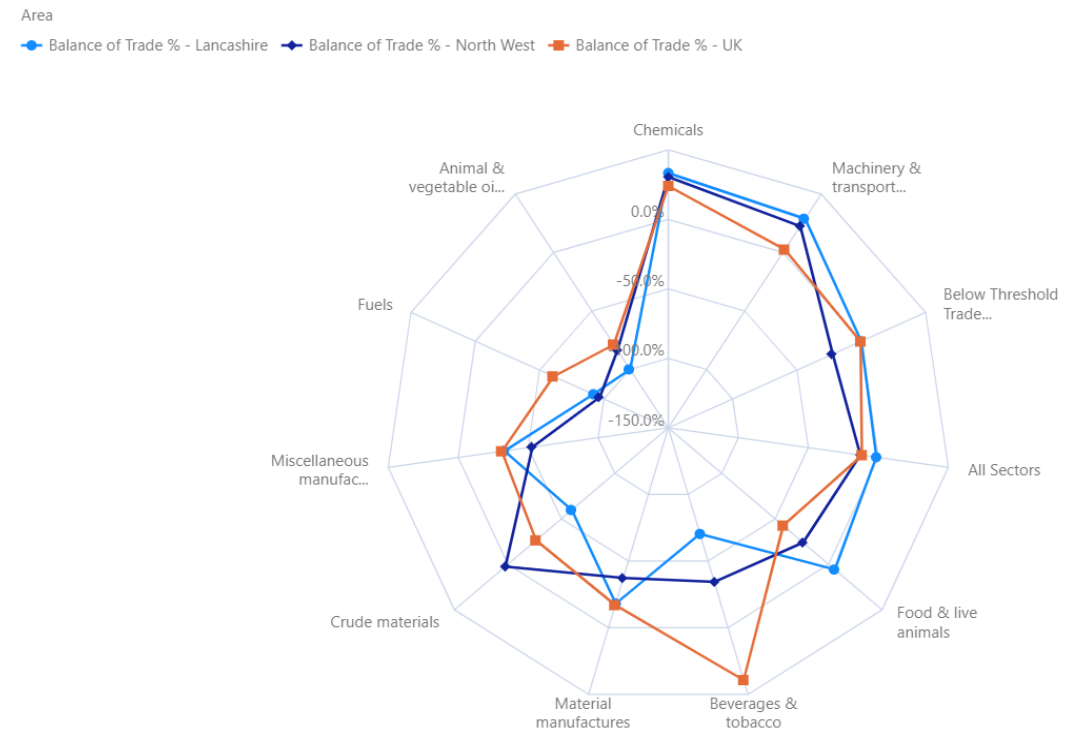
HMRC Regional Trade Data

Regional trade data (2018-2020) shows a reduction in the value of goods exported by 14.3% (£824m), compared to a reduction of 15.3% for the same period, nationally. This has been broadly driven by the main exporting sector, machinery and transport equipment dropping by a third (£877m). The region's second largest exporting industry, chemicals reported a modest drop in the value, whereas miscellaneous and materials manufacture showed signs of optimism with positive increases of +6.7% and +9.7% respectively.

The latest release of trade data (2019) for services shows a slight overall increase of 1.6%. Data on services exports is notoriously difficult on a sectoral basis due to suppression or confidentiality at a local level, however data shows a 41.5% increase in the export value of Financial and Insurance services from Lancashire between 2017 and 2019.



Balance of Trade as a % of Trade by SITC - **EU Trade** in Goods, 2020 - Lancashire vs NW vs UK

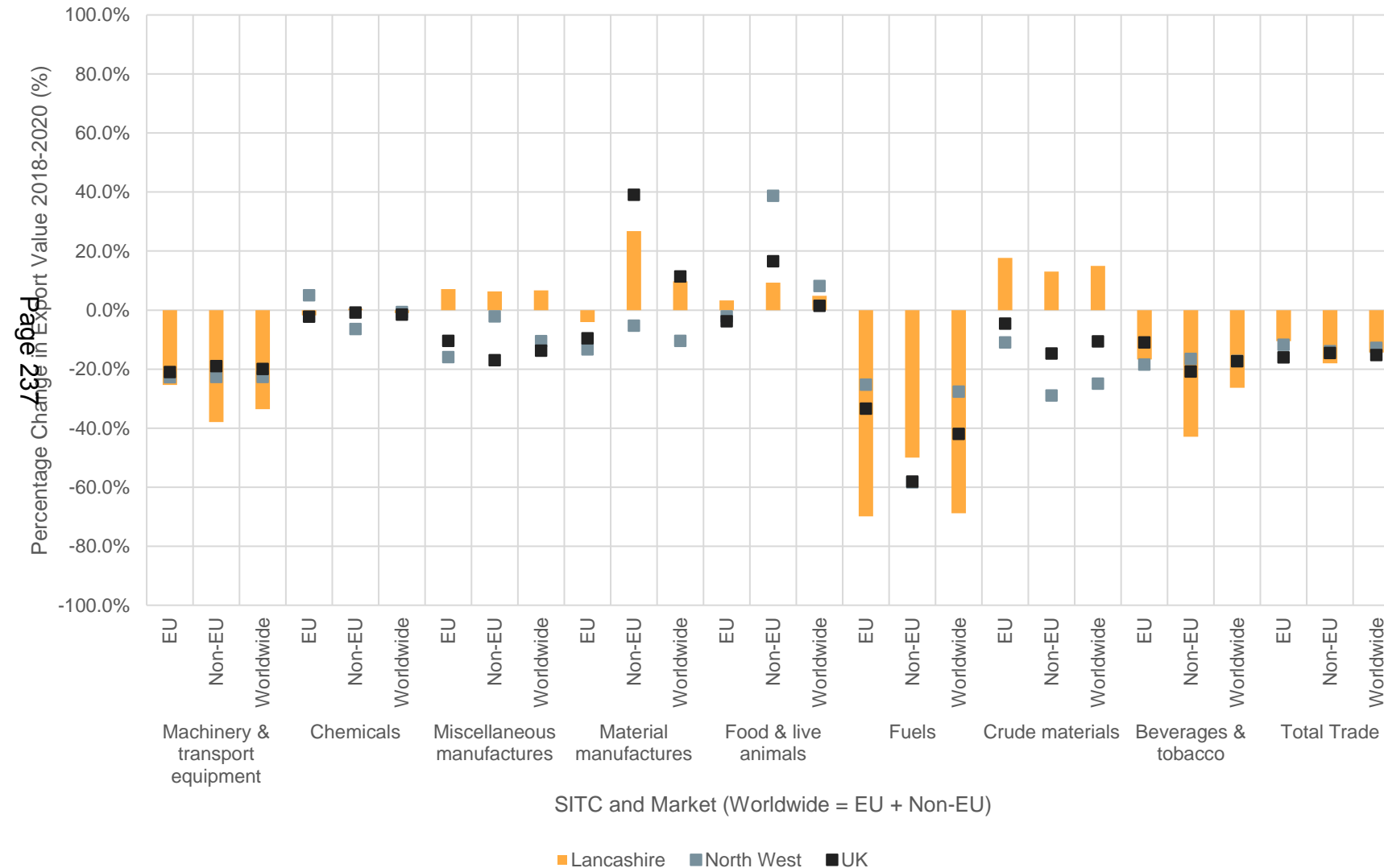


Balance of Trade as a % of Trade by SITC - **Non-EU Trade** in Goods, 2020 - Lancashire vs NW vs UK

Comparing Lancashire's balance of trade, with the North West (regionally) and the UK (nationally), shows Lancashire in a more favourable position, with modest deficits. Lancashire's deficit in trade with countries outside the EU is just 1.4% in 2020, compared to 12.8% in the North West, and 11.6% nationally. The same is true of trade with the EU, where Lancashire's deficit of 7.4% of total trade is around one third of the size of the national deficit in trade of goods with EU member countries, at 22.6%. This equates to an overall worldwide balance of trade deficit of 5.0% for Lancashire, less than one third of the deficits experienced in 2020 by both the North West (16.0% deficit) and the UK (17.0%) deficit. On a worldwide sector basis, there is both a regional and national comparative advantage in Chemicals, Machinery & Transport, Material Manufactures, Miscellaneous Manufactures, and the trade in Food & Live Animals – with a surplus in Chemicals and Machinery & Transport equipment of 22.9% and 2.5% respectively.

Goods Export Performance: Baseline

2018-2020 Export Value Percentage Change by SITC and Export Market - Lancashire vs North West vs United Kingdom



The chart displays the percentage change by Standard International Trade Classification (SITC) for the value of goods exported (2018-2020) from Lancashire. This is compared to the North West and the UK and classified by EU, Non EU and worldwide for overall context.

Understanding the value change by market can give some indication as to which sectors will influence trade flows in the future.

The chart shows Lancashire performing better than the regional and national average in miscellaneous and material manufacture, food and live animals (EU) and crude materials (worldwide).

Overseas markets for machinery and transport equipment contracted for the period 2018-2020, with Lancashire experiencing similar drops in the value of goods exported to the EU as was typical nationally and regionally. Considerably more exposure was observed to non-EU countries than it's neighbours, with an overall reduction in worldwide exports to a greater extent. It is positive to note that the drop between 2019 and 2020 was smaller the fall the year before, and it's quite possibly a consequence of the fall in demand for civil aviation aircraft during the COVID-19 Pandemic.

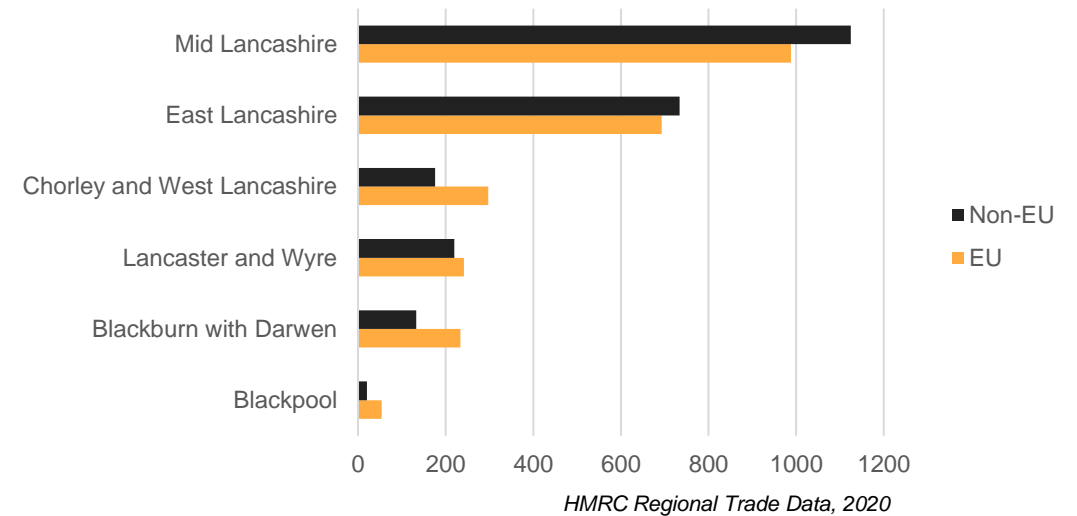
Chemicals exports held up well in Lancashire between 2018 and 2020, reflecting similar trends to the national and regional picture.

World of Opportunity

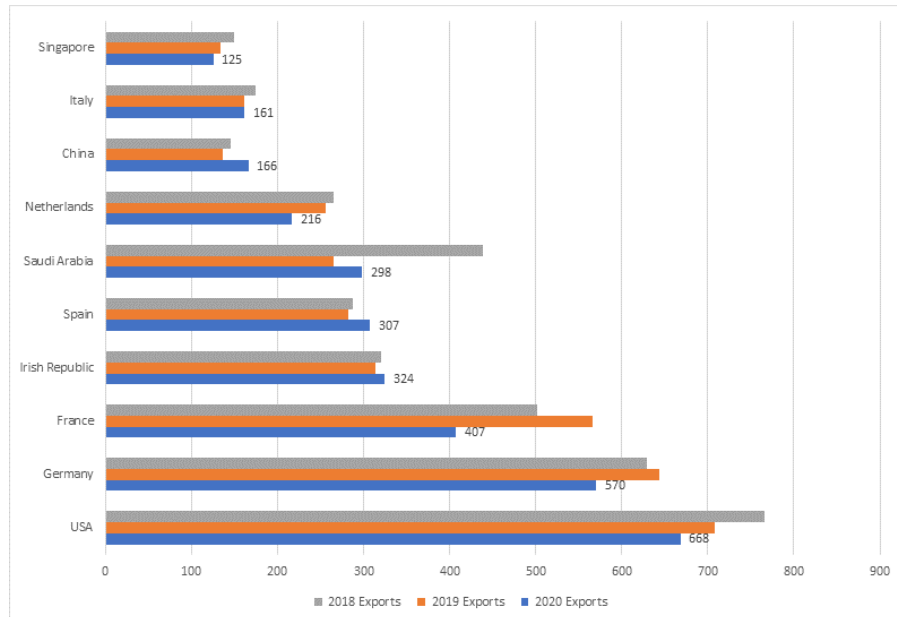
According to a recent Board of Trade publication: “Global Britain, Local Jobs,” almost 90% of world growth is expected to be outside the EU over the next 5 years. The future of the global economy lies to the East with 65% of the world’s 5.4 billion middle class consumers expected to be in the Asia-Pacific region by 2030. Progressive companies will continue to strengthen links with the USA and Europe and look to capitalise on the new market opportunities.

Lancashire’s main export partners continue to be the US, Germany, France and the Republic of Ireland, with six out of the top ten export markets being in the EU. The table below shows growth in trade with China, Spain and the Irish Republic. Companies will need to fully understand the opportunities afforded by the negotiated free trade agreements.

Sub-regional trade with EU and non-EU markets 2020 (£m)



Lancashire’s Top 10 export trade partners £m 2018-2020



The strong manufacturing base is evident from the values exported across the region. In 2020, Mid Lancashire (Fylde, Preston, Ribble Valley and South Ribble) exported £2.1 billion in goods and East Lancashire (Burnley, Hyndburn, Pendle and Rossendale) reported £1.4 billion, with both regions exporting marginally more to non-EU markets.

Chorley and West Lancashire (£473m), Blackburn with Darwen (£367m) and Blackpool (£74m) are more reliant on EU markets, where the difference is substantial, with EU goods exports contributing double the value as those to non-EU countries.

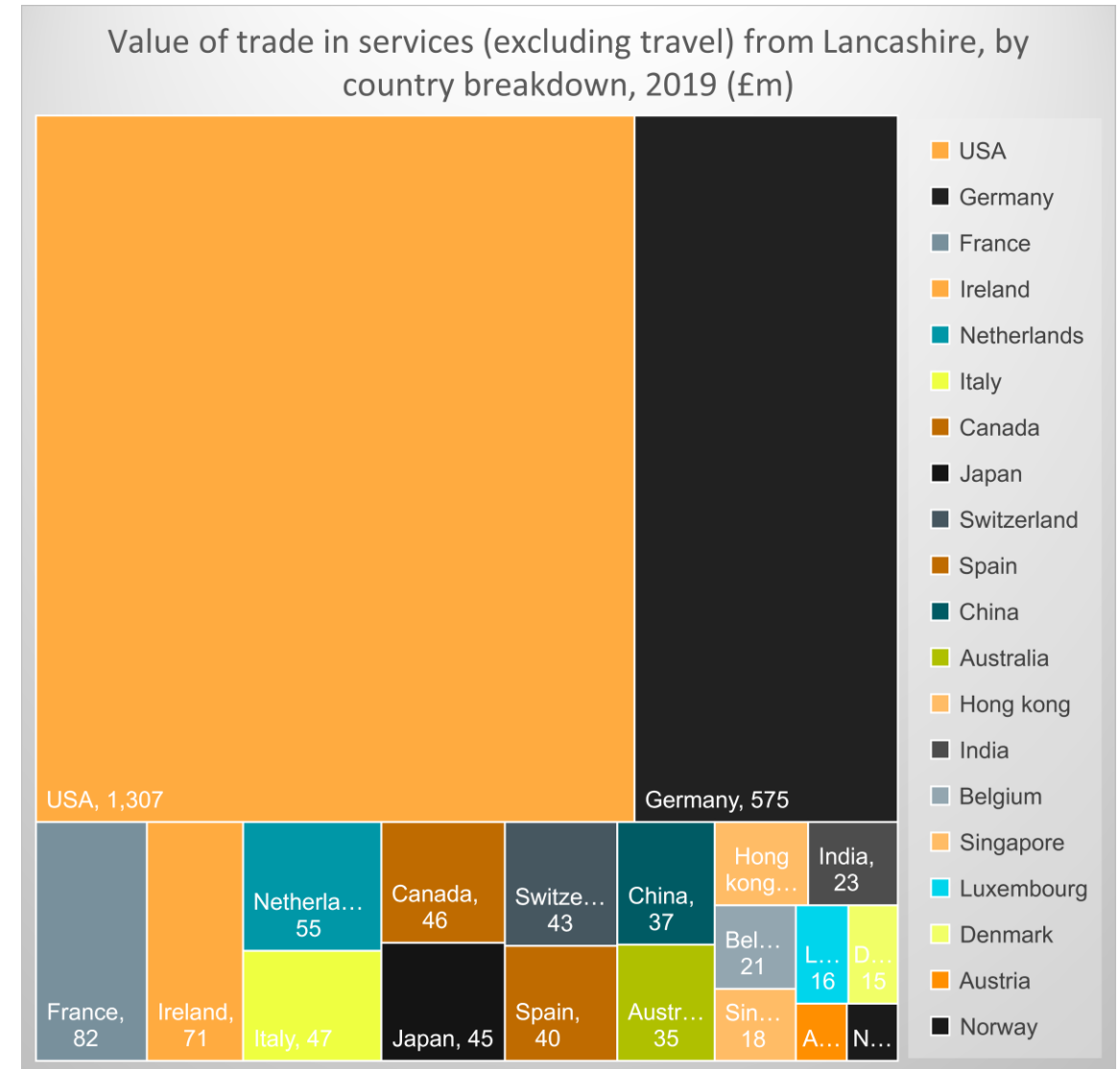
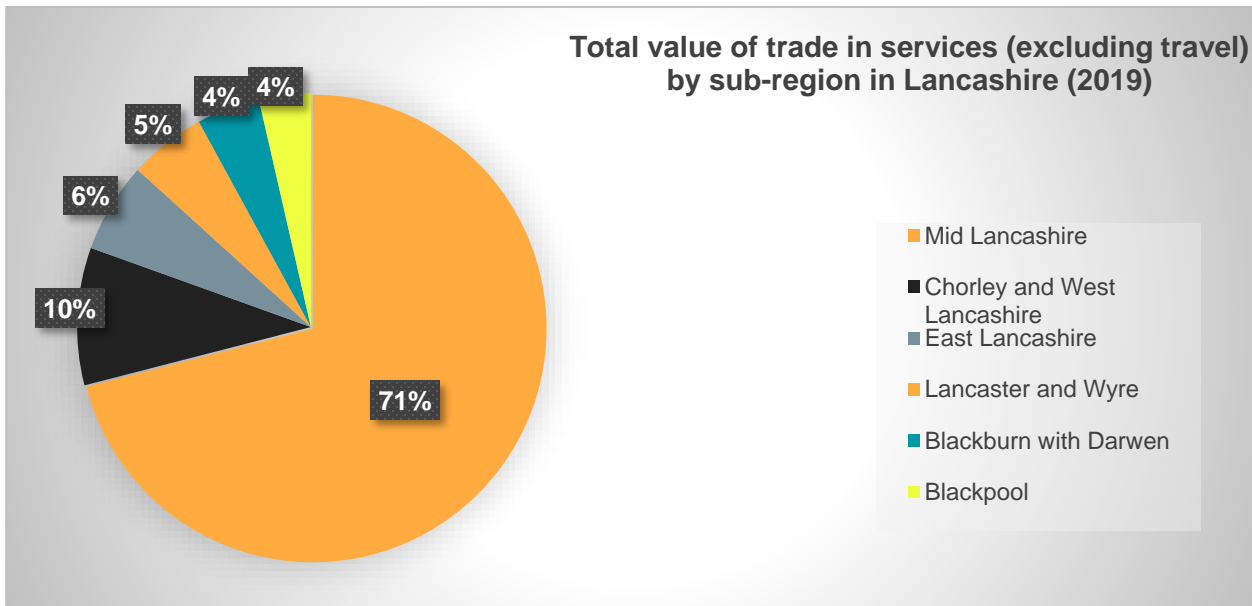
Mid Lancashire dominates the county's service exports

The industrial structure of the global economy is likely to become more services-oriented over time. By 2030, services are expected to account for 28% of global trade, up from 25% in 2019 (Global Trade Outlook). Rising incomes, growing middle class populations and improved living standards will influence the demand for the service sectors, including recreation & media, financial, digital and transport services

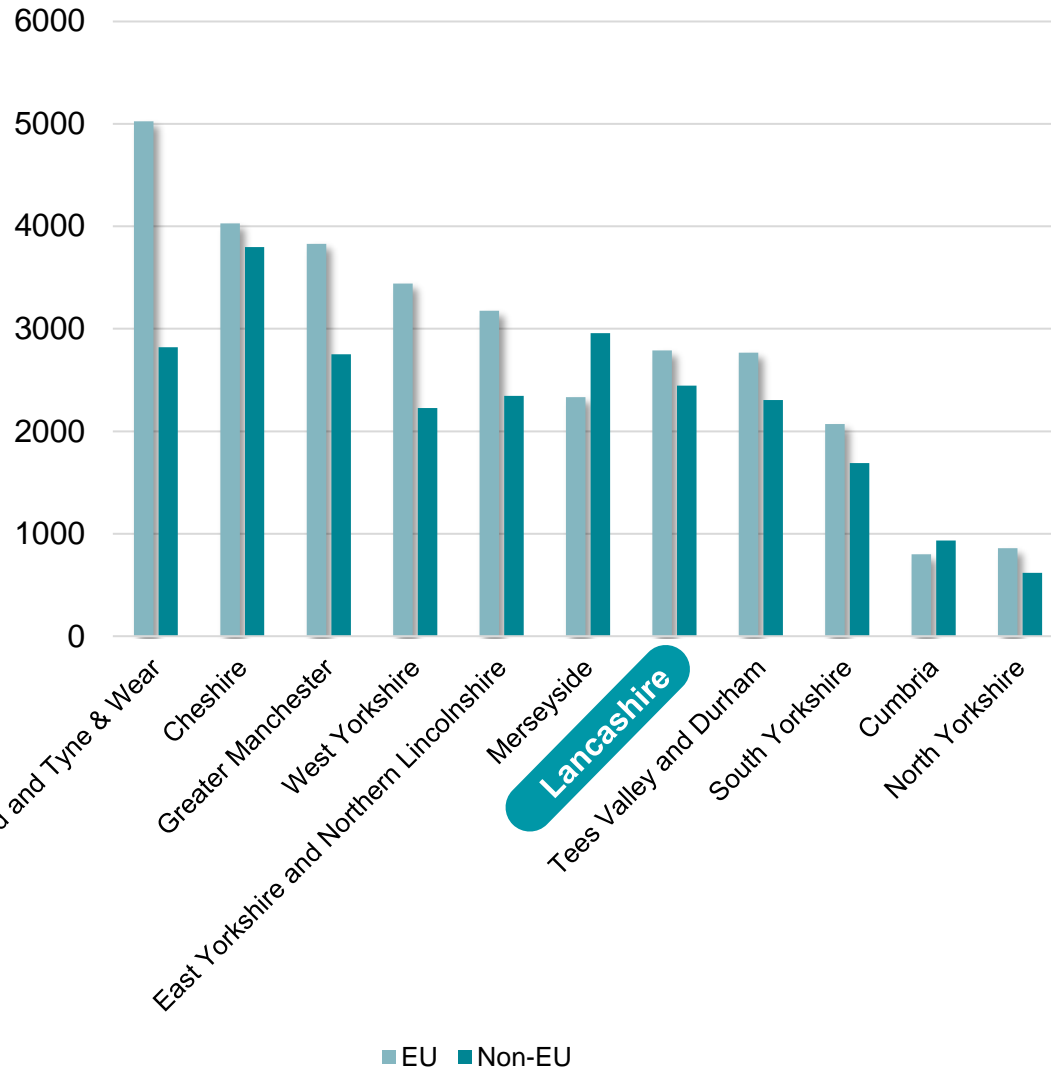
Based on data from 2019, the county exports £3.5 billion in services, with Mid Lancashire accounting for 71% of the overall value. This could be attributable to the established and growing services industry in Preston.

The USA is the largest market with over £1.3 billion in service exports in 2019. Germany is the largest EU market accounting for £575 million of service exports. The key service sectors are financial and insurance activities (£522m), other service industries (£267m) and transport and storage (£205m).

Page 239



Regional Export Performance in Goods 2019 (£m)



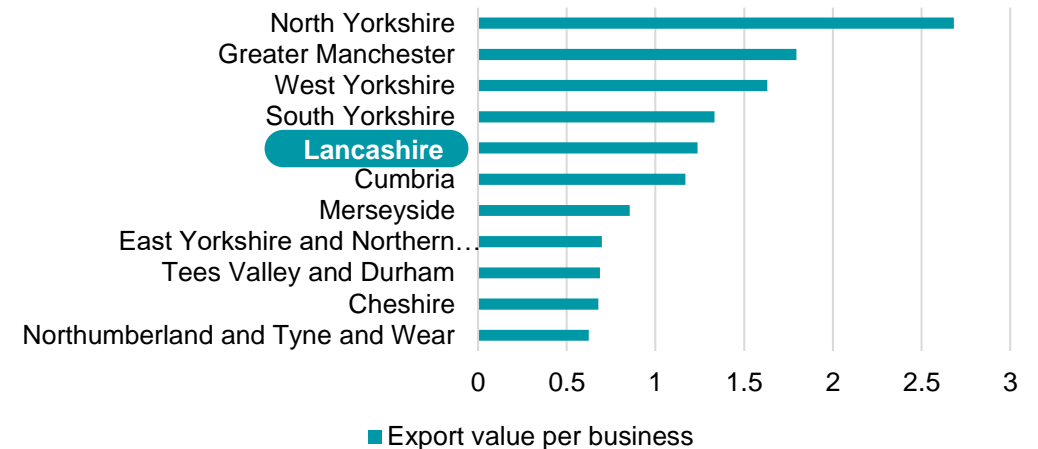
Within the Northern Powerhouse region*, Lancashire ranks 7th in terms of export value but 5th in terms of exports per business

Out of the 11 regions in the Northern Powerhouse, Lancashire ranked 7th in value of goods exports in 2019. Lancashire businesses exported more to EU countries than non-EU, a trend shared across the region with the exception of Cumbria and Merseyside.

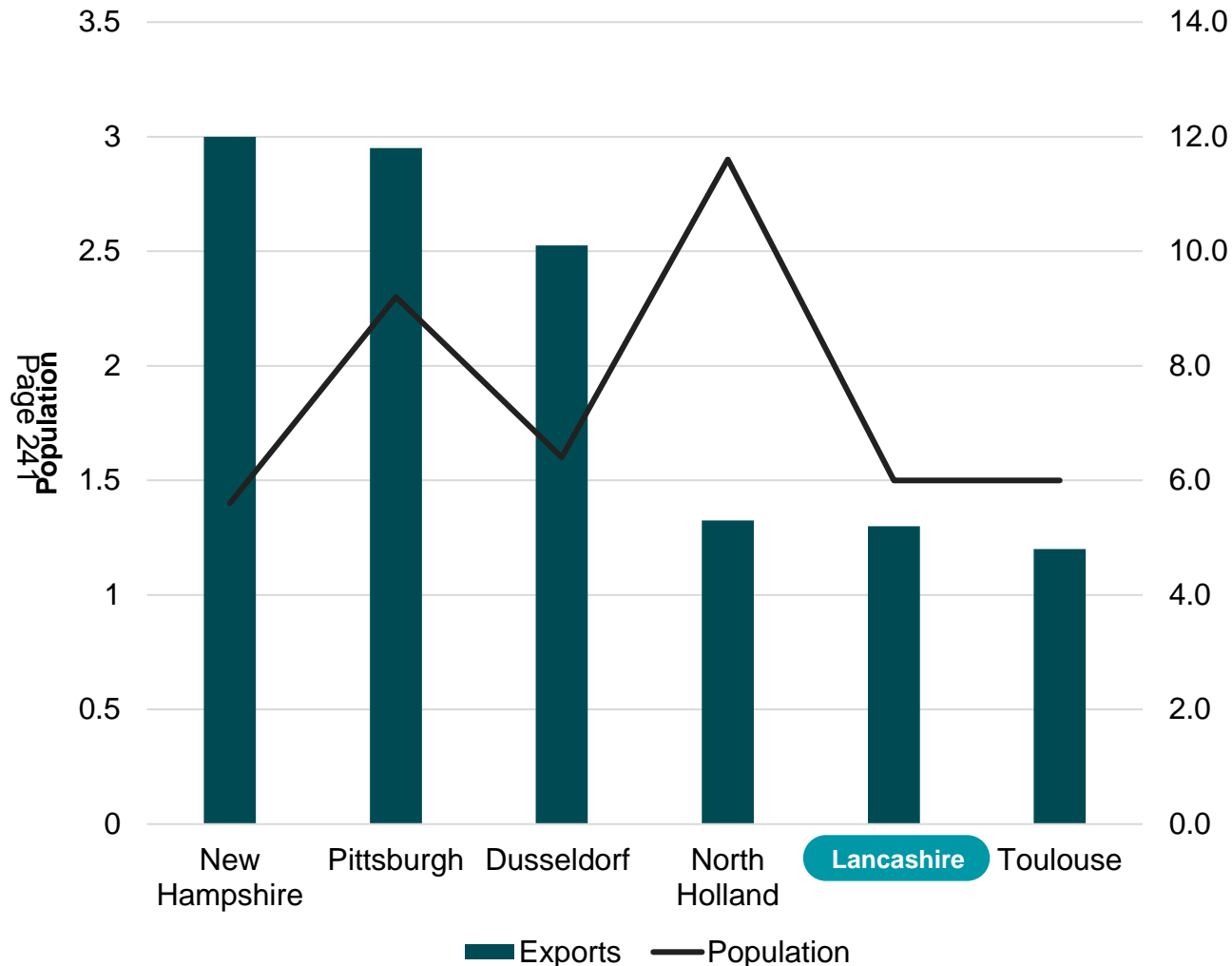
The best performing export area was Northumberland and Tyne & Wear, characterised by containing one of the UK's largest ports (Port of Tyne). The potential reason for these being higher could be exports being attributed to these regions as the final destination before trade, rather than companies in these locations exporting greater value of products. Other high performing areas include the economic hubs of Greater Manchester and West Yorkshire.

However, Lancashire ranks better in terms of goods exports per business. Only 6 locations average over £1m goods exports per business, showing that businesses in these areas export a higher value of goods. The two areas with the highest total value of exports conversely have the lowest export value per business.

Export value per business 2019 (£m)



Goods Export Value 2019 (£bn) and Population (m)



World Bank Development Indicators / HMRC Regional Trade Stats, 2019
Using 2019 exchange rates.

When compared internationally, Lancashire exports less than North American and German competitors

Competitors were selected based on similarities in sector strengths, approximate population, geographic size and economic performance. Of the selected competitors, those from the United States performed best with exports around £12 billion in 2019. The US has a comprehensive and well developed export industry so this is not necessarily surprising.

Of the European competitors, Dusseldorf city region performs best, exporting over £10 billion in goods in 2019. Performance can be attributed to its large manufacturing industry as well as being an important economic location for the wider region. Otherwise, Lancashire performs almost identically to North Holland, with a much smaller population size and outperforms Toulouse, one of the aerospace capitals of the world.



Airbus - in Aerospace Valley, Toulouse

Global trade has undoubtedly been shaken by major events over the past five years. Particularly for the UK, adjusting to a post-EU world has meant adjusting and adapting existing relationships as well as exploring new ones. The effects of the pandemic since 2020 have had a similarly significant impact with supply-chain disruption globally and many businesses looking to nearshore operations rather than rely on interconnected and international supply-chains. The true impact of these developments are yet to fully play out, and it remains to be seen how international trade will adapt. 2021 has seen double digit recovery figures for trade between more developed nations, but it is smaller economies who are feeling the effects of the pandemic most keenly.

Fastest growing major global economies (GDP per capita)



China



India



Singapore



UAE

With economic growth and increasing demand firmly centred in the Indo-Pacific region in the years leading up to the pandemic, there is no indication that this will change as we enter recovery. The economic centre of gravity is shifting eastward and with it comes a shifting trade focus for countries and businesses alike. Growing incomes in developing countries will naturally lead to an increasing demand for international trade in products, services and expertise. As these trends develop, export strategies should be aware of the growing opportunities outside of traditional trading markets.

At a sectoral level, there is likely to be an increase in service-orientated trade in response to a growing middle-class with increased spending power. Travel services and digital services are forecast to be the two fastest growing sectors in the years up to 2030. In comparison, oil and gas, as well as other less sustainable industries, will decrease in response to the energy transition away from fossil fuels. Likewise, certain manufacturing trade may also see a decline as productivity growth drives down prices and creates lower dollar value outputs. This makes domestic production more cost-effective and reduces the need to import particular products. Whilst there are obviously opportunities in fast growing markets and sectors, they are not currently core strengths in the context of Lancashire's exports, suggesting that a more focused approach on core markets should be taken in the short to medium term. This provides an opportunity to focus attention on identifying new exports in growth sectors and sub-sectors.

Fastest growing international trade sectors (share of global trade 2019-2030)



Travel services



Digital Services

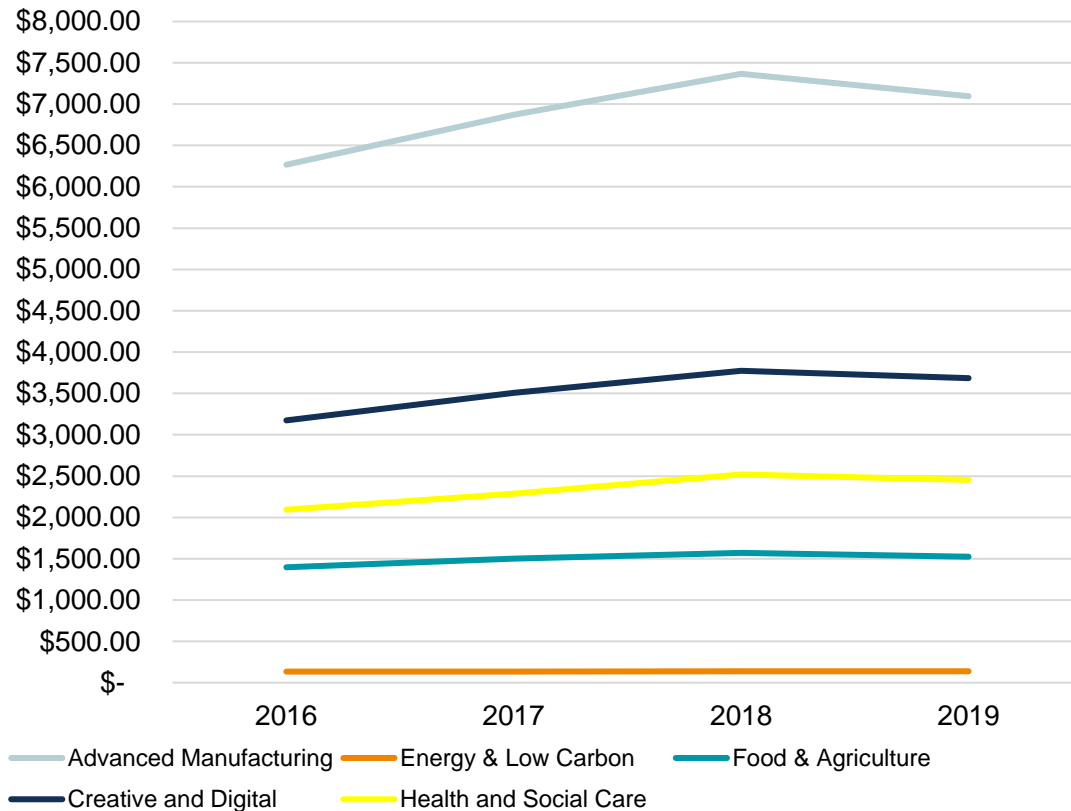


Food & Drink



Life Sciences

Global Trade Flows 2016-2019 (\$bn)



Based on our experience and work with other Export Promotion Agencies around the world, we have seen first hand some of the best practice being undertaken. These examples have been chosen, not simply as comparators and competitors to Lancashire in terms of exports, but also because they have implemented innovative and effective programmes that have resulted in tangible success for exporters in the regions.

Developing overseas relationships and trade connections

Working with China – Sheffield City Region (now South Yorkshire Mayoral Combined Authority) is targeting China in providing expertise and partnerships in orthopedic and medical devices.

China is said to be facing the same challenges as the city with ageing populations and the transition to the new digital healthcare system.

Health and wellness is one of the main areas of focus of the region through the Advanced Wellbeing Research Centre (AWRC).

The programme was a success with several visits and delegations have been sent from Sheffield to China to further foster the relationship.



Developing overseas relationships and trade connections

Malaysia Trade's eTrade Programme 2.0 – offered to accelerate exports via sustained participation in cross-border eCommerce platforms. The programme provides £1,000 incentive for companies wanting to sell in any cross-border eCommerce platforms and with maximum of £4,000 incentive for companies that are already doing eCommerce to undertake activities that can sustain their participation in the platform. Since 2016, the programme has helped over 8,500 Malaysian exporters.

Export Readiness Assessment Tool (ERAT) – provides online assessment for Malaysian companies to determine whether they are 'export-ready' or not. The tool uses the following company data to assess the business: Export resources, Marketing methods, Management commitment & Product/Service Potential



Key themes from other export promotion agencies:

- Automation and digitisation were emerging topics in most industries even pre-COVID. Economic development agencies have been coping well in transitioning some of their services online or in a digital format to allow for business continuity.
- Furthermore, digitisation shifts the work done at initial contact with exporters from physical to virtual. Export readiness assessments and capacity building activities can now be offered online and self-served. This allows physical activities to be focused on higher value-add services.
- Some of the comparator regions (i.e., Malaysia, Netherlands, and Michigan) have opted to reduce their key sectors which focus on their core competencies. Likewise, several have reduced the number of markets they are targeting to allow for greater focus.
- One of the more interesting themes we have seen with other comparator regions, Toulouse and Netherlands, is the consistent branding across the different development agencies. Toulouse economic development is being handled by 'The Attractiveness Agency' and under it are the organisations for investment, trade, tourism and events – all branded the same and linked through a single website for a unified message in international markets.



Insights from Lancashire Stakeholders

EU Exit is causing increased costs and admin for exporters

A combination of new paperwork requirements arising from Brexit and the global slowdown have undoubtedly added to exporters costs. This not only applies to European markets but those outside as well. Undoubtedly, the COVID-19 pandemic has added to this, with supply chain disruption causing uncertainty, fluctuations in demand and supply, and additional regulations.

“It is now double or triple the cost to export goods in certain sectors. Particularly when using the EU as a transit market, there is an added layer of cost and complication”

Look to new export markets outside of the European Union

Ongoing complications around trade with the European Union have caused many exporters to look outside the traditional markets and explore new opportunities. Particularly with new trade agreements falling into place for the UK, exporters are looking at markets in Latin America, Africa and South East Asia to take advantage of rising consumer incomes and demand.

“We have urgently relocated a manager to Panama to help drive expansion into this region. The business opportunities, together with upcoming free trade deals, make it an exciting region for business developments”

Trade missions are still seen as important for exporters

Travel restrictions have made trade missions difficult over the past couple of years. A move to virtual missions has been met with varying success but as we come out of the pandemic, trade missions should be prioritised to help Lancashire exporters gather momentum in target markets. DIT support can be effectively leveraged here, as well as wider NPH initiatives .

“Trade missions are extremely helpful and are an essential part of the process of entering new markets, facilitating market knowledge and providing the opportunity to meet potential partners and customers”

There is a need for greater coordinated support

Particularly in Lancashire, there are lots of stakeholders involved in export support. Competitor regions who have the benefit of being combined authorities are able to coordinate support more effectively. Bringing together support and understanding the different services on offer, how they complement each other or overlap, would help in offering more effective export support.

“It appears there are lots of different people involved with supporting exports in Lancashire and nationally. It would be good to know the different services on offer for businesses”

Awareness of Lancashire is low in international markets

Across the stakeholders we spoke to, and particularly in markets outside of Europe, awareness of Lancashire was low. This means leveraging the Lancashire brand has limited value without a profile raising campaign in overseas target markets. This has to be a factor when exploring markets, starting by targeting more familiar markets; this appears to be a safer bet in the short term as greater brand awareness will need to be done in less familiar markets.

‘Other than pockets with existing relationships - I think there are very low levels of awareness in Japan’

“No real branding for the place. There is no ‘Lancashire’ city. There is nothing I can associate Lancashire with” (UAE)

“No positive or negative associations, no Americans would really know anything about it”

High value partnerships offer reciprocity

When looking for international trade partners, the international economic development organisations we spoke to said they valued reciprocity. The best relationships were built around two-way trade or collaborating over export opportunities in third countries.

‘High value partnerships offer reciprocity as well as exploitable Intellectual Property, capability matching and collaboration opportunities.’



Priority Sectors and Markets

Global Britain is providing new opportunities for exporters but diversifying into new markets will also provide challenges

From research carried out through OCO Global offices, knowledge and understanding of the Lancashire offer are lower outside of European markets which presents a challenge for diversification to new markets.

Therefore, Lancashire will need to prioritise:

- **Core markets** – where there is both a current and future opportunity
- **Emerging markets** – with a medium / long term opportunity which will need curating

There are a number of new and exciting opportunities across the world as the UK signs free trade agreements with a range of countries. Although there may be niche opportunities to explore in these markets, they can often require a greater level of support.

New paperwork may mean SMEs, in particular, are discouraged from continuing and growing goods exports with the EU. This may result in two things: either they look for new markets with easier export processes, or they may need further advice and guidance than ever before to access these markets.

From a services perspective, the USA and markets outside of the EU (excluding Germany) dominate exports. A different approach may need to be taken between supporting goods versus service providers.

Leveraging DIT export support could assist with exporters looking to explore new markets, whilst Lancashire focuses support on the core priority markets in the short term.

Export propositions can be built around key regional strengths and assets

There is a need to build strong and informative sector propositions based on regional strengths in aerospace, energy & low carbon, advanced manufacturing, food & drink and technology. Further work needs to be carried out to understand the specific strengths that exist within each of these sectors/sub sectors, for example, leveraging the ElecTech cluster, or the significant dairy industry. The main points of difference for the county will be identified through the capability mapping workstream of the plan.

Historically, manufacturing has led the way for Lancashire on the international stage. Lancashire manufacturing must both maintain and grow its export capacity and capabilities but also consider how to onshore supply chain activity to build resilience. The pandemic has reinforced the importance of creating resilience in supply chains, and any export proposition will need to factor this in for the future.

Barriers to export

Industry feedback suggests a number of perceived barriers to exporting including attitudinal factors, global awareness, lack of knowledge, lack of capacity, market access, limited networks and contacts, access to finance and EU Exit related issues. The consensus was the need to communicate the benefits of exporting, the need for a single point of contact, the benefit of structured programmes of assistance, upskilling, the importance of support for start-ups/scale ups and the need for greater access to overseas contacts and networks. This feedback and in-depth research has shaped the proposed activities to be carried out in the export plan, especially around localised business support, upskilling Lancashire exporters, promoting Lancashire in international markets, developing trade corridors and events and missions.

Assessing the key sectors for export promotion uses a combination of understanding Lancashire's assets, the existing export picture and the global trends & opportunities influencing international trade. As such, the priority export sectors for Lancashire have been viewed through the lens of the county's key exportable strengths as well as the global trends and opportunities to increase exports from both new and existing exporters. Underpinning these sectors is a move towards greater digitisation and an increased appetite to integrate sustainability into trade practices.

KEY EXPORT SECTORS



Aerospace



Energy & Low Carbon



Advanced Manufacturing



Lancashire's aerospace export proposition

Key exportable strengths

- Lancashire is the number 1 employer in the UK aerospace industry with strong capabilities and key companies such as BAE Systems and Rolls Royce.
- Lancashire's aerospace industry is very accustomed to international collaboration. As the UK does not produce any whole aircraft, exported products are part of an international supply chain.
- Home to an abundance of talent within both large and small companies, supplemented by the innovative collaborative environment of Samesbury Aerospace Enterprise Zone.

Opportunities

- Pivoting from existing capability in aerospace to low carbon aviation and more sustainable focused aero activity.
- Developing overseas relationships with other key aerospace clusters such as Toulouse, Seattle and Singapore.
- Understanding Lancashire's unique capabilities and where these fit into the international supply chain. Leveraging other strengths such as ElecTech and automotive to add value.



Lancashire's energy and low carbon export proposition

Key exportable strengths

- The county leads the way in renewable energy generation capacity in the North West with a specialism in onshore wind, nuclear, electrification (sodium ion batteries) and cooling (as a result of electrification)
- Talent and expertise exist in local assets such as the Clean Energy Technology Park, Lancashire Centre for Alternative Technologies & AMRC Low Carbon Building Demonstrator.
- Lancashire Energy HQ is located in Blackpool. It is a £10.7 million facility with a sole aim of preparing and equipping a skilled workforce in the renewable and oil and gas energy sectors.

Opportunities

- Link energy and low carbon to existing sector strengths such as advanced manufacturing, automotive and aerospace. Transitioning capabilities in existing sector strengths rather than develop new ones.
- Export of services and expertise in specific areas such as wind energy and nuclear, with a focus on decommissioning.



Lancashire's advanced manufacturing export proposition

Key exportable strengths

- Lancashire has a rich history in advanced manufacturing and engineering innovation. It has been a historic world leader and a symbol of modern industrialisation throughout the world.
- Lancashire is home to highly international manufacturers across sectors including aerospace, automotive, chemicals, specialist materials and textiles. It is the county's leading export sector with the greatest international trade experience.
- Innovation in the industry is fostered in the Samesbury, Blackpool Airport and Hillhouse Enterprise Zones.

Opportunities

- Leveraging Lancashire's historic and current expertise will resonate well in overseas markets to grow exports.
- Collaborate across sectors to carve out a niche in international supply chains.
- Work closely with key overseas investors and businesses located in major domestic assets such as EZs to understand where supply chain opportunities exist internationally.

Assessing the key sectors for export promotion uses a combination of understanding Lancashire's assets, the existing export picture and the global trends & opportunities influencing international trade. As such, the priority export sectors for Lancashire have been viewed the county's key exportable strengths and the opportunities to increase exports from both new and existing exporters. Underpinning these sectors is a move towards greater digitisation and an increased appetite to integrate sustainability into trade practices.

KEY EXPORT SECTORS



food & drink



Digital and Creative



Lancashire's food & drink export proposition

Key exportable strengths

- A large employer with experience in both agriculture and food production, as well as food manufacturing.
- Lancashire is home to some of the largest household names in food & drink; PepsiCo, Dr Oetker, Fisherman's Friend, Farmhouse Biscuits, Budweiser, Stella Artois and Budweiser. There is also a large artisan and luxury food industry in the county.
- Advanced manufacturing capability also lends itself to food production and processing technology and machinery.
- Myerscough College is a leading college for agricultural technology and food manufacturing training.

Opportunities

- Agricultural produce from Lancashire tends to either stay in the county or the UK, produce could be exported for processing in other markets.
- Service exports in food & drink could revolve around food production technology and AgriTech where consultancy services are in high demand globally.
- The export of food manufacturing technology and processing equipment itself could also be a strong opportunity in markets that are yet to fully integrate tech into their supply chain.



Lancashire's digital and creative export proposition

Key exportable strengths

- There are several assets linked to Lancashire's universities such as the cluster of digital and creative businesses linked to Lancaster University.
- Lancashire has renowned expertise in cybersecurity with recent investment in the area as well as the national Centre of Excellence in Cyber Security Research.
- The ElecTech Innovation Cluster is a key digital asset, integrating technology across many industries, that links business, academia and Government.

Opportunities

- ElecTech cluster is a key opportunity with leading capability and an existing network across the UK.
- Integrating technology into traditional industries could provide an opportunity in some of the newer, less tech-advanced markets. It could also drive collaboration between some of Lancashire's strongest sectors.
- Recent cyber investments set Lancashire out as a world-leader, a reputation that can be enhanced and translated into an export opportunity.



Lancashire's education export proposition

Key exportable strengths

- Lancashire has four main universities: University of Central Lancashire (UCLAN), Lancaster University, Edge Hill and Cumbria (Lancaster Campus). The universities in the region have excellent international relations and ground breaking research and teaching capabilities.
- Existing relationships include Europe, Asia and the Middle East
- Innovation Hubs in Health, Engineering, Productivity, Tech and Digital.

Opportunities

- Established further education and vocational offering
- Assess the existing international academic relationships and look at establishing trade opportunities.
- Innovative university spin-offs and start-ups should be a source of international potential for the region.
 - Network of international alumni and existing networks

Based on a combination of quantitative and qualitative research, priority export markets have been identified. This was achieved through data modelling work as well as stakeholder consultations, both domestic and international. These markets are aimed to meet demand for both new and experienced exporters, as well as a blend of existing and developing relationships. The core markets are those in which there is both an opportunity and existing experience and relationships for exporters. The emerging markets already have some experience but present future opportunities and are markets in which Lancashire could be doing more.

CORE MARKETS



France



Germany



USA

EMERGING MARKETS



India



Sweden



The North Atlantic Loop provides super-fast broadband to the Fylde coast as well as linking Blackpool and North America

Core markets provide a current and future opportunity. These are some of the largest existing export markets for Lancashire as well as providing more accessible opportunities for new exporters.

Emerging markets provide a more medium to long-term opportunity. There are genuine, material opportunities as well as trading relationships but they may require more work to access than core markets.

We acknowledge that there is limited resource and as such, 5 markets may be too many to tackle at once. We propose a further prioritisation in which initially France and the USA are focused on from the Core Markets, and China is focused on from the Emerging Markets.

SHORT TERM



France



India



USA

YEAR 1 →

MEDIUM TO LONG TERM



Germany



Sweden

YEAR 2 →

Core Markets



The USA is Lancashire’s number one individual trading partner across both goods and services, as well as being one of the largest markets in the world. There are also leverageable assets such as the North Atlantic Loop which directly connects the USA and Lancashire, providing superfast broadband to the Fylde coast.



France is Lancashire’s third largest trading partner and the number one priority market in the aggregated analysis across Pillars. With a strong cluster landscape, there are opportunities for reciprocal trade relationships, particularly in areas such as Toulouse which is home to Aerospace Valley.



India is a major market, with the world’s second largest consumer population. It has a growing middle class and rising incomes. It is also a market in which targeted support can be most beneficial for exporters as they look to negotiate the nuances and intricacies of the market. The large Lancashire Indian diaspora provides links to various states within India e.g. Gujarat.



Lancashire's Strategic Export Plan

This Export Plan is underpinned by three key themes that cut across the wider Internationalisation Strategy, as well as other work being undertaken as part of the Greater Lancashire Plan. Importance on the international stage require particular attention and should be considered throughout each workstream outlined in this plan.

Sustainability

Sustainability is becoming increasingly important as economic development agencies create strategies and companies shift their focus to new types of activity to reduce environmental impact. From an internationalisation perspective there was a feeling that more needs to be done to promote the county. Many of the excellent energy innovation assets in Lancashire were not as well-known as they should be, and more work was needed to establish collaborative partnerships internationally. Green trade presents major opportunities for the UK economy: driving sustainable growth, building the green industrial base, and securing more green jobs.

Digitisation

In a post-pandemic world, there will be a greater emphasis on digital technology in the world of trade. Not only will businesses need to become more accustomed to using technology as part of their day-to-day operations, but they will also need familiarise themselves with exploring international expansion opportunities. At the same time, organisations that support economic development will also have to keep pace with an ever-changing virtual world.

An ambitious target for Lancashire, would be the creation of a digital platform which could be used across all the workstreams. This platform will allow for a substantial reach across stakeholders in the county and would streamline one-to-many activities to help with resourcing constraints.

Lancashire could digitise low value-add services, providing basic information on exporting, frequently asked questions, e-learning and key sector and market opportunities. This will allow support to focus on higher value-add activities, ensuring that resources are used most effectively to ensure the highest return on investment. Website services can also be digitised. An example would be [Enterprise Ireland's "Export Readiness Assessment"](#), which asks companies to complete a survey to indicate their readiness to start exporting. The organisation uses this information to tailor the level of service delivered based on where the company is in their export journey.

Branding and Promotion

Throughout this strategy, there emerged a need for a more coordinated approach to selling Lancashire. Marketing Lancashire has already produced a cohesive brand, however, more needs to be done to sell this to an international audience. The county's identity can be promoted at events, through targeted activities and with a greater online presence in international markets.

Working with investment, innovation and visitor economy teams will help to spread the message and create a cohesive brand that can be used to holistically sell Lancashire in key markets. Working closely with the already outward-facing organisations in the county, such as universities, will be a strong enabler for this work.

This Export Plan sets out 6 suggested activities to enable to achievement of Lancashire’s strategic export objectives. These enablers and activities can be implemented by stakeholders across the county and aim at fostering greater cooperation and collaboration between the broad range of supporting organisations.

Suggested Activity



Capability Mapping



Local Business Support



Upskilling Lancashire Exporters



Promoting Lancashire in international markets



Developing Trade Corridors



Events & Missions



Desired Outcome

This export plan has laid the foundations for a more detailed capability mapping to understand the key strengths in Lancashire. This can then translate into the creation of promotional material as well as be aligned to further enhance the demand-side aspect of this strategy.

A definitive set of service offerings that complement what is already being offered at a national, regional and local level. Create a dedicated team with easy-to-understand channels for businesses to receive holistic support.

Companies in Lancashire are provided with the confidence and skills to excel in International markets.

Organisations delivering export services in Lancashire will collaborate on increasing the profile of Lancashire-based companies in international markets.

In the future, there will be more established trade corridors between Lancashire and specific international markets. This should support activity for new and existing exporters.

There will be a joined-up approach to identifying and attending trade shows, events and missions for exporters and greater collaboration in how organisations prepare exporters for these opportunities.

Capability Mapping

Description

- This workstream is focused on understanding the key sector strengths in Lancashire.
- Analysing in greater detail the county's key sectors to understand exactly where the strengths lay and how that aligns with the international opportunities outlined in this study.

Desired Outcomes

This export plan has laid the foundations for a more detailed capability mapping to understand the specific sector, sub-sector and niche goods & services strengths of Lancashire. This can then translate into the creation of promotional material as well as be aligned to further enhance the demand-side aspect of this strategy.

Existing Sector Priorities		
National	Regional	Local
<p>Priority sectors identified in the DIT Export Strategy include:</p> <ul style="list-style-type: none"> • Manufacturing • Services – digital, e-commerce, financial, creative and media, education and training, telecoms, professional and consultancy services • Tourism • Agriculture • Defence and Security • Maritime and shipbuilding • Clean growth • Aerospace • Space • Automotive • Education • Infrastructure • Life sciences, healthcare and chemicals • Technology 	<p>Prime capabilities, identified in the Northern Powerhouse Independent Economic Review (NPIER):</p> <ul style="list-style-type: none"> • Advanced Manufacturing Processes and Materials: Automotive, Aerospace, Offshore Engineering, High Precision Engineering, Chemicals, Marine Engineering, and Graphene and Advanced 2-D materials; • Energy: generation, storage, and low carbon technologies and processes; in particular, Nuclear Energy, Offshore Wind Energy, and battery technologies; • Health Innovation: Life Sciences, Medical Technologies and Devices, e-health and service delivery, and Stratified Medicine; • Digital: High-Performance Computing, Cognitive Computation, Data Analytics, • Simulation/Modelling, Machine Learning, and Media. <p>The NPIER also identified three 'national-class' 'Enabling Capabilities':</p> <ul style="list-style-type: none"> • Finance, Business and Professional Services; • Logistics; and • Education – particularly Higher Education. 	<p>The LEP have identified the following 6 priority sectors for the county:</p> <ul style="list-style-type: none"> • Health Innovation • Advanced Manufacturing (including Aerospace) • Food and Agriculture • Energy and Low Carbon • Digital, Creative and Technology • Tourism

Export Plan: Workstream 1 - Capability Mapping



Activities are plotted against a three year timeline to help with prioritisation. Although the strategic outcomes are targeting a 10-Year strategy, activities will need to be reviewed and refreshed throughout to ensure relevance and keep material up to date.

Months	0-6	6-12	12-18	18-24	24-30	30-36
Activities	Capability Mapping		Capability Mapping		Capability Mapping	

Description	This export plan has laid the foundations for a more detailed capability mapping exercise to be undertaken to understand the specific sector, sub-sector and niche goods & services strengths of Lancashire. This can then translate into the creation of promotional material as well as be aligned to further enhance the demand-side aspect of this strategy.		
Ease of implementation	Low-medium complexity in mapping the Lancashire business environment and engaging with local stakeholders to understand specific strengths		
Proposed approach and activities	<p>This work will involve the following activities:</p> <ol style="list-style-type: none"> 1. Reviewing Internationalisation Strategy, and specifically supply-side analysis, literature review & stakeholder consultation 2. Undertake a SIC code or sector based analysis of Lancashire based companies in the priority sectors 3. Map geographic clusters of companies by key sector 4. Conduct stakeholder engagement to understand Lancashire strengths 5. Assess Lancashire's competitive advantage in sectors & sub-sectors relative to the rest of the UK and other key destinations in Europe & globally 6. Compare supply-side strengths with demand-side market opportunities outlined in Internationalisation Strategy 7. Additional focus and attention should be given to understanding the services sector in Lancashire as a distinct activity from goods exports 		
Resourcing and Budgetary Considerations	Number of FTE required 1	Number of months required 12	Total Cost of Workstream £46,500

Local Business Support

Description

- This activity is centered around providing coordinated support and addressing perceived barriers to exporting.
- At a local level, the consensus from industry is the need to communicate the benefits of exporting, the need for a single point of contact, the benefit of structured programmes, the importance of support for start-ups/scale ups and the need for greater access to overseas contacts and networks.
- Need to harness the existing experience, resources, connections and networks

Desired Outcomes

A definitive set of service offerings that complement what is already being offered at a national, regional and local level.

A dedicated team with easy-to-understand channels for businesses to receive holistic support.

Existing Activity		
National	Regional	Local
<ul style="list-style-type: none"> • DIT - 2400 staff worldwide, 1400 staff in British Embassies and Consulates, 114 overseas markets, 300 UK advisers • Export Support Service (ESS) online service and helpline to provide a clear and effective frontline service to business customers • UK Export Finance – international and national coverage, • UK Defence and Security Exports • DIT thematic support programmes: • Trade in Services Council (TISC). • EISS – Enhanced International Support Service - China, North America, Africa, LATAC, HMTC regions • Innovate UK Edge - key part of the UK innovation agency's deep investment in the pioneering businesses that drive economic growth. • DIT HM Trade Commissioners regions: North America, Africa, China and Hong Kong, Middle East, Afghanistan and Pakistan, Asia Pacific, South Asia, Europe • Trade envoys – 33 trade envoys covering 69 markets • Business representative organisations, including the CBI, IoD, FSB, trade associations, overseas investment agencies and regional networks • Chamber Customs service – accredited Chambers offer Customs Brokerage Services: Fast Track Customs Clearance and Assisted Customs Clearance . • Private sector – wide range of commercial partners to support businesses export ambitions from legal and professional service providers through to logistics and freight forwarders. 	<ul style="list-style-type: none"> • DIT - International Trade Advisers based in the North West, North East and Yorkshire and Humber, supported by sector specialists in DCT, e-Commerce, health, food & drink and clean growth • UK Export Finance - dedicated Export Finance Managers • DIT Northern Powerhouse Overseas Trade Officers: Africa (energy and others), Indonesia (tech, creative and life sciences), Germany (clean growth), USA (energy) Brazil (clean growth) • DIT Northern Powerhouse Export Champions covering all sectors • DIT Northern Powerhouse sector groups • DIT Regional Internationalisation Fund - Match-funded grants of between £1,000 and £9,000 will be available for future activity 	<ul style="list-style-type: none"> • DIT - Lancashire-based International Trade Advisers and-Export Manager seconded to Lancashire LEP as part of the levelling up agenda. • Local Enterprise Partnership to articulate and amplify the offer and increased business engagement. • Lancashire has three highly regarded Chambers of Commerce – Two British Chambers of Commerce accredited Chambers (East and North & West Lancashire) and one satellite – Lancaster Chamber of Commerce. East Lancashire is one of three in the UK to be accredited to the British Chambers of Commerce excellence standard in international trade and has one of the oldest international trade clubs in the country. • Trade envoys from Lancashire - Katherine Fletcher MP for South Ribble – Mozambique and Mark Menzies MP for Fylde – Colombia, Chile, Peru and Argentina. • International Trade Working Group comprising public and private sector representation. • Boost – Lancashire Business Growth Hub – Business Relationship Managers and Boost Bespoke • Scale Up programmes delivered by Boost – Two Zero and Edge Hill University Innovation Sprint Programme. • Help to Grow – delivered by Lancaster University Management School

Export Plan: Workstream 2 - Local Business

Support

Activities are plotted against a three year timeline to help with prioritisation. Although the strategic outcomes are targeting a 10-Year strategy, activities will need to be reviewed and refreshed throughout to ensure relevance and keep material up to date.

Months	0-6	6-12	12-18	18-24	24-30	30-36
Activities	Local Business Support		Local Business Support		Local Business Support	
		Gate Review		Gate Review		

Description	This activity is centered around providing a coordinated approach to export support and aims to inspire Lancashire companies to grow and succeed in international markets.		
Ease of implementation	High complexity with a broad range of stakeholders involved offering both similar and different services Medium complexity in accurately mapping all services available to exporters in the county		
Proposed approach and activities	<p>This work will involve the following activities:</p> <ol style="list-style-type: none"> 1. Create a dedicated trade and investment team to enable collaboration between stakeholders and align service delivery 2. Address issues and barriers faced by exporters and conduct a gap analysis of services delivered versus services required. 3. Launch an “export challenge” with a structured package of support. 4. Creation of a support road map to ensure timely and appropriate interventions. 5. Fully utilise the ESIF Internationalisation Fund to support and accelerate activities (available to March 2023). 6. Develop strong links with UK Export Finance and the financial providers to ensure future deals can be supported. 7. Review referral and data sharing agreements between stakeholders. 8. Organise forums based on the capability mapping study, to discuss export services and areas for potential collaboration 9. Develop a single platform to communicate the international message and comprehensive database of services offered at local, regional and national level 10. Continuous professional development and regular communication between advisers/stakeholders to ensure relevant and expert assistance is provided. 		
Resourcing and Budgetary Considerations	Number of FTE required 1	Number of months required 36	Total Cost of Workstream £139,500

Upskilling Lancashire Exporters

Description

- This is focused on developing a common approach to providing training and upskilling services to Lancashire exporters.
- Understanding the learning and development needs of businesses in Lancashire as well as finding where localised support can complement the support offered nationally by DIT and regionally by the Northern Powerhouse.

Desired Outcomes

Companies in Lancashire are provided with the confidence and skills to excel in International markets.

Existing Activity			
Introductory level	Introductory and intermediary level	Professional qualifications	Scale Up and structured programmes
<ul style="list-style-type: none"> • DIT - Export Academy an online and in-person upskilling facility aimed at a wide range of businesses and designed for owners and senior managers of SMEs. The core courses of webinars and other virtual events such as masterclasses, mentoring, roundtables and networking events will give SMEs the tools and knowledge they need to start their export journey. 	<ul style="list-style-type: none"> • Chambers of Commerce provide practical and technical courses, delivered as modular and stand-alone learning. Including exporting, importing and customs procedures, payment terms, rules of origin and post EU Exit procedures. • Other private sector providers offer practical training including Strong and Herd who offer courses on customs warehousing, duty relief and compliance. • Access to 135 Northern Powerhouse Export Champions, new and novice exporters can access peer to peer advice and guidance through this experienced network. 	<ul style="list-style-type: none"> • In addition to offering modular training courses, the Institute of Export offer professional qualifications for practitioners in international trade. • Other organisations offering global and professionally recognised qualifications include the Chartered Institute of Logistics and Transport, the Chartered Institute of Linguists (CIOL) and the Chartered Institute of Purchasing and Supply (CIPS). 	<p>Lancashire currently has the following scale up programmes including Two Zero. Two Zero is a dynamic scaleup programme for ambitious leaders of Lancashire companies aspiring to grow 20% year-on-year. The current programme has a focus on retail, female owners, resurgence, food and drink, social enterprise. Internationalisation support can be offered through the Boost Bespoke programme.</p> <p>Edge Hill University delivers the Innovation Sprint Programme. The Programme has been successfully delivering product and service innovation support to SMEs since 2017, improving their productivity and driving profitable growth.</p> <p>The Global Innovation Programme delivered through UK Innovate Edge gives innovative SMEs the confidence to expand in new markets and accelerate business growth.</p>

Activities are plotted against a three year timeline to help with prioritisation. Although the strategic outcomes are targeting a 10-Year strategy, activities will need to be reviewed and refreshed throughout to ensure relevance and keep material up to date.

Months	0-6	6-12	12-18	18-24	24-30	30-36
Activities	Upskilling Lancashire Exporters		Upskilling Lancashire Exporters		Upskilling Lancashire Exporters	
		Gate Review			Gate Review	

Description	This is focused on developing a common approach to providing training and upskilling services to Lancashire exporters. A comprehensive package of support is developed to ensure companies in Lancashire are provided with the confidence and skills to excel in International markets					
Ease of implementation	Medium complexity in identifying training needs and developing a common service offer Medium-High complexity in ensuring consistent service offer to businesses and in keeping this offer up to date					
Proposed approach and activities	<p>This work will involve the following activities:</p> <ol style="list-style-type: none"> 1. Complete a Training Needs Analysis of current and potential exporters in Lancashire 2. Complete gap analysis of current service provision against user needs 3. Creation of a clear and progressive roadmap to learning and development 4. Fully utilise current training providers to create an accelerator/sprint programme. This will include the export academy, bootcamps, global scale up and existing training provision. 5. Have greater alignment to expert resources at home and abroad including dedicated international programmes. 6. Provide up-to-date information on changing market requirements and free trade agreement benefits. 7. Develop annual programme of events with inspirational and motivational speakers active in the field of international trade 8. Adopt an inclusive approach to learning and development and promote the benefits of international trade to disadvantaged areas. 9. Integrate an ongoing refresh process of L&D programme to ensure materials remain current, relevant and up to date 					
Resourcing and Budgetary Considerations	Number of FTE required	Number of months required		Total Cost of Workstream		
	1	36		£139,500		

Promoting Lancashire in international markets

Description

- This workstream is focused on developing the profile of Lancashire in new markets, in particular those markets identified in the prioritisation as medium-term and long-term export markets.
- There is a need to further develop brand identity based on key assets and effectively communicating these in key markets.
- There may be a need to tailor branding and promotional material to focus on specific markets.

Desired Outcomes

Organisations delivering export services in Lancashire will collaborate on increasing the profile of Lancashire-based companies in international markets.

Promoting exports and branding in international markets: Best Practice Welsh Government and other stakeholders in Wales are actively engaged in promoting the Welsh brand abroad to open up export opportunities. There is always a Welsh Government branded presence at major trade show showcasing Welsh companies.

Created by Hybu Cig Cymru – Meat Promotion Wales, a recent campaign has been created to promote Welsh meat in overseas markets. This was particularly successful in Denmark, highlighted as a key opportunity market, and featured across Danish mainstream media.

Ireland - Origin Green is the world's only national food and drink sustainability programme, enabling the industry to set and achieve measurable sustainability targets that respect the environment and serve local communities more effectively. It has set Ireland out as a leader in this area and has become recognised worldwide as a sign of quality and sustainability.



Activities are plotted against a three year timeline to help with prioritisation. Although the strategic outcomes are targeting a 10-Year strategy, activities will need to be reviewed and refreshed throughout to ensure relevance and keep material up to date.

Months	0-6	6-12	12-18	18-24	24-30	30-36
Activities	Brand Development	Promoting Lancashire in International Markets				

Description	<p>This workstream is focused on developing the profile of Lancashire in new markets, in particular those markets identified in the prioritisation study as medium term and long-term export markets</p> <p>Organisations delivering export services in Lancashire will collaborate on increasing the profile of Lancashire based companies in international markets</p>		
Ease of implementation	<p>Medium complexity in looking at processes for sharing staff and pooling budgets to allow for increased impact.</p>		
Proposed approach and activities	<p>This work will involve the following activities:</p> <ol style="list-style-type: none"> 1. Build a strong and recognisable brand identity to promote the Lancashire narrative across all the internationalisation pillars 2. Work with the all Lancashire international service and support providers to review opportunities for collaboration and to adopt a more integrated approach to promotional activity. 3. Develop cluster groups based on the findings of the capability mapping exercise and maximise existing sector opportunities and connections. 4. Design and build a single platform to communicate with companies in the county and internationally. This will include a single point of contact, business opportunities, thought leadership articles, insight, data and research, case studies, export readiness tool, export potential map, missions and events and collaborative links. <i>*Any associated resourcing and costs are additional to those propose as part of Workstream 2 for developing a single platform.</i> 5. Produce coordinated and timed marketing collateral to support international campaigns across all pillars. 6. Review the Market Prioritisation study to target key players in selected markets for reciprocal engagement, including the Chambers of Commerce, Scale Up programmes, economic development agencies and twinning arrangements. 7. Localisation of national campaigns – Made in the UK, Sold to the World. 8. Pilot a single campaign approach in a particular market, with all organisations working together, around a specific theme or event. 9. Encourage Lancashire companies to apply for the Queens Award for International Trade and internationally recognised industry awards 		
Resourcing and Budgetary Considerations	<p>Number of FTE required</p> <p>1</p>	<p>Number of months required</p> <p>36</p>	<p>Total Cost of Workstream</p> <p>£139,500</p>

Developing Trade Corridors

Description

- This workstream is focused on identifying opportunities and the approach for developing more established trade corridors between Lancashire and other international locations which have clusters of companies in sectors aligned with the capabilities of Lancashire based exporters.
- This aligns with developing relationships across pillars to provide reciprocally beneficial partnerships with international organisations and stakeholders.

Desired Outcomes

In the future, there will be more established trade corridors between Lancashire and specific international clusters, particularly in long-standing trading relationships, to facilitate new exporters.

Existing Activity		
National	Regional	Local
<ul style="list-style-type: none"> • DIT organises its operations into nine overseas regions. Each region will see significant growth over the next 30 years, but at markedly different rates. Areas of focus: North America, Latin America, Europe, Africa, Middle East, South Asia, Asia Pacific, China and Hong Kong, Eastern Europe/Central Asia. • DIT – Based on the latest DIT Export Strategy, focus will be on developing Free Trade Agreements globally but with a focus on developing markets, including Commonwealth countries. • EU and USA identified as existing markets with continuing focus of activity. • Shift to Ind-Pacific region going forwards with a combination of Free Trade Agreements and Official Development Assistance (ODA) work. 	<ul style="list-style-type: none"> • DIT Northern Powerhouse Overseas Trade Officers: Africa (energy and others), Indonesia (tech, creative and life sciences), Germany (clean growth), USA (energy) Brazil (clean growth) • Northern Powerhouse - From the original NPH Trade and Investment report (Steer, January 2020) the following markets were identified as the NPH priority sectors/markets: <ul style="list-style-type: none"> • Advanced Manufacturing Processes & Materials – Current markets: Germany, China, USA, Russia, France and Brazil. Growth markets: India and Turkey • Energy Generation – current markets Norway, Germany, USA, France. Growth markets: China, India, South Korea, UAE • Applied Health Innovation: Current markets: USA, Germany, France, Netherlands, Italy and Spain. Growth markets: China and India • Digital Technology: Current markets – Germany, USA, Ireland, France. Growth markets: China, India and Australia 	<ul style="list-style-type: none"> • Market prioritisation as part of Lancashire LEP's Internationalisation Strategy has identified some potential trade corridors: • France: Aerospace – Toulouse and Aerospace Valley • Germany: Energy & Low Carbon – Hamburg (Energiewende energy transition) • USA: Advanced Manufacturing – Pittsburgh (legacy manufacturing industries transitioning) • Sweden: Energy & Low Carbon – Malmo (EV and automotive transition) • India: Energy generation, health innovation and digital technologies.

Export Plan: Workstream 5 - Developing Trade Corridors



Activities are plotted against a three year timeline to help with prioritisation. Although the strategic outcomes are targeting a 10-Year strategy, activities will need to be reviewed and refreshed throughout to ensure relevance and keep material up to date.

Months	0-6	6-12	12-18	18-24	24-30	30-36
Activities	Developing Trade Corridors					

Description	<p>This workstream is focused on identifying opportunities and approach for developing more established trade corridors between Lancashire and other international locations which have clusters of companies in sectors aligned with the capabilities of Lancashire based exporters</p> <p>In the future, there will be more established trade corridors between Lancashire and specific international clusters, particularly in long-standing trading relationships, to facilitate new exporters and increase trade.</p>		
Ease of implementation	High complexity in developing an approach and building reciprocal relationships with other countries / regions internationally		
Proposed approach and activities	<p>This work will involve the following activities:</p> <ol style="list-style-type: none"> 1. Map trade routes from Lancashire to priority markets 2. Conduct supplementary sector analysis on potential trade corridor markets, to fully understand export potential and market opportunities 3. Develop country specific forums based on market prioritisation, including Lancashire/India Forum, Lancashire/US partnership 4. Utilise the NPH overseas commercial officers in target markets. 5. Organise an international transport and customs working group. To include Heysham, Lancaster and the Port of Liverpool, Manchester Airport, the Road Haulage Association and the freight forward, logistics and fulfilment network. 6. Understand the opportunities presented by the Freeport in Liverpool and potential customs site in West Lancashire 7. Support the development of a freight rail terminal for East Lancashire. 8. Promote “green” trade and identify innovative green technologies to export globally. 9. Build networks with overseas economic development organisations and trade bodies 10. Run joint events to promote reciprocal trade – involving key stakeholders eg. International Chambers of Commerce 11. Facilitate trade missions between Lancashire and potential trade corridor markets 12. Explore alternative relationships through local business associations, twinned town and cities as well as diaspora links 		
Resourcing and Budgetary Considerations	<p>Number of FTE required</p> <p>1</p>	<p>Number of months required</p> <p>36</p>	<p>Total Cost of Workstream</p> <p>£139,500</p>

Events & Missions

Description

- These activities are focused on developing a more coordinated approach to trade show & event identification, selection, and attendance across organisations in Lancashire.
- This will also involve coordination with other Pillars to ensure that where joint activity is possible, it is facilitated. This will offer both value for money and a greater return on investment for activity.
- As well as coordinating with other Pillars, work should also be done to take advantage of NPH and DIT missions to save on resourcing, cost and time.

Desired Outcomes

There will be a joined up approach to identifying and attending trade shows, events and missions for potential exporters and greater collaboration in how organisations prepare exporters for these opportunities.

Existing Activity		
National	Regional	Local
<ul style="list-style-type: none"> DIT - Made in the UK, Sold to the World campaign, including events, masterclasses, webinars, trade missions, 'Meet the Buyer' events, roundtables, Ministerial visits and much more. The national programme is based on DIT priority sectors identified in the Export Plan including manufacturing, tech, clean economy, digital and creative, services, tourism, financial, professional and business services, e-commerce, agriculture, defence and security, maritime and shipbuilding, aerospace, space, automotive, education, infrastructure, life sciences and healthcare and chemicals. UK Tradeshow Programme (UKTP), is a new pilot programme running until March 2023 and replaces the previous Tradeshow Access Programme. Companies will be able to access a combination of funding and training. Trade Associations Nationally recognised industry bodies partner with DIT to provide a coordinated and comprehensive international mission and events programme. 	<ul style="list-style-type: none"> The Northern Powerhouse has an extensive mission and events programme with companies participating from the North West, North East and Yorkshire and Humber. The programme is based on DIT's priority sectors, the Free Trade Agreement (FTA) campaigns and NPH sector strengths. NPH sector strengths include: <ul style="list-style-type: none"> Advanced Manufacturing, especially materials and processes. Energy, particularly generation, storage, and low carbon technologies and processes, especially in nuclear and offshore wind. Health Innovation, with a focus on Life Sciences, Medical Technologies/Devices, e-health. Digital, focusing in particular on computation, software tools/design and content including fin-tech, AI and data analytics, and simulation/modelling, and wider strengths in media. Enabling sectors: financial & professional services; logistics and higher education. Linked or within these sectors: creative plus food & drink. 	<ul style="list-style-type: none"> Organisations based in Lancashire would be encouraged to take part in the national or NPH events and missions programme. The Chambers of Commerce and the International Trade Club in Lancashire offer a comprehensive calendar of events and meetings aimed at the exporting community. Resources could be committed to tailored, localised missions driven by a supply and demand style analysis.

Export Plan: Workstream 6 - Events and Missions



Activities are plotted against a three year timeline to help with prioritisation. Although the strategic outcomes are targeting a 10-Year strategy, activities will need to be reviewed and refreshed throughout to ensure relevance and keep material up to date.

Months	0-6	6-12	12-18	18-24	24-30	30-36
Activities	Develop Calendar & Identify Capabilities	Events & Missions			Events & Missions	

Description	This workstream is focused on developing a more coordinated approach to trade show & event identification, selection, and attendance across organisations in Lancashire. This will also involve coordination with other Pillars to ensure joint activity can be facilitated. This will offer both value for money and a greater return on investment for activity. There will be joined up approach to identifying and attending trade shows, events and missions for potential exporters and greater collaboration in how organisations prepare exporters for these opportunities					
Ease of implementation	Low - Medium complexity in identification and selection of shows Medium – High complexity in determining approaches to co-funding or resource sharing					
Proposed approach and activities	<p>This work will involve the following activities:</p> <ol style="list-style-type: none"> 1. Develop a single calendar of trade shows, events and missions 2. Review Market Prioritisation study to assess whether current selection of trade shows align with results of study 3. Work closely with national and regional organisations to influence future activity. 4. Identify where there are areas with a common focus and whether there may be opportunities to join up on processes, i.e. company recruitment; company preparation, and single cross organisations solutions, e.g. single platform for sharing information and allowing for easy identification of companies for trade missions 5. Develop and re-engineer processes and if possible budgets to support a more integrated approach to trade show and event identification, selection and attendance, e.g. through a single cross-organisation working group 6. Review and test approaches to pooling resources to facilitate a more collaborative approach to trade shows attendance 7. Rollout across all sectors and markets new pooled approach to trade shows 					
Resourcing and Budgetary Considerations	Number of FTE required	Number of months required		Total Cost of Workstream		
	1	36		£139,500		

10-Year Export Strategy: Activities

Activities are plotted against a three year timeline to help with prioritisation. Although the strategic outcomes are targeting a 10-Year strategy, activities will need to be reviewed and refreshed throughout to ensure relevance and keep material up to date.

Months	0-6	6-12	12-18	18-24	24-30	30-36	
Activities	Capability Mapping				Capability Mapping		
	Local Business Support		Local Business Support		Local Business Support		
	Upskilling Lancashire Exporters		Upskilling Lancashire Exporters		Upskilling Lancashire Exporters		
	Brand Development	Promoting Lancashire in international markets					
		Developing Trade Corridors					
	Develop Calendar & Identify Capabilities	Events & Missions					
			Review progress				Review progress and refresh

Summary

Summary of Implementation of Action Plan 2022 - 2025



Workstream	Resource	Cost	Outcomes
1. Capability Mapping	1	£46,500	To fully understand the sector and subsector strengths of the region, to underpin any future international trade activity and be aligned to the demand-side aspect of this strategy.
2. Localised Business Support	1	£139,500	A definitive set of service offerings that complement what is already being offered at a national, regional and local level. Create a dedicated team with easy-to-understand channels for businesses to receive holistic support.
3. Upskilling Lancashire Exporters	1	£139,500	Companies in Lancashire are provided with the confidence and skills to excel in International markets.
4. Promoting Lancashire in International Markets	1	£139,500	Organisations delivering export services in Lancashire will collaborate on increasing the profile of Lancashire-based companies in international markets.
5. Developing Trade Corridors	1	£139,500	In the future, there will be more established trade corridors between Lancashire and specific international markets. This should support activity for new and existing exporters
6. Events and Missions	1	£139,500	A joined-up, purposeful approach to identifying and attending trade shows, events and missions for exporters and greater collaboration in how organisations prepare exporters for these opportunities
Total	6	£744,000	

- Currently DIT/Growth Company employed staff working on international trade activities in Lancashire. One dedicated export manager, seconded to the LEP, with support from International Trade Advisers and the wider North West DIT team. Chamber of Commerce/stakeholders would have to be funded separately or as FTE externals.
- Future DIT targets and objectives will be determined by national strategy . Localised delivery could be supported by further levelling up funding. To have a LEP/LA dedicated resource would have to be funded as internal FTE.
- Extra staff resource costs identified in the table above are based on 1 specialist, 1 KAM, 1 officer (based on Local Authority bands of grade 8, 10 and 12) and 3 FTE externals employed by the Chamber or other stakeholders working across all workstreams at £42,000 pa.

Appendices



Export Plan: Resourcing and Budgets

The Export Plan has been delivered with a set of indicative resourcing requirements and budgetary considerations for each workstream, and each activity within each workstream.

- FTE = Full Time Equivalent
- FTE costs are calculated based on average public sector and private sector salaries as of 2021.
- Months per activity reflect amount of time across 36 month period and are not designed to all start in Month 0 but rather to be spread across the period based on indicative timelines.
- Months per activity may not be concurrent but represent the time required to refresh and revisit activities across 36 month period.
- Some activities were viewed as more behavioural changes and therefore have not been assigned FTE or costs.
- There is some overlap in activities – development of a single digital platform in Workstreams 2 & 4. The associated costs of workstream 4 have been calculated as additional costs incurred if both activities were undertaken to ensure no duplication or overlap in FTE or costs.



Export Plan -
Resourcing and Budgets

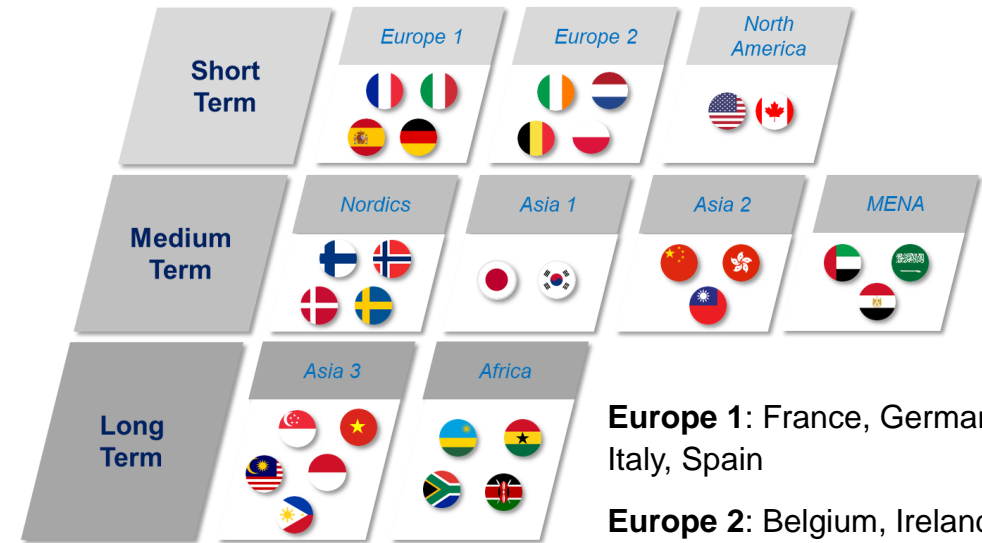
Export Plan: Additional Market Analysis

Although resourcing constraints have limited the number of markets of focus for this Export Plan, additional analysis was taken to provide some ambitious short, medium and long-term priority markets. These could be used ad hoc, if resourcing and time allows, or if macroeconomic factors steer focus towards them.

Our results from the market prioritisation model provided us with a list of markets that did not really throw up any surprises. Although we saw the need to address this “usual suspects”, we also felt it was important to give some focus to emerging markets across the globe. One of the key economic arguments for leaving the European Union, after all, was to have the ability to negotiate free trade agreements with developing countries at a greater pace. Therefore, with this in mind, we have grouped markets into broad geographic regions. This has allowed us to:

- Provide regional groups based on short, medium, and long-term opportunities / focus
- Account for limited export support resource in the county
- Combine local strengths with central government focus on new markets
- Cover more markets without providing a long list of unattainable recommendations and actions

We have selected 9 geographic regions of focus. We acknowledge that these 9 groups, and the 30+ countries that sit within them still provide a substantial number of target markets and associated actions. This is why we have segmented by short, medium and long-term focus. It became clear when speaking to the International Trade Working group, that whilst European markets are still a short-term focus, as businesses fulfil existing contracts and supply existing clients. There are now new, exciting export opportunities outside of Europe to be explored. The Plan, therefore, will reflect the thinking of many Lancashire businesses in the way it outlines export support actions. Further information can be found in the embedded Market Analysis document.



Europe 1: France, Germany, Italy, Spain

Europe 2: Belgium, Ireland, Netherlands, Poland

North America: Canada, USA

Nordics: Denmark, Finland, Norway, Sweden

Asia 1: Japan, South Korea

Asia 2: China, Hong Kong, Taiwan

Asia 3: Indonesia, Malaysia, Philippines, Singapore, Vietnam

Africa: Ghana, Kenya, Rwanda, South Africa

MENA: Egypt, Saudi Arabia, United Arab Emirates



Market Analysis

Twinning Arrangements in Lancashire

West Lancashire	Mid Lancashire	East Lancashire	Blackburn with Darwen	Blackpool	Lancaster and Wyre
Chorley	Lytham St Annes	Pendle	Blackburn	Bottrop, Germany	Aalborg, Denmark
Szekesfehervar (Hungary)	Caudry, France	Creil, France	Altena, Germany	Sanya, China	Lublin, Poland
Cergy-Pontoise, France	Werne, Germany	Marl, Germany	Péronne, France		Perpignan, France
Erkrath, Germany	South Ribble	Palestine	Tarnów, Poland		Rendsburg, Germany
Newburgh	Schleswig-Flensburg, Germany	Burnley	Darwen		Växjö, Sweden
Indiana, USA,	Preston	Vitry-sur-Seine, France	Gambia		
	Almelo, Netherlands	Rosendale			
	Nîmes, France	Bocholt, Germany			
	Recklinghausen, Germany				
	Kalisz, Poland				
	Wrea Green				
	Saint Bris-le-Vineux				

Trade Show Calendar

Event	Location	Date	Sector
ITB Asia	Singapore	October 2021	Tourism
Dubai Airshow	Dubai, UAE	November 2021	Advanced Manufacturing
Tokyo Motor Show	Tokyo, Japan	November 2021	Advanced Manufacturing
Dutch Life Sciences Conference	Leiden, Netherlands	November 2021	Health
World Cities Summit	Singapore	November 2021	Digital and Creative
International Tourism and Travel Show	Montreal, Canada	November 2021	Tourism
International Production and Processing Expo	Georgia, USA	January 2022	Food and Agriculture
Intersolar North America	Long Beach, USA	January 2022	Energy and Low Carbon
CES	Las Vegas, USA	January 2022	Digital and Creative
ISM	Cologne, Germany	January-February 2022	Food and Agriculture
Gulfood	Dubai, UAE	February 2022	Food and Agriculture
Singapore Airshow	Singapore	February 2022	Advanced Manufacturing
AGRITECHNICA	Hanover, Germany	March 2022	Food and Agriculture
AAHAR	Delhi, India	March 2022	Food and Agriculture
FC Expo Tokyo	Tokyo, Japan	March 2022	Energy and Low Carbon
Annual European HealthTech CEO Forum	Zurich, Switzerland	February 2022	Health
World Future Energy Summit	Abu Dhabi, UAE	January 2022	Energy and Low Carbon
MedTec Japan	Tokyo, Japan	April 2022	Health
Hannover Messe	Hannover, Germany	April 2022	Advanced Manufacturing
Hydrogen + Fuel Cells Europe	Hannover, Germany	April 2022	Energy and Low Carbon
Anuga	Cologne, Germany	April 2022	Food and Agriculture
TuttoFood	Milan, Italy	May 2022	Food and Agriculture
Intersolar Europe	Munich, Germany	May 2022	Energy and Low Carbon
Consumer Technology and Innovation Show	Shanghai, China	May-June 2022	Digital and Creative
Specialty and Fine Food Asia	Singapore	June 2022	Food and Agriculture
ConnecTech Asia	Singapore	July 2022	Digital and Creative
Automechanika	Frankfurt, Germany	September 2022	Advanced Manufacturing
WorldFood Istanbul	Istanbul, Italy	September 2022	Food and Agriculture
Renewable Energy India Expo	Noida, India	September 2022	Energy and Low Carbon
European BioTech Week	Europe	September-October 2022	Health
Manufacturing Technology Series	West Springfield, USA	October 2022	Advanced Manufacturing

Trade Deals

Market	Free Trade Agreement(s)	Description	Implication
Europe	The Trade and Cooperation Agreement (TCA)	This new agreement sets out, among other things, preferential arrangements for the trade of goods. To ensure regional parity, these are underpinned by level playing field conditions which should help with regulatory continuity post-EU Exit.	The TCA provides certainty for UK and EU businesses on key issues such as tariffs. Businesses operating in the EU must familiarise themselves with new customs procedures and regulatory requirements.
North America	The UK-Canada Trade Continuity Agreement	The UK-Canada TCA preserves preferential market access for both Canadian and British businesses.	The TCA provides certainty for British businesses exporting goods and services to Canada. UK producers will continue to benefit from zero tariffs for products such as cars and agri-foods.
	The United Kingdom–United States Free Trade Agreement (proposed)	The UK and the USA are each others' largest investors and significant trading partners. The two countries are currently in trade agreement negotiations that are unlikely to conclude in the near future.	
Nordics	The EEA EFTA States - UK Free Trade Agreement	The comprehensive FTA covers trade in goods, services and investment, digital trade, capital movements, government procurement, regulatory cooperation and recognition of professional qualifications, among others.	The FTA aims to boost digital trade. Reduced import tariffs on UK farm products and seafood will help cut costs for British businesses.
Asia	The UK-Japan Comprehensive Economic Partnership Agreement (CEPA)	CEPA maintains the benefits of the EU-Japan Economic Partnership Agreement with enhancements in areas of mutual interest such as digital trade and financial services.	Tariff-free trade and liberal rules of origin create favourable export opportunities.
	UK-South Korea trade agreement	The "continuity" agreement includes provisions on trade in goods and services, intellectual property and government procurement.	The UK-South Korea agreement allows businesses to continue trading mostly under the South Korea-EU deal.
Middle East & North Africa	UK-Egypt Association Agreement	The agreement provides continued preferential access to both markets and tariff-free trade on industrial products.	The agreement eases the Brexit transition for businesses.
	UK-Gulf Cooperation Council Trade Agreement (proposed)	The UK and the Gulf Cooperation Council completed a Joint Trade and Investment Review (JITR) which identified a range of priority sectors for future UK-Gulf collaboration.	Sectors highlighted in the JITR could expect favourable trading conditions in the Gulf States in the future.
Asia	The Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)	The UK government has begun negotiations to join the CPTPP, a trade agreement between eleven countries which border the Pacific.	The CPTPP would provide greater market access to its member states. The rules of origin provisions could help British businesses to expand their supply chains across the constituent countries.
	UK-Vietnam Free Trade Agreement	The agreement sets out preferential arrangements for the trading of goods and services.	
Africa	UK-Ghana Interim Trade Partnership Agreement	This TPA includes provisions on trade in goods, including provisions on preferential tariffs and rules of origin.	Both agreements provide clarity for British export companies.
	UK-Kenya Economic Partnership Agreement	The agreement, mostly a continuation of the terms previously agreed between the EU and the East African Community (EAC) includes clauses to allow other EAC states (such as Rwanda) to join in the future.	



Foreign Direct Investment Action Plan 2022 - 2025

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Introduction	3
Lancashire's Foreign Direct Investment Ambition	5
Foreign Direct Investment Priority Sectors and Markets	7
Lancashire's Foreign Direct Investment Action Plan	13
Summary	25

Introduction

Lancashire has the opportunity to leverage new Foreign Direct investment from its Innovation Assets, existing manufacturing strengths and the forthcoming National Cyber Force campus

Foreign Direct Investment is more competitive than ever due to a reduction in activity caused by the COVID-19 pandemic and increased protectionism among governments.

Lancashire had been experiencing growth in FDI projects prior to the global shutdown, with manufacturing accounting for half of all projects. Post Pandemic 88% of FDI wins came from existing investors and the DiT Northern Powerhouse funded Key Account Management is vital in driving this activity.

The US is the largest single investor in Lancashire, although EU countries account for 43% of projects.

FDI in Lancashire tends to be concentrated in four local authorities, Preston, Burnley, Blackburn with Darwen, and West Lancashire.

Lancashire has a number of innovation assets directly linked to priority sectors and major projects in the pipeline that will be attractive to investors (Eden North and the National Cyber Force HQ).

A positive trend for the county is that it ranks first in the region for jobs created per project, which suggests an historic strength in attracting larger employers.

Lancashire's Strategic Objectives



Position Lancashire at the forefront of innovation, with cutting-edge and progressive research, leader in the fields of Industry 4.0+, cyber, space and security related industries, energy and low carbon technology, health innovation and advanced mobility. Lancashire's universities are the most engaged universities in the UK supporting economic growth and collaborating with business and academia.



Build a globally competitive county by increasing trade, foreign investment, R&D and Innovation and visitor numbers, supporting business development and partnership working to deliver local growth ambitions and bring benefits to local businesses and residents



Promote the Lancashire brand internationally to attract investment, business visitors and increase visitor spend in the county, celebrating the strong quality of life offer. Exploit the new conference centre in Blackpool to host international events centred around our strengths in the North West Cyber Corridor, Net Zero technologies and defence.



Establish Lancashire firmly as a place which attracts and retains talent and investment in technology, skills and productivity and as a recognised destination of choice for business and leisure visitors.

Lancashire's Foreign Direct Investment Ambition



200 FDI project wins to 2030 dependent upon resource (new and expansion)*



2,500 jobs created over the next 3 years**



15% of project wins linked to innovation led investment



200 companies per year targeted for investment promotion

* Represents a 15% increase on successes compared to 2018/19 to 2020/21 as reported by Lancashire LEP

** Based on an average of 38 jobs per project to 2018/19 to 2020/21 as reported by Lancashire LEP

Foreign Direct Investment Priority Sectors and Markets

Lancashire has potential to be a testbed for innovative investment

Lancashire has the capability to serve as a testbed for innovation in a number of different sectors including nuclear, & low carbon energy, industrial digitisation, low carbon aviation, future flight, geospatial test areas and precision farming. This links directly to the innovation pillar where collaborative opportunities exist to transition traditional industries into innovative ones and recognised the strong skills and education on offer in Lancashire.

The innovation assets in Lancashire are a core part of the selling message and need to be linked to marketing messages are being developed by Marketing Lancashire as part of the Visitor Economy pillar. Assets such as the Clean Energy Technology Park is primed to attract innovative investment in nuclear related technologies.

A targeted approach to investment attraction

In order to take a more targeted approach to investment attraction, understanding the specific assets that Lancashire has is key. Likewise, understanding international supply chains and how Lancashire could fit into these on a local level will also provide critical information in supporting investment attraction.

Therefore, Lancashire will need to prioritise:

- **Core markets** – where there is both a current and future opportunity
- **Emerging markets** – with a medium / long term opportunity which will need curating

Where possible, taking advantage of DIT support will be important to reduce the resourcing burden for investment staff in Lancashire. However, there also needs to be a set of specific Lancashire objectives and targets to focus on. It is clear that Lancashire receives less in terms of resource, support and funding than other regions in the UK. An important part of furthering an investment strategy will be to campaign for funding. However, it will also be to distinguish the areas in which Lancashire can maximise local resource by differing support and activities to DIT and NPH colleagues.

Recent developments provide opportunities for significant investment

Upcoming developments such as Eden North and the National Cyber Force HQ represent transformative opportunities to develop new clusters that will attract investment. Particularly the recent investments in cybersecurity have paved the way for Lancashire to become a global leader. This will in turn lead to greater awareness on the international stage, making attracting investment easier.

As such, Lancashire needs to be proactive in defining its brand and investment assets, selling this to regional and national partners, and actively pursuing potential investors. The Lancashire brand is not necessarily well-known to international investors so a more aggressive and independent marketing strategy will be key to attracting new investment.



The Clean Energy Technology Park provides a collaborative hub for demonstrating and accelerating the commercialisation of a broad range of nuclear-related technologies.

KEY FDI SECTORS



Digital
(Cybersecurity & Emerging Tech)



Advanced
Manufacturing



Lancashire's energy and low carbon FDI proposition

Key investment strengths

- ✓ Lancashire produces 30% of the UK's low carbon electricity
- ✓ Strong offshore industry that has previously attracted FDI in R&D related activities. The Port of Heysham is a key supply base for operations and maintenance.
- ✓ Eden North development.
- ✓ Clean Energy Technology Park & Lancashire Centre for Alternative Technologies
- ✓ AMRC Low Carbon Building Demonstrator
- ✓ Low Carbon Technology Business Support and Skills Academy will upskill workers for new economy
- ✓ Lancaster University's Centre for Global Eco-Innovation
- ✓ Lancashire Energy HQ on Blackpool Airport Enterprise Zone

Opportunities

- Working with the wider **Nuclear industry** in the North of England.
- Government funding for **small modular reactors** in Lancashire.
- Large manufacturing base looking to develop more **sustainable and resource efficient practices**.
- Establish **demonstrator sites** and enable new technologies to be developed, demonstrated and commercialised.
- Eden North can be an anchor investment to build a sustainability cluster.



Lancashire's digital FDI proposition (cybersecurity)

Key investment strengths

- ✓ Lancaster University is one of only five universities in the UK to gain NCSC recognition as a Gold Academic Centre of Excellence in Cyber Security Education.
- ✓ New National Cyber Force (NCF) HQ is a £5bn investment that demonstrates government confidence in the county's capabilities and talent around cybersecurity.
- ✓ Lancaster University is involved in Lancashire Cyber Foundry, a government backed initiative to help SMEs explore and develop new cyber security technologies.
- ✓ Lancashire Careers Hub and employers inspiring young people in schools and colleges to explore careers in digital and cyber security, building the talent pipeline.

Opportunities

- Promote the **Cyber Security Corridor** between Manchester and Lancaster Universities, encouraging expansion of existing investors out of Manchester along this corridor.
- The **NCF have a remit to work with companies** and this will attract investors into the county.
- **Digital industrialisation** within the large manufacturing base requires strong cybersecurity capabilities along the supply chain and can be promoted as a local digital specialism.



Lancashire's digital FDI proposition (emerging tech)

Key investment strengths

- ✓ Tech sector forecast to outstrip local economy by 3X up to 2028
- ✓ 15,000 professionals working specifically within software and software development
- ✓ Digital innovation ecosystem supporting development of future flight and mobility.
- ✓ The ElecTech Innovation Cluster is a key digital asset, integrating technology across many industries that links business, academia and Government.
- ✓ Lancaster Uni School of Computing and Communications ranked 6th in the UK for computer science and IT.

Opportunities

- Opportunities for digital innovators to work with major industrial players to develop new **manufacturing technologies** within digital testbeds
- Opportunities for innovative businesses to provide solutions for data rich companies looking to increase productivity
- Opportunities for **AI** companies to capitalise on Lancashire businesses looking to streamline operations
- Development of **future flight** and other **advanced mobility** requires digital innovation.

KEY FDI SECTORS



Energy & Low Carbon



Aerospace



Food & Drink



Lancashire's advanced manufacturing FDI proposition

Key investment strengths

- ✓ Second highest concentration of manufacturing in the UK
- ✓ Strong track record of attracting investment.
- ✓ AMRC NW and UCLan Engineering Innovation Centre
- ✓ Electech Innovation Cluster
- ✓ 5G Factory of the Future and Made Smarter pilot projects
- ✓ Experience integrating technologies into new platforms such as the Tempest Future Combat Air System

Opportunities

- **Digital testbeds** – the shift towards digitisation has been slow in manufacturing and there remains opportunities to work with leading companies on new innovations.
- **Market seeking** – the strong manufacturing base creates a market for new technologies and presents an opportunity for supply chain companies to be close to their customers. Opportunities exist in MedTech and renewable energy manufacturing which also align with wider UK government priorities.



Lancashire's aerospace FDI proposition

Key investment strengths

- ✓ 500 aerospace businesses active in the county
- ✓ #1 for aerospace jobs in the UK in a single LEP (17,000)
- ✓ AMRC NW and UCLan Engineering Innovation Centre
- ✓ 5G Factory of the Future and Made Smarter projects
- ✓ 2 Enterprise Zones with operational airstrips
- ✓ Lancashire Drone Innovation Zone

Opportunities

- **Low carbon aviation** innovation.
- **Digitisation** of existing supply chains.
- **Expansions** from current investors.
- Participation in **international programmes** such as Tempest Future Combat Air System provides access to global innovation and manufacturing networks.
- Emerging **drone technology** can link to other sectors such as offshore energy, nuclear, and food production.
- **Blackpool Airport** as a test bed for new mobility solutions.



Lancashire's food & drink FDI proposition

Key investment strengths

- ✓ One of the largest manufacturing sectors in Lancashire
- ✓ The county has previously attracted investment in food manufacturing and R&D for new product development.
- ✓ Food & Farming Innovation Centre (Myerscough College)
- ✓ Engineering Innovation Centre – UCLan
- ✓ Lancashire Drone Innovation Zone
- ✓ The sector links to both advanced manufacturing and low carbon & energy, providing opportunities for cross sector working.

Opportunities

- **Market seeking** opportunity - challenges around employment are encouraging producers to invest in new machinery for increased productivity.
- Opportunities around low carbon and **circular economy farming solutions**
- **Precision farming** innovation linked with drone developments.
- New food **product development**.

The data modelling provided a long-list of countries that could be considered high and medium value potential markets for investment attraction. The next stage was to refine this to a feasible number given the resources available and to ensure that target markets represented a strategic mix of large stable opportunities, highly innovative markets, and longer-term opportunities in emerging markets. Core markets are the highest scoring markets in this pillar from the data modelling that have strengths across sectors, while emerging markets scored lower on the data modelling but have specific advantages that can be aligned to Lancashire.

CORE MARKETS

-  USA
-  Germany
-  France
-  India

EMERGING MARKETS

-  Sweden
-  Canada
-  Netherlands



Westinghouse (USA) is a large employer undertaking manufacturing at its Preston site.

In the 3 year action plan the short term markets will be the focus of activity without losing sight of the medium to long term markets. Further work will be done to fine tune which markets each sector will target.



Focus Markets



The USA is Lancashire's number one source market for FDI. It is also a major investment market globally with interests in multiple sectors. US sector interests align with Lancashire's across most key sectors.



France is Lancashire's second largest source market for FDI. They are also a leading player across all pillars in Lancashire. More broadly, they are one of the largest investors into the UK for key Lancashire sectors: aerospace, advanced manufacturing and energy.



Germany is not a large source market for FDI in Lancashire; however, they are for the rest of the UK, suggesting a potential missed opportunity. They are a global leader in energy transition, industrial equipment, and digital start-ups. Germany is now taking an increasingly important position in the European aeronautical sector with R&D expenditure now greater than France.



There are several major Canadian investors in Lancashire. Increased appetite for overseas investment has led to Canada being a fast-growing source of FDI into Europe. Opportunities linked to innovation in aerospace, health, food and low carbon are particularly relevant and align with Lancashire's strengths.

Lancashire's Foreign Direct Investment Action Plan

This Action Plan is underpinned by three key themes that cut across the wider Internationalisation Strategy, as well as other work being undertaken as part of Lancashire 2050. Importance on the international stage requires particular attention and should be considered throughout each workstream outlined in this plan.

Sustainability

Sustainability is becoming increasingly important in investment decisions as companies shift their focus to new types of activity to reduce environmental impact. From an internationalisation perspective more needs to be done to promote the county and a leader in Low Carbon innovation and manufacturing. Many of the excellent energy innovation assets in Lancashire need to be promoted to greater effect both nationally and internationally. Work is needed to establish collaborative partnerships internationally. Green trade presents major opportunities for the UK economy: driving sustainable growth, building the green industrial base, and securing more green jobs.

Digitisation

There is a greater emphasis on digital technology in the world of Foreign Direct Investment and Lancashire will need to embrace an international dimension to its web presence.

An ambitious target for Lancashire, would be the creation of a digital platform which could be used across all the pillars to promote Lancashire. This platform will allow for a substantial reach across stakeholders in the county and would streamline one-to-many activities to help with resourcing constraints.

Lancashire could digitise low value-add services, providing basic information on inward investment opportunities along with exporting, frequently asked questions, e-learning, key sector & market opportunities for businesses to help reach international visitors. This will allow support to focus on higher value-add activities, ensuring that resources are used most effectively to ensure the highest return on investment

Branding and Promotion

Throughout this strategy, there emerged a need for a more coordinated approach to selling Lancashire. Marketing Lancashire has already produced a cohesive brand, however, more needs to be done to sell this to an international audience. The county's identity can be promoted at events, through targeted activities and with a greater online presence in international markets.

Working with trade, investment, and innovation teams will help to spread the message and create a cohesive brand that can be used to holistically sell Lancashire in key markets. Working closely with the already outward-facing organisations in the county, such as universities, will be a strong enabler for this work.

This Foreign Direct Investment Action Plan sets out 4 suggested activities to enable to achievement of Lancashire’s strategic export objectives. These enablers and activities can be implemented by stakeholders across the county and aim at fostering greater cooperation and collaboration between the broad range of supporting organisations.

Suggested Activity



Leveraging Relationships



Defining the Offer



Events and Missions



Targeted Lead Generation



Desired Outcome

An agreed vision for inward investment in Lancashire. Lancashire being included in the Department for International Trade and Northern Powerhouse marketing material, case studies and international visits. Department for International Trade staff aware of the Lancashire offer. Ambassador programme launched.

Key opportunities in Lancashire are promoted to investors and other stakeholders in a position to promote the county. Consistent messaging across all Lancashire stakeholders,

Meeting with potential investors to further explain and develop the Lancashire offer leading to raised awareness and investment in the county..

Convert 15% of target list into follow up meeting and work with interested parties to land investment.

Leveraging Relationships

Description

- Develop connections within Lancashire between businesses, sectors, universities, R&D centres, and local government to provide a consistent message to investors.
- Increase account management of existing investors in Lancashire.
- Building relationships within Northern Powerhouse, DIT (HQ and internationally)
- Develop existing Ambassador programmes to use local business owners and international investors to promote the county.

Desired Outcomes

An agreed vision for inward investment in Lancashire.
 Lancashire being included in DIT/NPH marketing material, case studies, and international visits.
 DIT staff are aware of the offer.
 Ambassador programme launched

Existing Relationships		
National	Regional	Local
<ul style="list-style-type: none"> • Department for International Trade • Chamber of Commerce 	<ul style="list-style-type: none"> • Northern Powerhouse Trade and Investment Group • North West Aerospace Alliance • Northern Automotive Alliance 	<ul style="list-style-type: none"> • Lancaster University • University of Central Lancashire • Edge Hill university • University of Cumbria, Lancaster campus • AMRC • Local Authority twin towns • Chamber of Commerce

Workstream 1 - Leveraging Relationships



Activities are plotted against a three year timeline to help with prioritisation. Although the strategic outcomes are targeting a 10-Year strategy, activities will need to be reviewed and refreshed throughout to ensure relevance and keep material up to date.

Months	0-6	6-12	12-18	18-24	24-30	30-36
Activities	Develop connections within Lancashire		Increase account management		Develop international relationships	

Description	<p>Develop connections within Lancashire between businesses, sectors, universities, R&D centres and local government to provide a consistent message to investors.</p> <p>Increase account management of existing investors in Lancashire.</p> <p>Building relationships within the Northern Powerhouse, DiT (HQ and internationally).</p> <p>Develop existing Ambassador programmes to use local business owners and international investors to promote the county.</p>		
Ease of implementation	Time consuming with Medium complexity to develop lots of inter-connecting relationships		
Proposed approach and activities	<p>This work will involve the following activities:</p> <ol style="list-style-type: none"> 1. Map Foreign Owned Companies in Lancashire in terms of geography and sectors 2. Map existing relationships where known of universities, R&D centres and local government twin towns 3. Cross reference the mapping exercise to see which markets are easiest to access 4. Make contact with DiT personnel in 3 overseas markets linked to above point 5. Work with Marketing Lancashire and DiT on their ambassador programmes that will promote Lancashire as a place to invest in 		
Resourcing and Budgetary Considerations	<p>Number of FTE required</p> <p>1</p>	<p>Number of months required</p> <p>36</p>	<p>Total Cost of Workstream</p> <p>£ 165,000</p>

Defining the Offer

Description

- Develop propositions on priority sectors, enterprise zones and key opportunities including the collaboration across universities and colleges building a robust future talent pipeline to support inward investment in Lancashire.
- Create content for other parties to use such as case studies of successful investors and a HPO for DIT.
- Create bespoke content for DIT staff in priority markets so they are aware of the Lancashire offer.
- Create a central store of material that is available for all Lancashire stakeholders.

Desired Outcomes

Key opportunities in Lancashire are promoted to investors and other stakeholders in a position to promote the county.
Consistent messaging across all Lancashire stakeholders.

Existing Activity		
National	Regional	Local
<ul style="list-style-type: none"> • Department for International Trade overseas posts • The Great website • Sector propositions 	<ul style="list-style-type: none"> • Northern Powerhouse High Potential Opportunities 	<ul style="list-style-type: none"> • Invest in Lancashire Website

Workstream 2 - Defining the Offer

Activities are plotted against a three year timeline to help with prioritisation. Although the strategic outcomes are targeting a 10-Year strategy, activities will need to be reviewed and refreshed throughout to ensure relevance and keep material up to date.

Months	0-6	6-12	12-18	18-24	24-30	30-36
Activities	Create proposition for CETP		Use proposition with DiT colleagues		Create a central store of material	
		Review		Review		
Description	<p>Develop propositions of priority sectors, enterprise zones and key opportunities including the collaboration across universities and colleges building a robust future talent pipeline to support inward investment in Lancashire.</p> <p>Create bespoke content for DiT colleagues in priority markets so they are aware of the Lancashire offer.</p> <p>Create bespoke content such as case studies of successful investors for other parties such as Ambassador companies to use.</p> <p>Create a High Potential Opportunity to use to attract investors.</p> <p>Create a central store of material that is available to all Lancashire stakeholders</p>					
Ease of implementation	Medium complexity to create a cohesive set of propositions that link together to clearly articulate Lancashire's offer.					
Proposed approach and activities	<p>This work will involve the following activities:</p> <ol style="list-style-type: none"> 1. Model the Foreign Direct Investment Lifecycle. 2. Review all the DiT sector propositions alongside the LEP Sector Groups action plan to create a depository of information to inform propositions. 3. Using the outcome of the mapping exercises in workstream 1 and working with stakeholders develop a nuclear related proposition for specific markets. 4. Develop propositions for the Clean Energy Technology Park and Enterprise Zones sites. 5. Translate the proposition into target market languages is appropriate. 6. Develop the proposition in the form of a High Potential Opportunity, please note that DiT will not be calling for any more HPO's but overseas posts are familiar with the format. 7. Create a case study for the Clean Energy Technology Park with Westinghouse/ Springfields. 8. Use the sector plans developed by the LEP sector groups to develop niche propositions for specific target markets such as cyber, space and advanced mobility 9. Create 5 propositions for the Invest in Lancashire website 					
Resourcing and Budgetary Considerations	Number of FTE required 2	Number of months required 24		Total Cost of Workstream £330,000		

Events and Missions

Description

- Attend trade show and events to promote Lancashire and the opportunities.
- Attend events as part of the wider NPH or DIT brand.
- Organise virtual events or virtual visits to promote key opportunities.
- Encourage local companies to take part in export missions and spread the Lancashire brand.
- Link investment events to existing civic/ethnic community connections.

Desired Outcomes

Meetings with potential investors to further explain and develop the Lancashire offer leading to raised awareness and investment in the county.

Existing Activity		
National	Regional	Local
<ul style="list-style-type: none"> • DIT – Invest in the UK website • DIT missions 	<ul style="list-style-type: none"> • Northern Powerhouse missions 	<ul style="list-style-type: none"> • Invest in Lancashire website

Workstream 3 - Events and Missions

Activities are plotted against a three year timeline to help with prioritisation. Although the strategic outcomes are targeting a 10-Year strategy, activities will need to be reviewed and refreshed throughout to ensure relevance and keep material up to date.

Months	0-6	6-12	12-18	18-24	24-30	30-36
Activities	Identify target markets and events		Generate virtual events		Outbound missions	
		Review		Review		

Description	Attend trade shows and events to promote Lancashire and the opportunities. Attend events as part of the wider NPH or DiT brand. Organise virtual events or virtual visits to promote key opportunities. Encourage local companies to take part in export missions and spread the Lancashire brand. Link investment events to existing civic/ethnic community connections		
Ease of implementation	Low to medium complexity to curate local events and missions that link into national and national events and missions where appropriate.		
Proposed approach and activities	<p>This work will involve the following activities:</p> <ol style="list-style-type: none"> 1. Identify target markets and investigate events held in market 2. Use HPO created as part of workstream 2 to promote on national and local websites 3. Use HPO to generate virtual events. 4. Build on virtual events to generate inward or outbound missions to engage with potential investors. 5. Based on leads created in actions above target events to attend as part of a DiT visit. 6. Use events organised by NHP colleagues to attend overseas events in target markets for specific sector opportunities. 7. Use relationships developed as part of workstream 2 to create virtual events. 8. Build on virtual events to create inward investment missions in target markets. 		
Resourcing and Budgetary Considerations	Number of FTE required 1	Number of months required 24	Total Cost of Workstream £96,000

Targeted Lead Generation

Description

- Build a target list of companies in priority sectors and markets with a high propensity to invest.
- Target investors with tailored promotional activity and in-person contact.
- Understand the needs of interested investors and develop bespoke propositions.
- Interrogate DiT's pipeline of projects to identify enquiries that play to Lancashire's strengths and engage with the Project Manager

Desired Outcomes

Convert 15% of target list into follow up meetings and work with interested parties to land investment.

Existing Activity

National

- DIT Pipeline of projects

Regional

Local

Workstream 4 - Targeted Lead Generation

Activities are plotted against a three year timeline to help with prioritisation. Although the strategic outcomes are targeting a 10-Year strategy, activities will need to be reviewed and refreshed throughout to ensure relevance and keep material up to date.

Months	0-6	6-12	12-18	18-24	24-30	30-36
Activities	<div style="display: flex; justify-content: space-between;"> <div style="border: 1px solid blue; padding: 5px; background-color: #004a7c; color: white; border-radius: 10px;">Interrogate DiT Pipeline</div> <div style="border: 1px solid blue; padding: 5px; background-color: #004a7c; color: white; border-radius: 10px; flex-grow: 1;">Develop list of target companies and pursue in market</div> </div>					
Description	<p>Build a target list of companies in priority sectors and markets with a high propensity to invest. Target investors with tailored promotional activity and in-person contact. Understand the need of interested investors and develop bespoke propositions. Interrogate DiT's pipeline of project to identify enquiries that play to Lancashire's strengths and engage with the Project Manager.</p>					
Ease of implementation	<p>Medium complexity to develop the right leads that are appropriate to Lancashire's strengths.</p>					
Proposed approach and activities	<p>This work will involve the following activities:</p> <ol style="list-style-type: none"> 1. Interrogate the DiT pipeline for nuclear and clean energy projects and make contact with the Project Lead. 2. Using information developed as part of workstreams 2 and 3 identify companies to target and decide approach e.g. virtual or in person. 3. Identify DiT/NPH missions that are in our key sectors and identify target companies leveraging relationships. 4. Identify which DiT overseas post works in target company market and make contact to get introduction. 5. For those markets which don't have a DiT overseas post or needs specialise knowledge consider funding someone to work on Lancashire's behalf in market. 6. Create specific marketing material for target companies 7. Review enquiry handling protocols and ensure all leads are followed up on a timely basis. 					
Resourcing and Budgetary Considerations	Number of FTE required 2		Number of months required 36		Total Cost of Workstream £200,000	

Workstream Activities 2022 - 2025

Activities are plotted against a three year timeline to help with prioritisation. Although the strategic outcomes are targeting a 10-Year strategy, activities will need to be reviewed and refreshed throughout to ensure relevance and keep material up to date.

Months	0-6	6-12	12-18	18-24	24-30	30-36
Activities	Develop connections within Lancashire		Increase account management		Develop international relationships	
	Create proposition for CETP		Use proposition with DiT colleagues		Create a central store of material	
	Identify target markets and events		Generate virtual events		Outbound missions	
	Interrogate DiT Pipeline	Develop list of target companies and pursue in market				
			Review progress and refresh			Review progress and refresh

Summary

Workstream	Resource	Cost	Outcomes
1.Leveraging Relationships	1 FTE	£165,000	Long term post to create meaningful relationships with foreign owned companies.
2. Defining the Offer	2 FTE	£330,000	Attraction of new to Lancashire foreign owned companies in high tech sectors to support and build on innovation in the county.
3. Events and Missions	1 FTE	£96,000	Work with DiT and private sector providers to curate missions in target markets that deliver inward investment opportunities.
4. Targeted Lead Generation	2 FTE	£200,000	Use a defined list of companies in target markets to generate leads for inward investment opportunities. Consider using in market specialist services.
Total	6 FTE	£791,000	

Currently a Key Account Manager is funded by the Department for International Trade (DiT) until the end of September 2022. This resource is essential to Lancashire and the value has been demonstrated to DiT but they are undergoing a transformation so future funding is not certain. If DiT are not able to fund this post then partners should consider covering the cost of this post. In order to maintain the relationships built up over a number of years with Foreign Owned Companies. These relationships enable to Foreign Owned businesses to get support for their growth plans and thrive in Lancashire.

There is the potential for a Head of Investment post to be filled within the LEP budget and that post could take on some of this work alongside other pillar work and oversee the delivery of the Internationalisation Strategy.

If further resource could be secured either from DiT or a County Deal then Lancashire could really make an impact on growing its economy and attracting high quality jobs into the county.



Capital Investment Action Plan 2022 - 2025



Introduction	3
Lancashire's Capital Investment Ambition	5
Capital Investment Priority Sectors and Markets	7
Lancashire's Capital Investment Action Plan	13
Summary	21

Introduction

Global trends forecast a boom in infrastructure private equity and private equity investments are growing globally. Lancashire needs to position itself in order to attract a share of this investment.

The overall trend shows private equity investment is growing in Lancashire in line with global trends.

Since 2013 there have been 59 deals in Lancashire, with a value of £2.9m invested. While there were no deals in 2020, the figures to December 2021 show the highest number of deals in the last nine years. The overall trend in deals has been steady growth.

Looking forward the driving forces in global private equity are likely to be technology, media & telecoms, the digitisation of industry and sustainability.

Current global conditions and government priorities suggest the infrastructure private equity industry will experience a boom in the next few years due to remote working, the growing market share of electric vehicles, global supply chains is encouraging investment at ports, increased demand for data storage is driving investment in telecoms and governments and asset owners are increasingly focussed on the resilience of infrastructure to climate change.

Lancashire's Strategic Objectives



Position Lancashire at the forefront of innovation, with cutting-edge and progressive research, leader in the fields of Industry 4.0+, cyber, space and security related industries, energy and low carbon technology, health innovation and advanced mobility. Lancashire's universities are the most engaged universities in the UK supporting economic growth and collaborating with business and academia.



Build a globally competitive county by increasing trade, foreign investment, R&D and Innovation and visitor numbers, supporting business development and partnership working to deliver local growth ambitions and bring benefits to local businesses and residents



Promote the Lancashire brand internationally to attract investment, business visitors and increase visitor spend in the county, celebrating the strong quality of life offer. Exploit the new conference centre in Blackpool to host international events centred around our strengths in the North West Cyber Corridor, Net Zero technologies and defence.



Establish Lancashire firmly as a place which attracts and retains talent and investment in technology, skills and productivity and as a recognised destination of choice for business and leisure visitors.

Lancashire's Capital Investment Ambition



Increase visibility of the capital investment ecosystem in Lancashire



15% increase in private equity investment in Lancashire companies by 2030



More towns included un central government funding such as the Levelling Up Fund



Lancashire projects receiving funding for low carbon initiatives



Increase in infrastructure investment coming from private sector investors

Capital Investment Priority Sectors and Markets

Low carbon transition in Lancashire will require investment

Alongside attracting international investors, Lancashire should seek to work more closely with Manchester and London as links to capital investment. The county's plan for a low carbon transition is likely to need a proportion of private financing. As a global centre for green finance, London provides links to institutional investors and sovereign wealth funds.

Likewise, a targeted approach should be taken to seeking capital investment that focuses on markets, and within those markets, investment sources that are prioritising low carbon investments. This applies across Lancashire's key sectors, from both a large capital and growth capital perspective. Likewise, outperformance in IT and healthcare investment should drive sector focus.

Therefore, Lancashire will need to prioritise investment attraction in key sectors across:

- **Core markets** – where there is both a current and future opportunity
- **Emerging markets** – with a medium / long term opportunity which will need curating

Global investment trends suggest that capital investment is becoming more prevalent and developing a targeted approach to attracting this capital will ensure Lancashire receives its fair share of this pot.

Major infrastructure projects (Blackpool Central) or development projects (Eden North) are potential opportunities for investment. Raising the profile of these investment opportunities in international markets will be key to ensuring that capital is raised to fully support them.

Beyond large capital, Lancashire is also a prime target for venture capital and private equity investment. Growing innovation in the county is opening the door for investors looking for start-ups or SMEs to invest in at an early stage.

Using national platforms will be important to attracting capital

Attracting more central government infrastructure projects will raise the profile of the county among infrastructure investors. Working with central government to understand opportunities will be important.

Likewise, being able to flag investment opportunities through national platforms to an international audience is important to raise profile and awareness. Currently, Lancashire has no investment opportunities listed on DIT's Investment Opportunity database. Understanding how to get projects requiring investment listed on this database is a key way to drive more investment. Working with DIT colleagues will help assess eligibility requirements.



DIT's Investment Opportunity database lists capital investment opportunities currently existing in the UK for overseas investors

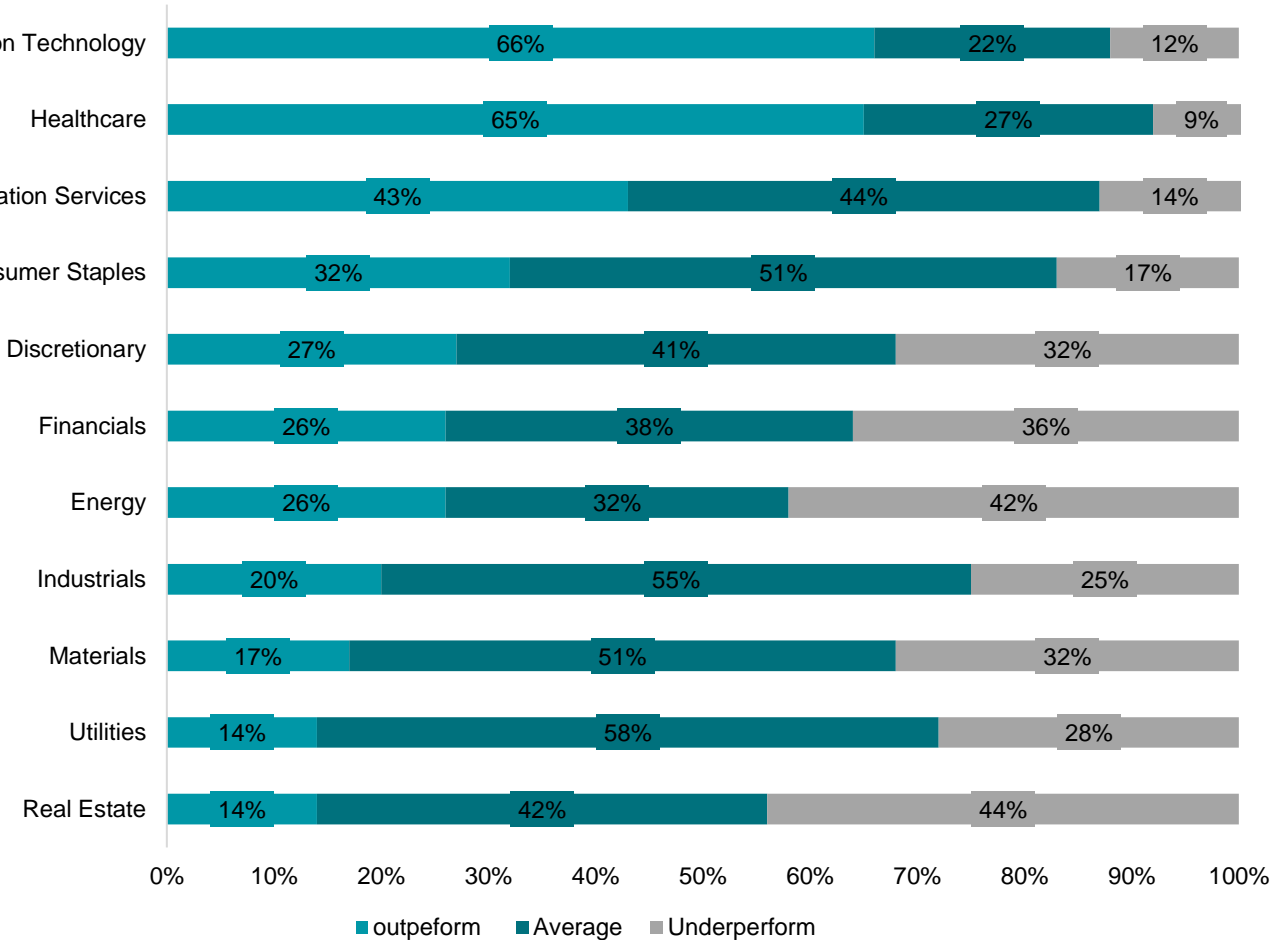
Private equity investments target sectors and verticals

Identifying the most valuable sectors for private capital in each region is complicated by the fact that the investment potential of one sector may actually be caused by its enabling capacity in another sector. For example, investment in technology such as Artificial Intelligence can revolutionise industrial production.

While acknowledging this issue of imperfect definitions, it was still possible to conduct more detailed research on each sector in the key markets identified by the data modelling.

In a survey of 500 institutional investors, technology and healthcare were the two sectors the majority of respondents believed would outperform the market coverage and therefore the most likely to receive investment. Other strong sectors included communication services, consumer products, energy and financials. Industrials were of less interest to investors, but this is likely to be because the opportunity is in the digitisation of manufacturing rather than manufacturing itself.

Combining this analysis with historic investment trends discussed earlier, it is possible to align priority sectors in Lancashire with investor priorities. Although a slightly subjective judgement, the most likely areas for investment include:



Infrastructure private equity can be attracted to new infrastructure plans in Lancashire

Foreign capital investment in infrastructure into the UK is broken down into real estate, and energy & infrastructure. Opportunities revolve around the UK infrastructure pipeline, government initiatives, local government development plans, housing development, and private developer projects. Examples include:

- The **UK national infrastructure and construction pipeline** is forecast at £650bn of public and private infrastructure investment across the country over the next decade.
- **Levelling Up Fund** is a £4.8bn government programme to invest in infrastructure that improves everyday life across the UK, including regenerating town centres and high streets, upgrading local transport, and investing in cultural and heritage assets. The first round of applications announced in October 21 includes £46m for new projects in Lancashire.
- **Decarbonisation of transport** including funding for zero emissions flight infrastructure and R&D, £12bn for local transport systems, and £90m for electric vehicle infrastructure.
- The “Getting Building Fund” will provide £900m to deliver jobs, skills and infrastructure across the country. This investment is being targeted in areas facing the biggest economic challenges as a result of the pandemic. It is supporting the delivery of shovel-ready infrastructure projects, agreed with mayors and Local Enterprise Partnerships to boost economic growth and fuel local recovery and jobs.

Examples of projects in Lancashire are provided below and listed by investment type (regeneration, transport, tourism, and social infrastructure). These are a good match with the main capital investment themes emerging from the stakeholder consultation.



- **Blackpool Central** (£300m)
- **Colne Town Centre** regeneration £6.5m
- **National Cyber Force Corridor**



- **Burnley Railway Station Accessibility Improvements** (£19m as part of a package with public realm and college investments)
- **Blackpool tram extension and transport interchange**



- **Eden North** (£125m)
- **4* hotel at Blackpool North station**



- **Burnley Campus Expansion** (£19m as part of a package with public realm and railway improvements)
- **Blackpool affordable housing** with the pro-active assistance to developers

Data modelling identified that the leading countries for capital investment closely matched those identified for inward investment. This is unsurprising given the similarities in priority sectors and that multinational companies and private equity investors are looking for the same thing – strong stable markets and innovative ecosystems. The emerging markets represent the global economic shift to the East and are three of the most common markets that the UK works with in Asia for capital investment.

CORE MARKETS



USA



Canada



Germany

EMERGING MARKETS



India



Singapore



China

Core markets provide a current and future opportunity. These are some of the largest existing investment markets for Lancashire as well as providing more accessible opportunities for investment.

Emerging markets provide a more medium to long-term opportunity. There are genuine, material opportunities as well as investment relationships but they may require more work to work with than core markets.



Eden North presents an example of a significant investment opportunity, particularly for those markets interested in sustainability and innovation

We acknowledge that there is limited resource and as such, 6 markets may be too many to tackle at once. We propose a further prioritisation in which initially Germany, Singapore and the USA are focused upon in the short term, with Canada, India and China having a more medium to long term focus.

SHORT TERM



Germany



Singapore



USA

YEAR 1 →

MEDIUM TO LONG TERM



China



India



Canada

YEAR 2 →

Focus Markets



Globally, the USA is the largest source of capital investment. It is also one of the largest investors in the UK and North West in terms of large capital investment as well as growth capital such as Venture Capital and Private Equity funding. A lot of the current priority sectors for US investors also align with Lancashire's priorities.



Germany has high investment figures across creative & digital as well as health, two areas in which Lancashire is focusing innovation energy for further investment. Within Germany are two of Europe's largest capital investment hubs in Berlin and Frankfurt.



Singapore typifies the rise of capital investment in Asia and is trying to make itself the Silicon Valley of the East by investing in and collaborating with companies around the world. It is also a financial services hub which acts as the investment arm for many Asian funds.

Lancashire's Capital Investment Action Plan

This Action Plan is underpinned by three key themes that cut across the wider Internationalisation Strategy, as well as other work being undertaken as part of Lancashire 2050. Importance on the international stage requires particular attention and should be considered throughout each workstream outlined in this plan.

Sustainability

Sustainability is becoming increasingly important in investment decisions as companies shift their focus to new types of activity to reduce environmental impact. From an internationalisation perspective more needs to be done to promote the county and a leader in Low Carbon innovation and manufacturing. Many of the excellent energy innovation assets in Lancashire need to be promoted to greater effect both nationally and internationally. Work is needed to establish collaborative partnerships internationally. Green trade presents major opportunities for the UK economy as set out in the UK Board of Trade Report July 2021, driving sustainable growth, building the green industrial base, and securing more green jobs. Lancashire has the opportunity to build on the report as a centre for sustainability to attract capital investment in schemes and businesses supporting this agenda.

Digitisation

There is a greater emphasis on digital technology in the world of Foreign Direct Investment and Lancashire will need to embrace an international dimension to its web presence.

An ambitious target for Lancashire, would be the creation of a digital platform which could be used across all the pillars to promote Lancashire. This platform will allow for a substantial reach across stakeholders in the county and would streamline one-to-many activities to help with resourcing constraints.

Lancashire could digitise low value-add services, providing basic information on inward investment opportunities along with exporting, frequently asked questions, e-learning, key sector & market opportunities for businesses to help reach international visitors. This will allow support to focus on higher value-add activities, ensuring that resources are used most effectively to ensure the highest return on investment.

Branding and Promotion

Throughout this strategy, there emerged a need for a more coordinated approach to selling Lancashire. Marketing Lancashire has already produced a cohesive brand, however, more needs to be done to sell this to an international audience. The county's identity can be promoted at events, through targeted activities and with a greater online presence in international markets using the Invest in Lancashire website. Further resources would be needed to update the website to engage with international businesses and markets.

Working with trade, investment, and innovation teams will help to spread the message and create a cohesive brand that can be used to holistically sell Lancashire in key markets. Working closely with the already outward-facing organisations in the county, such as universities, will be a strong enabler for this work.

This Foreign Direct Investment Action Plan sets out 4 suggested activities to enable to achievement of Lancashire’s strategic export objectives. These enablers and activities can be implemented by stakeholders across the county and aim at fostering greater cooperation and collaboration between the broad range of supporting organisations.

Suggested Activity

Desired Outcome



Leveraging Relationships



Opportunities are shared across stakeholders in Lancashire, local roadshows to promote Private Equity to companies and closer links to Manchester private equity and London green finance.



Defining the Offer



Present a professional image to potential investors and provide them with material that allows them to make a detailed assessment of the opportunity and whether they want to proceed further.



Events and Missions



Meeting with potential investors to further explain and develop the Lancashire offer leading to raised awareness and investment in the county..



Targeted Lead Generation



Convert 15% of target list into follow up meeting and work with interested parties to land investment.

Workstream 1 - Leveraging Relationships



Activities are plotted against a three year timeline to help with prioritisation. Although the strategic outcomes are targeting a 10-Year strategy, activities will need to be reviewed and refreshed throughout to ensure relevance and keep material up to date.

Months	0-6	6-12	12-18	18-24	24-30	30-36
Activities	Map private equity investors in Lancashire		Database infrastructure projects		Develop infrastructure propositions	

Page 318

Description	<p>Build relationships in Lancashire, the UK and abroad to ensure that major projects in Lancashire are being seen by potential investors, government and regional bodies (NPH). All major infrastructure projects are shared by local authorities and private developers across the county. Build relationships with emerging sectors such as green financing. Promote the value of private equity to local businesses and build contacts with companies who are likely to need growth capital in the near future. Incorporate activity with the Action Plan of the Availability of Finance report.</p>		
Ease of implementation	Time consuming with medium to high complexity to align all the local authority opportunities.		
Proposed approach and activities	<p>This work will involve the following activities:</p> <ol style="list-style-type: none"> Engage with Key Account Manager and map Foreign Owned Companies in Lancashire in terms of ownership to see who the private equity investors are Collate all infrastructure projects into a database Ascertain which projects are open to private equity Use existing relationships to build relationships with investment houses, sovereign wealth companies and family offices Develop infrastructure propositions to go onto the Invest in Lancashire and the DiT's Investment Atlas websites e.g Clean Energy Technology Park proposition 		
Resourcing and Budgetary Considerations	<p>Number of FTE required 0.5</p>	<p>Number of months required 36 months</p>	<p>Total cost of external FTE £82,500</p>

Workstream 2 - Defining the Offer

Activities are plotted against a three year timeline to help with prioritisation. Although the strategic outcomes are targeting a 10-Year strategy, activities will need to be reviewed and refreshed throughout to ensure relevance and keep material up to date.

Months	0-6	6-12	12-18	18-24	24-30	30-36
Activities	Create proposition for CETP		Use proposition with DiT colleagues		Create a central store of material	
		Review		Review		

Description	Develop marketing material on potential large capital investment projects that can be stored and accessed alongside other inward investment marketing material and develop a Lancashire Capital Investment Prospectus that demonstrated the business case for future opportunities alongside projections for return on investment.					
Ease of implementation	Medium complexity in co-ordinating all activities to make the biggest impact and link in with events and missions.					
Proposed approach and activities	<p>This work will involve the following activities:</p> <ol style="list-style-type: none"> 1. Develop an infrastructure proposition for the Clean Energy Technology Park to sit alongside the FDI proposition 2. Develop a Visitor Economy capital investment proposition around an international hotel chain 3. Create a portfolio of infrastructure propositions such as Lancashire Central, Enterprise Zones, Eden North etc 4. Publish the propositions on the Invest in Lancashire website and DiT's Investment Atlas 5. Actively promote the propositions with NPH and DiT colleagues 6. Engage with international investors as per workstream 1 to promote the opportunities 					
Resourcing and Budgetary Considerations	Number of FTE required 1		Number of months required 18 months		Total cost of FTE £82,500	

Workstream 3 - Events and Missions

Activities are plotted against a three year timeline to help with prioritisation. Although the strategic outcomes are targeting a 10-Year strategy, activities will need to be reviewed and refreshed throughout to ensure relevance and keep material up to date.

Months	0-6	6-12	12-18	18-24	24-30	30-36
Activities	Identify international investors in clean energy		Develop propositions		Create London Capital Investment event	
		Review		Review		
Description	Link with FDI and Visitor Economy pillars to select the most suitable events and outbound missions. Work with DiT and NPH to ensure involvement in regional and national events. Leverage London's position as a global finance hub and organize events in the capital that can indirectly tap into international investors,					
Ease of implementation	Low to medium complexity to link into regional and national events and missions					
Proposed approach and activities	<p>This work will involve the following activities:</p> <ol style="list-style-type: none"> 1. Identify international investors in the clean energy sector and investigate events to meet those investors 2. Engage with NPH and DiT to promote Lancashire's infrastructure propositions 3. Attend events and missions to promote Lancashire's capital investment propositions 4. Work with the stakeholders to create visibility of the financial eco system in Lancashire 5. Work with NPH and DiT colleagues to organise a capital investment event in London and market to the international investor market 6. Follow up on any leads generated by any of the above activity to secure capital investment in to Lancashire 					
Resourcing and Budgetary Considerations	Number of FTE required 1		Number of months required 24		Total cost of FTE £96,000	

Workstream 4 - Targeted Lead Generation

Activities are plotted against a three year timeline to help with prioritisation. Although the strategic outcomes are targeting a 10-Year strategy, activities will need to be reviewed and refreshed throughout to ensure relevance and keep material up to date.

Months	0-6	6-12	12-18	18-24	24-30	30-36
Activities	Build target list of investors		Engage with investors to land capital investments			
Description	Build a target list of institutional investors most interested in large capital projects within the Lancashire pipeline Build a target list of private equity firms with an investment strategy linked to priority markets Target investors with tailored promotional activity of in person contact Understand the needs of interested investors and develop bespoke propositions					
Ease of implementation	Medium to high complexity building relationships and gaining trust to provide the right opportunities to the right investors,					
Proposed approach and activities	This work will involve the following activities: <ol style="list-style-type: none"> 1. Building on workstreams 1, 2 and 3 develop a target list of institutions investors, sovereign wealth firms and family offices. 2. Building on workstreams 1, 2 and 3 develop a target list of private equity firms. 3. Understand what type of investments each investor is interested in and if possible the amount available for investment 4. Create bespoke marketing material for target companies 5. Engage with investors with a view to increasing private equity investment in Lancashire 6. Ensure all leads are followed up on a timely basis. 7. Meet with investors to progress and complete the investment. 					
Resourcing and Budgetary Considerations	Number of FTE required 2		Number of months required 36		Total cost of FTE £300,000	

Workstream Activities 2022 - 2025

Activities are plotted against a three year timeline to help with prioritisation. Although the strategic outcomes are targeting a 10-Year strategy, activities will need to be reviewed and refreshed throughout to ensure relevance and keep material up to date.

Months	0-6	6-12	12-18	18-24	24-30	30-36
Activities	Map private equity investors in Lancashire		Database of infrastructure projects		Develop infrastructure propositions	
	Create proposition for CETP		Use proposition with DiT colleagues		Create a central store of material	
	Identify investors in the clean energy sector		Develop propositions		Create London Capital Investment event	
	Build target list of investors		Engage with investors to land capital investments in Lancashire			
			Review progress and refresh			Review progress and refresh

Summary

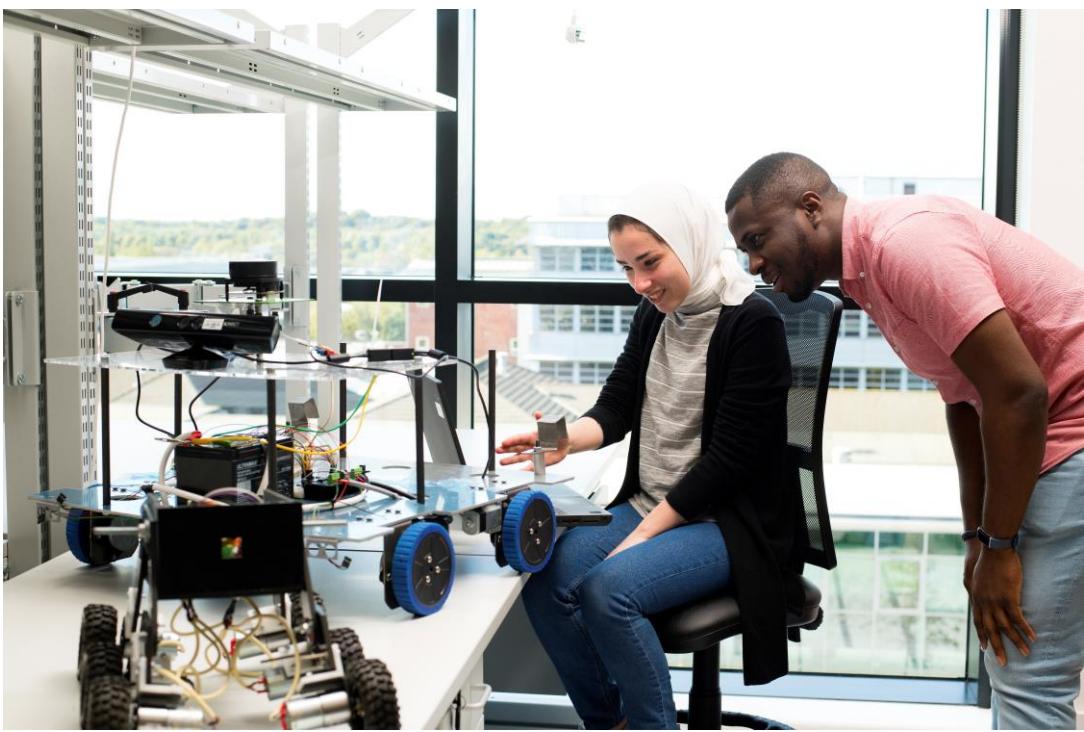
Workstream	Resource	Cost	Outcomes
1. Levering Relationships	0.5 FTE	£82,500	Long term post to create meaningful relationships with international capital investors.
2. Defining the offer	1 FTE	£82,500	Create a portfolio of propositions for website and DiT for Capital Investment opportunities. Engage with overseas investors and pursue capital investment into county to secure development.
3. Events and Missions	1 FTE	£96,000	Promote Lancashire's capital investment propositions at identified events and missions to secure investment into Lancashire.
4. Target Lead Generation	2 FTE	£300,000	Produce a list of investors that may be interested in the capital investment propositions and engage to secure capital investment in Lancashire.
Total	4.5 FTE	£561,000	

Currently there is no resource dedicated to Capital Investment in Lancashire and no resource in the pipeline. The suggested resource is for varying periods between 18 and 36 months and the detail is in the workstream slides.

There is the potential for a Head of Investment post to be fulfilled within the LEP budget that could take on some of this work and given the importance of the National Cyber Force Corridor to Lancashire this resource should be considered.

This action plan could impact partners who may decide to dedicate some resource to capital investment opportunities to increase the amount of government funding that Lancashire receives.

If resource could be secured as part of a County Deal then Lancashire could make a stepped change in its performance in Capital Investment terms.



Innovation Action Plan 2022 - 2025

OCO

M-D

Introduction	3
Lancashire's Innovation Ambition	5
Innovation Priority Sectors and Markets	7
Lancashire's Innovation Action Plan	13
Summary	25

Introduction

The Innovation Plan will build on key sector strengths and assets in Lancashire and emerging technological markets leveraging the other facets of the Internationalisation Plan.

The plan will communicate a clear, distinctive value proposition around capabilities in Security and Resilience. It will facilitate R&D networks eg through university-business knowledge exchange and testbeds/campuses for crossover technologies and commercialisation.

It will target four complementary Missions:

- Cyber, Digital and Secure Systems - leveraged by the NCF activity, industrial digital & communications technologies
- Advanced Mobility & Manufacturing - aerospace and automotive, electech and new materials
- Energy, Low Carbon & Sustainable Technologies – nuclear, co-related energy vectors & clean tech
- Health analytics and Preventative Systems – value based care, automated diagnostics, targeted therapy

It will build strong clusters around the following strategic goals:

- Staying ahead - leading in current areas of strength and “owning” key fields of growth to keep us at the frontier
- Building new pathways - cross sector collaboration to use our strengths to create new opportunities across our sectors & with other regions
- Broadening our ecosystem - adoption & diffusion to spread good ideas and broaden our innovation capacity across the business base

Lancashire’s Strategic Objectives



Position Lancashire at the forefront of innovation, with cutting-edge and progressive research, leader in the fields of Industry 4.0+, cyber, space and security related industries, energy and low carbon technology, health innovation and advanced mobility. Lancashire’s universities are the most engaged universities in the UK supporting economic growth and collaborating with business and academia.



Build a globally competitive county by increasing trade, foreign investment, R&D and Innovation and visitor numbers, supporting business development and partnership working to deliver local growth ambitions and bring benefits to local businesses and residents



Promote the Lancashire brand internationally to attract investment, business visitors and increase visitor spend in the county, celebrating the strong quality of life offer. Exploit the new conference centre in Blackpool to host international events centred around our strengths in the North West Cyber Corridor, Net Zero technologies and defence.



Establish Lancashire firmly as a place which attracts and retains talent and investment in technology, skills and productivity and as a recognised destination of choice for business and leisure visitors.

Lancashire's Innovation Ambition



Lancashire to be recognised as the UK's leading innovation region in security and resilience eg through NCF with cyber-security and through the CETP with nuclear clean tech.



A 20% increase in UKRI and other innovation related funding which will underpin innovation relationships, clusters and growth (Wellcome Foundation and Bill Gates Foundation etc).



Development of a roadmap for the county that levers knowledge networks, bringing together innovation stakeholders with an international specialisation for each of the four Missions



Innovation partnership initiatives established with two key foreign markets to support FDI, Exports and Equity Investment in our four missions areas, alongside UKRI, our four universities (and their foreign campuses) and key corporates with bases in Lancashire.

Innovation Priority Sectors and Markets

A collaborative approach between stakeholders is key to driving innovation

Lancashire has the capability to serve as a testbed for innovation in a number of different sectors. However for the first three years of the Action Plan it is sensible to concentrate on a few sectors that features heavily in the Innovation Plan such as cyber security, Health and Nuclear.

Likewise, it can be inferred from Innovate UK funding that the commercialisation of research is behind other UK locations. Linking to the capital investment pillar could help attract innovative activity along with utilising the links between AMRC Sheffield and the AMRC NW. Ensuring that the funding landscape is set up for innovative companies, whether they are large companies undertaking R&D or smaller start-ups and SMEs.

Existing assets should be leveraged where possible to build collaborative relationships

Given the links between Lancashire's universities and academic institutions it makes sense to leverage these links. Lancaster University has partnerships with universities in Malaysia and China, as well as campuses in Germany and Ghana. This is not including numerous collaborative projects around the world. UCLan has 15 international partnerships including in the USA and Malaysia. UCLan Cyprus is working to be recognised as a world-class, research-led University, competing successfully and sustainably within a national and international market.

Edge Hill University and the University of Cumbria have engaged in over 70 international research collaborations.

There are also international partnerships to be considered from some of Lancashire's major companies such as BAE Systems, Westinghouse and Rolls Royce.

Therefore, Lancashire will need to prioritise:

- **Core markets** – where there are existing links and relationships as well as tangible and actionable opportunities
- **Emerging markets** – where there may be links as well as potential for growth in collaborative opportunities



Lancaster University has a partnership with Sunway University, Malaysia



UCLan also has a partnership in Malaysia with SEGi University

KEY SECTORS



Advanced Manufacturing



Energy & Low Carbon



Aerospace



Lancashire's advanced manufacturing innovation proposition

Key innovation strengths

- ✓ Large existing manufacturing cluster looking for innovation and upgrades
- ✓ Rapid growth in emerging tech utilising 5G, UAVs, HAPs, Secure Data Comms, Future Mobility and Cleantech
- ✓ AMRC NW, UCLan Engineering Innovation Centre, InfoLab at Lancaster University
- ✓ 5G Factory of the Future and Made Smarter pilot projects
- ✓ The only UK region with four Enterprise Zones and a University EZ

Opportunities

- Opportunities to connect **Innovation assets** within universities and Centres of Excellence in other countries (linked to investment pillar).
- Promote **Made Smarter programme** to show the county is at the cutting edge of industrial digitisation.
- Growth areas in **emerging industrial tech** including CNC, robotics, additive manufacturing, precision engineering, VR and digital twins, low carbon solutions, MedTech and intralogistics.
- Warton Enterprise Zone is a prime site for CAV and other **Future Mobility R&D**



Lancashire's aerospace innovation proposition

Key innovation strengths

- ✓ Leading global players and supply chains in the county
- ✓ Advanced Manufacturing Research Centre (AMRC) NW, (UCLan's) Engineering Innovation Centre, Lancaster Universities new Engineering Dept investment and the Quantum Tech Centre.
- ✓ £3m funding secured in 2020 for commercial drone technologies. Test facilities suited to Space Cluster technology. Crossover technologies in nuclear sector.
- ✓ Electech cluster, positioning, navigation and timing technology
- ✓ Blackpool Enterprise Zone, Warton EZ

Opportunities

- Opportunities to work with leading players in the aerospace sector to develop **low carbon aviation** solutions.
- Participation in **international programmes** such as Tempest Future Combat Air System provides access to global innovation networks.
- Emerging **drone technology** can be applied across multiple sectors such as offshore energy, nuclear, and food production. Surveillance and Comms
- **Warton EZ and Blackpool Airport** as a sandbox/test bed for new mobility solutions.



Lancashire's energy and low carbon innovation proposition

Key innovation strengths

- ✓ Significant strengths in renewables, nuclear, and other energy supply industries which are complemented by a flourishing engineering and technology sector
- ✓ One of the largest concentrations of environmental researchers in Europe at the Lancaster Environment Centre
- ✓ Lancaster University's Centre for Global Eco-Innovation
- ✓ Strong offshore industry that has previously attracted FDI in R&D related activities.
- ✓ The Clean Energy Technology Park
- ✓ Lancashire Centre for Alternative Technologies
- ✓ AMRC Low Carbon Building Demonstrator

Opportunities

- Working across international **Nuclear industry**.
- Government funding for **small modular reactors** in Lancashire.
- Opportunities to establish **infrastructure and demonstrator sites** that enable new technologies to be developed, demonstrated and commercialised.
- **Link with existing companies** such as Rolls-Royce who are aiming to become net-zero by 2030, and enable sectors it sells to in becoming net-zero by 2050.
- Connecting with **Irish Sea Rim super cluster** for energy resources.

KEY FDI SECTORS



Digital
(Cybersecurity)



Food & Drink



Health



Lancashire's digital innovation proposition

Key investment strengths

Cybersecurity

- ✓ Lancaster Cyber Security Centre of Excellence, is an internationally renowned multi-disciplinary hub and testbed for cyber security R&D.
- ✓ Lancaster University is one of only five universities in the UK to gain NCSC recognition as a Gold Academic Centre of Excellence in Cyber Security Education.
- ✓ New National Cyber Force (NCF) HQ is a £5bn investment that demonstrates government confidence in the county's capabilities and talent around cybersecurity.

Emerging Tech

- ✓ Privately funded ElecTech Innovation cluster inspires collaboration across sectors.
- ✓ £100m+ invested in high-tech collaboration hubs across Lancashire

Opportunities

Cybersecurity

- Develop links with clusters internationally who are operating in **offensive cyber activities**.
- Longer term, promote the county as having a niche expertise in **cybersecurity for supply chains and industrial digitisation**.

Emerging tech

- Promote **enterprise zones** as links to specialist innovation ecosystems with additional tax & incentives benefits
- Opportunities for **cross sector collaboration**



Lancashire's food & drink innovation proposition

Key investment strengths

- ✓ Food & Farming Innovation Centre (Myerscough College)
- ✓ Lancaster Environment Centre has internationally leading experience and labs addressing soil and cultivation
- ✓ Engineering Innovation Centre – UCLan
- ✓ Lancashire Drone Innovation Zone and precision farming/sensing
- ✓ The sector links to both advanced manufacturing and low carbon & energy providing opportunities for cross sector working.
- ✓ Links to health and social innovation, health analytics and preventative medicine

Opportunities

- Opportunities to work with **centres of excellence** in agriculture who are working on solutions around low carbon and circular economy farming solutions
- **Precision farming** innovation linked with sensors and drone developments.
- New **food product development and automation**



Lancashire's health innovation proposition

Key investment strengths

- ✓ Health Innovation Campus creates strong collaborative environment between research and practice.
- ✓ Healthtech collaborations between UCLan and NHS Trusts (eg Neuro-Rehabilitation Online).
- ✓ Diverse population and high levels of health risk provide useful populations for clinical trials.
- ✓ Post Covid surge in market for infection prevention and control aligns with local companies innovating in this sector.
- ✓ Crossover with nuclear and medicine, the CETP houses an NNL facility developing isotopes for alpha therapy.

Opportunities

- The local population allows the county to become a testbed for innovations developed elsewhere that lack a **diverse population** for thorough testing.
- Growing trends around MedTech and big data allow for **cross sector collaboration**.
- Developing **reusable/recyclable PPE** is a international opportunity that could involve cutting edge science combined with the county's traditional in textiles, paper and materials manufacturing.
- Nuclear medicine – unique facilities and expertise

Data modelling identified that the leading countries for investment based on R&D expenditure and incentives, patents, graduates, university rankings, and positions on the Global Innovation Index. This was followed by qualitative research that assessed the strengths of the highest ranked markets in sectors and technologies that were most relevant to Lancashire's innovation priorities and had strong internationalisation links to the universities. Core markets are the highest scoring markets in this pillar from the data modelling that have strengths across sectors, while emerging markets scored lower on the data modelling but have specific advantages that can be aligned to Lancashire.

CORE MARKETS



France



Germany



USA

EMERGING MARKETS



Canada



Denmark



Malaysia



In 2019, Lancaster University opened a campus in Leipzig, Germany

Core markets provide a current and future opportunity. These are some of the most important innovation markets for Lancashire as well as providing exciting collaboration opportunities.

Emerging markets provide a more medium to long-term opportunity. There are genuine, material opportunities for innovation and collaboration but they may require more work to access than core markets.

In the three year action plan the short term markets will be the focus of activity without losing sight of the medium to long term markets. Further work will be done to fine tune which markets each sector will target but primarily we see strong innovation opportunities with North America leveraging knowledge and corporate linkages aligned with close security arrangements.

SHORT TERM



Germany



Malaysia



USA

YEAR 1 →

MEDIUM TO LONG TERM



Canada



France



Denmark

YEAR 2 →

Focus Markets



The USA is a global leader in most sectors of relevance to Lancashire. The new US Infrastructure Bill prioritises clean energy and investing in demonstration projects and research hubs for next generation technologies like advanced nuclear reactors, carbon capture, and clean hydrogen. US stakeholders are currently working with UK on nuclear research.



Germany is taking an increasingly important position in the European aeronautical R&D sector. As a global manufacturing hub, Germany is home to major players in Industry 4.0. Strategic partnership opportunities exist with Lancaster University's Leipzig campus.



Malaysia is emerging as an innovative power in Asia. Lancaster University has a strategic partnership with Sunway University, with joint research initiative on future cities. Lancashire has a relationship with leading health investor iGene who have already invested in the county.

Lancashire's Innovation Action Plan

This Action Plan sets out 4 suggested activities to enable to achievement of Lancashire's strategic objectives. These enablers and activities can be implemented by stakeholders across the county and aim at fostering greater cooperation and collaboration between the broad range of supporting organisations.

Suggested Activity



Existing International Connections Assessment



Desired Outcome

Assessment of all existing innovation connection as well as a gap analysis of the potential missing connections in key sectors and markets.



Defining the Offer



Technology roadmap for Lancashire that can be used to promote the county. Roadmap for developing innovation linked to the refreshed Innovation Plan and key themes for the county.



Events and Missions



Increased research activity and knowledge transfer between research organization in Lancashire and internationally. Increase in research funding coming into Lancashire which is seen as a nationally leading location.



Lead Generation



Increase in high values R&D investments into the county. Investors into Lancashire describing innovation as a reason for investing.

Leveraging Relationships

Description

- Build on work done as part of this strategy to fully assess existing international connections in terms of innovation.
- This goes beyond defining the offer to understand not only the existing international connections between academia, businesses and other industry stakeholders, but their appetite and capacity for further or new international, innovative collaboration.

Desired Outcomes

Assessment of all existing innovation connections as well as a gap analysis of the potential missing connections in key sectors and markets

Existing Relationships		
Cyber	Health	Nuclear
<ul style="list-style-type: none"> • Review all international collaborations with a cyber security theme. • Create a map of how many international students are studying any cyber security related courses and where in the world they are from. • Create a map of alumni that have graduated from cyber security related courses, where they are working and in what fields they are working. • Assess if there are any gaps in existing connections in cyber security fields. • Review gaps to see if there are other connections that can be leveraged to engage in further international cyber security collaborations. 	<ul style="list-style-type: none"> • Review all international collaborations with a health theme. • Create a map of how many international students are studying any health innovation related courses and where in the world they are from. • Create a map of alumni that have graduated from health innovation related courses, where they are working and in what fields they are working. • Assess if there are any gaps in existing connections in health innovation fields. • Review gaps to see if there are other connections that can be leveraged to engage in further international health innovation collaborations. 	<ul style="list-style-type: none"> • Review all international collaborations with a nuclear theme. • Create a map of how many international students are studying any nuclear related courses and where in the world they are from. • Create a map of alumni that have graduated from nuclear related courses, where they are working and in what fields they are working. • Assess if there are any gaps in existing connections in nuclear fields. • Review gaps to see if there are other connections that can be leveraged to engage in further international nuclear collaborations.

Workstream 1 - Leveraging Relationships



Activities are plotted against a three year timeline to help with prioritisation. Although the strategic outcomes are targeting a 10-Year strategy, activities will need to be reviewed and refreshed throughout to ensure relevance and keep material up to date.

Months	0-6	6-12	12-18	18-24	24-30	30-36
Activities	Map international collaborations		Map students, research networks and alumni across locations and fields of work		Leverage relationships	

Page 340

Description	Build on work done as part of this strategy to fully assess existing international connections in terms of innovation. This goes beyond defining the offer to understand not only the existing international connections between academia, business and other industry stakeholders but their appetite and capacity for further or new international innovate collaboration.		
Ease of implementation	Will need resource to help mapping, could be facilitated through Masters placement or project alongside university.		
Proposed approach and activities	<p>This work will involve the following activities:</p> <ol style="list-style-type: none"> 1. Map collaborations in cyber security, health innovation and nuclear. 2. Establish Details of past and current specific fields of research in cyber, health innovation and nuclear 3. Map where international students are coming from to study cyber, health innovation and nuclear. 4. Map where and in which fields of cyber security, health innovation and nuclear alumni are working in. 5. Assess geographical gaps in cyber security, health innovation and nuclear. 6. Create a list of target markets for cyber security, health innovation and nuclear. 7. Create campaign to leverage stakeholder relationships to broker new collaborative relationships. 		
Resourcing and Budgetary Considerations	Number of FTE required 0.25	Number of months required 8	Total Cost of Workstream £20,000

Defining the Offer

Description

- Work with all stakeholders in the Lancashire innovation ecosystem to identify assets and strategic priorities.
- Map assets and priorities against themes such as cyber security, health innovation and low carbon/nuclear technologies.
- Link opportunities to achieving goals in other pillars, for example, supporting inward investment or creating a trade corridor.
- Develop arguments to support lobbying with government to attract more R&D funding to Lancashire.

Desired Outcomes

Technology roadmap for Lancashire that can be used to promote the county.

Roadmap for developing innovation linked to the refreshed Innovation Plan and key themes for the county.

Existing Activity		
Cyber security	Health	Nuclear
<ul style="list-style-type: none"> • Identify all cyber security asses, • Identify all cyber security innovation priorities.. • Map assets and priorities against government policy such as the Government Cyber Security Strategy 2022- 2030, UK and Innovation Strategy 2021. • Create proposition for cyber security linking to other pillars such as Foreign Direct Investment for companies to use the assets and talent available, capital investment for investment into schemes and the visitor economy for business visitors who can stay and spend in the county when visiting innovation assets or universities. • Create technology roadmap that can be used to support innovation in the county. • Create evidence and material re cyber security to support attracting R&D funding into Lancashire. 	<ul style="list-style-type: none"> • Identify all health innovation asses, • Identify all health innovation priorities. • Map assets and priorities against government policy such as the UK Innovation Strategy 2021 and Industrial Strategy re the ageing population. • Create proposition for health innovation linking to other pillars such as Foreign Direct Investment for companies to use the assets and talent available, capital investment for investment into schemes and the visitor economy for business visitors who can stay and spend in the county when visiting innovation assets or universities. • Create technology roadmap that can be used to support innovation in the county. • Create evidence and material for health innovation to support attracting R&D funding into Lancashire. 	<ul style="list-style-type: none"> • Identify all nuclear asses, • Identify all nuclear innovation priorities. • Map assets and priorities against government policy such as the 10 point plan for a Green Industrial Revolution, British Energy Strategy 2022 and UK Innovation Strategy 2021. • Create proposition for nuclear linking to other pillars such as Foreign Direct Investment for companies to use the assets and talent available, capital investment for investment into schemes and the visitor economy for business visitors who can stay and spend in the county when visiting innovation assets or universities. • Create technology roadmap that can be used to support innovation in the county. • Create evidence and material for nuclear to support attracting R&D funding into Lancashire.

Workstream 2 - Defining the Offer

Activities are plotted against a three year timeline to help with prioritisation. Although the strategic outcomes are targeting a 10-Year strategy, activities will need to be reviewed and refreshed throughout to ensure relevance and keep material up to date.

Months	0-6	6-12	12-18	18-24	24-30	30-36
Activities	Identify assets and innovation priorities		Map priorities against government policies		Create Innovation Internationalisation Roadmap	
		Review		Review		
Description	<p>Work with all stakeholders in the Lancashire innovation ecosystem to identify assets and strategic priorities. Map assets and priorities against themes such as cyber security, health innovation and nuclear.. Link opportunities to achieving goals in other pillars, for example supporting inward investment or creating a trade corridor. Develop arguments to support lobbying with government to attract more R&D funding to Lancashire.</p>					
Ease of implementation	Resource implications, needs to identify funds and capacity, degree of support from DiT and University joint placement.					
Proposed approach and activities	<p>This work will involve the following activities:</p> <ol style="list-style-type: none"> 1. Identify all cyber security, health innovation and nuclear assets. 2. Identify and map all cyber security, health innovation and nuclear assets 3. Map priorities against government policy such as Innovation Policy, Industrial Strategy and Energy Strategy 4. Create propositions for cyber security, health innovation and nuclear 5. Create technology roadmap 6. Create evidence and material to support innovation in the county 					
Resourcing and Budgetary Considerations	Number of FTE required 0.75		Number of months required 12		Total Cost of Workstream £ 60,000	

Events and Missions

Description

- Outbound missions to develop innovation partnerships with new markets around education and research.
- Conferences and events in Lancashire to increase attention of the county to local, national and international funders, research organisations and companies.

Desired Outcomes

Increased research activity and knowledge transfer between research organisations in Lancashire and internationally.

Increase in research funding coming into Lancashire which is seen as a nationally leading location.

Existing Activity		
Cyber security	Health	Nuclear
<ul style="list-style-type: none"> • Use relationship development and cyber security proposition to target specific market to create collaborations and attract funding into Lancashire. • Awareness of inward investment and export missions that are going to target markets and join missions to create new collaborations.. • Use missions to attract international students. • Identify and use industry champions to promote academic work in field of cyber security. • Where Lancashire universities are leading the research consider conference to publicise outcomes and benefits for Lancashire, UK and international businesses and academics. 	<ul style="list-style-type: none"> • Use relationship development and health innovation proposition to target specific markets to create collaborations and attract funding into Lancashire. • Awareness of inward investment and export missions that are going to target markets and join missions to create new collaborations.. • Use missions to attract international students. • Identify and use industry champions to promote academic work in field of health innovation. • Where Lancashire universities are leading the research consider conference to publicise outcomes and benefits for Lancashire, UK and international businesses and academics. 	<ul style="list-style-type: none"> • Use relationship development and nuclear proposition to target specific markets to create collaborations and attract funding into Lancashire. • Awareness of inward investment and export missions that are going to target markets and join missions to create new collaborations. • Use missions to attract international students. • Identify and use industry champions to promote academic work in field of nuclear. • Where Lancashire universities are leading the research consider conference to publicise outcomes and benefits for Lancashire, UK and international businesses and academics.

Workstream 3 - Events and Missions

Activities are plotted against a three year timeline to help with prioritisation. Although the strategic outcomes are targeting a 10-Year strategy, activities will need to be reviewed and refreshed throughout to ensure relevance and keep material up to date.

Months	0-6	6-12	12-18	18-24	24-30	30-36
Activities	Identify institutions to target re innovation		Join missions and events in target markets		Curate conferences to promote innovation	
		Review		Review		

Description	Outbound missions to develop innovation partnerships with new markets around education and research. Conferences and events in Lancashire to increase attention of the universities in the county to local, national and international funders, research organization and companies.		
Ease of implementation	Higher level placement might facilitate the capacity and resource.		
Proposed approach and activities	<p>This work will involve the following activities:</p> <ol style="list-style-type: none"> 1. Build on workstreams 1 and 2 to create a list of events and missions to engage with. 2. Use missions and events to attract students to courses in target subject areas. 3. Identify and use industry champions including alumni from universities to promote research and benefit to organisations. 4. Curate conferences on subject areas of collaborative international work and promote to Lancashire, national and international companies and academics. 5. Work with the Visitor Economy pillar to ensure a great conference and where extra time could be used to enjoy the benefits of Lancashire. 		
Resourcing and Budgetary Considerations	Number of FTE required 0.5	Number of months required 8	Total Cost of Workstream £30,000

Targeted Lead Generation

Description

- Build a target list of companies in priority sectors and markets with a high propensity to invest.
- Targeted campaign to attract not just companies related to innovation but also students, talent, businesses and research organisation to Lancashire.
- Identify and attract internationally mobile research projects.

Desired Outcomes

Increase in high value R&D investments into Lancashire. Investors into Lancashire describing innovation as a reason for investing.

Existing Activity

Cyber security

- Building on workstream 3 where target markets have been identified, develop a list of universities and research organisations that have strengths in cyber security.
- Interrogate DiT's pipeline of projects to see if there are any projects that are looking for research and development capabilities in cyber security.
- Engage with DiT project managers and FDI pillar to create bespoke proposition for the client.
- Develop cyber security projects which would be of interest to universities and research organisations on target list.
- Develop a campaign to target those universities and research organisations.

Health

- Building on workstream 3 where target markets have been identified, develop a list of universities and research organisations that have strengths in health innovation.
- Interrogate DiT's pipeline of projects to see if there are any projects that are looking for research and development capabilities in health innovation.
- Engage with DiT project managers and FDI pillar to create bespoke proposition for the client.
- Develop health innovation projects which would be of interest to universities and research organisations on target list.
- Develop a campaign to target those universities and research organisations.

Nuclear

- Building on workstream 3 where target markets have been identified, develop a list of universities and research organisations that have strengths nuclear.
- Interrogate DiT's pipeline of projects to see if there are any projects that are looking for research and development capabilities in nuclear.
- Engage with DiT project managers and FDI pillar to create bespoke proposition for the client.
- Develop nuclear projects which would be of interest to universities and research organisations on target list.
- Develop a campaign to target those universities and research organisations.

Workstream 4 - Targeted Lead Generation

Activities are plotted against a three year timeline to help with prioritisation. Although the strategic outcomes are targeting a 10-Year strategy, activities will need to be reviewed and refreshed throughout to ensure relevance and keep material up to date.

Months	0-6	6-12	12-18	18-24	24-30	30-36
Activities	Create target list of universities and research organisations		Interrogate DiT Pipeline for research projects		Campaign to target internationally mobile research projects	
Description	Build a target list of companies and research organisations aligned with the priorities from the innovation mapping. Targeted campaign to attract not just companies related to innovation but also students, talent, businesses and research organisations to Lancashire. Identify and attract internationally mobile research projects.					
Ease of implementation						
Proposed approach and activities	<p>This work will involve the following activities:</p> <ol style="list-style-type: none"> 1. Build a target list of universities and research organisations to target for cyber security, health innovation and nuclear innovation projects 2. Interrogate DiT's pipeline of projects to see there are any cyber security, health innovation or nuclear projects that need R&D 3. Engage with DiT project Managers, FDI pillar to create bespoke proposition 4. Develop cyber security, health innovation and nuclear projects to attract investment from international universities and research organisations. 5. Campaign to target internationally mobile research projects in cyber security, health innovation and nuclear. 					
Resourcing and Budgetary Considerations	Number of FTE required 0.25	Number of months required 8		Total Cost of Workstream £40,000		

Activities are plotted against a three year timeline to help with prioritisation. Although the strategic outcomes are targeting a 10-Year strategy, activities will need to be reviewed and refreshed throughout to ensure relevance and keep material up to date.

Months	0-6	6-12	12-18	18-24	24-30	30-36
Activities	Map international collaborations		Map students and alumni across locations and fields of work		Leverage relationships	
	Identify assets and innovation priorities		Map priorities against government policies		Create Innovation Roadmap	
	Identify institutions to target re innovation		Join missions and events in target markets		Curate conferences to promote innovation	
	Create target list of universities and research organisations		Interrogate DiT Pipeline for research projects		Campaign to target internationally mobile research projects	
				Review progress		
						Review progress and refresh

Summary

Workstream	Resource	Cost	Outcomes
1.Leveraging Existing International Relationships	0.25 FTE	£20,000	Map activities, gaps and targets
2. Define the Offer	0.75 FTE	£60,000	Synthesise opportunities and create propositions
3. Events and Missions	0.5 FTE	£30,000	Successful well attended events across all four priority Missions
4. Lead Generation	0.5 FTE	£40,000	Leads generated in all four priority Missions
Total	2	£150,000	

A Universities manager works across all four universities in Lancashire but their role is not specifically in relation to internationalisation. However they could contribute by keeping progress of the action plan on track.

The resource needed for this action plan may come from placements form the universities cohort of students both undergraduate and post graduate lasting from between eight and twelve months, The placements will need supervision and the universities will ned to take this into account when allocation resources to these activities,. However defining the offer and lead generation will need external resource.



Visitor Economy Internationalisation Action Plan 2022 - 2025

OCO

M-D

Introduction	3
Lancashire's Visitor Economy Ambition	5
Visitor Economy Priority Markets	7
Lancashire's Visitor Economy Action Plan	9
Summary	25

Introduction

Lancashire has the opportunity to leverage existing visitor programmes to drive international business and leisure visitors.

Total visits from overseas to Lancashire has consistently remained between 250,000 to 330,000 per year for the past 5 years. This accounts for approximately 0.6% of all overseas trips to the UK. However, the proportion of total nights stayed is nearer 1%. This indicates visitors to Lancashire are more likely to stay longer than other UK destinations.

Compared to the rest of the North of England, Lancashire is consistently middle of the pack for attracting international visits. Across total visits, nights and spend by international visitors between 2015-2019, Lancashire has a consistent 6% share of the total North of England market. Greater Manchester has – by some distance – the largest number of visits and highest spend. Leveraging proximity to Manchester and converting some of these visits into visits that also go to Lancashire will have a positive impact on the county's visitor economy.

Lancashire has a broad range of assets covering both leisure and business tourism. The county's diaspora and international student population also represent a significant opportunity in relation to visiting friends and family. There are also links to be drawn between the visitor economy and other Pillars. Capital investment is an obvious one, increasing investment in the business visitor economy will also help to combat the seasonality of Lancashire's current visitor offer.

Lancashire's Strategic Objective re the Visitor Economy



Promote the Lancashire brand internationally to attract investment, business visitors and increase visitor spend in the county, celebrating the strong quality of life offer. Exploit the new conference centre in Blackpool to host international events centred around our strengths in the North West Cyber Corridor, Net Zero technologies and defence.



Lancashire's Visitor Economy Ambition



To attract an additional 6.3 million visits of which an increased proportion come from international visitors (from 0.05% to 1%)



To attract a greater share of international visitors to the North into Lancashire (from 6% to 15%)



Increase business visits to Lancashire by 15%



Drive an additional £650m of visitor spend and create an extra 5,000 jobs in the visitor economy

Visitor Economy Priority Markets

SHORT HAUL



Nordics



Germany

Short Haul Markets



Existing work has already been done in the Nordics market to target visitors for outdoor holidays as well as encouraging extension of visits to Manchester and Liverpool.



There is potential to undertake similar work in the German market, targeting visitors for outdoor holidays as well as extension of visits to Manchester and Liverpool.

LONG HAUL



USA



INDIA



CHINA

Long Haul Markets



The USA is a large outbound visitor market and also the largest source market for visitors to Lancashire. Building on existing work around England's Historic Cities as well as direct travel links between the USA and Manchester Airport are options to increase tourism from the US.



As well as being a target for family and friends due to Lancashire's large Indian diaspora, an increasingly wealthy middle-class in India are exploring international travel more.



China is the largest market for outbound visitors, and these visitors are now starting to explore further beyond the organised tour trips. One nuance will be how to effectively market Lancashire to the Chinese market using Chinese social media platforms. A more long-term prospect given the resource and effort required to tailor to the Chinese market.

Lancashire's Visitor Economy Action Plan

This Action Plan is underpinned by three key themes that cut across the wider Internationalisation Strategy, as well as other work being undertaken as part of the Greater Lancashire Plan. Importance on the international stage requires particular attention and should be considered throughout each workstream outlined in this plan.

Sustainability

Sustainability is becoming increasingly important as economic development agencies create strategies and companies shift their focus to new types of activity to reduce environmental impact. From an internationalisation perspective there was a feeling that more needs to be done to promote the county. Many of the excellent energy innovation assets in Lancashire were not as well-known as they should be, and more work was needed to establish collaborative partnerships internationally. Green trade presents major opportunities for the UK economy: driving sustainable growth, building the green industrial base, and securing more green jobs. Sustainable tourism is also a key consideration as visitors seek greener travel options.

Digitisation

In a post-pandemic world, there will be a greater emphasis on digital technology in the world of the visitor economy. Not only will businesses need to become more accustomed to using technology as part of their day-to-day operations, but they will also need to familiarise themselves with exploring international opportunities. An ambitious target for Lancashire, would be the creation of a digital platform which could be used across all the workstreams. This platform will allow for a substantial reach across stakeholders in the county and would streamline one-to-many activities to help with resourcing constraints.

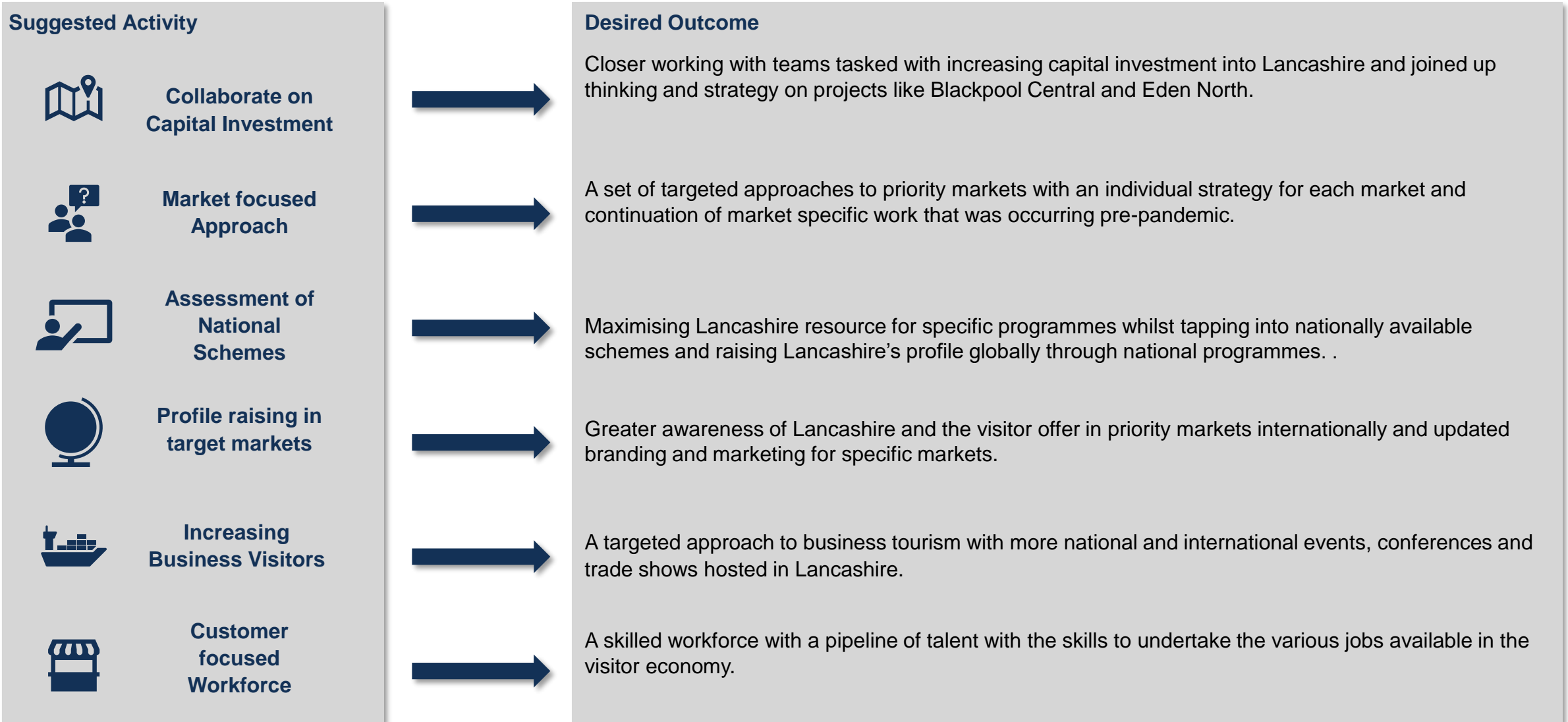
Lancashire could digitise low value-add services, providing basic information on exporting, frequently asked questions, e-learning and key sector and market opportunities for businesses in the Visitor Economy to help reach international visitors. This will allow support to focus on higher value-add activities, ensuring that resources are used most effectively to ensure the highest return on investment.

Branding and Promotion

Throughout this strategy, there emerged a need for a more coordinated approach to selling Lancashire. Marketing Lancashire has already produced a cohesive brand, however, more needs to be done to sell this to an international audience. The county's identity can be promoted at events, through targeted activities and with a greater online presence in international markets.

Working with trade, investment, and innovation teams will help to spread the message and drive adoption of the cohesive brand identity that can be used to holistically sell Lancashire in key markets. Working closely with the already outward-facing organisations in the county, such as universities, will be a strong enabler for this work.

This Visitor Economy Action Plan sets out 6 suggested activities to enable the achievement of Lancashire’s visitor economy internationalisation objectives. These enablers and activities can be implemented by stakeholders across the county and aim at fostering greater cooperation and collaboration between the broad range of supporting organisations.



Collaborate on capital investment

Description

- There is a strong and consistent link between the visitor economy and investment. Whether that is through international hotel chains or foreign investment in key tourism assets.
- Capital investment in particular can be attracted to grow the visitor economy. Worldwide, regeneration projects have driven economic growth and revitalised previously struggling areas.
- Increasing investment in the business visitor economy will also help to combat the seasonality of Lancashire's current visitor offer. As will investment in inter-county transportation links and infrastructure

Desired Outcomes

Closer working with teams tasked with increasing capital investment into Lancashire.

Joined up thinking and strategy on projects like Blackpool Central and Eden North.

Existing Activity		
Raising profile	Articulating key strengths	Key projects
<p>Pre-pandemic, Lancashire had been building momentum and generating profile for the county at some key national and international events.</p> <p>Proposals for FY22/23 (under consideration, but not yet approved or funded), include:</p> <p>UKREiiF // Leeds // May 2022 Fine Food Festival // Harrogate // June 2022 Festival of Place // London // July 2022 EXPO REAL // Munich // October 2022 BBC Good Food // Birmingham // Nov 2022 MIPIM // Cannes // March 2023</p> <p>In addition, we have launched the #InLancashire campaign designed to work across sectors to showcase the strengths of the county.</p>	<p>The 'We Are Lancashire' narrative remains broadly current and is still the primary driver of content and messaging for platforms such as the Invest in Lancashire website.</p> <p>The messaging should be frequently reviewed and refreshed, linking with initiatives such as the AEM watchtower and informed by research such as the EY attractiveness survey.</p>	<p>Eden North Blackpool Central Showtown Linear Park / Super Slow Way British Textile Biennial National Festival of Making Harris Quarter</p>

Workstream 1- Collaborate on Capital Investment



Activities are plotted against a three year timeline to help with prioritisation. Although the strategic outcomes are targeting a 10-Year strategy, activities will need to be reviewed and refreshed throughout to ensure relevance and keep material up to date.

Months	0-6	6-12	12-18	18-24	24-30	30-36
Activities	Collaborate on Capital Investment		Collaborate on Capital Investment		Collaborate on Capital Investment	

Collaborate on Capital Investment

Description	Support for international trade missions and events to ensure consistent, high quality Lancashire representation		
Ease of implementation	Should be simple if information is shared		
Proposed approach and activities	<p>This work will involve the following activities:</p> <ul style="list-style-type: none"> • Establish a working group with regular meetings in place in order to share information on upcoming activity Lancashire could/should be involved with; • Generate consistent, high quality content to support missions and showcase Lancashire; • Identify opportunities for increased international profile with an agreed formula for calculating the return on investment. 		
Resourcing and Budgetary Considerations	Number of FTE required 2.5	Number of months required 36	Total Cost of Workstream £300,000

Market Focused Approach

Description

- Specific activities for each market as visitors from individual countries are distinct and respond to different approaches.
- Adopting specific approaches to social media campaigns and tailoring promotional activity to target various visitor types from individual markets.
- This could include using different social media platforms, coaching individual businesses on approach for new markets and translation into native languages.

Desired Outcomes

A set of targeted approaches to priority markets with an individual strategy for each market.

Continuation of market specific work that was occurring pre-pandemic.

Existing Activity		
Nordics	US	India/China
<ul style="list-style-type: none"> • Discover More than Just a Holiday groundwork completed in FY19/20 • Budget available to re-visit the region and rebuild relationships • Current itineraries in partnership with Cheshire, Manchester and Yorkshire – potential to refresh and extend or to re-focus on Lancashire https://www.visitlancashire.com/discovermore 	<ul style="list-style-type: none"> • Lancaster involved in England Originals project, re-focusing on a US millennial audience. • ML delivering social media content and support on behalf of the heritage cities involved 	<ul style="list-style-type: none"> • N/A

Workstream 2 - Market Focused Approach

Activities are plotted against a three year timeline to help with prioritisation. Although the strategic outcomes are targeting a 10-Year strategy, activities will need to be reviewed and refreshed throughout to ensure relevance and keep material up to date.

Months	0-6	6-12	12-18	18-24	24-30	30-36
Activities	Market Focused Approach		Market Focused Approach		Market Focused Approach	
		Gate Review			Gate Review	

Market Focused Approach

Description
 Extension of #InLancashire campaign to target the Nordics and Germany, building on 'Discover More' (0-12 months), plus development of a US focused campaign to cover assets beyond Lancaster (12-36 months).

Ease of implementation
 Content exists, but funding required to target new markets and for travel trade activity

Proposed approach and activities
 This work will involve the following activities:

- Product bookability and itinerary development
- Travel trade engagement
- International campaign activity
- Engagement with international students

Resourcing and Budgetary Considerations	Number of FTE required	Number of months required	Total Cost of Workstream
	1.5	36 months	£50,000

Assessment of National Schemes

Description

- Lancashire is already engaged with many national schemes around international visitor attraction, such as England's Historic Cities.
- Depending on resourcing constraints, a further assessment could be undertaken to find other national schemes and programmes that may be beneficial for driving international visits into the county.
- Programmes that are focused on Lancashire's priority markets or key assets would be most beneficial.

Desired Outcomes

Maximising Lancashire resource for specific programmes whilst tapping into nationally available schemes.

Raising Lancashire's profile globally through national programmes.

Existing Activity		
England Originals	England's Coast	Another Side of Britain
Lancaster part of DEF funded campaign targeted at the US; Funding ceased but social media activity ongoing;	Lancashire's coast featured in DEF funded campaign, seeking to celebrate 'Year of the Coast' in 2023.	VisitBritain led international campaign which we feed Lancashire content into (primarily focused on 'unboxed' and the Commonwealth Games for 2022 so limited engagement opportunities).

Activities are plotted against a three year timeline to help with prioritisation. Although the strategic outcomes are targeting a 10-Year strategy, activities will need to be reviewed and refreshed throughout to ensure relevance and keep material up to date.

Months	0-6	6-12	12-18	18-24	24-30	30-36
Activities	Assessment of National Schemes		Assessment of National Schemes		Assessment of National Schemes	
		Gate Review		Gate Review		

Description	Review potential for Lancashire to become involved in Manchester Gateway campaign // Explore opportunities to engage with national campaigns beyond 2022		
Ease of implementation	Relationships exist and easy to activate if funds are available		
Proposed approach and activities	<p>This work will involve the following activities:</p> <ul style="list-style-type: none"> • Involvement in Manchester Gateway campaign would allow Lancashire content to be featured in European, US, India and China focused campaign activity – participation in international missions will be key, with potential for Lancashire tourism and hospitality businesses to lead as ambassadors. • VB international campaigns not yet confirmed for 2023 and beyond so opportunities will need to be assessed once more detail is known. 		
Resourcing and Budgetary Considerations	Number of FTE required 1	Number of months required 36 months	Total Cost of Workstream £100,000

Profile Raising in Target Markets

Description

- One of the key pieces of feedback from stakeholder consultations is a lack of awareness of Lancashire in international markets.
- Lancashire already has a distinct brand and offer set out across social media platforms and marketing material. It is simply a case of taking this to market.
- Collaborating with other pillars on market-focused activity will help to share resource and efforts when it comes to raising Lancashire's profile abroad.

Desired Outcomes

Greater awareness of Lancashire and the visitor offer in priority markets internationally.

Updated branding and marketing for specific markets.

Existing Activity

Links back to workstreams 1-3
Currently reviewing and revising the Invest in Lancashire website to support this objective

Increasing Business Visitors

Description

- Further links can be seen to capital investment. With international visitors often wanting familiar hotel chains to stay in, attracting investment from major hotel chains from across the world can help set the infrastructure to attract more business tourism.
- Increasing investment in the business visitor economy will also help to combat the seasonality of Lancashire's current visitor offer, as will investment in inter-county transportation links and infrastructure.

Desired Outcomes

A targeted approach to business tourism with more national and international events, conferences and trade shows hosted in Lancashire.

Existing Activity		
National	Regional	Local
<p>Marketing Lancashire has developed a 'Meet in Lancashire' website to showcase the county's event venues; Campaign set to support the launch of the website stalled due to covid; Individual destinations within the county do a lot to promote event venues, but primarily with a focus on weddings; Blackpool presents a significant opportunity with the redeveloped Winter Gardens.</p>	<p>Links being explored with neighbouring convention centres (i.e. Manchester Central) to provide both fringe event options and itineraries for extender stays, but more could be done.</p>	<p>Venues work independently and/or as part of their groups to attract and deliver local events.</p>

Workstream 5 - Increasing Business Visitors



Activities are plotted against a three year timeline to help with prioritisation. Although the strategic outcomes are targeting a 10-Year strategy, activities will need to be reviewed and refreshed throughout to ensure relevance and keep material up to date.

Months	0-6	6-12	12-18	18-24	24-30	30-36
Activities	Increasing Business Visitors					

Description	Development of a 'convention bureau' style alliance to attract international conferences and events into Lancashire		
Ease of implementation	Requires stakeholder engagement and support and a long-term commitment to deliver results		
Proposed approach and activities	<p>This work will involve the following activities:</p> <ul style="list-style-type: none"> • Identifying and agreeing the specific topics/specialisms where Lancashire has unique strengths, plus individuals able to act as ambassadors/champions for the county (especially within universities); • Development of a 'hit-list' of international events which can be proactively targeted; • Engagement with MICE buyers and contacts via events such as Explore GB; • Development of bespoke collateral/presentations, including ambassador profiles, to pitch to conference organisers; • Support for FAM visits and development of itineraries for conference attendees. 		
Resourcing and Budgetary Considerations	Number of FTE required 1.5	Number of months required 42	Total Cost of Workstream £120,000

A Customer Focused Workforce

Description

- Work with the Lancashire Skills & Employment Hub in partnership to undertake recruitment campaigns and Sector Based Work Academies to attract people to the sector. Provide sector-based training to improve customer experiences.
- Work with the Lancashire Careers Hub in partnership with business to showcase the range of job opportunities in the sector to encourage young people to progress to the sector either through technical or academic routes.

Desired Outcomes

A skilled workforce with a pipeline of talent with the skills to undertake the various jobs available in the visitor economy

Existing Activity		
National	Regional	Local
<ul style="list-style-type: none"> • UKAccess to national programmes of activity via the Lancashire Skills and Employment Hub which are driven locally to support LEP Growth Pillars including: <ul style="list-style-type: none"> ○ DWP programmes ○ ESF funded programmes with opt-in agencies ○ Careers and Enterprise Company funds from the DfE for the Careers Hub 	<ul style="list-style-type: none"> • Partnership working with DWP district team to drive Sector Based Work Academies in the local area, and for employers to access the Kickstart scheme (Kickstart now ended) 	<ul style="list-style-type: none"> • Coordinated recruitment campaigns undertaken with Marketing Lancashire, DWP and providers of employment support to attract unemployed Lancashire residents to the sector and to undertake Sector Based Work Academies to upskill potential applicants prior to interview • Engagement of Visitor Economy employers in skills programmes, such as the ESF programme 'Skills Support for the Workforce' to support reskilling and upskilling in the workplace (ESF funds cease in 2023) • Engagement of Visitor Economy employers in digital skills provision • Promotion of the Visitor Economy via the Careers Hub to young people in schools and colleges, showcased on the Start in Lancashire digital platform as a Growth Pillar, and employers engaged to deliver employer encounters and experiences.- increase in employer engagement would support further raising of the profile

Workstream 6 - A Customer Focused Workforce

Activities are plotted against a three year timeline to help with prioritisation. Although the strategic outcomes are targeting a 10-Year strategy, activities will need to be reviewed and refreshed throughout to ensure relevance and keep material up to date.

Months	0-6	6-12	12-18	18-24	24-30	30-36
Activities	A Customer Focused Workforce	A Customer Focused Workforce			A Customer Focused Workforce	

Description	Development of a skills and employment action plan with the Tourism, Culture and Place Sector Group		
Ease of implementation	Requires engagement of employers in the Sector Group and their and the wider sector's commitment to engaging in skills and employment programmes		
Proposed approach and activities	An initial workshop has been held with the Tourism, Culture and Place Sector Group to discuss priorities regarding skills and employment – these will be mapped to existing initiatives, as detailed in the table above, and any gaps identified. This will support the development of an action plan. Funds may be required to address gaps – especially as ESF funds cease.		
Resourcing and Budgetary Considerations	Number of FTE required	Number of months required	Total Cost of Workstream
		12	£TBC

Workstream Activities 2022 - 2025



Activities are plotted against a three year timeline to help with prioritisation. Although the strategic outcomes are targeting a 10-Year strategy, activities will need to be reviewed and refreshed throughout to ensure relevance and keep material up to date.

Months	0-6	6-12	12-18	18-24	24-30	30-36
Activities	Collaborate on Capital Investment					
	Market Focused Approach					
	Assessment of National Schemes					
	Identify Target Markets	Profile Raising in Target Markets				
		Increasing Business Visitors				
	A Customer Focused Workforce					
			Review progress			Review progress and refresh

Summary

Summary of Implementation of Action Plan 2022 - 2025

Workstream	Resource	Cost	Outcomes
1. Collaborate on Capital Investments	2.5	£300,000	Generate consistent, high quality content to support missions and showcase Lancashire; Identify opportunities for increased international profile
2. Market Focused Approach	1.5	£50,000	Product bookability and itinerary development Travel trade engagement International campaign activity Engagement with international students
3. Assessment of National Schemes	1	£100,000	Involvement in Manchester Gateway Assess VB international campaigns when details known
4. Profile Raising in Target Markets	0	0	Reviewing and revising the Invest in Lancashire website to support this objective
5. Increasing Business Visitors	1.5	£120,000	Identify Lancashire's unique strengths along with individuals to act as ambassadors/champions for the county Development of a 'hit-list' of international events Engagement with MICE buyers and contacts Development of bespoke collateral/presentations Support for FAM visits and development of itineraries for conference attendees
6. A Customer Focused Workforce	TBC	TBC	Coordinated recruitment campaigns undertaken to attract unemployed Lancashire residents to the sector with specialist training provided Engagement of Visitor Economy employers in skills programmes and digital skills provision
Total	6.5 FTE	£570,000	

The resource identified in the table above is additional resource to take the work done within Marketing Lancashire to the international community.

Agenda Item 13

(NOT FOR PUBLICATION: By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972. It is considered that all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information)

Document is Restricted

