



**Lancashire Enterprise Partnership Limited**

**Private and Confidential: No**

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**LEP Innovation Plan - Update on Progress**  
(Appendix 'A' refers)

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**Executive Summary**

In August 2017, the LEP commissioned SDG Economic Development to support the production of an Innovation Plan. Work on Science and Innovation Audits (SIA) across the Northern Powerhouse, and specifically our work with Sheffield City Region, highlighted some LEPs are developing a more structured approach, in terms of their governance, forward planning, co-ordination and investment activities in relation to innovation. Given the recent success of the LEP in developing a major innovation investment programme with key priorities, it is clear that Lancashire can make further progress by forging an ambitious Innovation Plan.

This report details the progress being made in developing an Innovation Plan for Lancashire, the coalition of business, education and public agencies who are contributing to the development process, and the emerging framework of activity.

The process of developing a new Plan will conclude by the end of the year. We would welcome the LEP Board's input from this point onward to ensure that: the evidence and asset register is correct and forms a basis for promoting the better use of these resources; the suggested framework (see Appendix 1) properly reflects the key markets and technologies that will drive the local economy in the future; and the actions developed in support of the framework, are broadly-owned and reflect the key roles and contributions played by differing partners and sectors.

The final draft Innovation Plan will be submitted to the LEP Board meeting in January 2018 for further consideration and approval.



### **Recommendation**

The LEP Board is asked to:

- (i) Note the progress made to date in preparing the Innovation Plan; and
- (ii) Welcome the engagement of industrial and education partners in the development of the Innovation Plan, and encourage their continued involvement at a senior level to help ensure agreed priorities are aligned and supportive of their own organisational plans.

### **Background and Advice**

In August, the LEP commissioned SDG Economic Development to produce an evidence-based Innovation Plan for Lancashire with clear objectives and priorities for action. This short report provides an update on progress so far, and proposed next steps.

### **Building the Evidence-base and SWOT Assessment**

The project launched with a series of scoping telephone calls with 12 key senior stakeholders from across the public and private sectors, this included representatives from the Advanced Manufacturing, Aerospace, Automotive, Nuclear, Digital, and Health Sectors. The purpose of these calls was to obtain early-stage inputs from a few well-placed experts about key aspects of innovation activity and development in Lancashire.

The key issues emerging from scoping were:

- There are strong supply chains in Aerospace, Automotive, Energy, and Chemicals processing that can be exploited for creative not cautious use;
- Unusual co-location of civil & military capability in Lancashire – each contributes to other in innovation;
- Nuclear sector's understandable caution could drive a broader focus on ultra-reliable technologies & their management;
- Disruptive innovations in Automotive, Aerospace/Space are a major opportunity with the right cultural transformation in the county . . . not just a threat;
- Some major health & social care processes & models to build on; and
- Better 'cross-pollination' both between sectors/supply chains in the county and vis-à-vis other LEP areas is also vital – opportunities will be missed without it.

Alongside these consultations, a comprehensive analysis of socio-economic and innovation datasets, econometric projections, and a call for evidence from key stakeholders and partners in Lancashire (some 40 documents were received). These analyses have been combined to form an assessment of the strengths, weaknesses, opportunities, and threats (SWOT) of Lancashire's innovation ecosystem.



The data analysis and SWOT assessment were presented at a workshop of over 20 stakeholders on 22 August to provide a check-and-challenge for the data and to augment the initial SWOT assessment. Following the presentation stakeholders were asked to comment on three aspects of the analysis/SWOT: i) how recognisable the socio-economic picture presented was, ii) what the most significant innovation challenges for Lancashire are, and iii) what should the main priorities of the innovation plan be.

The emerging messages from the SWOT workshop included:

- Real enthusiasm for doing 'something' and to change 'the culture', and a need to be ambitious collectively;
- Attention on GVA & quotients can make focus solely about growth rather than resilience;
- Existing assets need to be protected, exploited, and expanded;
- Creating & broadcasting Lancashire's 'Innovation USP' to develop a strategic marketing capability;
- A need to create opportunities for collaboration, not just within Lancashire but across the country and internationally; and
- More sectoral disaggregation of data and SWOT elements.

The final outputs of this stage are an 80-page data quarry and SWOT assessment, as well as a list of Lancashire's innovation assets. This is a live document which is being iterated as the project progresses with input from stakeholders.

## **Vision and Plan Development**

Following the SWOT workshop SDG-ED developed a draft Strategic Framework (the latest version of which is appended to this report). This proposes five strategic aims and three cross-cutting themes. The five aims comprise two relating to innovation capability, and three relating to the innovation ecosystem. The three cross-cutting aims act as golden threads that join the aims together.

To test the emerging Strategic Framework a second workshop was held and attended by 25 stakeholders on 24th October. The workshop provided some additional data analysis and market futures research to enhance the evidence base, and the draft Framework was presented. Stakeholders were then asked to consider four questions relating to the draft framework:

- To what extent do you recognise and agree with the Strategic Aims in the proposed draft Plan Framework? Is it coherent, comprehensive, and communicable?
- What other perspectives would be helpful, and are there further Strategic Aims you would like to see?
- Should the Strategic Aims be given equal weight, or are more important than others? Which ones would you prioritise, and why?
- What would be your Group's 'Top 4' 'actions on the ground' to deliver the Strategic Aims?



Each group then provided feedback which was collated and will be used to inform the next iteration of the framework. The feedback on the four questions included:

- The Framework was agreed to be coherent and comprehensive, although it could be simplified to make it more communicable to stakeholders, particularly SMEs.
- Suggested further strategic aims, or suggested additions to the proposed aims, included:
  - Positioning Lancashire as the place where ideas are applied and turned in to action;
  - A focus on identifying existing barriers and challenges for innovators and how to break these down; and
  - An aim about developing an innovation mind-set that is pervasive across the county.
- The Strategic Aims were broadly thought to be of equal importance, but were dependent on the context for each stakeholder. There was broad agreement that Aim 4 “Letting the World Know” was viewed as a priority.
- Some of the key actions identified included:
  - Identifying and agreeing the message about Lancashire’s innovation offer that we should be promoting;
  - Defining a routeway model for how to navigate the innovation support offer for Lancashire businesses;
  - Establishment of co-ordinating group at a senior level – recognised figures from industry/academia to form an Innovation Board – to drive this work; and
  - Ensure links in to wider strategies such as Northern Powerhouse/Industrial Strategy including neighbouring (GM, Merseyside) and more local plans – e.g. skills.

### **Next Steps - Action Plan**

SDG-ED are working with LEP officers on refining the draft Strategic Framework, which will revise, where necessary, the aims, cross-cutting themes, and vision. This will be checked and challenged through a series of calibration calls with key Lancashire stakeholders. The project will then move onto action planning, existing and pipeline actions will be mapped and gaps identified.

SDG-ED will work with stakeholders to propose new, transformational actions. This will be developed at an Action Planning Workshop in late November, where the revised final draft Framework will be presented and actions considered.

The final draft Innovation Plan will be submitted to the LEP Board meeting in January 2018 for comment and approval.