



## **Lancashire Enterprise Partnership Limited**

**Private and Confidential:** No

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### **Strategic Economic Plan Refresh and Lancashire Industrial Strategy**

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#### **Executive Summary**

The purpose of this report is to update the Board on the refresh of the LEP's Strategic Economic Plan and the development of the Lancashire Industrial Strategy.

#### **Recommendation**

The LEP Board is asked to:

- (i) Agree to progress the refresh of the Strategic Economic Plan, as set out in this report;
- (ii) Agree to develop a refreshed Strategic Economic Plan to form the basis of a Local Industrial Strategy for Lancashire; and
- (iii) Agree to engage Lancashire's local authority leaders in the refresh of the Strategic Economic Plan and the development of the Lancashire Industrial Strategy, with a focus on developing inclusive growth and strategic place-based priorities.

#### **Background and Advice**

1. The LEP's current Strategic Economic Plan (SEP) was published in 2014 and has been central to Lancashire's success in developing and securing its largest ever growth plan and investment framework. In recent years, the LEP has developed a track record for strong and effective governance with an emerging reputation for delivering agreed outcomes. However, the Board has recognised the need to refresh the SEP, given the progress made by the LEP and its local partners, but also in light of significant changes in Government policy and investment frameworks, and shifts in market conditions.
2. To this end, the Board has received previous reports on the proposed refresh of the SEP and has given its approval to develop an underpinning evidence-



base. Work is advancing on analyses to improve our understanding of underlying business performance; with updated growth forecasts also in preparation; a new innovation plan; a new approach to technical education with an updated skills assessment; focused pieces to support the development of advanced manufacturing, energy and cultural sector priorities; new case-making to capture the economic potential of HS2 to Lancashire; the further development of M65 Growth Corridor and East West connectivity opportunities with major analyses in development with Transport for the North focused on the Central Pennine Corridor; with a comprehensive review of the Preston, South Ribble and Lancashire City Deal, the LEP's largest growth initiative, also underway.

3. These analyses are expected to be either completed or near to a final draft by the end of this summer. The purpose of these analyses is to give a refreshed SEP a sharper understanding and focus on productivity, growth and connectivity drivers and how best to improve the earnings power of businesses and workers in Lancashire.
4. Alongside this work, the LEP and local partners have continued to develop their place-based growth strategies with many new strategic initiatives in development. The LEP is also working with partners across and within the Northern Powerhouse to both position and develop Lancashire's growth priorities and forge shared priorities for the North. LEP officers are also working with the LSE's What Works Team, as part of an initiative with 10 other areas, to share analyses and tap into insights from leading academics on developing evidence-based local growth strategies.
5. While this analysis work has progressed, Government has sought to develop a new national Industrial Strategy focused on five Foundations (ideas, people, infrastructure, business environment and place) and four Grand Challenges (artificial intelligence, clean growth, mobility and ageing society). Green and White Papers were published in 2017 to help shape national thinking with Government expected to finalise its new Industrial Strategy later this year.
6. At this stage, there is little clarity and certainty from Government regarding the welcome ambition to promote and support the development of Local Industrial Strategies nor how such Strategies will be resourced post-Growth Deal/ESIF.
7. Government does appear committed to working with Mayoral Combined Authorities and LEPs, in areas without Mayoral Combined Authorities, to develop Local Industrial Strategies. Although there is limited detail on what Government is hoping to offer, or use as the basis of a deal, to help progress place-based Industrial Strategies, it has indicated a desire to pilot new local approaches in Greater Manchester, West Midlands and Oxfordshire with a view to selecting further places or inviting all places (at city-region/LEP level) to develop a Local Industrial Strategy by/from April 2019.



8. It is also far from clear as to whether the mooted UK Shared Prosperity Fund, the proposed successor fund to Growth Deal/ESIF will be fully devolved, with concerns also regarding the scale of funds potentially in play, though Government is indicating it will consult on its proposals later this year.
9. As part of a new national Industrial Strategy framework, Government is also developing new National Sector Deals, with early reports already produced on Life Sciences and the Creative Industries. Further Sector Deals are expected in relation to Nuclear, Aerospace and other key sectors in which the UK has a competitive advantage and/or the potential to become globally competitive.
10. At one level, the lack of detail from Government may seem concerning, but it is suggested that the LEP and its local partners seize the opportunity to shape their own proposals and influence Government thinking by developing a Lancashire Industrial Strategy, with stand-out investable propositions, as a “proof of concept” for a non-city region/Mayoral Combined Authority.
11. The refreshed SEP/Lancashire Industrial Strategy will focus on developing new productivity, growth and connectivity priorities and propositions, but it is also important that local partners work together to deliver not only strong growth but good growth which is inclusive.
12. To deliver inclusive growth the LEP and local (and national) partners, from across the public, private and social sectors, will need to re-focus and better integrate their economic and social priorities. It is proposed that the LEP Board actively engages with Lancashire’s local authority leaders to better understand how the delivery of emerging place-based growth priorities and inclusive growth outcomes can be accelerated and form part of the SEP refresh and the co-development of a Lancashire Industrial Strategy.
13. Subject to Board comment, approval is sought for the following:
  - i. Continued development of the emerging evidence-base, with a synthesis of emerging findings, and further update report to the next LEP Board.
  - ii. Request an outline framework for the refreshed SEP/Lancashire Industrial Strategy, consistent with the foundations and grand challenges identified in the emerging national Industrial Strategy, for consideration at the next meeting of the LEP Board.
  - iii. Start to identify 10 stand-out investable propositions for further consideration, as part of the on-going work to identify new productivity, growth and connectivity priorities.



- iv. Request the LEP Chair seeks the support of Lancashire's local authority leaders to inform the SEP refresh and co-development of the Lancashire Industrial Strategy.
- v. More specifically, engage with Lancashire's local authority leaders to better understand how emerging strategic place-based growth priorities (in East Lancashire, Lancaster, Central Lancaster, West Lancashire and Blackpool and the Fylde Coast) and inclusive growth outcomes can be accelerated as part of the SEP refresh and co-development of the Lancashire Industrial Strategy.

14. It is proposed that the LEP Board, in conjunction with its partners, works towards finalising its refreshed SEP/Lancashire Industrial Strategy by December 2018.

### List of Background Papers

Paper	Date	Contact/Tel
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N/A

Reason for inclusion in Part II, if appropriate

N/A