

Developing an Innovation Plan for Lancashire

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The study overall

- 3 Objectives:
 - A more competitive, dynamic, & larger 'innovation economy' in Lancashire
 - Evidence-based Innovation Plan clear objectives & priorities for action
 - Getting Lancashire on to the 'front foot' regarding its innovation 'play'
- 4 Outputs
 - A robust & refreshable Evidence Base for innovation in Lancashire
 - Innovation Asset List
 - A Strategic Framework & Action Agenda 'The Plan'
 - Inclusive & enthusing 'process' to start to build expectations
- Client-side lead LCC Ec-Dev team

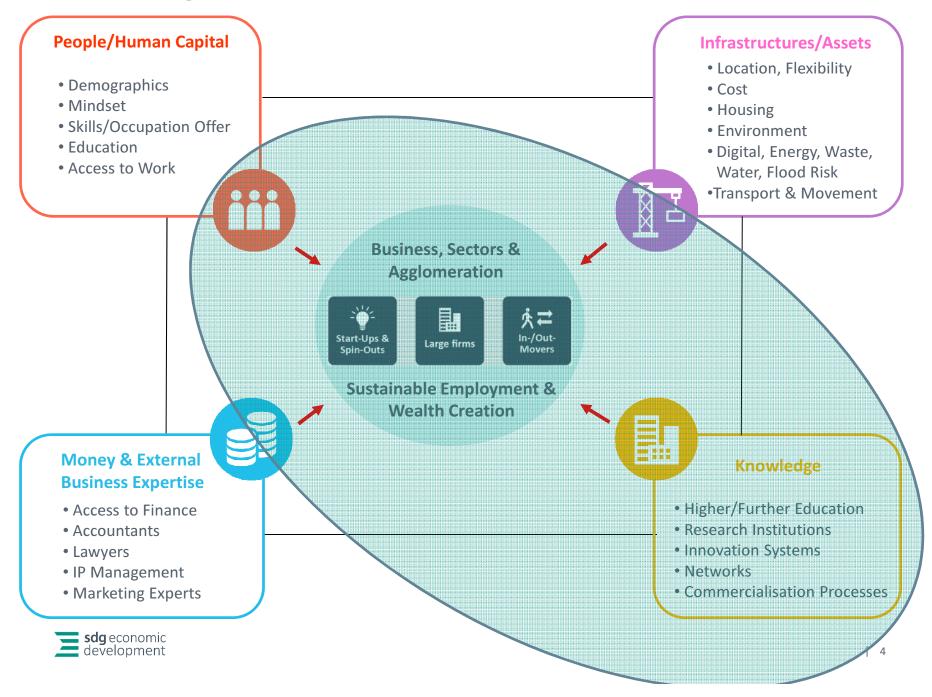


Strategy Process & Milestones

Final Output - Evidence-based Innovation Plan: clear objectives & priorities for action which address the issues

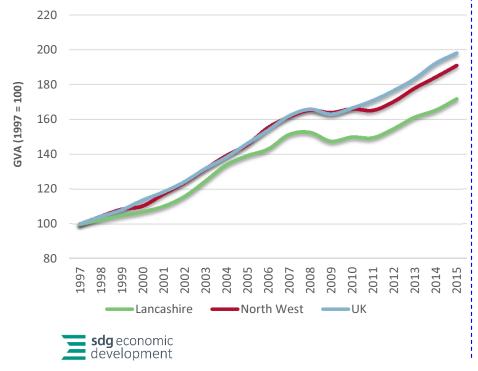


Our thinking framework...

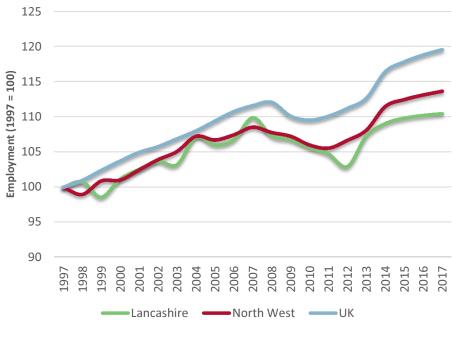


Challenges - the long view: GVA & Jobs

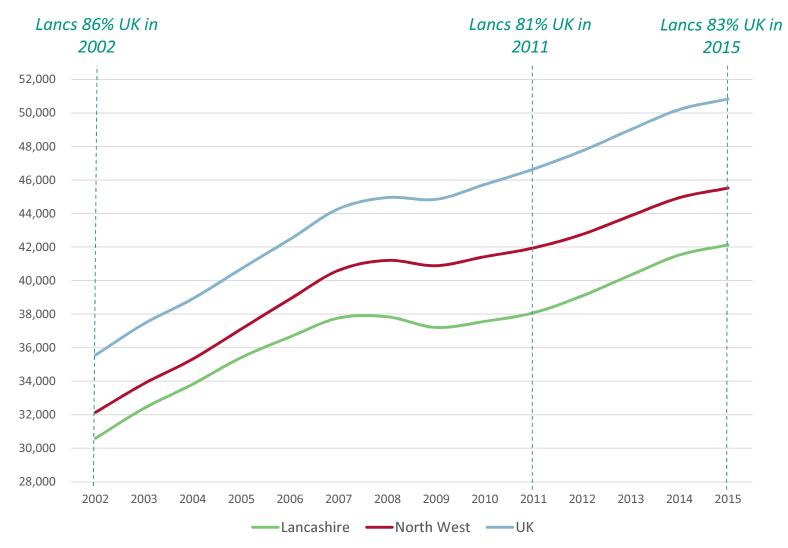
- Aggregate GVA in Lancs was £29bn in 2015 = 18.5% of NW
- Consistent but, in relative terms, slow growth compared to NW & UK
- Gap with UK widened since 2011



- Employment in Lancs grew by 49k
 between 2012-17
- Recovery from 2013-17, following fall from 2007-12
- But, slower growth than NW & UK



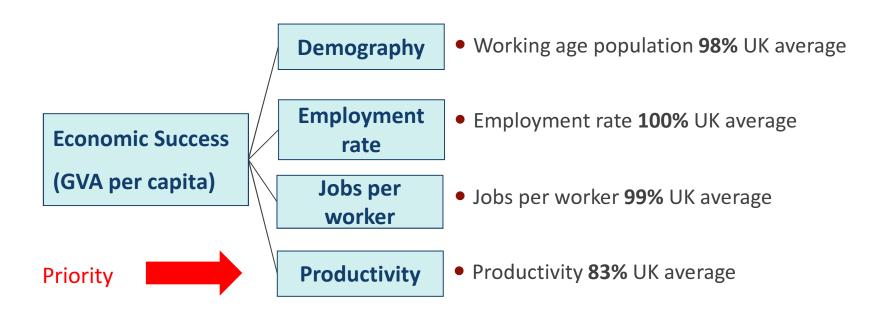
Challenges – the long view: Productivity





Deconstructing the 'GVA gap'

- Lancashire currently a £29bn economy
- Indicative 'GVA gap' of £3.1bn against where Lancashire would be if it performed in line with the UK





So, to the Innovation Plan

- 5 Strategic Aims:
 - Innovation *Capability:*
 - Staying Ahead
 - Routeways to Excellence
 - Innovation Ecosystem
 - Broadening the Innovation Base
 - Enabling Infrastructures for Innovation
 - Letting the World Know!
- 3 Cross-Cutting Themes
 - Application-inspired in our use of R&D & its deployment
 - Excellence in delivery driven by real evaluation & learning
 - Collaborating for a competitive Lancashire



VISION: by 2030 Lancashire will have positioned itself as a globally connected & resilient innovation ecosystem. The way we innovate will embody excellence & collaboration, feeding through to greater commercialisation, entrepreneurship & competitiveness in our economy. We will have a track record as a centre for globally-competitive knowledge clusters & talent, &

Strategic Aim 1

Innovation Capability – Staying Ahead

Rationale

- Lancashire has recognised sectoral strengths & differentiators
- These need to be developed & worked harder to stay ahead of new/existing competitors
- Market & technology change will impact significantly on business models
- Major employment & GVA dependency for county's economy

Objectives

- Maintain Lancashire's distinctive world-class prominence in priority sectors
- Develop supply chain capability & capacity servicing these sectors, & gap fill
- Identify innovation interdependencies with other geographies
- Develop strategic partnerships with Centres of Excellence outside Lancashire

Strategic Aim 2

Innovation Capability – Routeways to Excellence

Rationale

- Vital for county to keep 'recreating' its economic base, & to build new USPs
- 'Standing start' sectoral development increasingly difficult to deliver
- Connectedness between existing sectoral strengths provides opportunities for diversification & broadening supply chain
- · Source of employment & GVA

Objectives

- Build distinctive cross-over driven strategy to exploit existing strengths
- Prioritise R&D, innovation, & skills development for emerging sectoral strengths
- Develop new global supply chain participation strategies to scale these new areas
- Identify innovation interdependencies with other geographies
- Develop strategic partnerships with Centres of Excellence, wherever they may be

Strategic Aim 3

Innovation Ecosystem – Broadening the Innovation Base

Rationale

- Dependence on major/global companies for innovation – SME's must be part of the mix
- Long tail of less innovative, less productive businesses
- Further economic shocks & restructuring a certainty, given market/tech change.
 Resilience is vital.
- Risk of hollow-out by adjacent economies

Objective

- Greater diffusion of innovation & adoption by more businesses to increase resilience of local employers/their ability to respond to emerging opportunities & threats
- Selling the benefits of innovation for competitiveness & growth
- Enhance innovation management & leadership skills
- Prioritise FDI & clustering investment in innovation in Lancashire

Strategic Aim 4

Innovation Ecosystem – Enabling Infrastructures for Innovation

Rationale

- Innovation critically dependent on skills/talents, specialist facilities, knowledge generation, & money
- Significant ongoing investment in innovation infrastructure
- Role of innovation networks & collaboration
- Innovation needs to be pervasive across the private, public & third sectors

Objective

- Innovation embedded as a 'first nature' behaviour & mindset for Lancs
- Wider economic policies (e.g. SEP, Technical Education) aligned with this Plan to drive success
- Enhance management & leadership skills around innovation
- Human capital development & redeployability prioritised
- Develop strategic partnerships with Centres of Excellence, wherever they may be

Strategic Aim 5

Innovation Ecosystem – Letting the World Know!

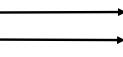
Rational

- Competition between places & economies intensifying
- Lancashire is not instinctively recognised as a place for innovative new solutions
- Lack of clear, coherent, & comprehensive innovation narrative
- Insufficient resources given to promoting/coordinating innovation, given its importance

Objective

- A new innovation plan & SEP refresh to help establish a coherent innovation & growth framework for Lancashire
- A proactive function to promote & celebrate innovation in the county
- Clear & expert leadership on shaping national innovation thinking
- Connecting for innovation GINs & GVCs

Application-inspired in our R&D & its deployment Excellence in delivery, driven by *real* evaluation & learning Collaborating for a competitive Lancashire



Action Areas

- Innovation Capability Staying Ahead
 - Maintaining & building on key sector strengths
 - Developing innovation capability & capacity throughout supply chains, not just with large businesses
 - Linking Lancs innovation strengths with national & international opportunities – such as Global Value Chains & Global Innovation Networks
- Innovation Capability Routeways to Excellence
 - Building cross-overs between sectors, & leveraging across sector boundaries
 - Driving R&D investment for new routeways
 - Developing & exploiting global supply chain opportunities for businesses across Lancashire
 - Developing skills for innovation



Action Areas

- Innovation Ecosystem Building Resilience
 - Competing on quality & content as well as price
 - Leveraging new sector opportunities
 - Anticipating, preparing for, & responding to/mitigating against emerging threats
 - Prioritising investment & clustering in Lancashire
- Innovation Ecosystem *Enabling Infrastructures for Innovation*
 - Wider economic policies aligned with this Plan to drive success
 - Developing skills provision & infrastructure
 - Ensuring centres of excellence are accessible to Lancashire's innovators, whether they are located in Lancashire or not



Action Areas

- Innovation Ecosystem Letting the World Know
 - A proactive function to promote & celebrate innovation in the county
 - Developing a strategic marketing capability
 - Providing leadership & on shaping national innovation think
 - Connecting for innovation globally



What this means for the LEP Board

- Structure to make this happen
 - Proposed Innovation Sub-Board
 - Dedicated/specialist Executive
 - Improvement strategic/operational alignments 'partner activities'
- Top-level commitment to innovation
 - Dedicated Board Member for Innovation
 - Formal 100 Day Plan to move from concept to practice
- Using Innovation Plan & SEP refresh as springboard for overarching Local Industrial Strategy
 - Innovation/Ideas
 - Skills (incl Technical Education work)
 - Infrastructure
 - Enterprise





Questions?

