



LEP – Sub Committee

LEP - Business Support Management Board

Private and Confidential: No

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Local Industrial Strategy - Progress Update

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Executive Summary

Further to the initial briefing on the production of a Local Industrial Strategy (LIS) for Lancashire at the February 2019 board meeting, this report provides detail on the commissioning of Steer Economic Development to support this process, it updates the Board on the timetable set by government for the production of the strategy and provides some commentary on initial scoping sessions with LEP committees.

Given the "*in need of improvement*" judgement made by the Communities and Local Growth team in respect of the LEP's strategy formulation, it is critical that the process and end-product in respect of the Lancashire LIS are exemplary.

Recommendation

The Business Support Management Board is recommended to:

1. Note the update on the initial stages of work on the Lancashire Local Industrial Strategy.
2. Approve the proposal to use March 2020 as the deadline date for the production of the LIS, using the extra time for enhanced consultation; and
3. Delegate the decision to commit further, marginal funds to Steer ED and SKV to support enhanced consultation and communications around the strategy production process.

Background and Advice

The Industrial Strategy White Paper set out that the first wave of trailblazer Local Industrial Strategies will be agreed with Government by March 2019. Whilst the final launch of Local Industrial Strategies in Greater Manchester, the West Midlands and



Cambridge – Milton Keynes – Oxford Corridor are imminent, they have not yet been formally launched. We do however have sight of the evidence base work that has been done in these and some wave 2 areas.

Colleagues from the Cities and Local Growth Unit have now confirmed that Lancashire has until early 2020 to produce a finalised LIS, but that by developing a strong evidence base and some key elements of a local Strategic Framework by September, the LEP could position itself to potentially advance some local "asks" in respect of the Comprehensive Spending Review.

Lancashire's Local Industrial Strategy

The Lancashire Enterprise Partnership approved £100,000 in the 2018/19 budget to support this activity which will carry over into 2019/20. Since the February Board report, LEP officers have completed the commissioning of Steer Economic Development to support the LIS development process in Lancashire. The Project Initiation Document (PID) detailing their approach is attached at Appendix 1 to this report. The application for resource via the Skills and Employment Advisory Panel and with the Economic and Social Research Council have also been progressed, the latter creating a matched resource totalling £10,000 held by Lancaster University.

Our understanding of Local Industrial Strategies (*extract from PID*)

Informed by government guidance, and the early experience of the 'Trailblazers', LISs are intended to ensure two things:

That all places are 'able to increase productivity and realise their potential'; and
A baseline for understanding the spatial impacts of national and local policy across the LEP geography in question, taking in cities, towns, and rural areas, to inform prioritisation and decision-making, and show 'how they will allow all communities to contribute to, and benefit from, economic prosperity'.

LISs flow from the UK Industrial Strategy (UKIS), which identifies five Foundations of Growth:

- Ideas – including innovation;
- People – including employability and skills;
- Infrastructure – including connectivity;
- Business Environment – including access to finance and entrepreneurial culture; and
- Places – including place-based contribution to productivity, and interaction between places within and outside the LEP area.

The UKIS also identifies four Grand Challenges:

- Artificial Intelligence and data;
- Ageing society;
- Clean growth; and
- Future of mobility.



Government guidance on the development of LIS's identifies six characteristics which should be at the heart of a successful and acceptable LIS:

- Evidence – producing a robust and open evidence base that identifies strengths, weaknesses, opportunities and threats (SWOT);
- Focus – on opportunities and challenges, which are informed by the five Foundations of Growth and the four Grand Challenges;
- Alignment – with the national focus on productivity, and Grand Challenges;
- Collaboration – explaining how the LEP will work in partnership with others (locally, sub-regionally, regionally, and nationally) to deliver ambitions;
- Prioritisation – of specific, achievable and long-term ambitions, and using this evidence, these priorities should relate to specific challenges and future opportunities to enhance productivity; and
- Monitoring and Evaluation – specifying what success will look like, and building in transparent mechanisms for monitoring how this is being achieved.
- Government guidance also indicates that LISs should, 'remain strategic documents, and not contain any proposals that require new funding or have spending implications outside of existing budgets available to local areas.

Initial Scoping of the Lancashire LIS

As currently specified within the brief, the LIS development process supported by Steer ED has four key phases:-

1. A synthesis and collation of the existing information available on the operation of the Lancashire economy to produce a SWOT analysis.
2. A Strategic Vision and Framework of intent
3. The production of an Action Plan to advance local priorities, and
4. A Local Industrial Strategy with four to six propositions tailored both to meet governmental and local stakeholder requirements.

As part of the initial evidence base and SWOT phase, Steer ED have already embarked on a series of 20 interviews with key stakeholders. LEP officers have also agreed dates for three workshops to be held at Brockholes Nature Reserve, just off junction 31 of the M6, supporting the development of individual phases of the plan and invitations have been circulated.

In response to the comments made at the last BSMB an additional event is now being planned supported by East Lancashire Chamber to engage businesses at an early stage.

It is clear from these events that there is a huge amount of interest in the LIS from local businesses and other stakeholders. This may be attributable to hiatus in local policy development which has arisen since the Strategic Economic Plan for Lancashire was last published in March 2014. That document acted as a pre-cursor and a calling card for the highly successful draw down of three rounds of Growth Deal investment for Lancashire. Despite the guidance that the LIS should not be a bidding document, many organisations clearly see the LIS as an opportunity to position future projects and funding that might come via the Shared Prosperity Funds or other sources.



In response to this level of interest, officers and Steer ED are looking to re-configure the project in terms of timeline and activity to address the level of demand to be engaged, these changes are summarised below.

Timetable – an initial aspiration to complete the LIS by mid-September 2019 is proposed to be dropped in favour of using of the CLG timeline of early 2020 for the completion of the LIS. The extra time will be used to allow for broader based consultation with stakeholders between each key phase of work. Local business partners such as the Chambers, FSB and IOD are keen to support such events, although the LEP may need to resource extra input from Steer ED. These events might also provide a useful platform for the new Chair.

Broadening channels for consultation – It is important that the LIS in Lancashire draws on national and international best practice as well as looking inwardly at the local evidence. We will endeavour to ensure that the extended timetable is used to access and reference such information. Locally, in addition to the interviews and workshops already planned within the brief, it is suggested that the LEP places a call for evidence portal on the LEP website.

Communications and key stakeholder engagement – Given the level of interest in the LIS locally, it is suggested that the LEP looks to SKV to manage a specific commission around regular stakeholder communications on the LIS process. This could include regular update e-newsletters, bespoke email correspondence, a process to pick up the views of local MPs within the LIS development phase, the sharing of press information and positive media coverage and social media coverage and 'tagging'.

Manging expectations – Even with the above suggested adjustments, the Lancashire LIS process cannot hope to command the level of resource and governmental engagement that has taken place within trailblazer areas. Lancashire needs to be more inventive in terms of the way it shares and develops this document, however the LEP does need to constantly reinforce what the LIS can and can't do, and that there are broader based strategic plan development opportunities where many issues would better reside.

The Greater Lancashire Plan

A proposal to develop a Greater Lancashire Plan has now been agreed by Lancashire Leaders and a costed proposal is under development with the Local Authorities Chief Executives group. A dedicated Greater Lancashire Plan Working Group has been established which will engage the interim LEP Chief Executive Officer. This work will set out the long term vision and ambition of Lancashire and provide a strategic framework to secure integration across multiple pan-Lancashire strategies and priorities, including the Local Industrial Strategy. It will also provide capacity and capabilities for the development of a single pan-Lancashire evidence base, analytical capacity and the development of independent policy commissions and challenge reviews. This will help set the ambition and targets for the Local Industrial Strategy as well as providing a long range lens within which Local Industrial Strategies will sit.