



## Lancashire Enterprise Partnership Limited

**Private and Confidential: NO**

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### **Update on Lancashire's Local Industrial Strategy**

(Appendices 'A' and 'B' refer)

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#### **Executive Summary**

The purpose of this report is to update the Board on Lancashire's Local Industrial Strategy.

#### **Recommendation**

The Lancashire Enterprise Partnership Board is asked to:

- (i) Note the development of Lancashire's Local Industrial Strategy (a presentation slide deck is attached at Appendix 'A' and an updated version of this presentation will be made at the meeting).
- (ii) Agree to the propositions as set out in Table 1 as the basis for the start of the conversation and iterative 'co-production' development process with HMG.
- (iii) Delegate authority to the Chair and Chief Executive to run that process with HMG, drawing on Lancashire partners and expertise, as appropriate, and;
- (iv) To reflect on the outcome of the General Election and delegate authority to the Chair and the Chief Executive to start the conversation with the new national government and report back, as appropriate, on new expectations and developments, including any implications for the Local Industrial Strategy.

#### **Background and Advice**

1. The National Industrial Strategy was published in November 2017. It sets out Britain's response to its 'productivity puzzle'. It focusses on competitiveness at the national and sub-national levels, with a view to boosting productivity and earning power by investing in skills, industries and infrastructure.



2. It is now accompanied by ten national sector deals, and three waves of local industrial strategies across 38 LEP areas, some of which join up around Combined Authorities or strategic corridors. So far, the whole of Wave 1 and one area from Wave 2, have published. It includes some powerful contributions: Greater Manchester; West Midlands; Cambridge-Milton Keynes-Oxford Corridor; and, West of England. There are some distinct offers: Oxfordshire as a global innovation centre; West Midlands as future mobility; Greater Manchester as clean growth, and so on. Lancashire is in Wave 3.

## **New Government**

3. At the time of writing there is continuing uncertainty about the future. The National Industrial Strategy was published by the Theresa May-led Government. However, a look across the published Manifestos of almost all of the political parties in the General Election, shows, in one form or another, a focus on industries, on productivity, skills and infrastructure is going to continue. It also demonstrates that a sub-national focus will continue, although it could take a different shape and scale. There is also a strong consensus that 'levelling up', a phrase used by both main political parties, will shift the focus to a more rounded economic approach so that inclusive growth and prosperity emerge more strongly, as will rebalancing the economy, both spatially and sectorally, although big differences are apparent in the proposed scale and scope of the state and intervention. There is also likely to be funding made available shortly after the Election, and potentially, more than seen in recent times, and there will of course be a Comprehensive Spending Review and Budget. There is also a growing importance placed on the environment and climate change and therefore the likelihood of a future focus on green developments, including speculation around green deals and added impetus towards the achievement of carbon reduction targets. Equally, the prospects for future devolution appear to be good, albeit potential differences around 'powerhouse', regional and sub-regional forms.
4. On that basis, the decision by Lancashire LEP to continue working up its Local Industrial Strategy will provide an important part of forming a new conversation with the next government.

## **The Lancashire Local Industrial Strategy**

5. So, a number of steps have been taken:
  - (i) Extensive call for evidence, including on-line opportunities;
  - (ii) Extensive consultation, including two major stakeholder Workshops, and on-line opportunities;
  - (iii) Targetted stakeholder meetings with Local Authorities, Health, Business, Higher Education, Further Education, MEPs and MPs (although Brexit has led to these being regularly cancelled);
  - (iv) Development of a LIS-based Evidence Base and sign off from BEIS;
  - (v) This includes a clear set of Headlines;
  - (vi) A set of thematic priorities about what the LEP is going to do that align closely with the Five Foundations.



6. And a number of steps are underway and remain to be completed by the end of March:
  - (i) Production of a set of actions about what the LEP is going to do;
  - (ii) Finalisation of a set of asks to Government about those ambitions by the end of December and negotiating the contribution from Government between December and March, 2020;
  - (iii) A further stakeholder Workshop in January 2020;
  - (iv) Writing the LIS document, with a compelling Lancashire Narrative – already underway and attached in Appendix B;
  - (v) Co-publishing the LIS with HMG by March, 2020.

### **Themes and Propositions**

7. The Local Industrial Strategy, first and foremost will be a strategy for Lancashire. It will incorporate the analysis that underpins the headline findings, the input from the consultation exercises, the ideas and proposals linked to ideas and proposition development, as well as the propositions that include 'asks' of Government. There is no hierarchy of importance within any of this. The Government has made it clear that Local Industrial Strategies are not bidding documents and proposals should be based on pre-existing budgets. The local strategies are clearly part of the National Industrial Strategy and are co-produced with Government. The 'asks' are about Government's other contributions as well as freedoms and flexibilities. So, this process is not like the Strategic Economic Plan that was primarily a bidding document for Growth Deal Funding.
8. On that basis, it is important that stakeholders ensure that the Strategy narrative captures the key priorities, as foundations for future discussions and opportunities arising from the next Government. There is likely to be an early Comprehensive Spending Review and Budget in the Spring.
9. The priority themes and ideas and propositions are set out in the attached Slide Deck – Slide 6 LIS Priorities and Pipeline Ideas, Appendix A.

### **Propositions with 'asks' of Government for submission**

10. Whilst at this stage we do not know what the future holds for the existing process in light of the prospects of a new Government, there is an existing 'live' expectation with senior civil servants that Lancashire LEP will finalise a set of propositions with asks of Government to Government by the end of December.
11. A short summary of the proposed propositions are set out below in Table One.

**Table One: Asks of Government**

<b>Proposition</b>	<b>What</b>	<b>Why</b>	<b>How</b>	<b>Ask</b>
<b>Careers Hub</b>	Extend to whole of Lancashire	Evidence is that Careers Hubs work and scaling across labour markets adds value.	Co-investment from partners	Can we extend coverage?
<b>T Level Test Bed</b>	Test T levels for Level 4 & 5	Upskilling the pipeline in high level technical skills in Lancashire's key strength-based sectors	Extend T Panels to levels 4 and 5, industry led.	Can we be recognised as a pilot?
<b>Digital Pathways and Levelling Up</b>	Development of real-time digital career pathways working with industry leaders	Evidence-base outlines the digital divide and lack of relevant provision and digital career pathways	Industry collaboration.	Can we evaluate together these collaborations with Facebook, Google and others, too?
<b>Skills Escalator ESF transition</b>	To replace the siloed approach with a pathway approach, based on key workers	To prevent churn and revolving doors.	By learning from the 'additional' horizontal process management across the priority projects	Can we do joint evaluation?
<b>Drone Zone</b>	Drone full scale technology Demonstrator and Economic Cluster	Builds on existing sector strengths and existing site developments at UCLAN and BAE	Build on existing developments arising from Flight and Brunel Challenges	Assurance around Safety Cases and lifting of regulations and existing restrictions
<b>Clean Energy Technology Park</b>	Fuel technology development	Links to energy sector strengths and Nuclear Sector Deal	Master Plan and Business Case	EZ status/tax concessions Links to DIT High Potential Opportunities



	opportunities linked to nuclear sector			
<b>Preston Central Business District</b>	Using agglomeration to secure a Central Business District realising Grade A Office space.	Strength -based approach, building on knowledge spillovers, increasing return effects, specialisation, generate factor flows.	Strategic Regeneration Framework Public Sector Hub HS2/Station Expansion Commercial development opportunities.	Utilise City Deal to secure business rate/development corporation powers Hub development Recognise the 'unique' growth opportunity.
<b>Asian Heritage Business Community Cluster</b>	Understanding the dynamics and scale of economic activities	Evidence of a significant impact in Blackburn/East Lancashire	A deep dive	Linking enterprise to existing MHCLG Social Integration Pilot Scope to build trade links
<b>Agri-Tech</b>	Pan-Lancashire Agri-Tech Group and the development of demonstrators as part of the Living Lab Environment.	Agriculture and rural economy is a major strength and adds to the diversity dimension of the Lancashire offer  Efficiency and effectiveness measures can be realised through the testing and application of new technologies to land management, farming and the rural economy	The development of a whole system network and the pulling together of key capabilities, building on the foundations arising from Myerscough College, its FFIT and Lancaster University.	Alignment with National Agri-Tech Strategy  Access to good practice and regional & national networks  Cross-HMG approach, BEIS, DEFRA, DIT, DfE.  Advice on set up Agri-Tech Group  Identification of agriculture as STEM.  Discussions on demonstrator units to promote knowledge transfer and exchange.



<b>Clean Growth</b>	A Clean Growth Task Force working across sectors and EZ sites, providing leadership, management development and R&D support.	Address low-carbon and digital revolutions through existing strengths in energy and advanced manufacturing sectors.	Led by Centre for Global Eco-Innovation partnered with business, HEIs and LEP. Sharing of new technologies & practises including hydrogen and IDT demonstrators at EZ.	Test bed for decarbonisation ambitions in HMG “Leading on Clean Growth” low carbon industrial cluster proposal.
<b>Mental Health</b>	A business-led, LEP sponsored review into the needs of business focussed on Mental Health Awareness and Mental Health Support for Employees.	Mental Health within the existing and future workforce and its drag on Productivity is a major issue in Lancashire as identified in the LIS Evidence Base.	A cross-sector Panel of business leaders, academia and other independent experts, sector specialists, will provide a new lens to view Mental Health issues impacting on the existing and future workforce, the scale and scope of the issues and clarity about the interventions and what works.	Government to be asked on to the Panel as an observer/adviser, advise on the terms of the Review and to receive, respond to and help roll out the findings.
<b>Blackpool Town</b>	To consolidate geographically	In line with Civil Service Vision for 2020, hubs will	Collaboration with public sector and	Recognise the role that Blackpool can make in meeting the challenges



<b>Centre Civil Service Hub</b>	diverse and poorly accommodated civil service departments into a combined hub strengthening the anchor institution impact, place attractiveness and commercial opportunities	need to be accessible and well-located in major towns and cities supported by good public transport links.	private partners to develop a key site location.	and opportunities set out for public sector employment consolidation.  Can we be recognised as a pilot for public sector hub design excellence, collaborating with HMG.
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12. The drafting of the detail behind the propositions is near completion and will be shared with the Board before Christmas.
13. The propositions will be appropriately referred to in the Local Industrial Strategy and the Board will have the opportunity to input on them prior to the finalisation of it.
14. All of these propositions have been developed in a format that meets the challenge of the BEIS logic chain and template and will be finalised to start the co-production process for the contribution of Government to Lancashire's Local Industrial Strategy.
15. This process will be iterative and it may result in some initiatives being taken further forward, some not, other related issues emerging too. It is suggested the Chair and Chief Executive are given delegated authority to negotiate the outcomes.

### **Final Draft Local Industrial Strategy**

16. The draft Strategy is now being written against Chapters that follow the five foundations and cover the relevant industrial challenges. This will be developed in parallel with the dialogue with Government. A first draft will be shared with Board Members.

### **List of Background Papers**

Paper	Date	Contact/Tel
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None

Reason for inclusion in Part II, if appropriate

N/A