



Lancashire Enterprise Partnership Limited

Private and Confidential: NO

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Lancashire Digital Strategy
(Appendix 'A' refer)

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Executive Summary

The value of the UK's technology ecosystem has exploded in recent years, and with sustained dynamic growth it has surpassed a valuation of \$1tn – becoming the 3rd in the world to achieve this status after the US and China.

Lancashire's unique strengths in digital, along with recent investment decisions such as the announcement to locate the National Cyber Force in the county, means it is now timely to produce a strategic framework to position Lancashire as a major contributor to the UK's technology ecosystem.

The Lancashire Digital Strategy is the first in a series of documents which will inform the framework and articulates the vision for the Lancashire's digital sector and the strategic imperatives and enablers to achieve this vision.

Recommendation

The Lancashire Enterprise Partnership Limited Board is asked to:

- (i) Approve the Lancashire Digital Strategy; and
- (ii) Approve the formation of a Task and Finish group to develop a detailed implementation and investment plan, overseen by the Digital Sector Group.

Background and Advice

In December 2020, the board approved the LEP's Strategic Economic Framework which prescribes a system leadership approach which brings together both the public and private sectors to address the underlying economic challenges of the county, as well as responding to existing and emerging opportunities.



Within the Framework system, a series of inputs will start to determine evidence-based strategies and priorities for action, which will deliver strategic impact for Lancashire with respect to the following:

- New and sustainable jobs for everyone
- Improved productivity across Lancashire's business base
- A vibrant ecosystem which supports new business start-ups and growth
- Investment and growth in new industries for Lancashire
- Significant contribution to net zero carbon targets across all sectors
- Enhanced sustainable, internationally competitive businesses

At the heart of the framework are six pillars of growth, which identifies key industry sectors for employment and productivity growth and a set of enablers, essential to the success of those industry sectors where barriers to growth may need to be addressed and enabling factors fuelled for greater impact. A sector development approach is being taken for the pillars of growth, which has resulted in sector groups being established and which are led by business-leaders in their respective sectors.

Each sector group has been tasked with developing a long-term sector-specific strategy which will achieve and sustain a competitive position on both the national and international stage. Competitive advantage will be achieved by:

- Increasing the productivity of indigenous businesses
- Driving the direction and pace of innovation within businesses
- Stimulating the formation of new businesses and growth of existing businesses
- Identifying the county's differentiators and unique capabilities within each of the industrial sectors and the identification of new growth pathways

The sector plans will also determine which enablers (such as skills, infrastructure and inward investment) are the most important for the successful development of the sector.

The Lancashire Digital Strategy

Context

Members may recall, that at the appropriate time, the Sector Plans will be presented to this Board for consideration and subsequent approval.

The Lancashire Digital Strategy (Appendix A) is the first phase of a series of documents which will inform the development of a Strategic Digital Framework, and whilst very much conceptual at this stage, provides a high-level overview of the ambitions for the county.



The value of the UK's technology ecosystem has exploded in recent years, and with sustained dynamic growth it has surpassed a valuation of \$1tn – becoming the 3rd in the world to achieve this status after the US and China.

As a result, it is now timely for Lancashire to lay the foundations which begin to articulate its ambitions to ensure the county is well placed to benefit from these growth opportunities. Further work is required in developing a detailed delivery and investment plan, along with established governance arrangements.

Overview

Chaired by Kam Kothia OBE DL, the Digital Sector Group was established in February 2021 and is comprised of members primarily from the private sector, but also from academia, the civil service and the public sector.

In May 2021, Iain Bennett from The Fifth Sector was commissioned to produce the Lancashire Digital Strategy. The group met on several occasions to agree a vision for the sector along with a defined set of strategic objectives.

A mapping exercise was also undertaken to gain additional insight into the scale, geographical distribution and significance of the workforce and supply chains in Lancashire.

This was complemented by a number of wider stakeholder interviews with business leaders operating within and out with the sector (to provide the cross-sectoral enabling context of digital) to obtain evidence on critical technologies, Lancashire's key economic and social challenges, potential growth markets and skills and workforce development requirements.

This provided the evidence base to support the development of the Lancashire Digital Strategy and a range of potential interventions for Lancashire's digital sector to become more competitive and enable the growth of employment and opportunity across other priority sectors.

Vision

The vision for the sector is for *'Lancashire to forge a new identity as a globally significant hub of a fourth industrial revolution, at the heart of applied industrial technology and leading the transformation of its economy and society through ethical, innovative and secure applications of data and digital technology.'*

By 2035:

- Lancashire has reclaimed its identity as an economic powerhouse on the global stage, at the forefront of a digital industrial revolution.
- Lancashire is the fastest-growing digital economy in the UK and increase the contribution of the digital sector to over £5bn per annum.



- Lancashire is the location of choice for businesses and investors looking to develop and apply innovative digital solutions to significant global challenges.
- The benefits of improved skills and better access to job opportunities are available to all in Lancashire.
- Lancashire has leapfrogged other UK and international regions by focussing on its strengths.

Strategic Imperatives and Enablers

To achieve the vision for the sector, five strategic imperatives have been identified:

- To significantly increase the number of digital pre-start and start-up businesses
- Provide the conditions to allow more existing and new start businesses to scale-up
- Attract inward investment from major digital employers
- Increase the number of businesses across all sectors using data and digital tools and services to increase employment and productivity
- Greater collaboration and partnership between digital businesses and other priority sectors of Lancashire's economy

The realisation of the strategic imperatives will be underpinned by the following five enablers:

- Digital skills and talent development, to inspire children and young people in education, upskilling, and reskilling the existing workforce to address gaps and shortages, and attracting and retaining more skilled people
- A best-of-breed entrepreneurship and innovation ecosystem, inspiring leadership and a culture of co-creation and collaboration
- Digital and physical infrastructure to support clustering and knowledge exchange, linking existing digital workplaces to county-wide provision offered through an Innovation Enterprise Hub
- An escalator in grant, debt and equity funding and network building to stimulate private sector investment
- Investment in marketing and communications to project a positive, dynamic and forward-thinking image of Lancashire

Next Steps

- The essential next step is to translate the Digital Strategy into an Implementation Plan, developed by a stakeholder Task and Finish Group.
- The Digital ecosystem evolves rapidly by comparison to other sectors. As a key growth sector and primary enabler of many other sectors of growth, a plethora of initiatives are emerging across the county, via interventions of local authority, the education sector, businesses directly, national government departments and other agencies and organisations.
- The Task and Finish Group will consult widely with these stakeholders to develop an Implementation Plan which recognises and reflects these initiatives



within the Digital Framework and seeks to identify any additional gaps to be commissioned within the Plan.

- The Implementation Plan will also articulate the alignment of all elements of the LEP's Strategic Economic Framework, including the Skills and Employment Framework, Innovation Strategy and Plan, Internationalisation Strategy, Finance for Business Plan, and other Sector Plans.
- The business-led Digital Sector Group will provide oversight and direction to the Task and Finish Group and the final Implementation Plan, review progress of delivery and monitor impact on the ground at appropriate intervals.
- In recognition of the very dynamic and fast changing nature of this sector, and emerging opportunities such as the successful establishment of National Cyber Force in Lancashire, a number of specific initiatives will be progressed in parallel with the Implementation Plan – major projects, quick wins and essential enablers.

List of Background Papers

Paper	Date	Contact/Tel
None		
Reason for inclusion in Part II, if appropriate		
N/A		