



Lancashire
Enterprise Partnership

Update for LEP Business Support Management Board

Andy Walker – Head of Business Growth LCC

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County Hall



POTENTIAL DEVOLUTION DEAL FOR LANCASHIRE

A Lancashire Combined Authority along with the LEP will be seeking a first devolution deal with progress on the following:

- More devolved funding – transport, business support, skills
- Greater influence over skills – aligning skills provision to sector needs and demands extending to schools
- Steps towards integration of health and social care
- Unlock public sector land for development – residential and employment
- Co-ordinated housing supply across the area



LEP Overview

- Summary
- Enterprise Zones
- Growing Places
- City Deal
- Growth Deal
- Transport for Lancashire
- Business Growth Initiatives
- Skills for Growth Initiatives
- Lancashire ESIF Strategy 2014-20
- Strategic Marketing and Communications
- Northern Powerhouse





Summary

- LEP established in 2011 as a private sector led public/private partnership for Lancashire, chaired by Edwin Booth
- LEP has developed an investment growth programme valued at nearly £1 Billion – a level of performance only bettered by a few larger Core City LEPs with much greater capacity
- 50 major initiatives planned/underway across all parts of Lancashire with key programmes delivering ahead of schedule and exceeding delivery targets
- A robust Strategic Economic Plan (SEP) and business case approach informs key decision making
- A refreshed SEP is planned for later this year
- LEP has enabled local partners to bring forward new initiatives of scale underpinned by innovative investment frameworks
- Government has a positive view of the LEP's overall performance with recent *Annual Conversation* and review of the LEP's Assurance Framework reporting strong progress and robust accountability systems
- LEP and local partners continue to work on strategic project pipeline to take advantage of local and national investment streams and new policy initiatives
- LEP recognises the need to raise its profile and strengthen communications with local stakeholders
- LEP welcomes the opportunity to work with local authorities on developing Combined Authority arrangements and Devolution Deal proposals
- LEP views the Northern Powerhouse as a positive framework that enables Lancashire to position its economic strengths and forge stronger cross-boundary linkages





LEP INITIATIVES UPDATE

Enterprise Zone Programme

- New £15M national training facility for BAE Systems and new £10M industrial logistics centre on Samlesbury EZ. Major enabling infrastructure works underway funded by (£18.5M) loan finance facility provided by the LEP/LCC. First two new business occupiers are on Warton EZ. Focus on AEM sector growth. Opportunity to establish AMRC (NW) at Samlesbury.
- Blackpool Airport EZ business-case approved by Government. Formal announcement made in November's Autumn Statement. EZ to come into full force in April 2017 with the potential to support 140 new businesses and 3,000 new jobs. EZ will be home to the national Energy College. Focus on energy sector growth and aero-park developments.
- Government's Summer 2015 Budget announced new EZ bidding round. LEP submitted Hillhouse International Business Park which was also announced in the Autumn Statement. EZ launched on 1 April with implementation plan to be agreed by this Autumn. Focus on chemicals and energy sector with prospect of creating c. 1,500 new jobs.
- LEP's EZ programme has the potential to create c.10,000 new jobs with an investor offer of Northern Powerhouse significance

Growing Places Investment Fund

- LEP's £20M Growing Places loan fund is on its 9th commercial investment with £1M committed to secure 450 new jobs with an global investor expanding in Preston
- Growing Places fund has fully revolved and leveraged over £100M in public/private investment and supporting the creation of nearly 3,500 jobs and 200 new homes
- Growing Places continues to welcome commercially-focused investment proposals from public and private sector partners





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LEP INITIATIVES UPDATE

City Deal

- All first year targets of £450M City Deal programme delivered in 2015/16
- £23M invested in Year 1 infrastructure delivery with all road schemes ahead of schedule
- Housing Zone Status secured in Preston City Centre to bring forward stalled and new housing schemes with 750 housing units already identified
- City Deal Employment and Skills Strategy in development focused on securing local benefit
- Lancashire Pension Fund has invested nearly £30M in commercial schemes in the City Deal area
- Work underway on re-shaping community infrastructure to support the delivery of growth plan

Growth Deal

- LEP's Growth Deal has received its first year £38m allocation from Government in 2015/16, with £53M released for 2016/17, as part of a 6-year £232M devolved investment programme
- Lancashire has competitively secured one of the largest Growth Deal programmes in the country with over 30 defined projects in development/delivery
- Growth Deal 3 proposals are currently in development for submission to Government by 21 July

Transport for Lancashire

- Local Strategic Transport and Highway Masterplans underpin development of key priorities
- Transport for Lancashire tests scheme business cases and makes recommendations to LEP Board
- Strategic Transport Prospectus promotes the importance of Lancashire's connectivity priorities within Northern Powerhouse framework – priority schemes have potential to create 15,000 new jobs and over £600M per year in GVA uplift
- Leader of the County Council represents Lancashire on Transport for the North





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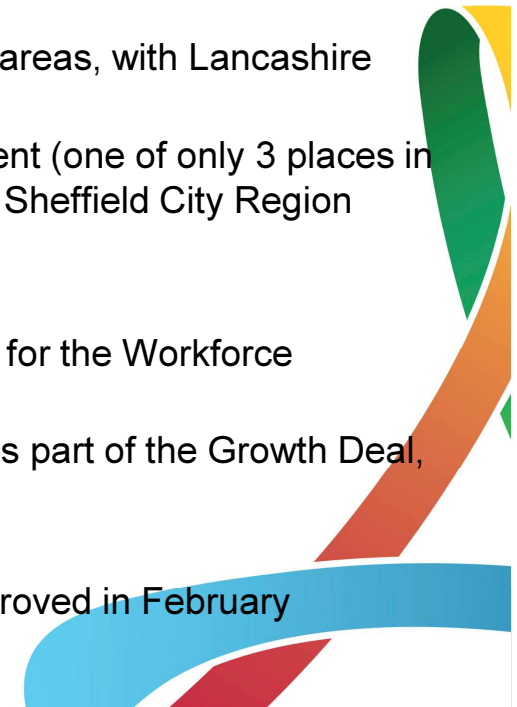
LEP INITIATIVES UPDATE

Business Growth and Innovation

- Boost first phase completed in September 2015, with 3,000 SMEs engaged and 1,000 businesses improved across the Lancashire sub-region, with 1,200 new jobs created
- County Council has agreed to invest £3M, in a new 3-year Boost business growth programme valued at £8M, with a further £1M secured in revenue funding from Government. This investment will help to secure Lancashire's core business support infrastructure
- Lancashire's Chambers of Commerce with LEP support has secured £8M from RGF6. This business growth fund can be accessed via Boost with capital grants for projects generating new jobs and additional private investment
- LEP has commissioned Regenerate to undertake an audit of local publicly-funded business support in Lancashire, at the request of Government
- £400M Northern Powerhouse Investment Fund established, covering 10 LEP areas, with Lancashire investing £12.5M from its ESIF programme
- LEP has recently secured Science and Innovation Audit status with Government (one of only 3 places in England to do so out of more than 30 competing areas) – a joint initiative with Sheffield City Region which positions the AMRC (NW) at Samlesbury EZ

Skills for Growth

- Nearly 4,000 employees in Lancashire have benefited from our Skills Support for the Workforce programme
- Employment and Skills Board has defined a £30M Skills Capital programme as part of the Growth Deal, with £26M already allocated to priority skills facilities
- Lancashire Skills Hub established with strong linkages to Boost
- Employment and Skills Strategy, underpinned by 7 sector skills analyses, approved in February





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LEP INITIATIVES UPDATE

European Strategic Investment Funding (ESIF) Strategy 2014-20

- Government agreed the ESIF operational programme for England in June 2015
- LEP successfully secured a 100% improvement in Lancashire's Assisted Area coverage
- LEPs can only advise local ESIF Partnerships which are managed by and accountable to Government - unless renegotiated as part of devolution deals with Government
- £188M allocated (revised down from £232M) to our ESIF programme (£113M ERDF/£75M ESF)
- Government has varied the original output framework and thematic funding allocations, which has generated technical and operational difficulties
- A number of ESIF funding calls underway and planned
- Focus on developing a strong project pipeline and generating the ESIF match required

Strategic Marketing & Communications

- LEP has commissioned the development of a place marketing and communications strategy, with Marketing Lancashire managing this work programme
- Need to ensure coherent and relevant messages are promoted with regard to Lancashire's economic successes and opportunities
- Commission is not about the LEP, more about Lancashire, the place, though the LEP is keen to improve communications with local stakeholders
- New marketing strategy to be launched in Autumn 2016 with trailers in advance, but improved communication activities already in place with key stakeholders, including the weekly Lancashire Business Brief and a much greater presence achieved in social, regional and national media





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City Deal Achievements to date – Years 1-2

Housing

- Strong progress against targets with 1,599 housing units completed to date
- c50% of planning consents in place
- Key sites progressing well through planning/masterplanning

Commercial sites

- Year 2 completion targets exceeded
- Progress on track to unlock key development sites at; Lancashire EZ, Samlesbury site, Cuerden Strategic Employment site
- Encouraging signs of market recovery, eg; large letting to Amazon at Lancashire Business Park; Phase 1 of Queens Shopping Park, Preston completed; Speculative industrial development at South Rings, Bamber Bridge and Vision, Red Scar, Preston East; Growing market interest in HCA large development sites

Skills & Employment

- Action Plan in place to; Improve skills to support employment growth and meet replacement demand; Provide skills, training and recruitment support to Inward Investors; Support the construction sector and supply chain opportunities; Increase Social Value via Procurement;

Infrastructure

- £26m of public/private investment in transport infrastructure
- Widening of sections of the A582/junction improvements completed
- Major progress with other schemes; Broughton by Pass start on site; Preston Western Distributor planning application submitted; Lancashire Enterprise Zone, Samlesbury site access in place; Phase 2 Preston City Centre public realm improvements in progress



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City Deal

2016-19 Business Plan

Housing

- 3,000 new homes to be completed
- Preston North West East-West Link Road to be completed
- Pickerings Farm Link Road to be completed/Heatherleigh/Croston Road spine road to be completed

Commercial sites

- 157,668 sq m of commercial floorspace to be completed
- 1st phase development scheduled at Cuerden Strategic Employment site
- 2nd phase development scheduled at Lancashire Enterprise Zone, Samlesbury site
- Phase 3 Public Realm improvements in Preston to be completed
- Completion of Preston development sites, including; Cinema development, East Cliffe Hotel, 2nd Phase Queens Shopping Park, UCLan Engineering Innovation Centre

Skills & Employment

- Continue to deliver Skills & Employment Action Plan to maximise growth opportunities and help mitigate against any development constraints

Infrastructure

- £200m of investment to be made in transport infrastructure schemes
- Continuing sections of the A582 to be widened
- Preston Western Distributor start on site scheduled
- Broughton & Penwortham by Passes to be delivered
- District Centre improvements completed, for example; New Hall Lane, Longridge/Grimsargh, Bamber Bridge, Broughton





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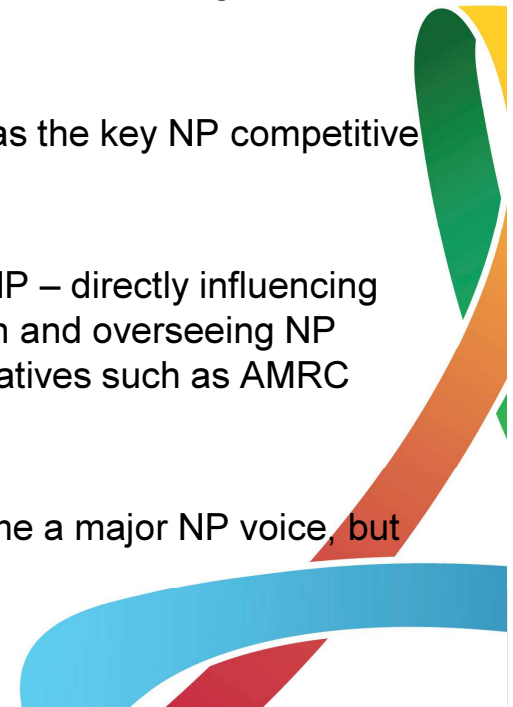
Northern Powerhouse - 1

- Northern Powerhouse (NP) first referenced by the Chancellor in 2014 with further announcements in Autumn Statements and Budgets
- NP aims to close the North of England's performance gaps and rebalance the UK economy
- Much of the initial case-making with Government has been made by Manchester and the other Core Cities
- At this stage, NP should be considered as an emerging framework for change and not a fully worked-up programme of action
- NP considered to be a central element of the Government's emerging devolution agenda which links to Combined Authorities and Devolution Deals
- Still very early days, but NP approach ultimately to be underpinned by 11 Combined Authorities and 11 LEPs working with Government to develop initiatives of Northern significance that transcend local boundaries
- At this stage, very little new funding available, given the scale of the challenge and opportunity and the legacy of national investment in the North



Northern Powerhouse - 2

- Early NP focus on inter-city transport connectivity with the work of Transport for the North
- A £400M NP investment Fund has been launched (see earlier reference)
- NP has value as a vehicle to promote the North of England in international markets with NP trade missions and the development of NP investor propositions for economic strengths with global reach
- An Independent Economic Review (IER) has been undertaken to review NP economic strengths with work underway on developing a NP economic narrative to be launched in June
- Advanced manufacturing, energy, health sciences and digital will be identified as the key NP competitive strengths – Lancashire has major strengths and assets in these sectors
- Lancashire's local authority and LEP leaders are playing key roles in shaping NP – directly influencing Transport for the North, securing support for key transport priorities, investing in and overseeing NP Investment Fund, working on IER and economic narrative, developing new initiatives such as AMRC (NW) which link Lancashire's strengths with neighbouring city-regions, etc.
- Still more to be done with Lancashire needing to seize the opportunity to become a major NP voice, but local authorities and LEP are committed to getting the best from the NP



Upcoming Activities

- Negotiation and Outcome of Growth Deal 3 - £120m submission
- New LEP Business Plan – Autumn 2016
- New Strategic Economic Plan – Spring 2017
 - Innovation – Science and Innovation Audit submitted Sept 2016, Smart Specialisation mapping, Innovation Plan
 - Internationalisation – see Item 7
 - Productivity – Item 9



Lancashire Combined Authority

Background and Progress

- 18 months of exploratory work to determine most suitable governance arrangements for Lancashire to realise our ambitions
- Throughout March and April 2016, Lancashire Leaders have recommended to their Councils to join a Combined Authority for Lancashire (excluding Wyre Council)
- Councils have now made that commitment and operate as shadow Combined Authority from July 2016
- Governance arrangements in place – one member one vote
- Public consultation – 70% of respondents agree that a Combined Authority is right for Lancashire



ABOUT A COMBINED AUTHORITY

What it is:

- A combined authority is a legal entity set up to undertake joint functions relating to transport, economic development, regeneration
- A body which can receive devolved funding and powers from the Government
- A body which can influence and shape provision of services in the area, for example skills, business support, NHS and social care

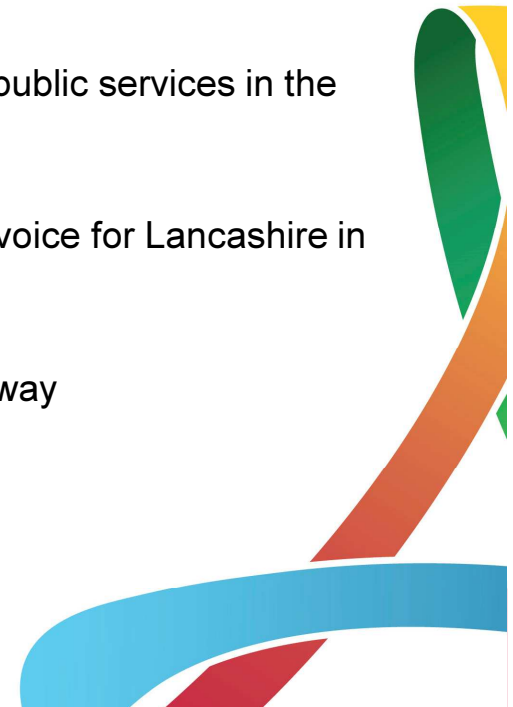
What it isn't:

- They are not unitary authorities and are not a step towards creating a unitary
- They are not a take-over by any authority or a merger
- It isn't a shared service, but will add capacity to deliver economic and housing growth, improved skills, greater connectivity, better health outcomes



AMBITION

- An opportunity to demonstrate Lancashire is a serious economic player with local leaders committed to making strategic decisions to deliver sustainable economic and housing growth and linking residents and communities in greatest need to the new growth opportunities
- An opportunity to establish a single, coherent local authority voice for Lancashire to influence regional and national priorities, including further devolution opportunities and new approaches to public service delivery
- An opportunity to work collectively on the challenge of delivering sustainable public services in the future
- Greater ability to influence strategic transport priorities with an even stronger voice for Lancashire in shaping the priorities of the Transport for the North
- An opportunity to share capacity, expertise and experience in a co-ordinated way



FOCUS OF COMBINED AUTHORITY

Priority Themes

- **Prosperous Lancashire** – to be recognised as a destination of choice, to invest in, do business in, live or visit
- **Connected Lancashire** – digital and transport connectivity to promote inclusive growth
- **Skilled Lancashire** – a skilled workforce to meet the demands of employers and future business growth
- **Better Homes for Lancashire** – residents to have better living standards with good quality homes and a wide housing offer to attract commuters
- **Public Services Working Together for Lancashire** – integrated public services at the heart of local communities giving everyone the opportunity for a healthier life.



NEXT STEPS

- Formal submission to the Government with Combined Authority proposals
- Parliamentary Order to establish Combined Authority
- Devolution discussions continue and proposals developed in detail for sign off
- First meeting of Shadow Lancashire Combined Authority to be held 11th July 2016
- Lancashire Combined Authority to be fully functional by April 2017, subject to Government consents

